



BULLETIN – 081120/08

Global Tax Procedures – Generic Guidelines

Issued by the International Capital Market Services Association

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This document is issued by the International Capital Markets Services Association (ICMSA) and is intended to be a practical guide for Issuers, Issuer's Agents, Investors, and Investors' Agents with respect to International Debt Securities that are subject to withholding tax and related regulatory reporting.

This document does not provide tax advice, and all parties are advised to obtain independent legal advice on the tax implications of any securities issues or purchased.

ICMSA members and Associate members provide services to the capital markets community. This document does not seek or intend to endorse any particular service offering by any member or associate member. Queries relating to the implementation of any of these procedures should be directed to the responsible organisation noted in the procedure.

1. Scope

- 1.1 This document deals with those securities that are cleared through, primarily, Clearstream Banking SA and Euroclear Bank S.A./N.V. (together the International Central Securities Depositories "ICSDs").
- 1.2 These generic guidelines set out the typical time frames and necessary actions to enable all parties to understand the standard mechanisms available to obtain relief at source or a refund of tax deducted.
- 1.3 Detailed procedures applicable to each market will be released using the format set up below and attached as an Appendix to this document, once approved by the ICMSA Tax Sub-Committee.
- 1.4 These guidelines take no account of withholding under the Council Directive 2003/48/EC (the Savings Income Directive or EUSD).



2. Definitions

Business Day is used only for the purpose of these procedures to designate the day Clearstream Banking SA and Euroclear Bank SA/NV (the ICSDs) are open for business: which is currently every day with the exception of Christmas Day, New Year Day, Saturdays and Sundays.

Entitlement date

(i) For bearer instruments, the ICSDs will apply current practices and record positions subject to entitlement either at payment date minus one Business Day or in the case of certain structured note Issuances, where separate accrual periods are stated, at the end of such period minus one Business Day. In certain exceptional circumstances, specific record dates may also be applied in accordance with the governing documentation.

(ii) For registered instruments, the entitlement date that applies is that defined in the Terms and Conditions of the securities or such other governing document (the "Record Date") which is normally the Business Day that falls 15 days prior to the payment date. By default, if the documentation is silent, the 15 day basis will be applied.

Relief at Source Procedure procedure whereby income is paid without deduction or withholding on account of tax or subject to a deduction or withholding on account of tax at an applicable reduced rate pursuant to local tax regulations.

Quick Refund Procedure procedure whereby tax withheld is refunded by the Withholding Agent pursuant to local tax regulations before the expiry of the period for transferring the withheld amount to the tax authorities

Standard Reclaim Procedure procedure whereby tax relief is claimed from local tax authorities pursuant to local tax regulations after income has been paid net of withholding tax.

Paying Agent the Agent of the Issuer that handles the payment of the interest and principal amounts to the ICSDs and noteholders.

Withholding Agent the Agent of the Issuer who is responsible for withholding tax from interest payments and arranging for the payment of such withheld amounts to the Issuer or relevant tax authority.

ICSDs' Agent the bank appointed by the ICSDs as Common Depository (for Classic Global Notes) or Common Service Provider (for New Global Notes).

3. Withholding tax treatment of the Securities

This section describes the specific tax treatment of the Securities in relation to the individual issue, issuer and its country of residence. The details should be set out in the Terms & Conditions of the issue (whether a standalone issue or a program) and include:-

- **Description of taxable events and default withholding tax treatment**
- **Availability of withholding tax relief**
- **Eligibility criteria for relief**
- **Documentation requirements for relief**
- **Other tax related information**

4. Procedures

This section covers the processes and actions required for Investors to achieve “Relief at Source”, a “Quick Refund” or a “Standard Reclaim”.

4.1. Relief of withholding tax at source

The table below describes the different generic steps and responsibilities in the handling of Relief at Source:

Step	Deadline	Action	Owner
1	20 Business Days (BD) before the payment date, or as soon as reasonably possible in case the security is created less than 20 days before the taxable event (i.e. in the case of short first coupon).	Upon being notified of the taxability of the event by their Agent, the ICSDs notify their respective Customers and Participants of an upcoming income payment specifying the certification requirements to be met to benefit from relief of withholding tax.	ICSDs and Custodian
2	<i>Pay date -XBD</i>	ICSDs collect certification instructions from their Customers and Participants.	ICSDs and Custodian
3	<i>Pay date -3BD (End of Day)</i>	ICSDs report their entitlement based on their positions recorded on their books after closing of their respective daylight process dated Payment Date-3 BD, and report the figures to their Agent.	ICSDs
4	<i>Pay date – 1BD (Entitlement date for Bearer instruments).</i>	The ICSDs reconcile their holdings and those of their participants.	ICSDs
5	<i>Pay date</i>	The Paying Agent pays the income proceeds to the respective accounts of the ICSDs, in accordance with instructions received from the ICSDs’ Agent.	Paying Agent ICSDs’ Agent
6	<i>Pay date +X (depending on the market)</i>	Receipt of certificates by the Paying Agent/Withholding Agent Certificates are delivered by the ICSDs, either in electronic form at ICSD holding level, or where required in original certificate form for each beneficial holder.	ICSDs Paying/Withholding Agent

Note: Any “bad” or missing certificates are reported to the ICSDs and the ICSDs withhold the necessary tax and repay that to the Paying/Withholding Agent.

4.2. Quick Refund/Late Adjustment Procedure

Where permitted it may be possible for the beneficial holder to certify, or recertify if the original certificate was incorrectly completed, and obtain a Quick Refund of the tax withheld where that tax has not yet been paid to the relevant Tax Authority.

Step	Deadline	Action	Owner
1	<i>Date at which the Withholding Agent must pay the tax to the issuer (or direct to the tax authorities) - 2 Business Days</i>	The ICSDs will send quick refund requests and replacement certification to their Agent. They in turn will lodge these with the Paying Agent/Withholding Agent.	ICSDs and ICSDs' Agent
2	<i>Date at which the Withholding Agent must pay the tax to the issuer (or direct to the tax authority)</i>	The Withholding Agent pays any tax amount withheld, plus delivers the original certificates, to the issuer, or directly to the relevant tax authority.	Withholding Agent
3		Validated refund requests are paid to the ICSDs for the account of the beneficial holders	Withholding Agent ICSDs

4.3. Relief from withholding tax by Standard Reclaim

If for any reason the conditions laid out in clauses 4.1 or 4.2 cannot be, or are not met, beneficial owners may still be entitled to recover some or all of any tax withheld under the terms of Double Tax Agreements or domestic law.

Custodians, the ICSDs or other service providers may directly, or indirectly, offer a Standard Reclaim service. Below are the typical steps involved in a reclaim process, bearing in mind that the forms, deadlines and tax authority are different for each jurisdiction.

Per Coupon Payment

Step	Deadline	Action	Owner
1	<i>Pay date +X</i>	The custodian sends the appropriate documents to the relevant service provider	Custodian
2	<i>On completion of reclaim pack</i>	The tax reclaim documents are sent to the local tax authorities.	Service provider
3	<i>Upon receipt of refund</i>	Credit to be made to the beneficial owner's account with custodian, in accordance with the appropriate chain of intermediaries and local practice. (* the service provider may pay the beneficial owner directly, but only on the basis of a contractual relationship between the service provider and the beneficial owner.	Depending on local practice (*)