

SMPG – Tax sub-group

Telephone Conference Minutes

10th March 2016

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**Attendees**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Country** |  | **First Name** | **Last Name** | **Institution** | **Participation** |
|  | BE | Mrs | Véronique | Peeters | BNY Mellon | Excused |
| Facilitator | N / A | Mr | Jacques | Littré | SWIFT |  |
|  | CA | Mr | Cairbre | Cowin | RBC IS | Excused |
|  | CH | Mr | Reto | Baumgartner | Credit Suisse | Excused |
|  | DE | Mr | Daniel | Schaefer | HSBC | Excused |
|  | DE | Mr | Thomas | Rockstroh | Clearstream | Excused |
| Co-chair | FR | Mr | Jean-Pierre | Klak | State Street |  |
|  | FR | Mr | Karim | Djenadi | BP2S | Excused |
|  | FR | Mrs | Celine | Bohm | BP2S |  |
|  | FR | Mrs | Alexandra | Sellam | BP2S | Excused |
|  | IT | Mrs | Paola | Deantoni | Societe Generale | Excused |
|  | LU | Mr | Nicolas | Godfrey | Clearstream | Excused |
|  | LU | Mr | Bernard | Lenelle | Clearstream | Excused |
|  | LU | Mr | Charles | Boniver | RBC IS | Excused |
| Co-chair | SG | Mr | Jyi-Chen | Chueh | Standard Chartered |  |
|  | UK & IE | Mrs | Mariangela | Fumagalli | BNP Paribas | Excused |
|  | US | Mrs | Sonda | Pimental | BBH | Excused |
|  | XS | Mrs | Delphine | Haillez | Euroclear |  |
|  | XS | Mrs | Marina | Kotti | Euroclear |  |
|  | ZA | Mr | Sanjeev | Jayram | First National Bank |  |
|  | ZA | Mr | Dale | Van Rayne | First National Bank |  |
|  | ZA | Mr | Yusuf | Basha | First National Bank |  |

**Action**: NMPGs to eventually look for tax experts candidates in their local Markets.

# Approval / comments on January 28th minutes call

No comments. Previous minutes approved

# Tax Table

New statistics provided by Jacques based on 3 months traffic in 2014 (please see attached)



Some comments during the call:

NRES.

ZA : no specific Non-resident taxation

Euroclear : NRES

SG : apparently not

TAXC – rate type codes

Euroclear : ‘never seen’

ZA : not used for the moment but to be analyzed

SG : not used

Proposal to go back to the Country / Market that requested the above qualifiers and double check with this Market.

**Action:**

All NMPGs to confirm usage or not of NRES qualifier and IMPU, PREC, TIER rate types codes.

# TAXR/WITL - COIN Market Practice

# COIN

COIN Market Practice has been published on the SMPG website => subject closed

# TAXR / WITL

COIN Market Practice has been published on the SMPG website. Please see below

**8.34 Usage of Withholdings Tax Rates (TAXR, WITL)**

The change in the usage of the Withholding Tax Rate (TAXR) and Second Level Tax (WITL) are illustrated in the following examples (based on South-African) scenarios.



Veronique raised an issue regarding a scenario in the Belgian Market. See previous minutes.

Nevertheless, due to difficulties to justify a high volume, the Belgian Market will work on a workaround solution.

**Action:**

No more information required on TAXR / WITL: subject closed.

# Tax processing flow / certification process

  

Feedback received from several Markets. Please see attached.  
Some are still missing.

As per the current answers, the final proposal may result into a mix solution



Discussion during the call:

In order to find out the best solution that we would be able to harmonize, should we have an IT approach and analysis ? Should we have a preference for the cheaper scenario ?

The needs are different depending on the country. Furthermore, we have to keep in mind that the process is always based on paper made documentation that our Tax teams have to manage.

**Action:**

Each participant will be requested to provide his/her preference between scenario 1 and scenario 2 or to communicate his/her strong objection against one of the two scenarios.

Should this subject be presented to the full Corporate Actions group in Helsinki?

# Other topics

FLFR

Preference of the group for FLFR as a Rate type code. Example below:

92J::GRSS//FLFR/AUD139306,

:92J::GRSS//INTR/AUD0,0262294

:92J::GRSS//TXFR/AUD0,00084

Nevertheless, it would be prudent to reach out to the other participants within the Australian community as they could be using FLFR as a qualifier  instead of a ‘rate type code’

Furthermore, as per the Statistics of usage (see item 2); FLFR is more frequently used as a Rate type code rather than a qualifier.

**Action**:

Last feedback from the group is requested for the May call.

If everybody agrees, a Change Request will be proposed during this May call for FLFR qualifier removal.

# Next Conference Calls

12th May – 23rd June.

**------------------------ End of the Meeting Minutes -----------------**