**CA550 – Usage of Tax Qualifiers & RateType Code**

Announcement and confirmation messages for distributions that are not taxed at source should not include tax qualifiers, i.e. TAXR//0, should not be reported.

Announcement and confirmation messages for distributions that are taxed at source but paid without any deduction of tax, as relief at source as been granted, may include tax qualifiers with a rate equal to zero, i.e. TAXR//0.

Where proceeds are taxable and a tax rate is reported (e.g. TAXR//35,), the “Gross Dividend Rate” should not require a Rate Type Code equal to TXBL. Instead, if proceeds are, exceptionally, exempt at source, the “Gross Dividend Rate” should be reported with a Rate Type Code equal to TXFR. Please refer to examples in 13.2 for further information.

*Proposed changes to 13.2 -* *On The Usage Of Tax Free Information*

Examples for dividends processing/mapping

The dividend is announced at 10 EUR per share

a) Fully taxable event (20% basis rate)

a1) Customer is taxed

:92F::GRSS//EUR10,

:92A::TAXR//20,

:92F::NETT//EUR8,

a2) Customer is not taxed (based on tax status)

:92F::GRSS//EUR10,

:92A::TAXR//0,

:92F::NETT//EUR10,

b) Partially taxable event (8 taxable, 2 non-taxable) – one movement

b1) Customer is taxed

:92F::GRSS//EUR8,

:92J::GRSS//TXFR/EUR2,

:92A::TAXR//20,

:92F::NETT//EUR8,4

b2) Customer is not taxed (based on tax status)

:92F::GRSS//EUR8,

:92J::GRSS//TXFR/EUR2,

:92A::TAXR//0,

:92F::NETT//EUR10,

c) Partially taxable event (8 taxable, 2 non-taxable)- two movements

c1) Customer is taxed

:92F::GRSS//EUR8,

:92A::TAXR//20,

:92F::NETT//EUR6,4

:92J::GRSS//TXFR/EUR2,

:92F::NETT//EUR2

c2) Customer is not taxed (based on tax status)

:92F::GRSS//EUR8,

:92A::TAXR//0,

:92F::NETT//EUR8,

:92J::GRSS//TXFR/EUR2,

:92F::NETT//EUR2,