



International
Capital Market
Services Association

BULLETIN – 150916/35

Global Tax Procedures – Tax Relief Procedure for Spain

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This bulletin updates BULLETIN – 140117/26 - Global Tax Procedures – Tax Relief Procedure for Spain which replaced BULLETIN – 080617/05 - Global Tax Procedures – Tax Relief Procedure for Spanish Eurobonds

1. Scope

The procedures set out below apply to all Eurobonds subject to Royal Decree (RD) 1145/2011, modifying RD 1065/2007 and related implementing regulations (for the purposes of this procedure referred to hereinafter as “the Securities”).

2. Definitions

Business Day: is used only for the purpose of these procedures to designate those days the ICSDs are open for business which is currently every day with the exception of Christmas Day, New Year’s Day, Saturdays and Sundays.

Depository: for the purpose of this procedure, “Depository” means either the concerned common depository or common service provider

Entitlement Date: for bearer instruments, the ICSDs will apply standard market practices and record positions subject to entitlement at payment date minus one Business Day. For registered instruments, the Entitlement Date that applies is the one defined in the Terms and Conditions of the Securities or other such official document.

International Central Securities Depositories (ICSDs): means Clearstream Banking S.A. and Euroclear Bank S.A./N.V.

Relief at Source Procedure: procedure whereby income proceeds are paid taking into account exemption and/or applicable reduced rate as foreseen by the local tax regulation.

Quick Refund Procedure: procedure whereby refunds of withholding tax are performed by the withholding agent as foreseen by the local tax regulation before the expiry of the period for transferring the withheld amount to the tax authorities.

Standard Refund Procedure: procedure whereby tax relief is requested to local tax authorities as foreseen by the local tax regulation after the income has been paid net of withholding tax at the maximum rate.

3. Withholding tax treatment of the Securities

RD 1145/2011, modifying RD 1065/2007, was published in the Spanish Official Gazette on Saturday 30 July 2011 and came into force on 1 August 2011.

According to the new Royal Decree, payments on Eurobonds subject to RD 1145 (see note) and issued by Spanish entities will be exempt from withholding tax, subject to completion of a specific *Anexo* by the paying agent designated by the issuer ("Paying Agent"). Income paid to ICSDs on the above securities will be paid free of withholding tax without any certification or reporting required.

Note: It is the issuer's responsibility to determine whether or not an issue falls under RD 1145.

Required information

For international, listed debt securities (i.e. listed debt securities initially registered with a foreign clearing and settlement entity that is recognised under Spanish regulations or those of another OECD member state), it is the Paying Agent that is required to provide the relevant information.

The relevant information will have to be presented to the issuer in the form set out in the *Anexo* to DR 1145/2011 (as set out in Annex 1 to this procedure) and dated the Business Day before the concerned interest payment date.

The following information will have to be provided:

- The description of the security and its identification number;
- The total amount of income derived from such securities per each ICSD.



4. Procedures

4.1. Relief at Source Procedure

Step	Deadline	Action	Owner
1	At least 20 Business Days before the income event payment date ("Payment Date") (<i>irrespective of whether a holding is recorded with the respective ICSD or not</i>), or as soon as reasonably possible in the case that the security is created less than 20 days before the event (i.e. in the case of short first coupon).	The Depository notifies Clearstream and Euroclear of an upcoming income event via SWIFT message type 564 (or less preferably via MT568). The SWIFT shall specify: the Entitlement Date (:98A/RDTE) the Payment Date (:98A::PAYD)	Depository
2	At the latest 18:00 CET 2 Business Days prior to the Payment Date	The Depository sends the pre-advice messages to the ICSDs via MT564 with function :23G:REPE, indicating the gross amount to be paid.	Depository
3	1 Business Day before Payment Date	Entitlement Date for bearer instruments. The Paying Agent will fill in the <i>Anexo</i> with required information and send it to the concerned issuer.	ICSDs Paying Agent
4	On Payment Date	According to instructions received from the Depository, the Paying Agent pays the income proceeds to the accounts of Clearstream and Euroclear with good value.	Depository/ Paying Agent

4.2. Quick Refund Procedure and Standard Refund Procedure

Not applicable. All payments are paid gross.

Annex 1

Anexo al Reglamento al General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Don (nombre), con número de identificación fiscal (1) (...), en nombre y representación de (entidad declarante), con número de identificación fiscal (1) (...) y domicilio en (...) en calidad de (marcar la letra que proceda):

(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.

(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.

(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.

(d) Agente de pagos designado por el emisor.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

1. En relación con los apartados 3 y 4 del artículo 44:

1.1 Identificación de los valores.....

1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)
.....

1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)
.....

1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora

1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).

2. En relación con el apartado 5 del artículo 44.

2.1 Identificación de los valores.....

2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)
.....

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)
.....

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.
Lo que declaro ena dede

(1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.»