

SMPG – Tax sub-group

Telephone Conference Minutes

17th November 2022

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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 | a |
|  | CH | Mr | Reto | Baumgartner | Credit Suisse | Excused |
|  | DE | Mr | Daniel | Schaefer | HSBC | Excused |
| Co-chair | FR | Mr | Jean-Pierre | Klak | State Street | a |
|  | FR | Mrs | Mihaela | Fallourd | BP2S | Excused |
|  | IT | Mrs | Paola | Deantoni | Societe Generale | Excused |
|  | LU + DE | Mr | Alexander | Reis | Clearstream | a |
| Co-chair | SG | Mr | Jyi-Chen | Chueh | Standard Chartered | a |
|  | UK & IE | Mrs | Mariangela | Fumagalli | BNP Paribas | Excused |
|  | US | Mr | Paul | Fullam | FIS Global | Excused |
|  | US | Mrs | Vandana | Pasricha | BBH | Excused |
|  | US | Mrs | Elizabeth | Lanfear | BBH | Excused |
|  | US | Mr | Caleb | Lanfear | BBH | Excused |
|  | US | Mr | Ian | De Sacia | DTCC | Excused |
|  | US | Mr | Steven | Sloan | DTCC | Excused |
|  | US | Mr | Greggory | Lewis | GlobeTax | Excused |
|  | XS | MR | Jean-Paul | Lambotte | Euroclear | Excused |
|  | XS | Mr | Eric | Marega | Euroclear | a |
|  | ZA | Mr | Sanjeev | Jayram | Rand Merchant Bank | Excused |
|  | ZA | Mr | Riian | de Klerk | Rand Merchant Bank | Excused |

Jean-Pierre announced that he will leave the Corporate Actions SMPG working group and, as a consequence, he will also leave the CA SMPG Tax sub-group.  
The CA SMPG Tax sub-group is launching a call for candidates accordingly for whom would like to co-chair this sub-group with Jyi-Chen.

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# Approval of September 2022 minutes call

September minutes are approved.

# CA 505 - Add new Other Type of Income Qualifier in Movement Sequences (SR2022 CR 001791)

November and September 2022 calls: no updates from the US Market  
  
Please find attached the extract of the minutes of the Maintenance Working Group meeting focused on the US Change Requests for SR 2022 that includes the details of the CR1791  
  
  
June: work in progress within the US Market in order to propose a first draft to the Tax sub-group.

May: no update, still under discussion within the US Market

March 2022: topic under discussion within the US Market

January 2022:  
Tax subgroup to put forward a MP

The US participants explained that these 2 subjects (CA 500 and CA 505) will be discussed first within the US NMPG in order to propose something to the Tax sub-group.

**Action**:

US Market to propose a Market Practice on the OTYP new code

# CA 541 - CA Tax - Harmonisation of the DSS usage for tax related indicators (TNDP/ETYP/ITYP/OTYP)

November 2022 call: The group agreed on the fact that it may be interesting to check which country will use the TNDP qualifier. In other words, the DSS may be changed into an US local code if it is only used in the USA. Nevertheless, Jacques explained that the code ‘SMPG’ is very often used as a DSS. Consequently, if there is no issue, it appears not necessary to change all current practices and existing set-up applied by the entire community.  
Topic to close for the moment and re-open in case of any issue raised by some Markets.

September 2022 call: New topic.

Discussion to launch within the Tax sub-group regarding some DSS that are used in relation to Tax indicators.  
For example, for TNDP, the Market Practice currently recommends the usage of the “SMPG” code for the DSS whilst for ETYP/ITYP, specific DSS is used like “IRSX” for the US.

**Action**:

No changes needed at this stage. Topic closed.

# Market updates

Attached the follow up file covering the different Market initiatives.



Below an extract of this file limited to open topics:



Focus during the November call on Germany and Hungary.

# AOB

New topic raised for the November 2022 call:

It relates to the usage (or non-usage) of some qualifiers and code when taxation is nil or not applicable.

In more details, discussion will be around the following points:  
When to put a TAXR//0 in a MT564 … and when it looks not necessary ?  
When to use the indicator TXBL (associated to the Qualifier TXAP)?

When to report the rate type codes TXBL and TXFR?

As per the first discussions during the November call, it appears necessary to see first what is used and not used today by the community. In other words, the Market Practice will have to be analysed in general and compared to the usage by the Markets.  
The challenge may be to find a consistency in the usage of TAXR when an event is not subject to Taxation.

Furthermore, from an ICSD perspective, the common feedback received from their client is that the Tax rate indicated in the messages is not their taxation… which is logical due to the fact that ICSDs are used to send the maximum Tax rate so it may also explain a misunderstanding on the usage of TAXR when Tax rate applicable to them is 0.

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# Next Conference Calls

The next call of the CA SMPG Tax sub-group should take place on 19th January 2023.

The invitation will be sent in due course.

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