



# **Euroclear Bank as issuer CSD for Irish corporate securities**

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# 1. Introduction

## 1.1 Context

The Euroclear group has provided post-trade services for Irish securities for over 20 years. Irish corporate securities are currently settled in the CREST system operated by Euroclear UK & Ireland, a UK-incorporated company, which operates the CREST Irish System as issuer Central Securities Depository (CSD). Euroclear Bank has acted as the issuer CSD for Irish government bonds (since 2000) and for international securities, including international Exchange Traded Funds (ETFs).

Brexit is likely to make the current arrangements between Euroclear UK & Ireland and the Irish corporate securities market untenable. As a result, Euroclear worked with the Irish market and authorities as from the announcement of the result of the Brexit referendum to find an alternative solution to Euroclear UK & Ireland following Brexit.

In December 2018, Euronext Dublin announced that, based on the analysis it had carried out of four possible CSD options for settlement post-Brexit, it had selected Euroclear Bank to be the market solution for the long-term settlement of Irish securities.

Following the migration from Euroclear UK & Ireland to Euroclear Bank in March 2021, the Irish market will benefit from a trusted Eurozone multi-currency CSD with scale and connectivity across a spectrum of global market participants.

In May 2019, Euroclear published a [White Paper](#)<sup>1</sup> setting out the framework in terms of which Euroclear Bank would act as issuer CSD for Irish corporate securities as from March 2021.

This service description sets out in more detail the services that Euroclear Bank will offer as issuer CSD for Irish corporate securities.

**Note:** this service description is not a contractual document. The description of the services will be incorporated in to the Euroclear Documentation as part of the migration to Euroclear Bank.

## 1.2 Target audience

This service description is relevant for the following parties who, to avail of our service for Irish corporate securities, will need to become Euroclear Bank Participants, if they are not one already, by the time of migration:

- Euroclear UK & Ireland participants that want to use our services as from when Euroclear Bank becomes the issuer CSD for Irish corporate securities
- Central Counterparties (CCPs) that feed instructions in Irish corporate securities to Euroclear Bank
- Euroclear Bank Participants that already hold Irish corporate securities through Euroclear Bank (acting as Investor CSD)

Irish ETF issuers migrating to an international ETF (iETF) structure should refer to our [International ETFs](#)<sup>2</sup> webpage on [my.euroclear.com](http://my.euroclear.com).

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<sup>1</sup> To download the White Paper, go to [euroclear.com](http://euroclear.com) and enter the search term **Delivering continuity of Irish securities settlement in the long term post Brexit**

<sup>2</sup> Go to [my.euroclear.com](http://my.euroclear.com) > **My Apps** > **Knowledge base** and enter Keyword: **International ETFs**

## 1.3 Structure of this service description

This service description consists of the following main sections:

- **Introduction** – introduces this service description and the services that we will offer
- **New Issues acceptance and distribution** – describes how to make a security eligible in Euroclear Bank as well as the initial distribution of a new security to Euroclear Bank Participants
- **Settlement** – covers the various settlement flows and related processes
- **Custody** – describes the main features including interest, dividend and redemption payments, corporate actions, market claims and transformations
- **Tax** – provides information on the tax services we will offer for Irish corporate securities, including stamp duty and tax documentation
- **Disclosure requirements and nationality declaration** – describes your obligations under Irish law and regulations requiring disclosure of certain information
- **Asset optimisation** – provides information on our Securities Lending and Borrowing Programme and a note on our Triparty collateral management services
- **Other Euroclear Bank services** – provides links to information on our Money transfer and Banking services on [my.euroclear.com](https://my.euroclear.com)

The migration process, including testing, is not described in this document. We will provide this information separately in a stand-alone document once the related processes have been agreed.

## 1.4 Links to content on MyEuroclear

Throughout the document, you will see links (or paths) to content on MyEuroclear, our portal for operational information. To be able to access this information, you will need to log in to MyEuroclear.

- **Existing Euroclear Bank Participants** – if you do not have a MyEuroclear profile, you can create a profile as follows:

1. go to the [Registration](https://www.euroclear.com/users/en/client-user-registration.html) page (<https://www.euroclear.com/users/en/client-user-registration.html>)
2. complete all required fields, starting with the Euroclear Bank account number of your company.

**Important:** if you do not enter a Euroclear Bank account number, you will not have full access to the content on MyEuroclear. If you do not know your company's account number, check with your colleague managing the business relationship with us.

3. Select **Submit**

We will validate your registration and confirm your access via email (between 24 – 48 hours).

- **Any other party** – please contact your Relationship Manager or email us at [irishcsd@euroclear.com](mailto:irishcsd@euroclear.com) to request temporary access to MyEuroclear.

We have also created a [webpage](#)<sup>3</sup> on MyEuroclear where you will find:

- general information on our services
- the current market description for Ireland
- this service description and any future updates of the service description

We recommend to either bookmark the webpage or add it to your favourites for faster access on your next visit.

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<sup>3</sup> You can access the webpage by entering the short URL [my.euroclear.com/irishcorporatesecurities](https://my.euroclear.com/irishcorporatesecurities) into your internet browser.

## 1.5 Conventions

All times in this document:

- refer to **Brussels time (CET)**, unless stated otherwise
- appear in the **24-hour clock format**

All instances of:

- 'we', 'our' and 'us' refers to **Euroclear Bank**
- 'you' and 'your' refers to the **Euroclear Bank Participant**

## 1.6 Who to contact

If you have questions on this service description, please contact us as follows:

- **Existing Euroclear Bank Participants** – please contact your Relationship Manager
- **Any other party** – please email us at [irishcsd@euroclear.com](mailto:irishcsd@euroclear.com)

## 1.7 Important information

The service offering set out in this service description remains subject to a number of factors, among others the ongoing legal and regulatory and detailed technical analysis and any necessary approval of other stakeholders, including the Irish authorities. As a result, not every topic can be fully documented yet. Where additional detail is lacking, this will be clearly flagged, and will be published in an updated version of this service description.

## 2. New issues acceptance

The following categories of Irish corporate securities will be eligible in Euroclear Bank as issuer CSD for Irish corporate securities:

- Equities and rights (related to those securities)
- Corporate debt securities
- Real Estate Investment Trusts (REITs)
- Exchange Traded Funds (ETFs)
- Exchange Traded Commodities (ETCs)
- Exchange Traded Notes (ETNs)
- Warrants<sup>4</sup>

Irish International ETFs (iETFs) and Irish eurobonds are also eligible in Euroclear Bank but are not covered by this service description. For further information about our service for iETFs, please consult our [international ETFs](#)<sup>5</sup> webpage on [my.euroclear.com](http://my.euroclear.com).

We will support only Irish corporate securities held in electronic book-entry form. It will not be possible to hold physical securities in Euroclear Bank.

Legal title to Irish corporate securities held by Euroclear Bank Participants in Euroclear Bank will be recorded by the registrar in the name of Euroclear Bank's Nominee.

You can consult the [Euroclear Bank securities search app](#)<sup>6</sup> for information relating to all securities accepted in Euroclear Bank.

Before the issuance of any new Irish corporate security or admission of the security to the Euroclear system, we expect the registrar to:

- send us a request to accept the security
- provide us with a (draft) prospectus or offering documentation and a Securities Acceptance Form for that purpose. This will allow our operational departments to assess whether the security is eligible for acceptance in the Euroclear system

Our eligibility criteria concern fungibility, regulatory and tax considerations, among others.

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<sup>4</sup> Upon successful completion of our securities acceptance analysis.

<sup>5</sup> Go to [my.euroclear.com](http://my.euroclear.com) > [My Apps](#) > [Knowledge base](#) and enter Keyword: **International ETFs**

<sup>6</sup> Go to [my.euroclear.com](http://my.euroclear.com) > [My Apps](#) > [Euroclear Bank securities search](#)



## 3. New issues distribution

### 3.1 Overview

The issuer of an Irish corporate security and its appointed registrar can distribute a new security issuance through us under two different models:

1. **Non-syndicated distribution** – new security issuances under the non-syndicated distribution model are distributed to the initial investors/Euroclear Bank Participants through the specific account of an issuing paying agent (IPA), on a free or against payment basis.

We will provide dedicated support to the IPA and closely monitor the timely execution of the securities distribution and, if applicable, the payment of the new security issuance proceeds to the issuer.

The IPA must be a Euroclear Bank Participant and must open a non-syndicated distribution account for the sole purpose of executing payments and internal or Bridge<sup>7</sup> settlement instructions in connection with new security issuances.

2. **Cross-border distribution** – new security issuances under the cross-border distribution model are distributed on a free of payment basis only. The payment of the new issuance proceeds to the issuer is managed by the registrar. The initial investors/Euroclear Bank Participants are requested to pay the registrar on a cash account outside of Euroclear Bank. The initial investors/Euroclear Bank Participants' accounts in Euroclear Bank are credited with the newly-issued security by the registrar, without the need for a receipt instruction.

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<sup>7</sup> You can find more information on Bridge settlement and which Irish corporate securities are eligible for Bridge settlement in **Section 4 - Settlement**.

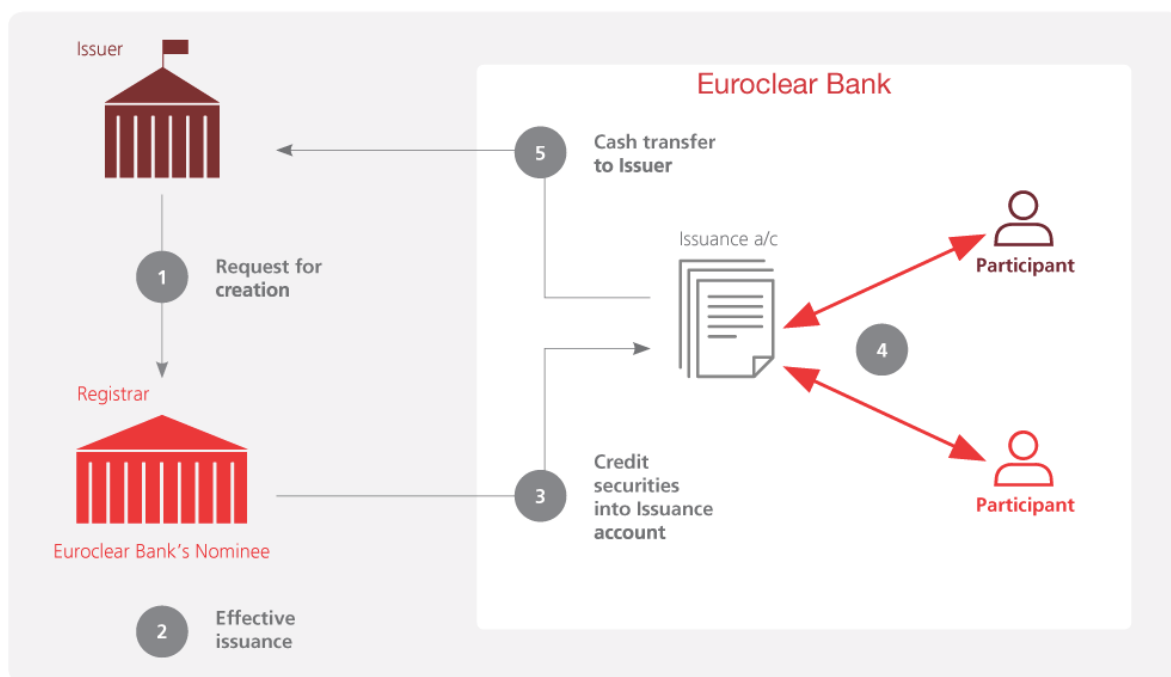
## 3.2 Non-syndicated distributions

### 3.2.1 Against payment distribution

New security issuances under the non-syndicated distribution model can be distributed against payment, in any of the settlement currencies eligible in Euroclear Bank.

The following new issues distribution process description applies primarily to against payment distributions in EUR, GBP and USD. Please refer to the [New Issues Distribution Guide<sup>8</sup>](#) for distributions in any other currency.

The process for against payment non-syndicated new issues distribution is as follows:



EX425\_1

Step	Details
1	<b>Issuer requests creation of a new security issuance</b> The issuer advises the registrar of the upcoming issuance of securities.
2	<b>Securities are recorded in the shareholder register</b> The registrar records in the shareholder register, in the name of Euroclear Bank's Nominee, the portion of the security issuance that is to be held with us.
3	<b>Securities are credited in the IPA's account with us</b> Upon recording the securities in the shareholder register, the registrar sends an instruction via SWIFT to credit the IPA's non-syndicated distribution account for the total issued quantity of securities that is to be held with us.
4	<b>The IPA and initial investors/Euroclear Bank Participants send new issue instructions to us</b> <ul style="list-style-type: none"> <li>The IPA sends an internal and/or Bridge against payment delivery instruction from its non-syndicated distribution account against each initial investor's/Euroclear Bank or Clearstream Banking Luxembourg (CBL) Participant's account</li> <li>Each initial investor/Euroclear Bank Participant sends an internal against payment receipt instruction against the IPA's non-syndicated distribution account. CBL Participants send a Bridge against payment receipt instruction to CBL.</li> </ul>

<sup>8</sup> Go to [my.euroclear.com](https://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **New issues distribution guide**

4	<p>These new issue distribution instructions are stamp exempt. Therefore, you and the IPA must input the stamp status indicator <b>IE8X</b> (Exempt, new issue) in your respective internal against payment instruction, if the security concerned is a stampable security.</p> <p><b>Settlement timings of new issuance distribution under the non-syndicated distribution model</b></p> <p>Following the registrar's confirmation of the recording of the securities in the shareholder register in the name of Euroclear Bank's Nominee, the new issue transactions can settle via one of the following settlement processes:</p> <ul style="list-style-type: none"> <li>• <b>during the overnight batch process dated the issuance date</b> when the securities are credited to the IPA's non-syndicated distribution account before the issuance date</li> <li>• <b>during the real-time process dated the issuance date</b> when the securities are credited to the IPA's non-syndicated distribution account on the issuance date</li> <li>• <b>after the real-time process dated the issuance date</b> when the securities are credited to the IPA's non-syndicated distribution account after the closing of the Euroclear Bank real time-settlement window on the issuance date</li> </ul> <p><b>New issues settlement priority</b></p> <p>Your instructions to receive a new issue against payment are processed with priority over standard securities transactions, i.e. if there is insufficient cash or credit in your account, any cash that becomes available during the overnight batch process is used first to settle these pending instructions.</p> <p>In the overnight batch process, against payment internal receipt instructions against the IPA's new issues distribution account are positioned before instructions for other settlement activity (please refer to the <b>Settlement optimisation</b> section for more details).</p> <p>In the real-time process, against payment receipt instructions against the IPA's new issues distribution account are positioned on a first in, first served basis.</p> <p><b>Note on back-valuations:</b></p> <ul style="list-style-type: none"> <li>• <b>Against payment settlement instructions in equities</b> with an intended settlement date equal to the issuance date but settling later than issuance date will not benefit from a back-valuation.</li> <li>• <b>Against payment settlement instructions in corporate debt securities</b> with an intended settlement date equal to the closing date but settling later than closing date will benefit from a back valuation.</li> </ul> <p><b>New issues settlement reporting</b></p> <p>New issues securities settlement results are reported to the IPA and their counterparties via our standard settlement reporting. Please refer to our <a href="#">Settlement reporting quick card<sup>9</sup></a> for further information.</p>
5	<p><b>The IPA sends payment instructions</b></p> <p>The IPA instructs us (via SWIFT MT 202) to transfer the funds received, or to be received, from its non-syndicated distribution account to the issuer's cash account outside of Euroclear Bank.</p> <p><b>Note:</b> for efficient and timely payments, we encourage the IPA to send one payment instruction per new issuance and to mention the respective ISIN in the payment instruction.</p> <p>We monitor the total of all cash amounts mentioned in all against payment delivery instructions from the IPA's non-syndicated distribution account. This total is compared with the total amount of the corresponding payment instructions sent by the IPA. If there is a discrepancy, we will contact the IPA.</p> <p>The IPA's payment instructions are processed if:</p> <ul style="list-style-type: none"> <li>• there is no discrepancy between the total cash counter-value of all delivery against payment instructions and the total amount of the corresponding payment instructions <b>and</b></li> <li>• we determine that our Participants will be able to pay for the new issue</li> </ul> <p>The payment is then positioned against the available cash balance in the IPA's cash account. When all against payment transactions for the new issue settle, the cash amount credited to its new issues distribution account should match the IPA's payment instructions. When this is the case, we will process the payment.</p> <p>If one or more against payment transactions remain unsettled, we will notify the IPA to take further action.</p> <p><b>Payment reporting</b></p> <p>Cash settlement results are reported to the IPA and their counterparties via our standard cash reporting. Please consult our <a href="#">Cash and credit reporting quick card<sup>10</sup></a> for further information.</p>

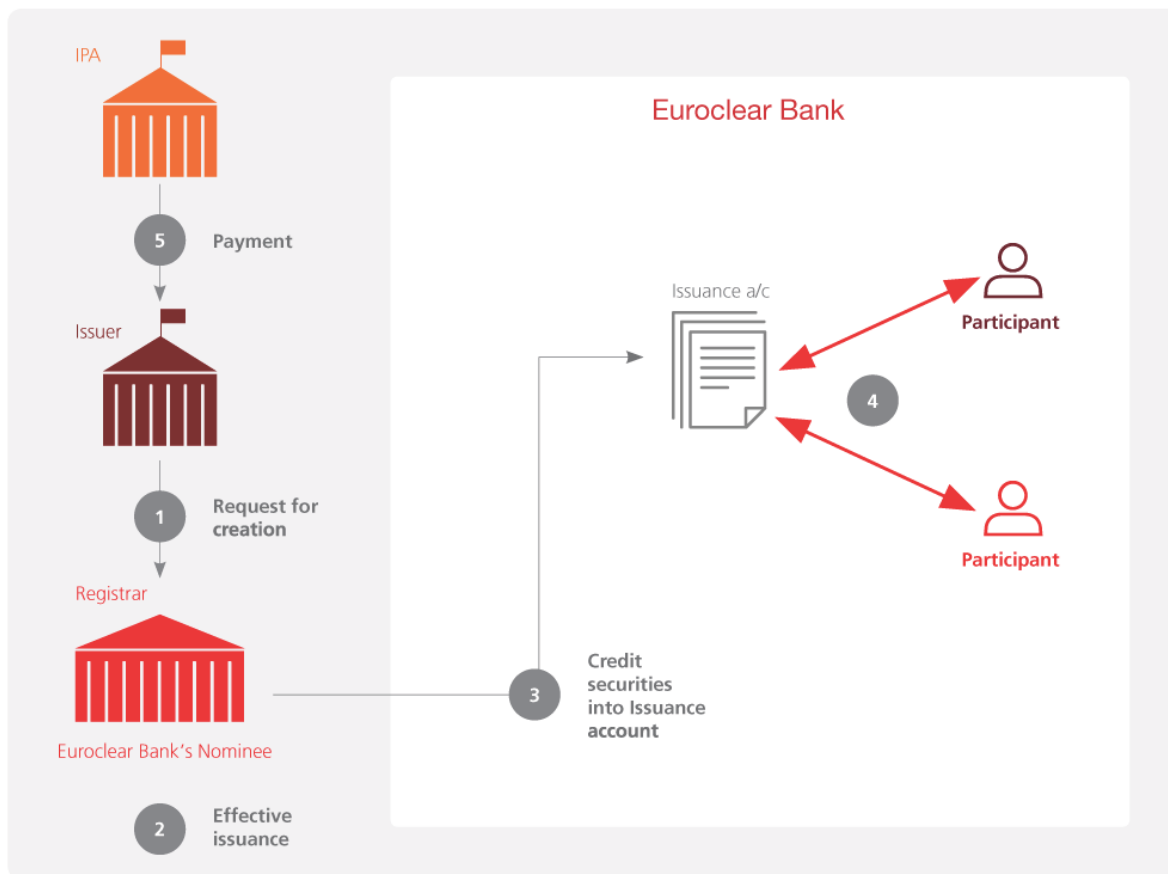
<sup>9</sup> Go to [my.euroclear.com > My Apps > Knowledge base](#) and enter Keyword: **Settlement reporting quick card**

<sup>10</sup> Go to [my.euroclear.com > My Apps > Knowledge base](#) and enter Keyword: **Cash and credit reporting quick card**

### 3.2.2 Free of payment distribution

The free of payment distribution process is the same as the against payment distribution process, except that there is no processing of payments to the issuer through the IPA's new issues distribution account.

The process for a free of payment non-syndicated new issue distribution is as follows:



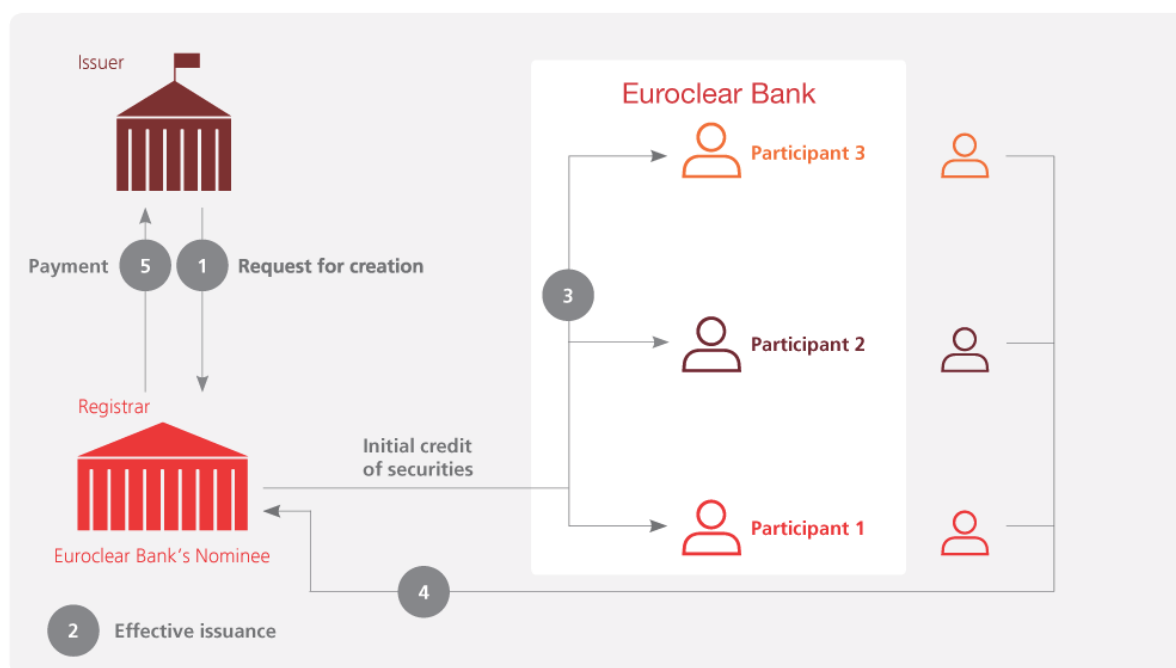
EX425\_2

Step	Details
1	<b>The issuer requests creation of a new security issuance</b> The issuer advises the registrar of the upcoming issuance of the securities.
2	<b>Securities are recorded in the shareholder register</b> The registrar records in the shareholder register, in the name of Euroclear Bank's Nominee, the portion of the security issuance that is to be held with us.
3	<b>Securities are credited in the IPA's account with us</b> Upon recording of the securities in the shareholder register, the registrar sends an instruction via SWIFT to credit the IPA's non-syndicated distribution account for the total issued quantity of securities that is to be held with us.
4	<b>The IPA and Euroclear Bank Participant(s) send new issue instructions to us</b> <ul style="list-style-type: none"> <li>The IPA sends an internal and/or Bridge free of payment delivery instruction from its non-syndicated distribution account against each initial investor's/Euroclear Bank or CBL Participant's account.</li> <li>Each initial investor/Euroclear Bank Participant sends an internal free of payment receipt instruction against the IPA's non-syndicated distribution account. CBL Participants send a Bridge free of payment receipt instruction to CBL.</li> </ul>

	<p>These new issue distribution instructions are stamp exempt. Therefore, you and the IPA must input the stamp status indicator <b>IE8X</b> (Exempt, new issue) in your respective internal free of payment instruction, if the security concerned is a stampable security.</p> <p><b>Settlement timings of new issuance distribution under the non-syndicated distribution model</b></p> <p>Following the registrar’s confirmation of the recording of the securities in the shareholder register in the name of Euroclear Bank’s Nominee, the new issue transactions can settle via one of the following settlement processes:</p> <ul style="list-style-type: none"> <li>• <b>during the overnight batch process dated the issuance date</b> when the securities are credited to the IPA’s non-syndicated distribution account before the issuance date</li> <li>• <b>during the real-time process dated the issuance date</b> when the securities are credited to the IPA’s non-syndicated distribution account on the issuance date</li> <li>• <b>after the real-time process dated the issuance date</b> when the securities are credited to the IPA’s non-syndicated distribution account after the closing of the Euroclear Bank real time-settlement window on the issuance date</li> </ul>
	<p><b>New issues settlement reporting</b></p> <p>New issues securities settlement results are reported to the IPA and their counterparties via our standard settlement reporting. Please refer to our <a href="#">Settlement reporting quick card</a><sup>11</sup> for further information.</p>
5	<p><b>Payment to the issuer</b></p> <p>The IPA agrees with the registrar/issuer as to how and when payment of the new issuance distribution proceeds will be made.</p>

### 3.3 Cross-border distributions

The process for a new issue cross-border distribution is as follows:



EX425\_3

Step	Details
1	<p><b>The issuer requests creation of a new security issuance</b></p> <p>The issuer advises the registrar of the upcoming issuance of the securities.</p>
2	<p><b>Securities are recorded in the shareholder register</b></p> <p>The registrar records in the shareholder register, in the name of Euroclear Bank’s Nominee the portion of the security issuance that is to be held with us.</p>
3	<p><b>Securities are credited in the initial investors/Euroclear Bank Participants’ accounts</b></p> <p>Upon recording of the securities in the shareholder register, the registrar sends instructions via SWIFT to credit the respective accounts of the initial investors/Euroclear Bank Participants with the respective amounts they will hold in Euroclear Bank.</p>

<sup>11</sup> Go to [my.euroclear.com](http://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **Settlement reporting quick card**

	<p>These initial credit instructions are stamp exempt. Therefore, they will be excluded from our stamp duty collection and payment process.</p> <p><b>Settlement timings of new issuance distribution under the cross-border model</b></p> <p>Following the registrar’s confirmation of the recording of the securities in the shareholder register in the name of Euroclear Bank’s Nominee, the new issue transactions can settle via one of the following settlement processes:</p> <ul style="list-style-type: none"> <li>• <b>during the overnight batch process dated the issuance date</b> when the registrars send the credit confirmation for your account before the issuance date</li> <li>• <b>during the real-time process dated the issuance date</b> when the registrars send the credit confirmation for your account on the issuance date</li> <li>• <b>after the real-time process dated the issuance date</b> when the registrars send the credit confirmation for your account after the closing of the Euroclear Bank real time-settlement window on the issuance date</li> </ul>
4	<p><b>Payment of the initial investors/Euroclear Bank Participants</b></p> <p>The initial investors/Euroclear Bank Participants need to reach an agreement with the registrar as to how and when payment of their respective portion of the new security issuance will be made.</p>
5	<p><b>Payment to the issuer</b></p> <p>On the issuance date, the registrar pays the proceeds of the new security issuance to the issuer independently of what settlement has taken place in Euroclear Bank.</p>

## 4. Settlement

### 4.1 Overview

You will be able to settle Central Counterparty (CCP)-cleared and non-cleared transactions in Irish corporate securities with your counterparties in Euroclear Bank via **internal settlement**, either free of payment or against payment in all settlement currencies eligible in Euroclear Bank.

You will be able to transfer Irish corporate securities between your account in Euroclear Bank and a counterparty in Euroclear UK & Ireland via **internal settlement**, on a free of payment basis against Euroclear UK & Ireland's account in Euroclear Bank - **CIN (Belgium) Limited**.

You will be able to transfer certain Irish corporate securities between your account in Euroclear Bank and a counterparty in CBL via **Bridge settlement**, either free of payment or against payment in any currency accepted for Bridge settlement. Please note that Irish equities, Real Estate Investment Trusts (REITs) and any other Irish corporate securities that are subject to stamp duty or nationality declaration are **not eligible** for Bridge settlement.

You will also be able to transfer a position in Irish corporate securities from your account in Euroclear Bank to an external counterparty and vice-versa, via **mark-down** and **mark-up** instructions.

Your internal and Bridge settlement transactions in Irish corporate securities will benefit from a range of settlement functionalities, such as bilateral matching, automatic recycling, partial settlement, hold and release and settlement optimisation.

Internal and Bridge settlement instructions in Irish corporate securities which remain unmatched or unsettled on their intended settlement date will be subject to the CSDR settlement discipline regime<sup>12</sup>, once implemented.

You will not be allowed to input free of payment without matching delivery settlement instructions ('dumps') in Irish corporate securities subject to stamp duty.

### 4.2 Settlement flows

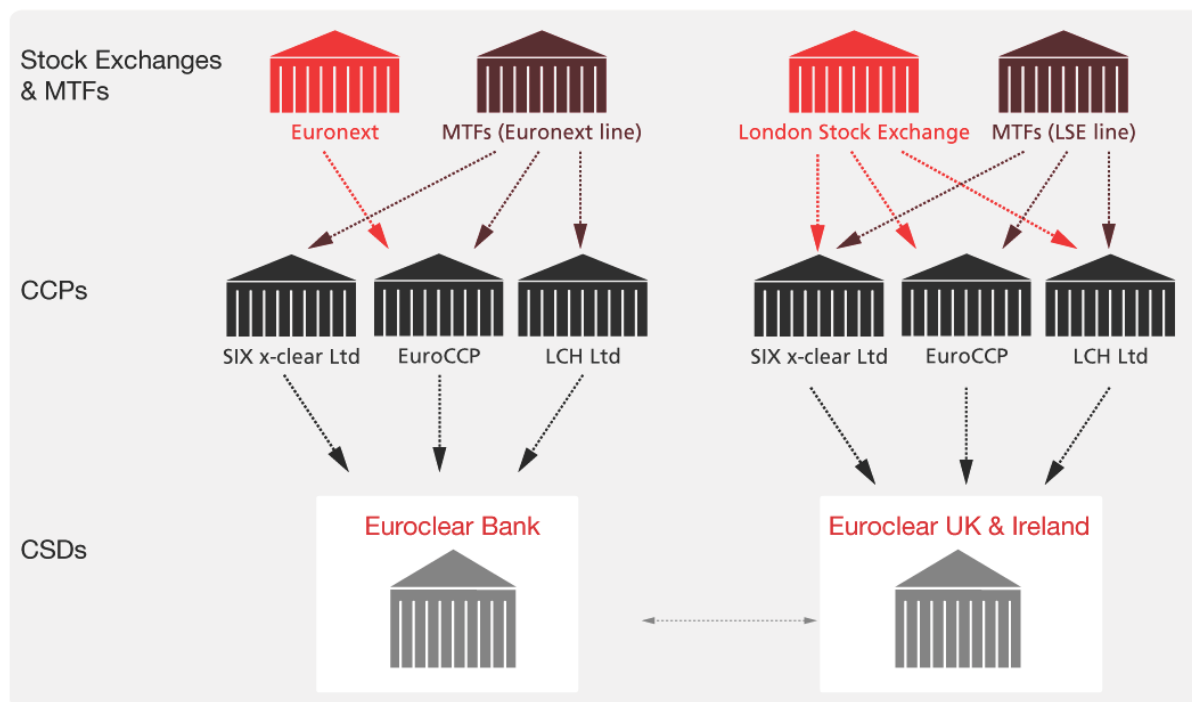
You will be able to:

- settle both CCP-cleared and non-cleared transactions in Irish corporate securities in Euroclear Bank, including transfers of Irish corporate securities from an account in Euroclear Bank to an account in Euroclear UK & Ireland and vice versa
- settle eligible Irish corporate securities between an account in Euroclear Bank and a counterparty in CBL
- transfer a holding in Irish corporate securities from an account in Euroclear Bank to an account on the shareholder register and vice-versa

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<sup>12</sup> For more information on the CSDR settlement discipline regime, please consult our [Newsletter 2019-N-057](#). Go to [my.euroclear.com](https://my.euroclear.com) > [My Apps](#) > [Knowledge base](#) and enter Keyword : **2019-N-057**

### 4.2.1 CCP-cleared transactions



EX425\_5

Transactions in Irish corporate securities resulting from trades on Euronext Dublin and cleared through EuroCCP will be fed by EuroCCP to Euroclear Bank.

Transactions in Irish corporate securities resulting from trades on the London Stock Exchange (LSE) Electronic Trading Service (SETS) will be fed by your selected CCP directly to your account or your settlement agent's account in Euroclear UK & Ireland and will settle on the books of Euroclear UK & Ireland, as part of Euroclear UK & Ireland's International Service.

Transactions in Irish corporate securities resulting from trades in the Euronext line on MTFs and other trading venues, and cleared through EuroCCP, LCH Ltd or SIX x-clear Ltd will be fed by your selected CCP to Euroclear Bank.

Transactions in Irish corporate securities resulting from trades in the LSE line on MTFs and other trading venues will be fed by your selected CCP directly to your account or your settlement agent's account in Euroclear UK & Ireland and will settle on the books of Euroclear UK & Ireland, as part of Euroclear UK & Ireland's International Service.

**Note:** transactions in Irish corporate securities resulting from trades on MTFs and other trading venues which are not cleared through a CCP, can settle either in Euroclear Bank or in Euroclear UK & Ireland, as agreed by the counterparties.

Transfers of Irish corporate securities between an account in Euroclear Bank and an account in Euroclear UK & Ireland will be possible through free of payment internal settlement instructions against Euroclear UK & Ireland's account in Euroclear Bank - **CIN (Belgium) Limited**.



#### 4.2.1.1 Input and validation<sup>13</sup>

- If you have signed a [Power of Attorney](#)<sup>14</sup> in favour of EuroCCP or LCH Ltd, EuroCCP or LCH Ltd will input net internal settlement instructions on your behalf.
- If you do not have a [Power of Attorney](#)<sup>14</sup> in favour of EuroCCP or LCH Ltd in place, you will need to enter the required settlement instructions yourself in order to match the EuroCCP or LCH Ltd instructions.
- SIX x-clear will not input net internal settlement instructions on your behalf. You will need to send your internal settlement instruction to match SIX x-clear instruction.

#### 4.2.1.2 Net transactions for settlement<sup>15</sup>

Net securities transaction instructions for settlement are input using one of the following instruction types:

- against payment receipt or delivery instructions
- free of payment receipt or delivery instructions with cash payment instructions
- free of payment receipt or delivery instructions
- cash payment instructions only

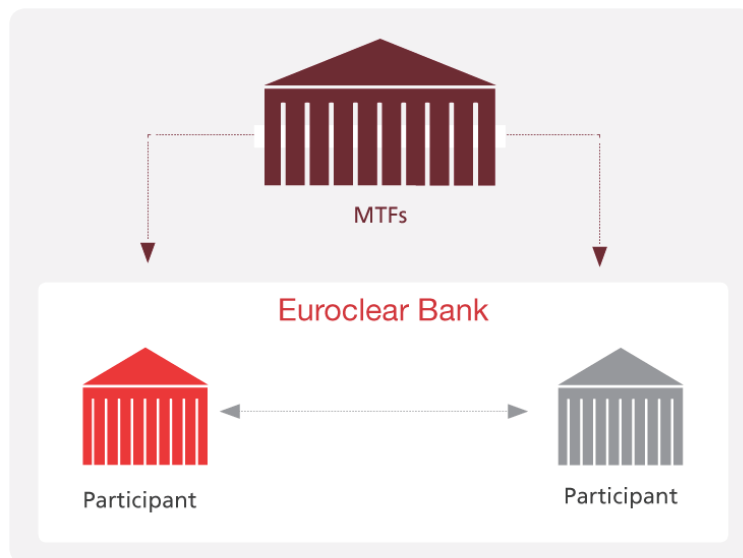
Net securities transaction instructions will be sent by EuroCCP, LCH Ltd and SIX x-clear to Euroclear Bank at the end of the trade date.

#### 4.2.1.3 Reporting

You can identify instructions generated by a CCP as follows:

- the **CCP account in Euroclear Bank**, indicated in the 'receiver or deliverer of securities' field (:87A: or :87C:) in EUCLID proprietary messages, or in :95a::DEAG or :95a::REAG in ISO 15022-compliant messages or in the 'Receiving agent' or 'Delivering agent' field in EasyWay Settlement
- the **CCP system reference** reported in the 'your reference' field in EUCLID proprietary messages or in :20C::RELA in ISO 15022-compliant messages or the 'Your reference' field in EasyWay Settlement

### 4.2.2 Non-cleared transactions



EX425\_4

<sup>13</sup> Please refer to [Section 9.1 Nationality declaration](#) for more information on the upfront communication of your nationality declaration details

<sup>14</sup> Go to [my.euroclear.com](https://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **RG 10**

<sup>15</sup> For the stamp duty treatment of net settlement transactions, please refer to [Section 10.6 Stamp duty](#)

You will be able to settle non-cleared transactions in Irish corporate securities via **internal settlement or Bridge settlement**, either free of payment or against payment, whether they are:

- transfers between a broker's/clearing member's account and the account of the broker's/clearing member's underlying client or the account of the underlying client's custodian
- a transaction executed on a Multilateral Trading Facility (MTF)
- any other OTC transaction between two Euroclear Bank Participants or between a Euroclear Bank Participant and a counterparty in CBL<sup>16</sup>

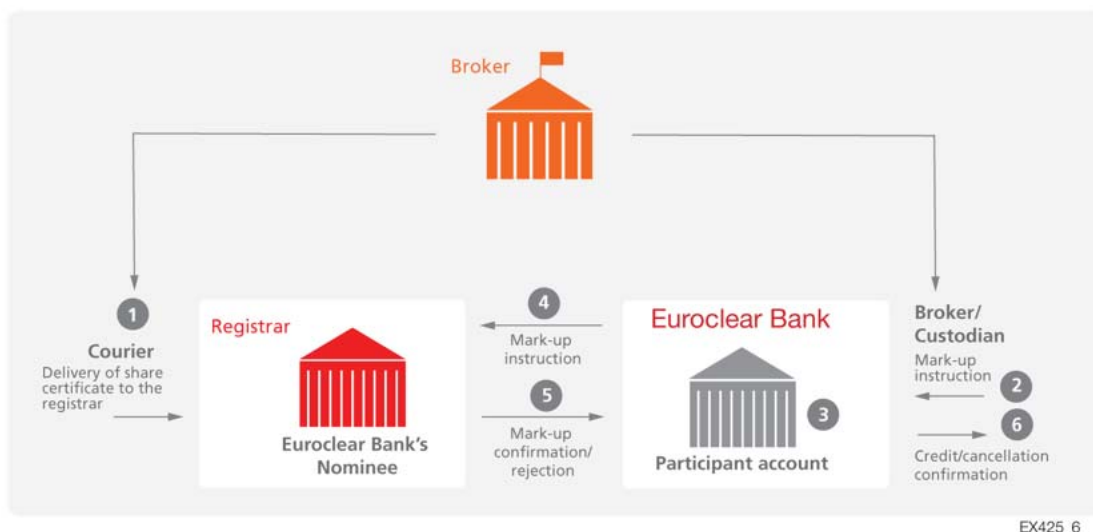
Transfers of Irish corporate securities between an account in Euroclear Bank and an account in Euroclear UK & Ireland will be possible through **free of payment internal settlement instructions** against Euroclear UK & Ireland's account in Euroclear Bank.

### 4.2.3 Mark-ups and mark-downs

#### 4.2.3.1 Mark-ups

A position in Irish corporate securities held in an account (other than Euroclear Bank's Nominee) on the books of the registrar can be transferred to an account in Euroclear Bank, on a free-of-payment basis. Such a transfer is usually executed by brokers<sup>17</sup>.

The process for a mark-up is as follows:



Step	Details
1	<p><b>Delivery of mark-up paperwork to the registrar</b></p> <ul style="list-style-type: none"> <li>• A certificated investor delivers the required mark-up paperwork (i.e. the share certificate(s) together with the completed Euroclear Bank Transfer Form) to the broker to support a sale of shares or dematerialisation.</li> <li>• The broker sends the mark-up paperwork via courier to the registrar, including its broker ID<sup>18</sup> and broker reference</li> </ul>

<sup>16</sup> Settlement with a counterparty in CBL is only possible if the security concerned is not subject to stamp duty or a nationality declaration.

<sup>17</sup> We are not responsible for any interactions between the registrar and the broker for the mark-up process. Therefore, the steps of the process between the registrar and the brokers are included for information and completeness purposes only. If the process between the registrar and broker would change in the future and after we have published the final version of this service description, we will not update the above description of the process.

<sup>18</sup> To provide us with your broker ID and related broker details, please complete and return the form *Broker details for Irish corporate securities related to mark-up and mark-down activity* (RG 414). If you do not have a broker ID, please contact your Account Manager to request one. Once you receive your broker ID, please complete and return the form *Broker details for Irish corporate securities related to mark-up and mark-down activity* (RG 414).

2	<p><b>Mark-up instruction</b></p> <p>The Euroclear Bank Participant (the broker or its custodian) sends a mark-up instruction to Euroclear Bank via a SWIFT ISO 15022 MT 540 mark-up instruction or EasyWay<sup>19</sup>.</p> <p>In your instruction, you need to specify:</p> <ul style="list-style-type: none"> <li>the settlement instruction type <b>MKUP</b></li> <li>a unique common reference (Field :20C::COMM//16c in SWIFT ISO 15022 or in the <b>Reference: COMM</b> field in EasyWay). This field will include up to 16 characters for the broker reference, which needs to match with the code attached to the mark-up paperwork sent separately to the registrar</li> <li>a broker ID (up to five digits in field :97A::SAFE// of the delivering agent in SWIFT ISO 15022 or in the <b>Safekeeping account of the delivering agent</b> field in EasyWay)</li> <li>complete the nationality declaration of the receiving investor, if applicable</li> </ul> <p>Please refer to <a href="#">Transactions in Irish corporate securities – Instructions formats guide</a> for more details on how to format these different fields.</p>
3	<p><b>Validation and positioning</b></p> <p>We validate your mark-up instruction and report the validation results to you. Once validated, and the instruction has reached its intended settlement date, you will not be able to cancel a mark-up instruction.</p>
4	<p><b>Mark-up instruction to the registrar</b></p> <p>Upon successful validation and upon reaching the intended settlement date of your instruction, we send your mark-up instruction, including the broker id and unique broker reference, to the registrar for processing.</p>
5	<p><b>Mark-up confirmation from the registrar</b></p> <p>Upon receipt of the mark-up instruction from us, the registrar matches the mark-up instruction with the corresponding mark-up paperwork received from the broker.</p> <p>Upon successful matching by the registrars of the mark-up instruction from Euroclear Bank with the mark-up paperwork from the broker, the registrar credits the Euroclear Bank's Nominee account on the register and confirms the credit to us.</p> <p>If the mark-up instruction and mark-up paperwork cannot be matched, the registrar will send a rejection message to us.</p>
6	<p><b>Settlement and confirmation of mark-up</b></p> <p>Upon receipt of:</p> <ul style="list-style-type: none"> <li>the registrar's mark-up confirmation, we credit the securities to your account and report the credit to you. Your mark-up instruction reference and the broker reference will be included in the credit confirmation sent to you</li> <li>a rejection message from the registrar, we automatically cancel your mark-up instruction. We report to you the cancellation of your mark-up instruction. Please refer to the <b>Meaning of the mark-up or mark-down reported rejection reasons</b> section below for more details</li> </ul> <p>If you still want to receive the securities in Euroclear Bank, you will have to send a new mark-up instruction.</p>

### Settlement timing of mark-up instructions

Securities can be credited to your account in Euroclear Bank through a mark-up instruction.

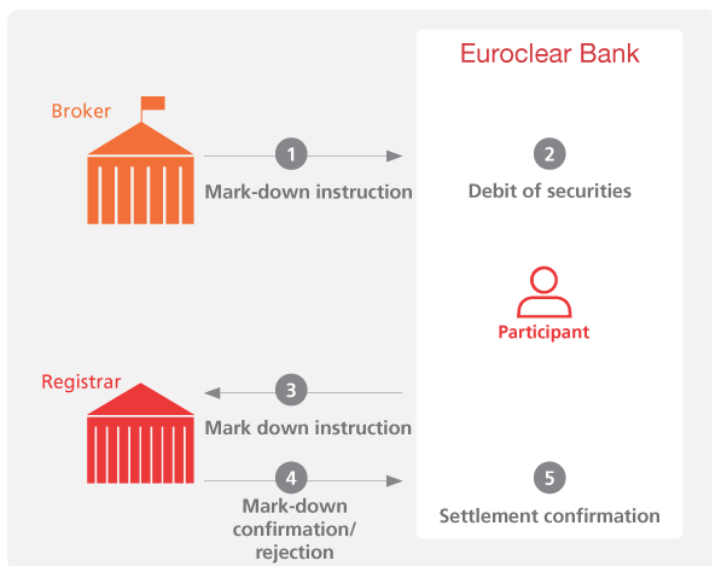
- If we receive a valid confirmation from the registrar **between 01:30 and 19:30 on settlement date (S)**, we will process the mark-up instruction immediately.
- If we receive a valid confirmation from the registrar **after 19:30 but before 21:45 on S**, we will process the mark-up in the overnight batch process dated S+1
- If we receive a valid confirmation from the registrar **between 21:45 on S and 01:30 on S+1**, we will process the mark-up instruction immediately at the opening of our real-time process dated S+1

<sup>19</sup> For the stampy duty requirements on mark-up instructions, please refer to section **10.6 Stamp duty**.

### 4.2.3.2 Mark-downs

You will be able to transfer a position in Irish corporate securities that you hold in your account in Euroclear Bank to an account (other than Euroclear Bank’s Nominee) on the books of the registrar, on a free-of-payment basis.

The process for a mark-down is as follows:



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Step	Details				
1	<p><b>Mark-down instruction</b></p> <p>You send a mark-down instruction to Euroclear Bank, indicating the broker ID, the broker reference, the transferee registration details (investor type, investor name(s) and address), the stamp duty transaction fields, as appropriate and the nationality declaration of both the delivering and receiving investors (if applicable).</p> <p>You can do so via:</p> <ul style="list-style-type: none"> <li>• EasyWay, using the structured pre-formatted fields</li> <li>• a SWIFT MT 542 mark-down instruction, including broker ID and broker reference, together with a SWIFT MT 599 message, indicating the transferee registration details.</li> </ul> <p>Your MT 599 must contain a link reference to the MT 542 message as follows:</p> <table border="1"> <thead> <tr> <th>MT 542</th> <th>MT 599</th> </tr> </thead> <tbody> <tr> <td>                     Sender's reference                      Sequence: A - General information                      Field: :20C::SEME//unique reference of the client                 </td> <td>                     Field 79 – line 1                      /542/ followed by the unique reference in field :20C::SEME of your MT 542 mark-down instruction                 </td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• Multiple investors can be defined (in the case of joint shareholders), in which case the MT 599 or the instruction input via EasyWay will contain multiple transferee registration details.</li> <li>• We recommend that you use EasyWay to send us a mark-down instruction as all necessary transferee registration details can be included in a single instruction.</li> <li>• We must receive your mark-down instruction and transferee registration details by <b>15:55 on the intended settlement date</b> for the registrar to process your mark-down instruction on the same day.</li> </ul>	MT 542	MT 599	Sender's reference Sequence: A - General information Field: :20C::SEME//unique reference of the client	Field 79 – line 1 /542/ followed by the unique reference in field :20C::SEME of your MT 542 mark-down instruction
MT 542	MT 599				
Sender's reference Sequence: A - General information Field: :20C::SEME//unique reference of the client	Field 79 – line 1 /542/ followed by the unique reference in field :20C::SEME of your MT 542 mark-down instruction				

2	<p><b>Validation and positioning</b></p> <p>We validate your mark-down instruction. Upon successful validation, the securities position is verified. If positioning is successful, we provisionally debit the securities from your Securities Clearance Account, pending the registrar's mark-down confirmation. We report the validation and positioning results to you.</p> <p>If positioning is not successful, we automatically recycle your mark-down instruction for 20 business days, at which time it gets centrally cancelled. We will report the central cancellation to you.</p> <p>You can cancel your mark-down instruction at any time before the intended settlement date or until it is successfully positioned.</p>
3	<p><b>Mark-down instruction to the registrar</b></p> <p>Upon successful positioning of your mark-down instruction, we send a mark-down instruction to the registrar to transfer title to the securities from Euroclear Bank's Nominee to the counterparty you indicated in the shareholder register.</p> <p>If we are unable to retrieve your transferee registration details (i.e. your SWIFT MT 599 message) (e.g. if you did not send an MT 599 or you did not include a (correct) link reference), we will already release your mark-down instruction to the registrar while we await the receipt of your transferee registration details (via MT 599 message).</p> <p>If the registrar has not received both your mark-down instruction and the transferee registration details by <b>16:00</b>, the registrar will reject your mark-down instruction. Upon receipt of the rejection message from the registrar, we will cancel your mark-down instruction and report it to you accordingly. You will need to send a new mark-down instruction (MT 542) and new transferee registration details (MT 599).</p> <p>We will only release the transferee registration details (via MT 599) to the registrar if</p> <ol style="list-style-type: none"> <li>1. we can position your mark-down instruction and</li> <li>2. your MT 599 contains the same reference and Euroclear Bank Participant account number as your mark-down instruction</li> </ol> <p><b>Important note:</b> the mark-down instructions will be sent to the registrar on an ongoing basis as from the intended settlement date. We will send MT 599s to the registrar in hourly batches (until 16:00).</p>
4	<p><b>Mark-down confirmation from the registrar</b></p> <p>Upon receipt of the mark-down instruction and transferee registration details from us, the registrar:</p> <ul style="list-style-type: none"> <li>• transfers the securities in the shareholders' register from Euroclear Bank's Nominee to the counterparty mentioned in your instruction and</li> <li>• confirms the completion of the transfer to Euroclear Bank</li> </ul> <p>If the registrar was not able to execute the mark-down, e.g. transferee details not recognised or the registrar is otherwise not permitted to register the transfer, it sends a rejection message to us.</p>
5	<p><b>Settlement and confirmation of mark-down</b></p> <p>Upon receipt of:</p> <ul style="list-style-type: none"> <li>• the registrar's mark-down confirmation, we confirm to you the settlement of your mark-down instruction</li> <li>• a rejection message from the registrar, we automatically cancel your mark-down instruction and return the provisionally-debited securities to your Securities Clearance Account. We report to you the cancellation of your mark-down instruction. Please also refer to the <b>Meaning of the mark-up or mark-down reported rejection reasons</b> section for more details</li> </ul> <p>If you still want to transfer securities out of Euroclear Bank, you will have to send a new mark-down instruction and, if instructed via SWIFT, new transferee registration details via MT 599.</p>

**Note:** registrars may initiate a mark-down instruction upon a court order, the request of an issuer due to a legal requirement or, if for example, an investor has not complied with disclosure requirements or an investor is not following the issuer's investments requirements. We will report the mark-down instruction (via a settlement status) and the debit of the securities to you.

#### Settlement timing of mark-down instructions

Securities can be debited from your account in Euroclear Bank as from **around 22:00 on S-1 until 16:00 on S**. We need to have received your mark-down instruction and, if instructed by SWIFT, your related transferee registration details (via MT 599) by **15:55 on S** for your mark-down to be reflected on the shareholder register on S.

#### Instruction formats

We provide the detailed format of mark-up and mark-down instructions in our [Transactions in Irish corporate securities – Instructions formats guide](#).

**Note:** you will not be able to instruct a mark-up or a mark-down via EUCLID.

**Partial settlement**

Mark-downs will not be eligible for partial settlement.

**4.2.3.3. Meaning of the mark-up or mark-down reported rejection codes**

Upon receipt of a rejection message from the registrar in relation to your mark-up or mark-down instruction, we will report in our cancellation message to you the rejection code received from the registrar and the corresponding ISO description.

In the table below, you see the exact meaning of the rejection code and rejection code description that we will report to you.

<b>Rejection code</b>	<b>Rejection code description</b>	<b>Meaning of rejection code</b>
IIND	INX NOT MATCHED; CPT DISAGREES WITH COMMON REF (MKTS WHERE COMMON REF USED AS MATCH CRIT)	Broker reference expected in the common reference not present/not recognised
ICAG	UNRECOGNISED OR INVALID PARTICIPANT OF DELIVERING OR RECEIVING DEPOSITORY	Broker ID not present/not recognised
DSEC	UNRECOGNISED OR INVALID FINANCIAL INSTRUMENT IDENTIFICATION	ISIN not recognised
INVE	UNRECOGNISED OR INVALID INVESTOR PARTY DETAILS	Nationality Declaration not present/not recognised
LATE	DEADLINE FOR INSTRUCTING OR PROCESSING IS PASSED	Three business days having passed, no paperwork received
VALR	ACCOUNT SERVICER VALIDATION RULE REJECTION	Paperwork - message mismatch
IEXE	DISCREPANCY ON COUNTERPART (BUYER / SELLER)	Investor details missing/inconsistent in your MT 599

**4.2.3.4 Instruction formats**

We provide the detailed format of mark-up and mark-down instructions in our [Transactions in Irish corporate securities – Instructions formats guide](#).

### 4.3 Internal and Bridge settlement



The following section is applicable for CCP-cleared and non-cleared transactions.

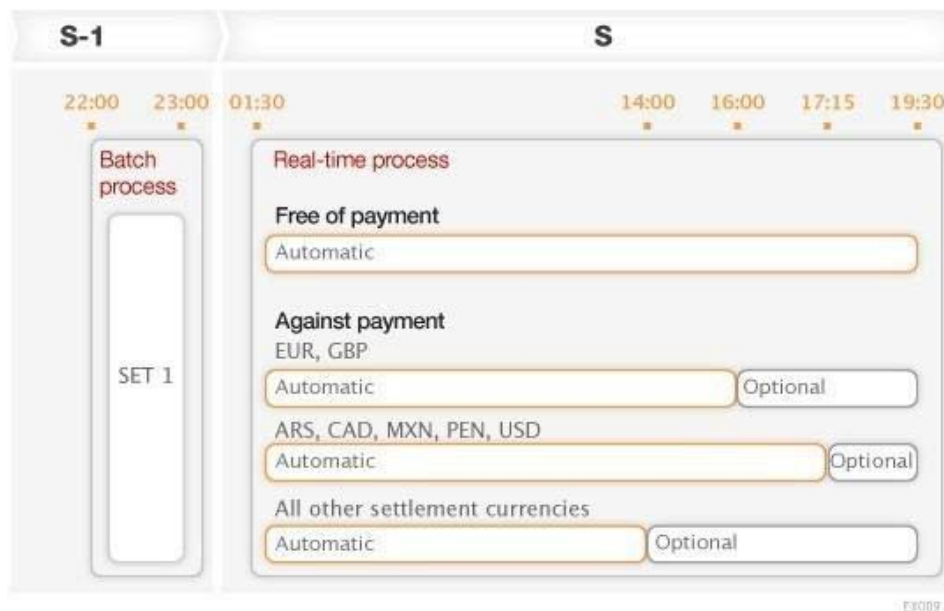
#### 4.3.1 Lifecycle

You will be able to settle your internal settlement transactions in Irish corporate securities:

(S = Settlement date)

- starting, at around 22:00 on S-1 with the overnight batch process
- ending at 16:00 for against payment transactions in EUR and GBP, and at 17:15 for against payment transactions in USD settling in the mandatory settlement window
- ending at 19:30 on S for free of payment transactions and against payment transactions that you and your counterparty have chosen to settle in the optional settlement window

The internal settlement windows for other eligible settlement currencies are illustrated below.



- From an **instruction perspective**, our system accepts and validates instructions on a continuous basis every day for the appropriate settlement dates
- From a **settlement perspective**, our system is open for settlement from Monday to Friday, regardless of Belgian bank or legal holidays, with the exception of 25 December and 1 January

#### 4.3.2 Instruction formats

We provide the detailed format of internal settlement instructions and realignment instructions between Euroclear Bank and Euroclear UK & Ireland in our [Transactions in Irish corporate securities – Instructions formats guide](#).

The detailed format of Bridge settlement instructions are available in the **Settlement format finder** app on [my.euroclear.com](http://my.euroclear.com)<sup>20</sup>.

<sup>20</sup> Go to [my.euroclear.com](http://my.euroclear.com) > My Apps > Settlement format finder

## 4.3.3 Validation, matching and positioning processes

### 4.3.3.1 Validation

We will validate your internal settlement instructions in Irish corporate securities, on a continuous basis, to check whether they can be further processed:

- **syntactical validation** - validation of field formats
- **contextual validation** - validation of field content and relationships between fields

When an instruction is invalid, we do not process it further and we report its status to you.

To settle the transaction, you must send us a new instruction.

### 4.3.3.2 Matching

- Instructions must be valid to be included in the matching process. Our matching process runs throughout the day and includes instructions that have been received and validated.
- Matching means that the details of your instruction are compared to those of your counterparty. The purpose is to ensure that:
  1. the terms of the transaction are identical in both instructions
  2. any differences are identified and reported as soon as possible
- Matching is a settlement condition and thus a mandatory step before an internal or Bridge settlement instructions in Irish corporate security can be submitted for settlement.
- Our system attempts matching as soon as your instruction is received, regardless of the intended settlement date.

### 4.3.3.3 Matching criteria

The following elements of the instructions must match:

- participant code/account number
- counterparty code/account number
- security code
- quantity of securities
- settlement date
- cash counter-value, if against payment
- cash currency, if against payment
- trade date



#### 4.3.3.4 Tolerance adjustment for matching

To maximise matching and settlement efficiency, your internal and Bridge settlement instructions in Irish corporate securities will by default benefit from a tolerance adjustment for matching of:

- **EUR 2.00** for settlement amounts less than or equal to EUR 100,000 equivalent
- **EUR 25.00** for settlement amounts greater than EUR 100,000 equivalent

In case of discrepancy, the amount in the seller's instruction will prevail.

#### 4.3.3.5 Matching reporting

We report matching results to you in real time for internal settlement instructions and as soon as available in Euroclear Bank for Bridge settlement instructions, including the reason why an instruction did not match.

#### 4.3.3.6 Allegements

We offer an allegation service to notify you when your counterparty has input an instruction against your account but we have not yet received your instruction. As soon as your instruction is matched, we remove the allegation.

This service is available upon subscription.

**Note:** if your internal settlement instruction and your counterparty's internal settlement instruction was input via SWIFT, we will enrich your SWIFT allegation reporting with the stamp duty transaction fields input by your counterparty. The stamp duty transaction fields will not be reported in our allegation reporting through EasyWay or E UCLID.

#### 4.3.3.7 Positioning of instructions

We perform a transaction-by-transaction positioning, taking into account your priorities and options to verify whether either:

- the securities are available to execute the delivery instruction
- cash/credit/collateral is available to execute the receipt instruction

This verification is done between matching and settlement.

#### Securities positioning

Instruction type	Securities positioning
Internal delivery instructions	The securities position is verified. If positioning is successful: <ul style="list-style-type: none"> <li>• the instructions are further processed in the same processing cycle if the counterparty has enough cash/credit in its account</li> <li>• the transaction settles and reaches end of life</li> </ul>
Bridge delivery instructions	The securities position is verified. If positioning is successful: <ul style="list-style-type: none"> <li>• securities are provisionally debited</li> <li>• for against payment instructions, cash is credited when CBL accept the delivery</li> </ul>

**Cash positioning**

Instruction type	Cash positioning
Against payment internal receipt instructions	The cash available in your Cash Account is verified. If positioning is successful: <ul style="list-style-type: none"> <li>• the instructions are further processed in the same processing cycle if the counterparty has enough securities in its account</li> <li>• the transaction settles and reaches end of life</li> </ul>
Against payment Bridge receipt instructions	<ul style="list-style-type: none"> <li>• If there is sufficient cash/credit in your account, we check if we can accept the receipt within the joint Bridge risk management principles                             <ul style="list-style-type: none"> <li>○ If we can accept the receipt, we:                                     <ul style="list-style-type: none"> <li>▪ debit the cash amount from your account and credit your account with the securities</li> </ul> </li> <li>○ If we cannot accept the receipt, we:                                     <ul style="list-style-type: none"> <li>▪ position the cash on your account until the next scheduled file exchange with CBL:   <ul style="list-style-type: none"> <li>• if CBL confirms your transaction has settled, we will credit your account with the securities</li> <li>• if CBL confirms your transaction has not settled, we will remove the cash positioning</li> </ul> </li> </ul> </li> </ul> </li> <li>• If there is not sufficient cash/credit in your account:                             <ul style="list-style-type: none"> <li>○ your transaction will not settle</li> <li>○ CBL needs to send a new proposal for settlement</li> </ul> </li> </ul>

**Reporting**

We report unsuccessful positioning results to you as soon as available. If positioning is successful, your internal settlement transaction will settle and we will send you the settlement confirmation.

**Note:** for Bridge settlement instructions, we need to receive feedback from CBL to confirm settlement.

### 4.3.4 Settlement optimisation

We will offer you the following functionalities to optimise your settlement activity in Irish corporate securities:

- prioritisation of settlement instructions
- sequencing of settlement instructions
- technical netting
- linking of settlement instructions

#### 4.3.4.1 Prioritisation of settlement instructions

You can assign a priority to your delivery instruction to ensure your highest priority instructions settle before your lower priority instructions. If you do not have sufficient securities for a higher priority instruction, we will reserve the available securities and any incoming securities to ensure the securities are not used for a lower priority delivery instruction.

##### How to assign a priority to your settlement instructions

Priority	EasyWay <sup>(1)</sup> (Field Priority indicator)	EUCLID (Field :20:)	ISO 15022 (Field :22F:) <sup>(1)</sup>
Top	0001	W	0001
High	0002	P	0002
Regular (default priority)	0003	R	0003
Low <sup>(2)</sup>	0004	L	0004

(1) You can change the priority of a transaction after initial input via EasyWay and SWIFT MT 530.

(2) This priority may only be used by an Automatic Borrower to exclude a particular instruction from the Securities Lending and Borrowing Programme. Otherwise, the instruction will be rejected.

#### 4.3.4.2 Sequencing of settlement instructions

We sequence the processing of your settlement instructions to ensure your pool of cash and securities is made available for certain settlement activity over other settlement activity.

For example, you have new issues distribution via a non-syndicated distribution, CCP and bilateral settlement activity. Your available cash and securities would be used in the following order of priority:

1. new issues distribution activity
2. CCP activity and bilateral settlement activity

By default, we will ensure that your settlement instructions with an older intended settlement date and a higher settlement amount with the same priority are sequenced first.

### 4.3.4.3 Technical netting

Technical netting is the simultaneous positioning and settlement of instructions in a given ISIN. These instructions would have failed to settle if positioned individually, but they might settle successfully if positioned together.

We offer technical netting during the overnight batch process and throughout the real-time process for both free of payment and against payment internal settlement transactions and against payment Bridge receipt transactions.

The following combinations are possible for a given ISIN:

- **simple circles** (A delivers to B and B re-delivers to A)
- **simple back to back** (A delivers to B and B delivers to C)
- **broken back to back** (example - A delivers to B, B delivers to C and B delivers to D)

### 4.3.4.4 Linking of settlement instructions

You can link specific receipt and delivery instructions for the same security and the same account to ensure that securities are reserved for one or several particular onward deliveries.

You can sign up for this functionality by completing the [RS 200](#)<sup>21</sup>.

Please note that you cannot link a mark-up or mark-down instruction with an internal or Bridge receipt or delivery instruction.

## 4.3.5 Partial settlement

We will offer partial settlement on your internal and Bridge settlement instructions in Irish corporate securities.

### 4.3.5.1 How will it work?

The partial settlement process will:

- run several times throughout the day and before the close of the mandatory and optional settlement windows to ensure we maximise settlement and you are not left with a partial position
- be triggered for transactions lacking securities where the deliverer holds a portion of the securities.
- take into account the minimum and multiple tradable amount of the security involved in the transaction

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<sup>21</sup> Go to [my.euroclear.com](https://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **RS 200**

### 4.3.5.2 Timing of partial settlement runs

The indicative timings for the partial settlement runs are:

Internal settlement instructions	Bridge settlement instructions
<ul style="list-style-type: none"> <li>• 01:30</li> <li>• 07:00</li> <li>• 10:00</li> <li>• 12:30</li> <li>• 13:45-14:00</li> <li>• 15:15</li> <li>• 15:45-16:00</li> <li>• 16:50-17:15</li> <li>• 18:00</li> <li>• 18:45-19:00</li> <li>• 19:30</li> </ul>	<ul style="list-style-type: none"> <li>• 13:50-14:25</li> <li>• 15:20-15:55</li> <li>• 17:00-17:35</li> <li>• 18:30-19:05</li> </ul>

All settlement instructions that are being recycled at the time of the partial settlement run will be eligible for partial settlement, unless you have opted out of partial settlement at **account level** or **instruction level** or put the instruction 'on hold'.

### 4.3.5.3 Opt-out of partial settlement

By default, all CCP-cleared and non-cleared transactions in Irish corporate securities will be eligible for partial settlement. However, for non-cleared transactions, you or your counterparty will have the possibility to opt out of partial settlement either at:

- **instruction level** (by adding the partial settlement indicator **NPAR**) or
- **account level** (by completing an [RG 595B](#))<sup>22</sup> – you can still override the default opt-out at account level by inputting the value **PART** in your settlement instruction

If one of the parties in the transaction has opted out of partial settlement at instruction or account level, the transaction will not be considered for partial settlement.

For accounts on which CCP-cleared transactions will settle, you must ensure that your account is set up so that partial settlement is allowed.

For deliveries to and receipts from Euroclear UK & Ireland, partial settlement will not be possible.

### 4.3.5.4 Partial settlement indicator

You will be able to set the partial settlement indicator on your instruction via:

EasyWay Settlement	EUCLID MT 580	SWIFT MT 540-3
Sequence: Settlement details Field: Settlement transaction condition indicator <b>PART</b> (to allow partial settlement) or <b>NPAR</b> (to not allow partial settlement) You will be able to change the partial settlement indicator via EasyWay at any time during the lifecycle of your transaction	Field :62: <b>PART</b> (to allow partial settlement) or <b>NPAR</b> (to not allow partial settlement)	Sequence E – Settlement details Field :22F:STCO: <b>PART</b> (to allow partial settlement) or <b>NPAR</b> (to not allow partial settlement)

<sup>22</sup> Go to [my.euroclear.com](https://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **RG 595B**

### 4.3.5.5 Cancelling a partially settled transaction

When you decide to request a cancellation for a transaction that is partially settled, you will have to indicate the client reference of your original ('mother') instruction you intend to cancel and the remaining amount and quantity to be settled.

If you instruct a cancellation request using the EUCLID command, you will have to specify the Euroclear and/or client reference of the new instructions created following the partial settlement execution .

### 4.3.5.6. Reporting

Once a settlement instruction has partially settled, we will send you:

- an MT 54x settlement confirmation message. You should refer to the remaining quantity and amount reported in this message to calculate the remaining quantity and amount to be settled
- a new MT 548 only if the status of the settlement instruction has changed after it has partially settled.
- On the EasyWay Settlement screens, you will be able to retrieve details on the settled and to be settled securities quantity and cash amount.
- We will report the cancellation and creation of new instructions following a partial settlement execution in the R20, R21, R23 and R70 reports available via EUCLID and EasyWay Reports

### 4.3.6 Hold and Release

At any time before actual settlement or cancellation, you will be able to instruct internal and bridge settlement instructions in Irish corporate securities 'on hold' or 'released'. By setting an instruction 'on hold', it will undergo a matching process but will not be eligible for settlement until both parties have released their respective settlement instructions.

#### 4.3.6.1 How to set the 'on hold' or 'released' status in your instruction

You will be able to set the hold/release status via the standard field in your instruction via:

EasyWay Settlement	EUCLID MT 580	SWIFT MT 540-3
Sequence: Settlement details Field: Hold & release indicator <b>Hold</b> (to set your instruction 'on hold') or <b>Release</b> (to 'release' your instruction - default value)	Field :23G: <b>PREA</b> (to set your instruction 'on hold') or  <b>not present</b> (to 'release' your instruction – default value)	Sequence A – General information Field :23G: <b>PREA</b> (to set your instruction 'on hold') or <b>NEWM</b> (to 'release' your instruction – default value)

You will be able to update the hold/release status via:

EasyWay Settlement	EUCLID MT 580	SWIFT MT 540-3	SWIFT MT 530 modification command message
Sequence: Settlement details Field: Hold & release indicator <b>Hold</b> (to set your instruction 'on hold') or <b>Release</b> (to 'release' your instruction)	Field :23G: <b>PREA</b> (to set your instruction 'on hold') or <b>not present</b> (to 'release' your instruction)	Sequence A – General information Field :23G: <b>PREA</b> (to set your instruction 'on hold') and the presence of field :20C::PREA: and/or field :20C::PREV: or <b>NEWM</b> (to 'release' your instruction) and the presence of field :20C::PREA: and/or field :20C::PREV:	Sequence B – Request details Field :22F:SETT <b>NPRE</b> (to set your instruction 'on hold') or <b>YPRE</b> (to 'release' your instruction)

### 4.3.6.2 Reporting

We will report if a transaction is set 'on hold' by you, your counterparty or by both parties.

If you have subscribed to the SWIFT ISO 15022 MT 548:

- **Multiple status reporting** - you will be notified as from matching if your counterparty has set their transaction 'on hold'
- **Single status reporting** - you will be notified as from intended settlement date if your counterparty has set their transaction 'on hold'

## 4.3.7 Recycling and cancellation

### 4.3.7.1 Recycling

#### Unmatched instructions

Unmatched settlement instructions will continue to be recycled until they are cancelled by you or by us.

Every day, at the end of the real-time process, we automatically cancel all internal and Bridge settlement instructions with an internal status of unmatched and input date of more than one month in the past. If you do not want us to cancel instructions automatically, you can subscribe to opt out.

Instructions that are subject to central cancellation are reported with the narrative 'MATCHING UNSUCCESSFUL – END OF RECYCLING'.

#### Matched instructions

Internal and Bridge settlement instructions that remain unsettled after the batch process dated S will be recycled in the automatic real-time process, until they are settled or cancelled by you and your counterparty.

- The unsettled instructions are re-submitted for settlement in the following overnight batch process dated S+1.
- If the real-time indicator is present in both matched instructions, they are also recycled in the optional real-time process.

### 4.3.7.2 Cancellation

#### General rule

Instruction status	Options
Your instruction is unmatched	You can cancel your instruction unilaterally
Your instruction is matched but not yet settled	You and your counterparty must both send a cancellation request

#### Reporting

We will report to you	We will report to your counterparty
<ul style="list-style-type: none"> <li>• The cancellation of your unmatched instruction</li> <li>• The receipt of a pending cancellation request from your counterparty</li> <li>• The cancellation of your matched transaction</li> <li>• The pending status of your cancellation request until receipt of your counterparty's cancellation request</li> </ul>	Your pending cancellation request

## 4.4 Settlement reporting

For an overview of settlement reporting, consult the [Settlement Reporting - Quick card](#)<sup>23</sup>.

## 4.5 Settlement discipline

Internal and Bridge settlement instructions in Irish corporate securities will be subject to the CSDR settlement discipline regime<sup>24</sup> when implemented, including cash penalties and mandatory buy-ins.

Matched internal and Bridge settlement instructions that have reached their intended settlement date and for which the settlement status is other than settled or cancelled at the cut-off of the relevant settlement window will be subject to cash penalties. This means that cash penalties will also apply for instructions that:

- were matched after intended settlement date
- partially settled (penalised for the remaining unsettled amount)
- were set 'on hold'. If both Participants' instructions are on hold, two penalties are created:
  1. one with the receiving Participant to pay to the delivering Participant
  2. one with the delivering Participant to pay to the receiving Participant

A cash penalty will be due for each day of failed settlement, as from the intended settlement date up to and including the date on which the settlement instruction is settled or cancelled.

Transactions which fail to settle due to lack of securities within the number of days defined as 'extended period' will be subject to a mandatory buy-in process to be initiated and executed by either:

- the relevant CCP (for CCP-cleared transactions)
- trading venue member (for non-cleared transactions that are executed on a trading venue)
- trading party (for non-cleared transactions that are not executed on a trading venue)

Mark-up and mark-down instructions will not be subject to settlement penalties.

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<sup>23</sup> Go to [my.euroclear.com > My Apps > Knowledge base](#) and enter Keyword: **Settlement reporting quick card**

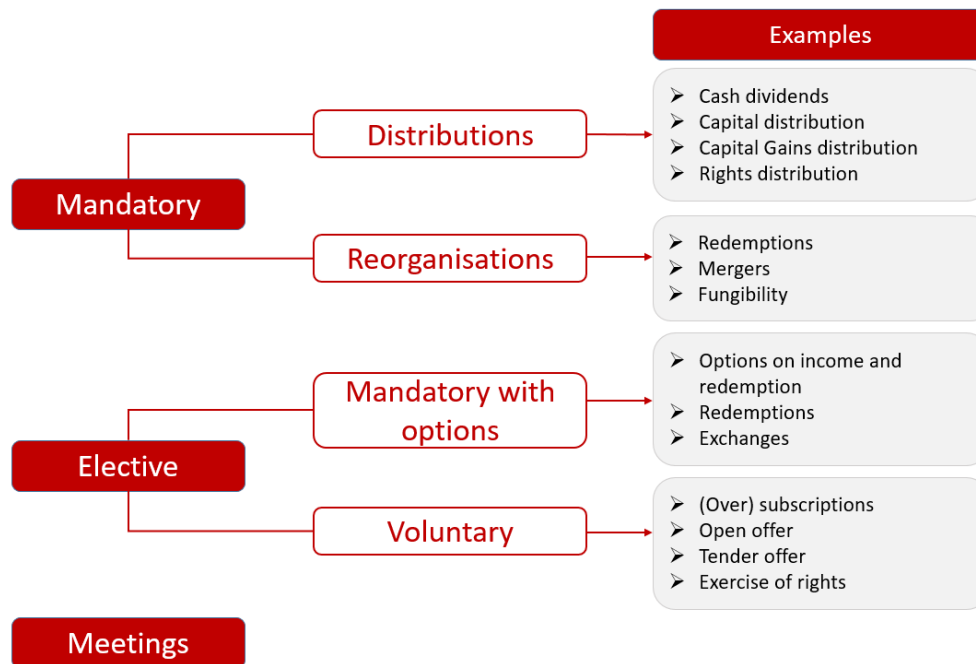
<sup>24</sup> For more information on the CSDR settlement discipline regime, please consult our [Newsletter 2019-N-057](#). Go to [my.euroclear.com > My Apps > Knowledge base](#) and enter Keyword: **2019-N-057**



## 5. Custody – Income and corporate actions

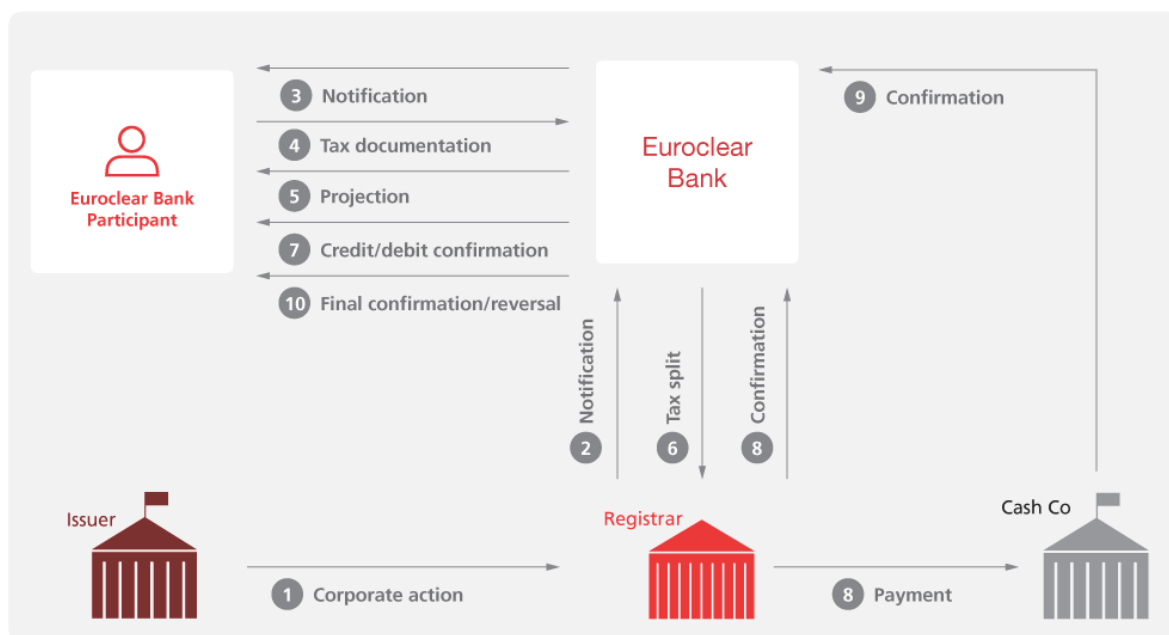
### 5.1 Overview

We will process the following types of income and corporate action events for Irish corporate securities:



Cash proceeds of any corporate action event can be credited to the Cash Account of a Euroclear Bank Participant in any Euroclear Bank-eligible currency.

## 5.2 Mandatory distributions and reorganisations



EX425\_8

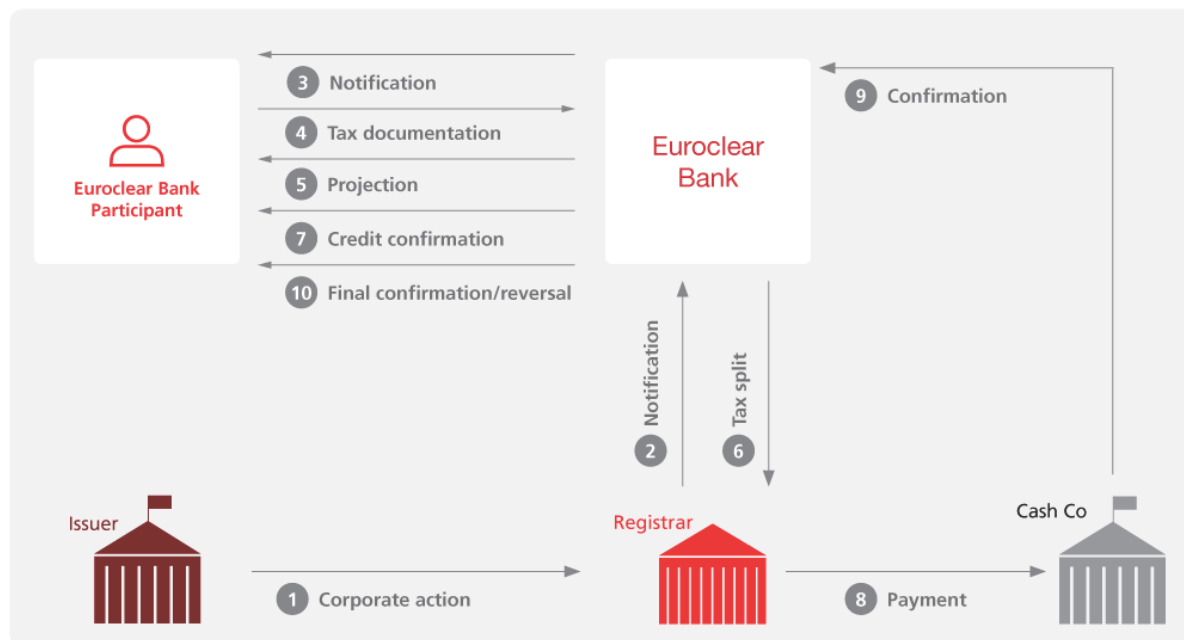
Step	Details
1	<b>The issuer informs the registrar of the corporate action</b>
2	<b>The registrar informs us of the corporate action upon receipt of the information from the issuer</b>
3	<p><b>Corporate action notifications</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p><b>Note:</b> for scheduled events (i.e. events that are foreseen to occur on a fixed date or in regular frequency as defined in the terms and conditions of the security, such as interest and redemption payments), we usually do not send a corporate action notification, unless:</p> <ul style="list-style-type: none"> <li>• you have a subscription<sup>25</sup> to 'Standard Income events'</li> <li>• there is a change in the event details or the validity of the event (cancellation or withdrawal) during the projection period (see step 4)</li> <li>• there is a special condition (e.g. the payment amount is zero, possibility for tax exemption upon certification, etc.)</li> </ul>
4	<p><b>Tax documentation</b></p> <p>For taxable events and if you are entitled to tax relief, you send us the appropriate tax documentation (tax certification at account level and tax breakdown, as applicable) by the deadline mentioned in the related corporate action notification.</p>

<sup>25</sup> To subscribe, please complete an [RG 463](#). Go to [my.euroclear.com](http://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **RG 463**

5	<p><b>Projection of cash proceeds</b></p> <p>We project the cash proceeds based on your entitled balance as from five Business Days (BDs) before the expected value date until the BD before the value date.</p> <p><b>Note:</b> the projection of the debit or credit of securities is only available in EasyWay Corporate Actions.</p>
6	<p><b>Confirmation of taxable and exempted positions</b></p> <p>We confirm to the registrar the split between taxable and exempted positions for taxable distribution events.</p>
7	<p><b>Provisional credit/debit of proceeds</b></p> <p>For events giving rise to a:</p> <ul style="list-style-type: none"> <li>• <b>cash proceeds such as interest, redemptions or dividend payments</b> - in general, we provisionally credit the cash proceeds to your Cash Account during the overnight batch process that precedes the expected payment date (on-time payment)</li> <li>• <b>securities debit (redemptions only)</b> - we debit the securities from your Securities Clearance Account during the overnight batch process that precedes the expected payment date</li> </ul> <p>We report the cash and securities movements to you accordingly.</p>
8	<p><b>Debit/credit confirmation from registrar and payment</b></p> <p>The registrar confirms to us the credit or debit of securities to/from our account. The registrar mandates payment to our cash account with our Cash Correspondent.</p>
9	<p><b>Credit confirmation from Cash Correspondent</b></p> <p>Following the credit of our account, our Cash Correspondent sends us a credit confirmation.</p>
10	<p><b>Final credit of your account</b></p> <ul style="list-style-type: none"> <li>• <b>For events giving rise to a securities proceeds, such as a rights distribution</b> - we credit your Securities Clearance Account upon receipt of the credit confirmation from the registrar.</li> <li>• <b>For events giving rise to a cash proceeds, such as a dividend or interest payment</b> - upon successful reconciliation of the credit confirmation received from our Cash Correspondent, we confirm to you the finality of the cash proceeds provisionally credited to you.</li> <li>• <b>For events giving rise to debit of securities, such as redemptions</b> - the debit of securities becomes final.</li> </ul> <p><b>Note:</b> we may reverse cash credits if we do not receive payment from the issuer or the registrar in a timely manner, in the case of a mistake in the price calculation, the value date, the record date, the paying currency, etc.</p>

Below we illustrate a few examples of mandatory distribution events. This is not an exhaustive list of the different mandatory distribution or reorganisation events that we will support for Irish corporate securities.

**Example 1 - Cash dividends/fixed interest payments**



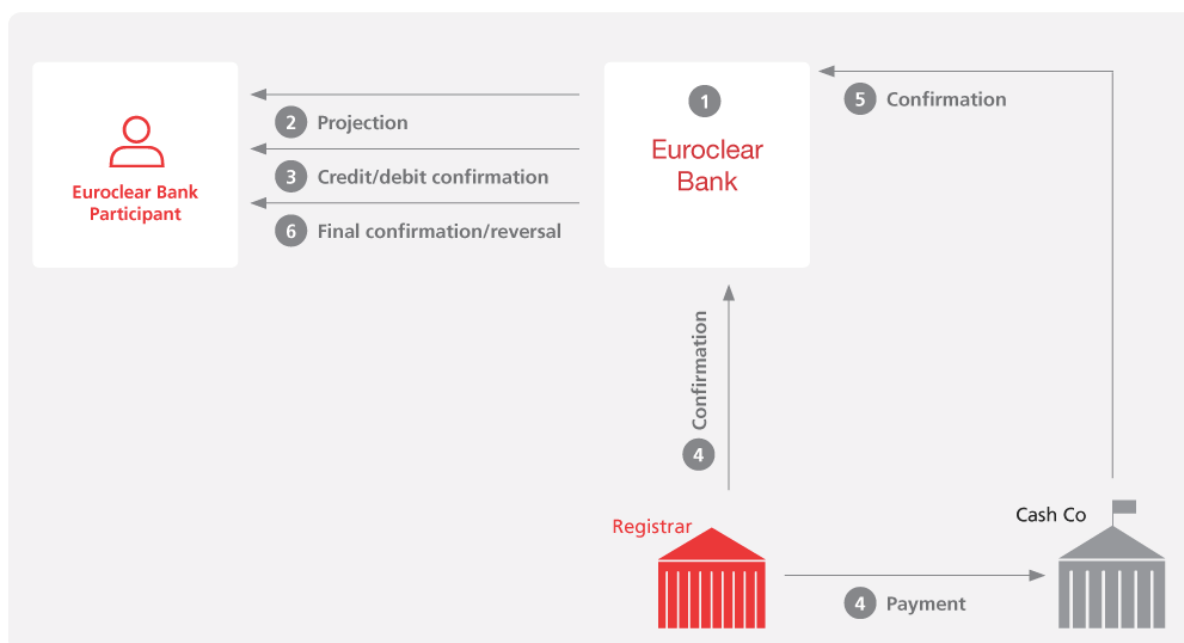
EX425\_9

Step	Details
1	<b>The issuer informs the registrar</b>
2	<b>The registrar informs us upon receipt of the information from the issuer</b>
3	<p><b>Corporate action notifications</b></p> <p><b>Notes</b></p> <ol style="list-style-type: none"> <li>If the dividend is paid on a REIT and represents both a property and a non-property income distribution, we will create two distinct dividend corporate action events and notify you through two distinct corporate action notifications.</li> <li>We will inform you of the tax relief service offered in relation to the cash dividend/interest payment via a linked corporate action notification. This notification will include information on: <ul style="list-style-type: none"> <li>which action is required from you to receive tax relief at source</li> <li>tax certification (at account level) and tax breakdown instruction deadlines</li> </ul> </li> <li>For an interest payment, we generally create the corporate action event one BD before the interest period starting date. We do not send a corporate action notification for such scheduled event unless: <ul style="list-style-type: none"> <li>you have a subscription<sup>26</sup> to 'Standard Income events'</li> <li>there is a change in the event details or the validity of the event (cancellation or withdrawal) during the projection period (see step 4)</li> <li>there is a special condition (e.g. the payment amount is zero, possibility for tax exemption upon certification, etc.)</li> </ul> </li> </ol>
4	<p><b>Tax documentation</b></p> <p>You must ensure that your account is validly documented by the deadline mentioned in the related corporate action notification. If this is the case, there is no need to provide tax documentation for each payment, except if you are a Qualified Intermediary (QI) and you hold a mixed rate omnibus account holding the assets of several beneficial owners, not all benefiting from the same relief conditions. For the latter, you need to provide us with a tax breakdown by the deadline mentioned in the related corporate action notification. Please refer to <b>Section 10 Tax services</b> for further details.</p> <p>Please refer to <b>Section 10.2.2 Account structure</b> for details as to how you can structure your accounts as a Qualified Intermediary to avoid having to send tax breakdown information.</p>

<sup>26</sup> To subscribe, please complete an [RG 463](#). Go to [my.euroclear.com](http://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **RG 463**

5	<p><b>Projection of proceeds</b></p> <p>The projection becomes available:</p> <ul style="list-style-type: none"> <li>daily at the end of the overnight batch process from the value date -5 BDs until the value date -1 BD</li> <li>intra-day, on the value date -1 BD</li> </ul> <p>If the dividend is paid by a REIT and represents both property and non-property income distribution, we will send you two distinct projections.</p> <p><b>Note:</b> after the end of record date, we update the cash dividend/interest amount you should receive based on your tax breakdown/tax certificate. In the projection, we reflect the gross amount and the net amount with application of the default tax rate.</p>
6	<p><b>Confirmation of taxable and exempted positions</b></p> <p>We confirm to the registrar any split between taxable and exempted positions, as applicable.</p>
7	<p><b>Provisional credit of proceeds</b></p> <p>We generally provisionally credit the cash proceeds<sup>27</sup> to your Cash Account during the overnight batch process that precedes the expected payment date (on-time payment) and send you the booking confirmation.</p> <p>We report the cash movements to you during the overnight batch process.</p> <p>If the dividend is paid by a REIT and represents both property and non-property income distribution, we will make two distinct credits to your Cash Account.</p>
8	<p><b>Registrar’s payment</b></p> <p>On the payment date, the registrar mandates payment to our cash account with our Cash Correspondent.</p>
9	<p><b>Credit confirmation from Cash Correspondent</b></p> <p>Following the credit of our account, our Cash Correspondent sends us a credit confirmation.</p>
10	<p><b>Final credit of your account</b></p> <p>We confirm the receipt and reconciliation of funds to you and the provisional cash credit becomes final.</p> <p><b>Note:</b> we may reverse cash credits if we do not receive payment from the issuer in a timely manner.</p>

**Example 2 - Final maturity**



EX425\_10

<sup>27</sup> Gross payment or net of withholding tax, depending on your entitlement to tax relief, your certificate validity and your tax instruction, if applicable.

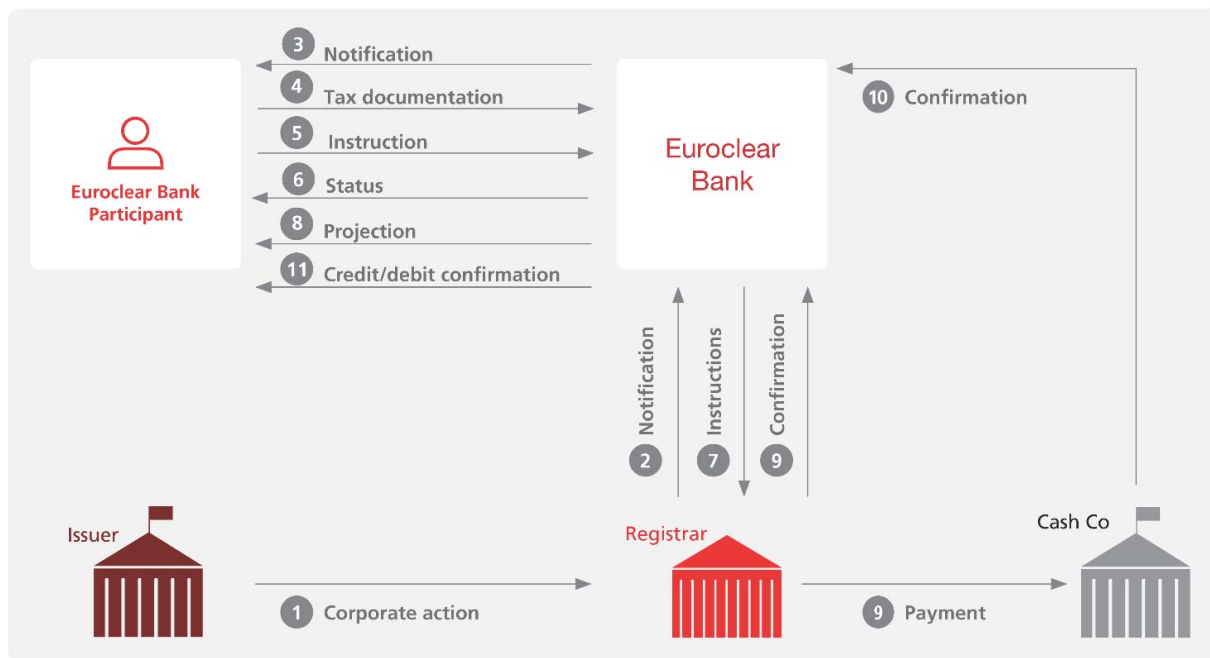
Step	Details
1	<p><b>Creation of event</b></p> <p>For a final maturity, we generally create the corporation action event around 90 calendar days before the maturity date. We do not send a corporate action notification for such scheduled event unless:</p> <ul style="list-style-type: none"> <li>• you have a subscription<sup>28</sup> to 'Standard Income events'</li> <li>• there is a change in the event details or the validity of the event (cancellation or withdrawal) during the projection period (see step 2)</li> <li>• there is a special condition (e.g. the payment amount is zero, possibility for tax exemption upon certification, etc.)</li> </ul>
2	<p><b>Projection of proceeds</b></p> <p>The projection becomes available:</p> <ul style="list-style-type: none"> <li>• daily at the end of the overnight batch process from the value date -5 BDs until the value date -1 BD</li> <li>• intra-day, on the value date -1 BD</li> </ul> <p><b>Note:</b> the projection of the debit of securities is only available in EasyWay Corporate Actions.</p>
3	<p><b>Provisional credit/debit of proceeds</b></p> <p>We provisionally:</p> <ul style="list-style-type: none"> <li>• credit the cash proceeds to your Cash Account during the overnight batch process that precedes the expected payment date (on-time payment)</li> <li>• debit the securities from your Securities Clearance Account during the overnight batch process that precedes the expected payment date</li> </ul> <p>We report the cash and securities movements to you after the overnight batch process.</p>
4	<p><b>Debit confirmation from registrar and payment</b></p> <p>On the payment date, the registrar debits the redeemed securities from our account and sends us a debit confirmation. The registrar mandates payment to our cash account with our Cash Correspondent.</p>
5	<p><b>Credit confirmation from Cash Correspondent</b></p> <p>Following the credit of our account, our Cash Correspondent sends us a credit confirmation.</p>
6	<p><b>Final credit of your account</b></p> <p>Upon receipt of the confirmations and reconciliation of funds, we confirm to you the finality of the provisional cash credit and securities debit.</p> <p><b>Note:</b> we may reverse cash credits if we do not receive payment from the issuer or the registrar in a timely manner, or in the case of a mistake in the price calculation, the value date, the record date, the payment currency etc.</p>

### 5.2.1 Renunciation

We will not offer the possibility to renounce income- and corporate action-related cash payments on Irish corporate securities.

<sup>28</sup> To subscribe, please complete an [RG 463](#). Go to [my.euroclear.com > My Apps > Knowledge base](#) and enter Keyword: **RG 463**

### 5.3 Mandatory corporate actions with options and voluntary events



EX425\_11

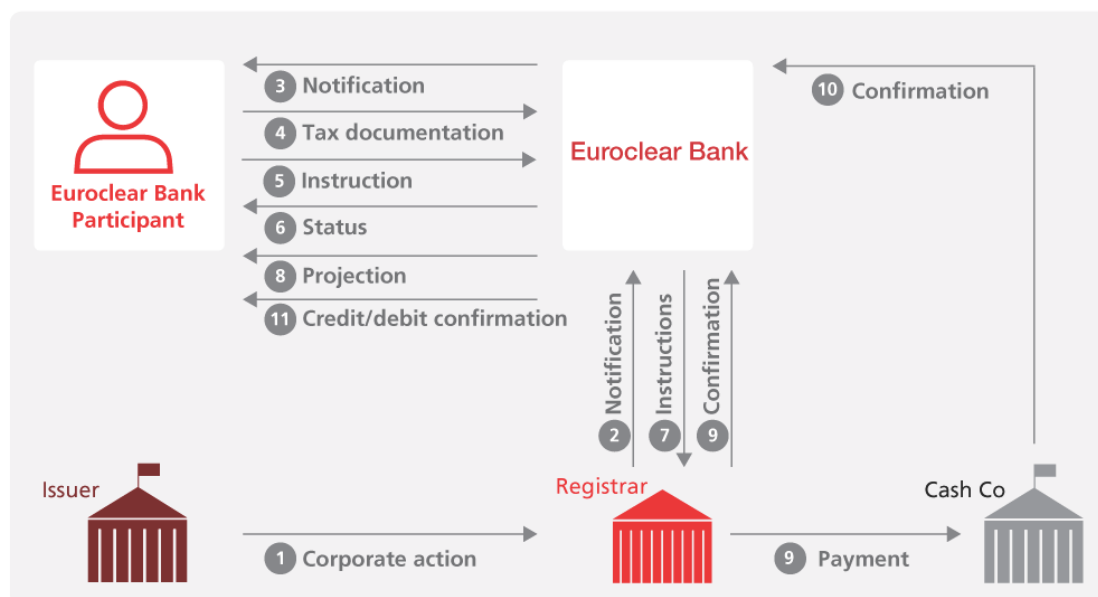
Step	Details
1	<b>The issuer informs the registrar of the corporate action</b>
2	<b>The registrar informs us of the corporate action upon receipt of the information from the issuer</b>
3	<p><b>Corporate action notifications</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>a balance in your Securities Clearance Account</li> <li>a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>a pending securities transaction</li> <li>a pending corporate action instruction</li> </ul> <p>In our corporate action notification, we will inform you of all the details of the corporate action event, the possible elections or choices available, the Euroclear and market deadlines and the need for compliance with the terms and conditions of the corporate action, as well as, any other information required in the corporate action instruction, if applicable.</p>
4	<p><b>Tax documentation</b></p> <p>For taxable mandatory corporate actions with options, if you are entitled to tax relief, you must ensure that your account is validly documented for tax purposes before sending us a corporate action instruction without deduction of withholding tax. Upon receipt of a corporate action for an option without deduction of withholding tax, we will validate that you have the valid tax documentation in place for the instructing account. If this is not the case, we will reject your instruction</p> <p>Please refer to Section 10. Tax Services for details as to how you can structure your accounts and the tax documentation you must provide to us to be entitled to tax relief.</p>
5	<p><b>You send us your corporate action instruction(s)</b></p> <p>You send us a corporate action instruction by the deadline via SWIFT MT 565 or EasyWay Corporate Actions. By instructing, you certify your compliance with any stipulated restrictions and conditions of the corporate action. If available, you can instruct us not to take any action on a specific corporate action.</p> <p>Once we have received your corporate action instruction(s), we will:</p> <ul style="list-style-type: none"> <li><b>validate it</b></li> <li><b>position it</b> (i.e. check the availability of securities and/or cash/credit before execution)</li> </ul> <p>Upon successful positioning, we will proceed to the blockage of the exercised securities and/or the debit of the exercised securities, based on the terms and conditions of the corporate action.</p>

	Upon unsuccessful positioning, we will automatically recycle your corporate action instruction for five business days or until the Euroclear deadline, whichever is the earliest. We will cancel your corporate action instruction if it is still not successfully positioned by then. Our corporate action notification will confirm if the securities are to be blocked and/or debited.
6	<b>Status reporting</b> We inform you of the status of your instruction, the reason for any failed instruction and issue that occur throughout the lifecycle of the instruction(s).
7	<b>We send the corporate action instruction(s) to the registrar for processing</b> For mandatory corporate actions with options, the registrar will apply the default option for any position you have not instructed on.  <b>Cancellation requests</b> - you can send us a cancellation request for your corporate action instruction which will be submitted for approval to the registrar. Upon receipt of the registrar's feedback, we will accept or reject your cancellation request and report the acceptance or rejection to you.
8	<b>Projection of proceeds</b> For mandatory corporate actions with options, the cash entitlement projection becomes available: <ul style="list-style-type: none"> <li>daily at the end of the overnight batch process from the value date -5 BDs until the value date -1 BD</li> <li>Intra-day, on the value date -1 BD</li> </ul>
9	<b>Debit/credit confirmation from registrar and payment</b> The registrar confirms to us the credit or debit of the securities to/from our account. The registrar mandates payment of our cash account with our Cash Correspondent.
10	<b>Credit confirmation from Cash Correspondent</b> Following the credit of our account, our Cash Correspondent sends us a credit confirmation.
11	<b>Final credit of your account</b> We credit your Securities Clearance Account with the security proceeds in real time. After reconciliation of the funds, we credit your Cash Account with the cash proceeds in the overnight batch process dated the payment date +1 BD, with value the payment date.  We report the cash and securities movements to you during the overnight batch process.

**Note:** if there would be a dividend with options on a REIT distributing PID and non-PID, we will discuss with the issuer and the registrar how we can best process the event.

Below we illustrate a few examples of mandatory distribution events with options. This is not an exhaustive list of the different events that we will support for Irish corporate securities.

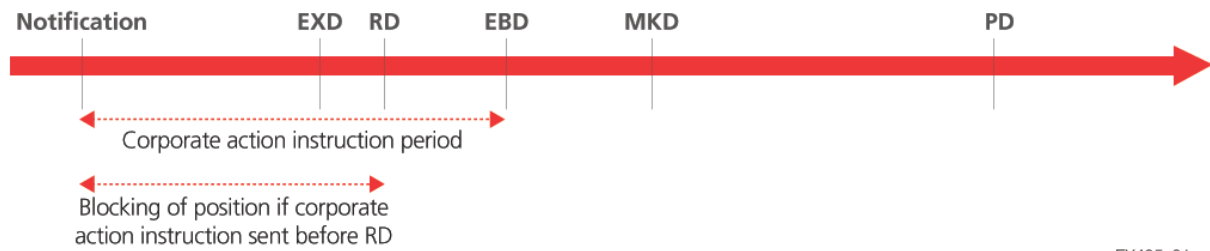
**Example 1 – SCRIP/DRIP dividend**



EX425\_24



**Timeline**



EX425\_21

**EXD** = Ex date **RD** = Record date **EBD** = Euroclear Bank deadline **MKD** = Market deadline **PD** = Payment date

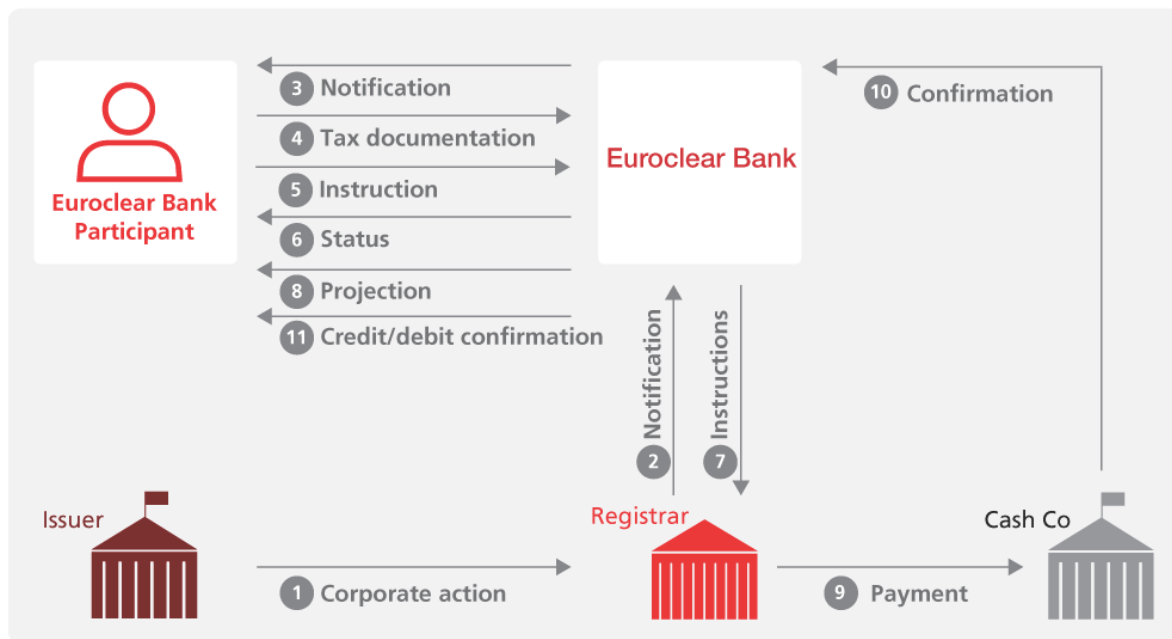
Step	Details
1	<b>The issuer informs the registrar of the corporate action</b>
2	<b>The registrar informs us of the corporate action upon receipt of the information from the issuer</b>
3	<p><b>Corporate action notifications</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>In our corporate action notification, we will inform you of all the details of the corporate action event, the possible options available, the default option, the Euroclear and market deadlines and the need for compliance with the terms and conditions of the corporate action, as well as, any other information required in the corporate action instruction, if applicable. More particularly, we expect that you will be able to choose among the different options:</p> <ul style="list-style-type: none"> <li>• the cash option at the maximum tax rate (if you are not entitled to a tax relief)</li> <li>• the securities option at the maximum tax rate i.e. for the equivalent of the value of the dividend entitlement reduced by the maximum tax rate (if you are not entitled to a tax relief)</li> <li>• the cash option without deduction of withholding tax (if you are entitled to a tax relief)</li> <li>• the securities option without deduction of withholding tax i.e. for the equivalent of the full value of the dividend entitlement (if you are entitled to a tax relief)</li> </ul> <p>We will indicate which of the available options is the default option that will apply on any of your uninst ructed positions. It will always be one of the options at the maximum tax rate. You do not need to send us a corporate action instruction for the default option.</p>
4	<p><b>Tax documentation</b></p> <p><b>Note:</b> if you are a Qualified Intermediary for or the beneficial owner of the Irish corporate securities impacted by the corporate action event, you can send us a corporate action instruction(s) for an option without deduction of withholding tax.</p> <p>You must ensure that your account is validly documented for tax purposes <b>before sending us a corporate action instruction</b> without deduction of withholding tax. Upon receipt of a corporate action for an option without deduction of withholding tax, we will validate that you have the valid tax documentation in place for the instructing account. If this is not the case, we will reject your instruction. In any case, you must send us a corporate action instruction if you do not select the default (taxed) option.</p> <p>Please refer to Section <b>10.2.2 Account structure</b> for details as to how you can structure your accounts tax purposes.</p>
5	<p><b>You send us your corporate action instruction(s)</b></p> <p>You send us a corporate action instruction by the deadline via SWIFT MT 565 or EasyWay Corporate Actions. By instructing, you certify your compliance with any stipulated restrictions and conditions of the corporate action.</p> <p>Upon receipt of your corporate action instruction(s), we will:</p> <ul style="list-style-type: none"> <li>• <b>validate it.</b> We will check whether the option you selected is in line with the tax documentation of your account and for the exercised position. If this is not the case, we will reject your instruction and advise you accordingly</li> <li>• <b>position it</b> (i.e. check the availability of securities before execution). Upon successful positioning, and if you have sent your instruction before record date, we will block the exercised securities (until the record date). Upon unsuccessful positioning, we will automatically recycle your corporate action instruction for five business days or until the Euroclear deadline, whichever is the earliest. We will cancel your corporate action instruction if it is still not successfully positioned by then</li> </ul> <p>If you have not sent an instruction by the Euroclear deadline for your total holding on the record date, the default option will apply to your record date position for which no instruction was received.</p>

6	<p><b>Status reporting</b></p> <p>We inform you of the status of your instruction, the reason for any failed instruction and issue that occur throughout the lifecycle of the instruction(s).</p>
7	<p><b>We send the corporate action instruction(s) to the registrar for processing</b></p> <p>The registrar will apply the default option for any position you have not instructed on.</p> <p><b>Cancellation requests</b> - you can send us a cancellation request for your corporate action instruction which will be submitted for approval to the registrar. Upon receipt of the registrar's feedback, we will accept or reject your cancellation request and report the acceptance or rejection to you.</p>
8	<p><b>Projection of proceeds</b></p> <p>We will project your cash entitlement:</p> <ul style="list-style-type: none"> <li>• daily at the end of the overnight batch process from the value date -5 BDs until the value date -1 BD</li> <li>• Intra-day, on the value date -1 BD</li> </ul>
9	<p><b>Credit confirmation from registrar and payment</b></p> <p>The registrar confirms to us the credit of the securities to our account. The registrar mandates payment to our cash account with our Cash Correspondent.</p>
10	<p><b>Credit confirmation from Cash Correspondent</b></p> <p>Following the credit of our account, our Cash Correspondent sends us a credit confirmation.</p>
11	<p><b>Final credit of your account</b></p> <p>We credit your Securities Clearance Account with the security proceeds in real time. After reconciliation of the funds, we credit your Cash Account with the cash proceeds in the overnight batch process dated the payment date +1 BD, with value the payment date.</p> <p>We report the cash movements to you during the overnight batch process.</p>

**Notes:**

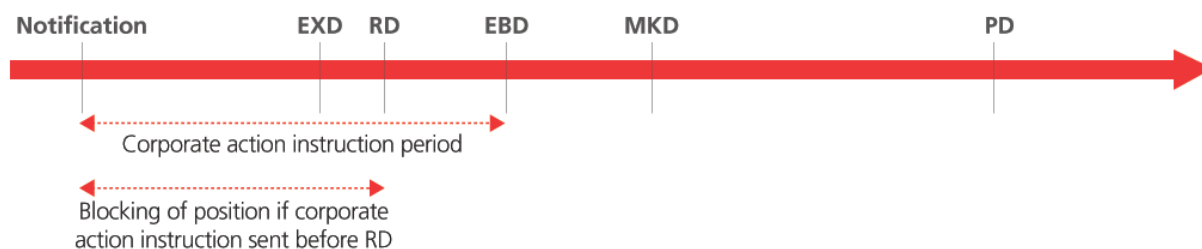
- If there would be a dividend with options on a REIT distributing PID and non-PID, we will discuss with the issuer and the registrar how we can best process the event.
- If the issuer would decide to process the SCRIP/DRIP dividend through the distribution of an interim right to be subsequently exercised to select the dividend option, we would process the SCRIP/DRIP dividend through two distinct events:
  - A. mandatory distribution of the interim rights (RHDI)
  - B. exercise of the interim rights to select the proposed dividend options (voluntary event) (DVOP/DRIP) following the same principle as illustrated below under **Example 3 – Capital increase through nil-paid and fully paid rights distribution**

**Example 2 – Dividend with currency option of GBP and Euro**



EX425\_24

**Timeline**



EX425\_21

EXD = Ex date RD = Record date EBD = Euroclear Bank deadline MKD = Market deadline PD = Payment date

Step	Details
1	<b>The issuer informs the registrar of the corporate action</b>
2	<b>The registrar informs us of the corporate action upon receipt of the information from the issuer</b>
3	<p><b>Corporate action notifications</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>In our corporate action notification, we will inform you of all the details of the corporate action event, the possible options available, the default option, the Euroclear and market deadlines and the need for compliance with the terms and conditions of the corporate action, as well as, any other information required in the corporate action instruction, if applicable.</p> <p>More particularly, we expect that you will be able to choose among different options set in function of the currencies offered and the applicable withholding tax rate. For example (choice between two different currencies GBP and EUR) :</p> <ul style="list-style-type: none"> <li>• the GBP option at the maximum tax rate i.e. for the equivalent of the value of the dividend entitlement reduced by the maximum tax rate (if you are not entitled to a tax relief)</li> <li>• the EUR option at the maximum tax rate i.e. for the equivalent of the value of the dividend entitlement reduced by the maximum tax rate (if you are not entitled to a tax relief)</li> </ul>

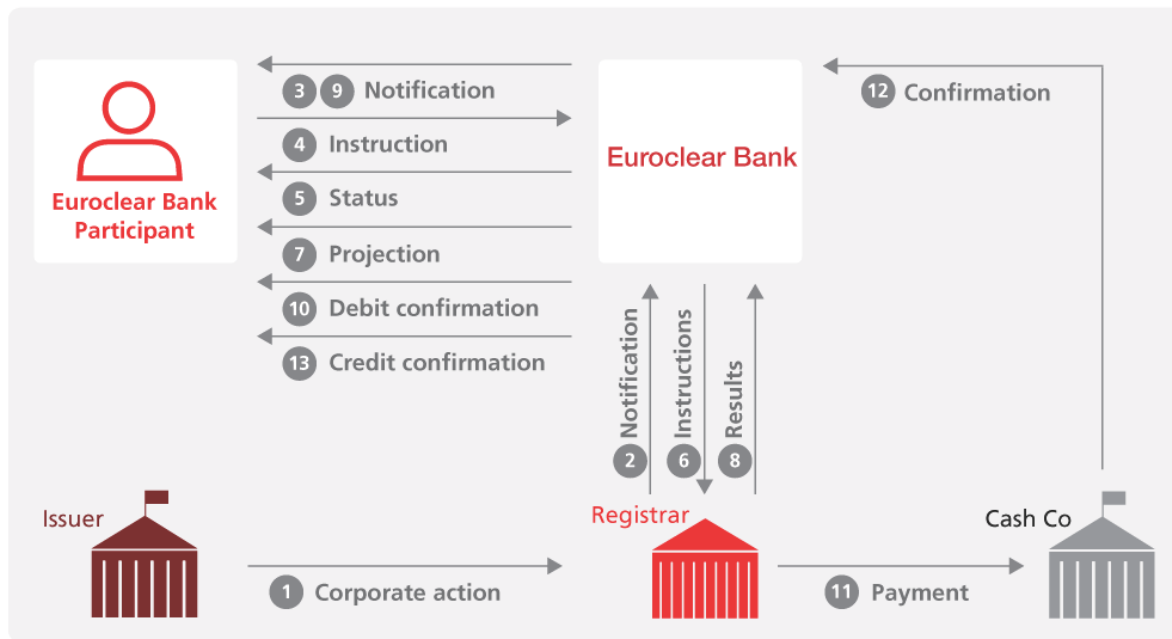
	<ul style="list-style-type: none"> <li>the GBP option without deduction of withholding tax for the equivalent of the full value of the dividend entitlement ((if you are entitled to a tax relief)</li> <li>the EUR option without deduction of withholding tax, i.e. for the equivalent of the full value of the dividend entitlement (if you are entitled to a tax relief)</li> </ul> <p>We will indicate which of the available options is the default option that will apply on any of your uninstructed positions. It will always be one of the options at the maximum tax rate. You do not need to send us a corporate action instruction for the default option. Depending on the offer, more options might be available.</p>
4	<p><b>Tax documentation</b></p> <p><b>Note:</b> if you are a Qualified Intermediary for or the beneficial owner of the Irish corporate securities impacted by the corporate action event, you can send us a corporate action instruction(s) for an option without deduction of withholding tax.</p> <p>You must ensure that your account is validly documented for tax purposes <b>before sending us a corporate action instruction</b> without deduction of withholding tax. Upon receipt of a corporate action for an option without deduction of withholding tax, we will validate that you have the valid tax documentation in place for the instructing account. If this is not the case, we will reject your instruction. In any case, you must send us a corporate action instruction if you do not select the default (taxed) option.</p> <p>Please refer to Section <b>10.2.2 Account structure</b> for details as to how you can structure your for tax purposes.</p>
5	<p><b>You send us your corporate action instruction(s)</b></p> <p>You send us a corporate action instruction by the deadline via SWIFT MT 565 or EasyWay Corporate Actions. By instructing, you certify your compliance with any stipulated restrictions and conditions of the corporate action. Upon receipt of your corporate action instruction(s), we will:</p> <ul style="list-style-type: none"> <li><b>validate it.</b> We will check whether the option you selected is in line with the tax documentation of your account and for the exercised position. If this is not the case, we will reject your instruction and advise you accordingly</li> <li><b>position it</b> (i.e. check the availability of securities before execution). Upon successful positioning, and if you have sent your instruction before record date, we will block the exercised securities (until the record date). Upon unsuccessful positioning, we will automatically recycle your corporate action instruction for five business days or until the Euroclear deadline, whichever is the earliest. We will cancel your corporate action instruction if it is still not successfully positioned by then</li> </ul> <p>If you have not sent an instruction by the Euroclear deadline for your total holding on the record date, the default option will apply to your record date position for which no instruction was received.</p>
6	<p><b>Status reporting</b></p> <p>We inform you of the status of your instruction, the reason for any failed instruction and issue that occur throughout the lifecycle of the instruction(s).</p>
7	<p><b>We send the corporate action instruction(s) to the registrar for processing</b></p> <p>The registrar will apply the default option for any position you have not instructed on.</p> <p><b>Cancellation requests</b> - you can send us a cancellation request for your corporate action instruction which will be submitted for approval to the registrar. Upon receipt of the registrar's feedback, we will accept or reject your cancellation request and report the acceptance or rejection to you.</p>
8	<p><b>Projection of proceeds</b></p> <p>We will project your cash entitlement:</p> <ul style="list-style-type: none"> <li>daily at the end of the overnight batch process from the value date -5 BDs until the value date -1 BD</li> <li>Intra-day, on the value date -1 BD</li> </ul>
9	<p><b>Registrar payment</b></p> <p>The registrar mandates payment to our cash account(s) with our Cash Correspondent(s) in the selected currency(ies).</p>
10	<p><b>Credit confirmation from Cash Correspondent</b></p> <p>Following the credit of our account, our Cash Correspondent sends us a credit confirmation.</p>
11	<p><b>Final credit of your account</b></p> <p>After reconciliation of the funds, we credit your Cash Account with the cash proceeds in the overnight batch process dated the payment date +1 BD, with value the payment date. We report the cash movements to you during the overnight batch process.</p>

**Notes:**

- If there would be a dividend with options on a REIT distributing PID and non-PID, we will discuss with the issuer and the registrar how we can best process the event.
- if the issuer decides to process the dividend with currency option through the distribution of an interim right to be subsequently exercised to select the currency option, we would process the dividend with currency option through two distinct events:
  - mandatory distribution of the interim rights (RHDI)
  - exercise of the interim rights to select the proposed currency options (voluntary event) (DVOP/DRIP) following the same principle as illustrated below under **Example 3 – Capital increase through nil-paid and fully paid rights distribution**

Below we illustrate a few examples of voluntary events. This is not an exhaustive list of the different voluntary events that we will support for Irish corporate securities.

**Example 1 – Take-over offer (with cash proceeds)**



EX425\_12

Step	Details
1	<b>The issuer informs the registrar of a take-over offer</b>
2	<b>The registrar informs us of the take-over offer upon receipt of the information from the issuer</b>
3	<p><b>Corporate action notifications</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>In our corporate action notification, we will inform you of all the details of the take-over offer (e.g., if there are different deadlines over time to tender one’s shares and the conditions for each deadline, whether it is possible to withdraw from the offer, etc.), the possible options available (e.g. accept the offer or instruct us not to take any action), the Euroclear and market deadlines and the need for compliance with the terms and conditions of the corporate action, if applicable.</p>
4	<p><b>You send us your corporate action instruction(s)</b></p> <p>If you want to accept the take-over offer, you send us a corporate action instruction by the deadline via SWIFT MT 565 or EasyWay Corporate Actions, with the required details. By instructing, you certify your compliance with any stipulated restrictions and conditions.</p> <p>In the absence of any instruction from you or if you sent us an instruction not to take any action, we will not take any action.</p> <p>Upon receipt of your corporate action instructions, we will:</p> <ul style="list-style-type: none"> <li>• <b>validate it</b></li> <li>• <b>position it</b> (i.e. check the availability of securities before execution)</li> <li>• <b>block the exercised amount</b> that you have indicated in your instruction if successfully positioned. Upon unsuccessful positioning, we will automatically recycle your corporate action instruction for five business days or until the Euroclear deadline, whichever is the earliest. We will cancel your corporate action instruction if it is still not successfully positioned by then</li> </ul>
5	<p><b>Status reporting</b></p> <p>We inform you of the status of your instruction, the reason for any failed instruction and issue that occurs throughout the lifecycle of the instruction(s).</p>

6	<p><b>We send the corporate action instructions to the registrar for processing</b></p> <p><b>Cancellation/withdrawal requests</b> – you can send us a cancellation/withdrawal request for your corporate action instruction which will be submitted for approval to the registrar. Upon the registrar’s feedback, we will accept or reject your cancellation request, unblock the corresponding securities position in your Securities Clearance Account and report it to you.</p>
7	<p><b>Projection of proceeds</b></p> <p>The cash entitlement projection becomes available:</p> <ul style="list-style-type: none"> <li>• <b>daily at the end of the overnight batch process</b> from the value date -5 BDs until the value date -1 BD</li> <li>• <b>intra-day</b>, on the value date -1 BD</li> </ul>
8	<p><b>Results or extension of the offer</b></p> <p>The registrar communicates the results of the take-over offer to us (acceptance, fail, extension).</p>
9	<p><b>Offer results/extension notification</b></p> <p>Upon receipt of the results or extension notification from the registrar, we communicate them to you via an update of our corporate action notification.</p>
10	<p><b>Confirmation of debit</b></p> <p>If the take-over offer:</p> <ul style="list-style-type: none"> <li>• <b>is successful</b>, we debit the effectively tendered quantity of securities from your Securities Clearance Account and report it to you</li> <li>• <b>fails</b>, we unblock the securities you had previously instructed on and they become available again in your Securities Clearance Account</li> </ul>
11	<p><b>Registrar payment</b></p> <p>The registrar mandates the cash payment of the offer to our Cash Account with our Cash Correspondent.</p>
12	<p><b>Credit confirmation from Cash Correspondent</b></p> <p>Following the credit of our account, our Cash Correspondent sends us a credit confirmation.</p>
13	<p><b>Final credit of your account</b></p> <p>After reconciliation of the funds, we credit your Cash Account with the cash proceeds in the overnight batch process dated the payment date +1 BD, with value the payment date.</p> <p>We report the cash movements to you during the overnight batch process.</p>

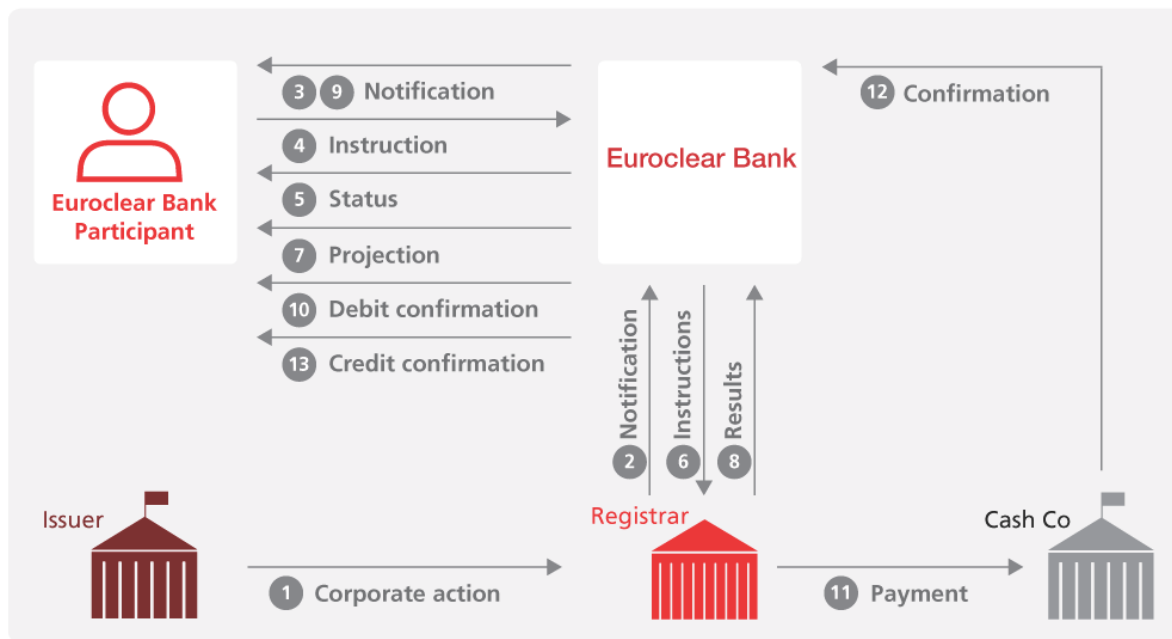
### Important notes:

1. If the offer period is extended, we will either send updated corporate action notifications for each extension with the applicable deadlines and conditions or create a new corporate action event with confirmation of the new period and related deadline. The new corporate action event would make reference to the previous corporate action event, depending on the information received from the registrar.
2. In the event that the **compulsory acquisition** threshold for the take-over offer is reached and we have received the corresponding compulsory acquisition notice, we will inform you via a new corporate action notification with a reference to the previous corporate action event specifying the length of the compulsory acquisition period (mandatory event). If you wish to **object** to the compulsory acquisition, you must send us a mark-down instruction before the end of the acquisition period to have your position re-registered in your name or in your client’s name in the register<sup>29</sup>. Indeed, as shareholder in the register, Euroclear Bank’s Nominee will not object to the offer. If you do not object to the compulsory acquisition, you do not need to take any action.

At the end of the compulsory acquisition period, we will block any remaining positions. Upon receipt of the confirmation from the registrar that it has debited our position from the register, we will reflect such debit in your account and report it to you accordingly. We will claim the outturn from the trustee on your behalf and credit your account upon receipt and successful reconciliation of the outturn. We will report such credit to you.
3. To allow the issuer/registrar/bidder’s receiving agent to have a view on who has taken up the offer during the instruction period of the offer, we will pass on a daily basis details of your acceptance instruction to the registrar/bidder’s receiving agent (i.e. your account number, account name and number of securities you have accepted the offer for)
4. In the case of a **hostile take-over**, we will offer a service provided that:
  - an Operational Service Agreement is in place between us and the Receiving Agent appointed by the offeror
  - the Receiving Agent is a SWIFT user and has a SWIFT connectivity in place with us before the start of the first acceptance/exercise period

<sup>29</sup> Please refer to **Section 4.2.3.2 Mark-downs** for further details.

**Example 2 –Tender offer (with cash proceeds)**



EX425\_12

Step	Details
1	<b>The issuer informs the registrar of a tender offer</b>
2	<b>The registrar informs us of the offer upon receipt of the information from the issuer</b>
3	<p><b>Corporate action notifications</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>In our corporate action notification, we will inform you of all the details of the tender offer (e.g. if there is possibility to tender in excess and the guaranteed percentage of securities to be repurchased by the offeror, if there is a possibility for proration, if there is a maximum tender percentage, if there are different deadlines over time to tender one's shares and the conditions for each deadline, whether it is possible to withdraw from the offer, etc.), the possible options available (e.g. accept the offer or instruct us not to take any action), the Euroclear and market deadlines and the need for compliance with the terms and conditions of the corporate action, if applicable.</p>
4	<p><b>You send us your corporate action instruction(s)</b></p> <p>If you want to accept the offer, you send us a corporate action instruction by the deadline via SWIFT MT 565 or EasyWay Corporate Actions, with the required details. By instructing, you certify your compliance with any stipulated restrictions and conditions. This will be the case for example if the offer includes a maximum tender percentage for which you will need to certify that you have verified that the shareholders (on whose behalf you are instructing) respect the maximum tender percentage.</p> <p>In the case of a tender offer with excess, if you want to accept the offer, you send us a corporate action instruction for a quantity of securities corresponding to both the quantity of securities that you want to tender as part of your guaranteed entitlement (also known as the 'basic entitlement') and, if applicable, the quantity of securities that you want to tender above your basic entitlement, i.e. in excess. In your corporate action instruction, you must also mention the total balance of securities on which you have calculated your basic entitlement (also known as 'available balance').</p> <p>In the absence of any instruction from you or if you sent us an instruction not to take any action, we will not take any action.</p> <p>Upon receipt of your corporate action instructions, we will:</p> <ul style="list-style-type: none"> <li>• <b>validate it</b></li> <li>• <b>position it</b> (i.e. check the availability of securities before execution)</li> <li>• if successfully positioned, <b>block the exercised amount</b> until the registrar communicates the results of the tender offer to us. In the case of a tender offer with excess:</li> </ul>

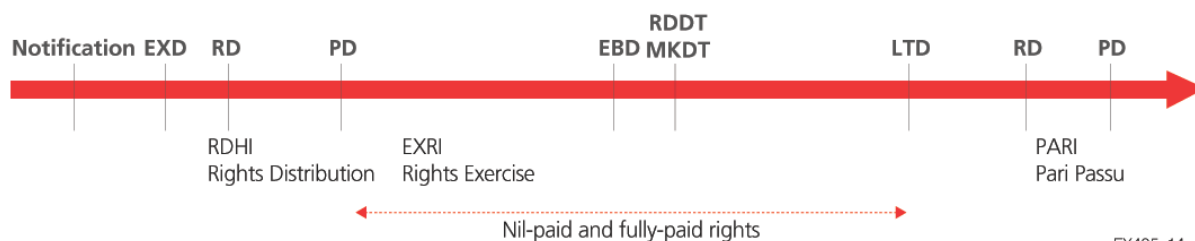
	<ul style="list-style-type: none"> <li>○ <b>if we receive your instruction before the record date</b>, we will block the available balance that you have indicated in your instruction and unblock the difference between the exercised amount and the available balance that you have indicated in your instruction on the day after the record date</li> <li>○ <b>if we receive your instruction after the record date</b>, we will check that you had the available balance that you have indicated in your instruction on the record date. If it is the case, block the exercised amount that you have indicated in your instruction until the registrar communicates the results of the tender offer to us</li> <li>• Upon unsuccessful positioning, we will automatically recycle your corporate action instruction for five business days or until the Euroclear deadline, whichever is the earliest. We will cancel your corporate action instruction if it is still not successfully positioned by then.</li> </ul>
5	<p><b>Status reporting</b></p> <p>We inform you of the status of your instruction, the reason for any failed instruction and issue that occurs throughout the lifecycle of the instruction(s).</p>
6	<p><b>We send the corporate action instructions to the registrar for processing</b></p> <p><b>Cancellation/withdrawal requests</b> – you can send us a cancellation/withdrawal request for your corporate action instruction which will be submitted for approval to the registrar. Upon the registrar’s feedback, we will accept or reject your cancellation request, unblock the corresponding securities position in your Securities Clearance Account and report it to you.</p>
7	<p><b>Projection of proceeds</b></p> <p>The cash entitlement projection becomes available:</p> <ul style="list-style-type: none"> <li>• <b>daily at the end of the overnight batch process</b> from the value date -5 BDs until the value date -1 BD</li> <li>• <b>intra-day</b>, on the value date -1 BD</li> </ul>
8	<p><b>Results or extension of the offer</b></p> <p>The registrar communicates the results of the tender offer to us (acceptance, fail, proration rate to be applied and extension).</p>
9	<p><b>Offer results/extension notification</b></p> <p>Upon receipt of the results or extension notification from the registrar, we communicate them to you via an update of our corporate action notification.</p>
10	<p><b>Confirmation of debit</b></p> <p>If the tender offer:</p> <ul style="list-style-type: none"> <li>• <b>is successful</b>, we debit the effectively tendered quantity of securities from your Securities Clearance Account (after application of the proration rate, if applicable) and report it to you. We unblock the securities that were subject to proration/scale-back, i.e. not repurchased by the offeror and they become available again in your Securities Clearance Account</li> <li>• <b>fails</b>, we unblock the securities you had previously instructed on and they become available again in your Securities Clearance Account</li> </ul>
11	<p><b>Registrar payment</b></p> <p>The registrar mandates the cash payment of the offer to our Cash Account with our Cash Correspondent.</p>
12	<p><b>Credit confirmation from Cash Correspondent</b></p> <p>Following the credit of our account, our Cash Correspondent sends us a credit confirmation.</p>
13	<p><b>Final credit of your account</b></p> <p>After reconciliation of the funds, we credit your Cash Account with the cash proceeds in the overnight batch process dated the payment date +1 BD, with value payment date.</p> <p>We report the cash movements to you during the overnight batch process.</p> <p><b>Note:</b> in the case of a scale back, we will apply the proration applied to Euroclear Bank’s position on the excess part of every valid corporate action instruction you sent to us.</p>



**Example 3 – Capital increase through nil-paid and fully-paid rights distribution**

This type of corporate action will be processed through three distinct events:

- A. mandatory distribution of the nil-paid rights (RHD)
- B. exercise of the nil paid rights for fully-paid rights (voluntary event) (EXRI)
- C. mandatory exchange of the fully-paid rights for share proceeds (mandatory reorganisation) (PARI)

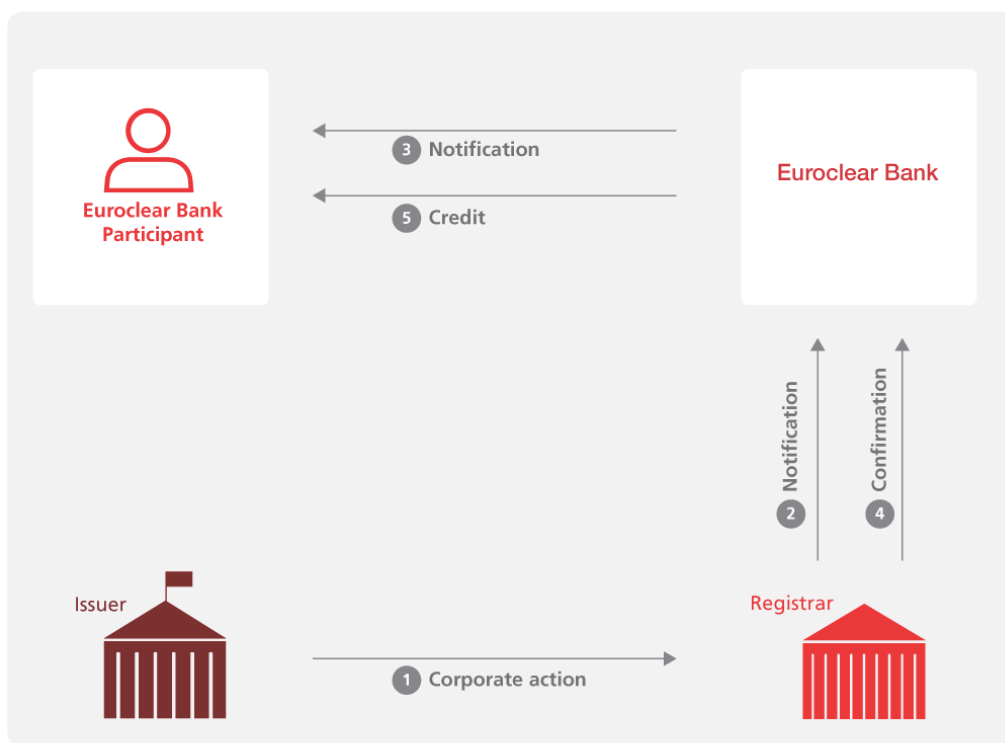


EX425\_14

**RD** = Record date **PD** = Payment date **LTD** = Last trading date **EBD** = Euroclear Bank deadline **RDDT** = Response deadline date and time **MKDT** = Market deadline date and time

**Important note:** counterparties should make sure that their settlement transactions in nil-paid rights are settled **on or before** our deadline for the exercise of the rights. Our deadline is expected to be one hour before the market deadline. No buyer protection service will be offered.

**A. Mandatory distribution of the nil-paid rights (RHD)**

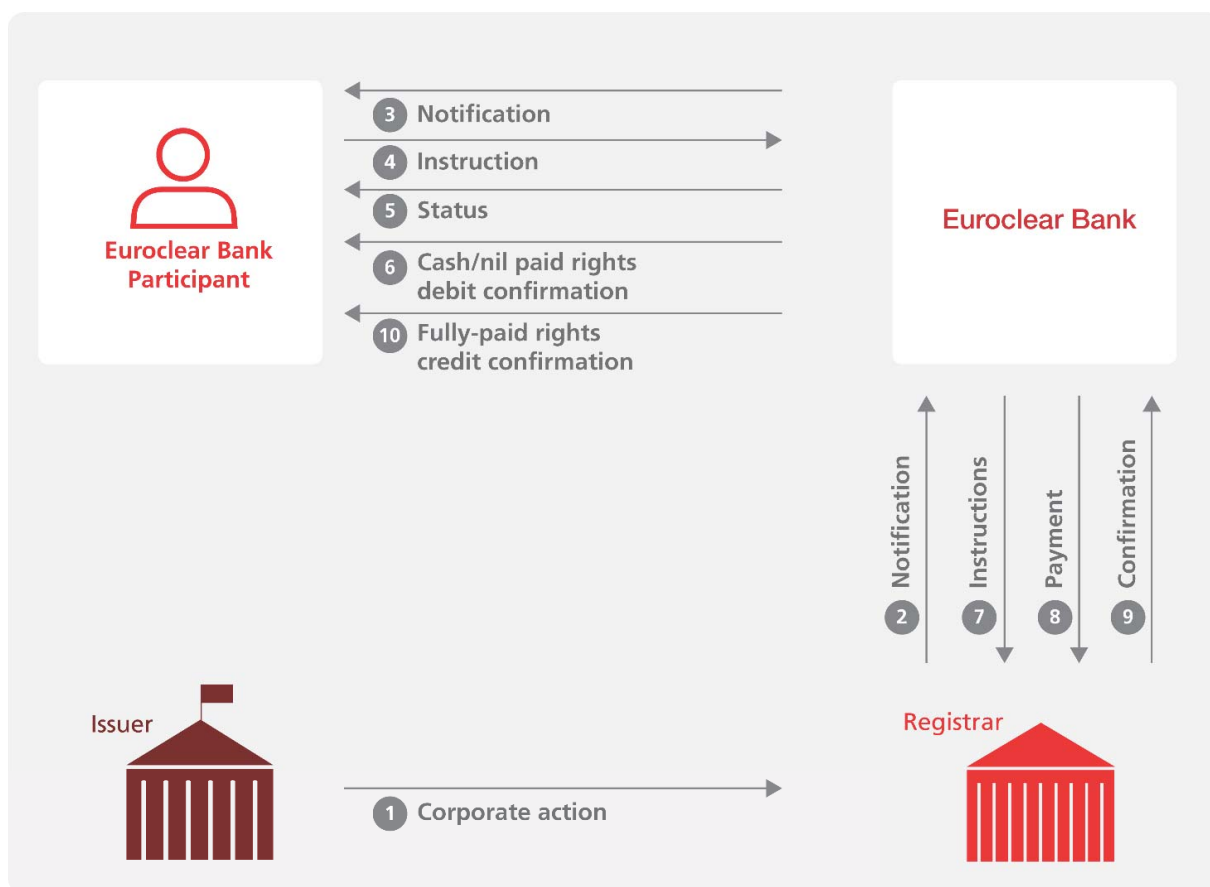


EX425\_22

Step	Details
1	The issuer informs the registrar of a capital increase
2	The registrar informs us of the capital increase upon receipt of the information from the issuer

3	<p><b>Corporate action notifications</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>There will be two separate corporate action notifications for the mandatory distribution of nil-paid rights and the exercise of the nil-paid rights for fully-paid rights respectively. They will be notified at the same time. In our corporate action notifications, we will inform you of all the details of the nil-paid rights distribution including the ratio, the record date, the payment date.</p>
4	<p><b>Credit confirmation from registrar</b></p> <p>The registrar credits our account with the nil-paid rights and sends us a credit confirmation.</p>
5	<p><b>Final credit of your account</b></p> <p>Upon receipt of the credit confirmation from the registrar, we credit your Securities Clearance Account with the nil-paid rights and confirm the booking to you.</p>

**B. Exercise of the nil paid rights for fully paid rights (voluntary event) (EXRI)**

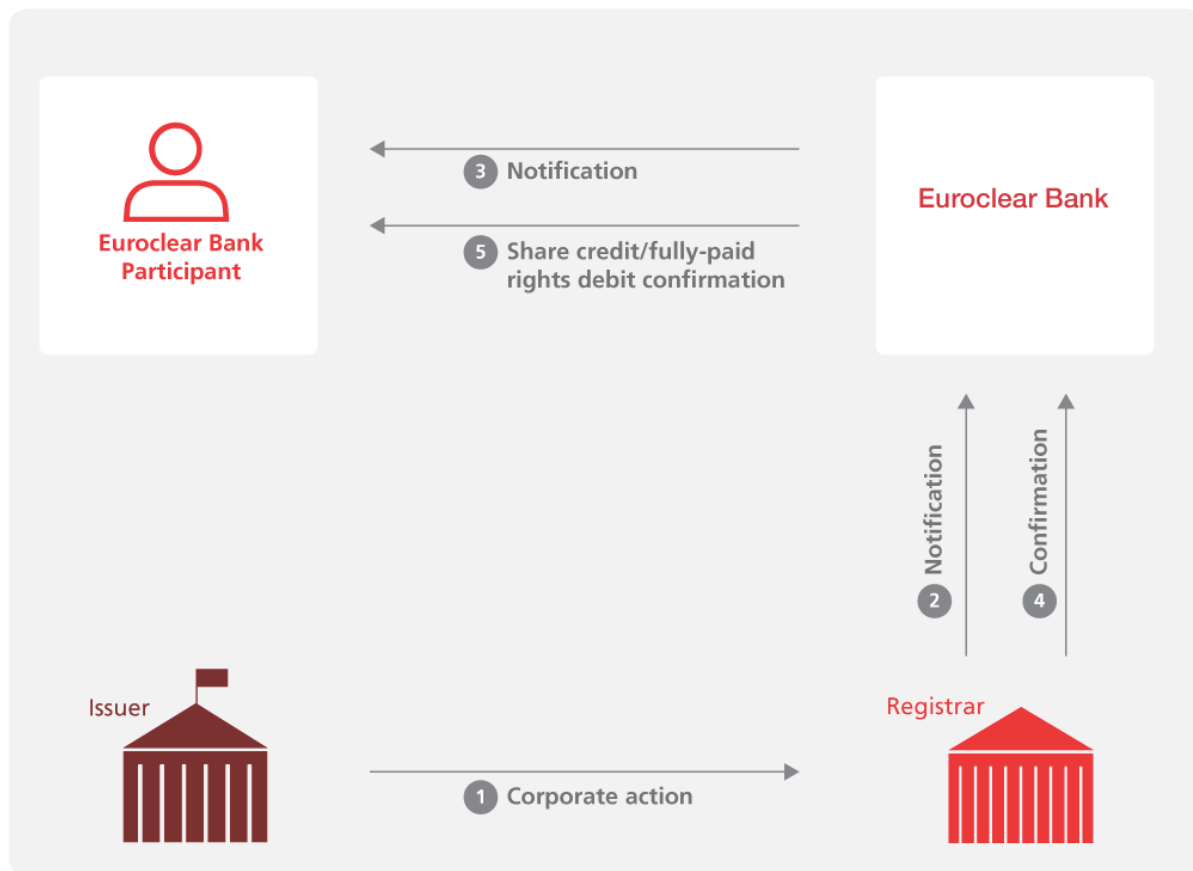


EX425\_16

Step	Details
1	The issuer may provide additional information about the capital increase to the registrar
2	The registrar informs us about the exercise of the nil-paid rights to fully-paid rights upon receipt of the information from the issuer

3	<p><b>Corporate action notification</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>Details about the exercise of the nil-paid rights for fully-paid rights will be notified to you at the same time as the details about the mandatory distribution of nil-paid rights. In the event that the registrar would provide us with updated information, we will notify you accordingly.</p> <p>In our corporate action notification, we will inform you of all the details of the exercise of rights event, the possible options available (e.g. exercise the nil-paid rights or not), the Euroclear daily cut-off, the Euroclear ultimate exercise deadline and the market deadline, as well as, any other information required in the corporate action instruction, if applicable.</p>
4	<p><b>You send us your corporate action instruction(s)</b></p> <p>If you want to exercise your rights, you send us a corporate action instruction by our daily cut-off as stated in the corporate action notification or at the latest, by our ultimate deadline via SWIFT MT 565 or EasyWay Corporate Actions.</p> <p>Upon receipt of your corporate action instruction(s), we will:</p> <ul style="list-style-type: none"> <li>• validate it</li> <li>• position it (i.e. check the availability of securities and cash/credit before execution): <ul style="list-style-type: none"> <li>○ <b>if received before our daily cut-off</b>, we will position it on that day</li> <li>○ <b>if received after our daily cut-off</b>, we will position it at the start of the next business day</li> </ul> </li> </ul> <p>Upon successful positioning, we will proceed to the debit of the exercised nil-paid rights and the debit of the corresponding subscription price. Upon unsuccessful positioning, we will automatically recycle your corporate action instruction for five business days or until the ultimate Euroclear deadline, whichever is the earliest. We will cancel your corporate action instruction if it is still not successfully positioned by then.</p> <p>In the absence of any instruction from you by our ultimate deadline (right before market deadline), your nil-paid rights will either lapse or the issuer will pay a compensation. We will debit the unexercised rights from your account and if compensation is paid by the Issuer, upon receipt of the credit confirmation from our Cash Correspondent credit your account with the proceeds.</p> <p><b>Cancellation requests</b> - you can cancel your corporate action instruction until it is positioned. Once your corporate action instruction is positioned, your cancellation instruction will be rejected.</p>
5	<p><b>Status reporting</b></p> <p>We inform you of the status of your instruction, the reason for any failed instruction and issue that occur throughout the lifecycle of the instruction(s).</p>
6	<p><b>Debit confirmation</b></p> <p>We debit the nil-paid rights you have exercised from your Securities Clearance Account and debit the corresponding subscription price from your Cash Account and report it to you.</p>
7	<p><b>We send the corporate action instruction(s) to the Registrar for processing</b></p> <p>We send the successfully positioned corporate action instructions to the registrar for processing</p>
8	<p><b>Payment to the registrar</b></p> <p>We mandate our Cash Correspondent to pay the subscription price to the registrar.</p>
9	<p><b>Debit/credit confirmation from registrar</b></p> <p>The registrar confirms to us the credit of the fully-paid rights to and the debit of the nil-paid rights from our account. If we have received your instruction before our cut-off for the day and have successfully positioned it, the registrar will aim to have the fully-paid rights credited to your account on the same business day,</p>
10	<p><b>Final credit of your account</b></p> <p>Upon receipt of the credit confirmation from the registrar, we credit your Securities Clearance Account with the fully-paid rights.</p>

*C. Mandatory exchange of fully-paid rights for the share proceeds (mandatory reorganisation) (PARI)*



EX425\_17

Step	Details
1	<b>The issuer provides additional information about the capital increase to the registrar</b>
2	<b>The Registrar informs us upon receipt of the information from the Issuer</b>
3	<p><b>Corporate action notifications</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>In our corporate action notification, we will inform you of all the details of the event, including the record date and the payment date.</p>
4	<p><b>Debit and credit confirmation from registrar</b></p> <p>The registrar debits our account with the fully-paid rights and credits our account with the share proceeds.</p>
5	<p><b>Final credit of your account</b></p> <p>Upon receipt of the debit and credit confirmations from the registrar, we debit your Securities Clearance Account with the fully-paid rights and credit your Securities Clearance Account with the share proceeds and confirm the movements to you.</p>

**Example 3 - Excess shares – Subscription with oversubscription option**

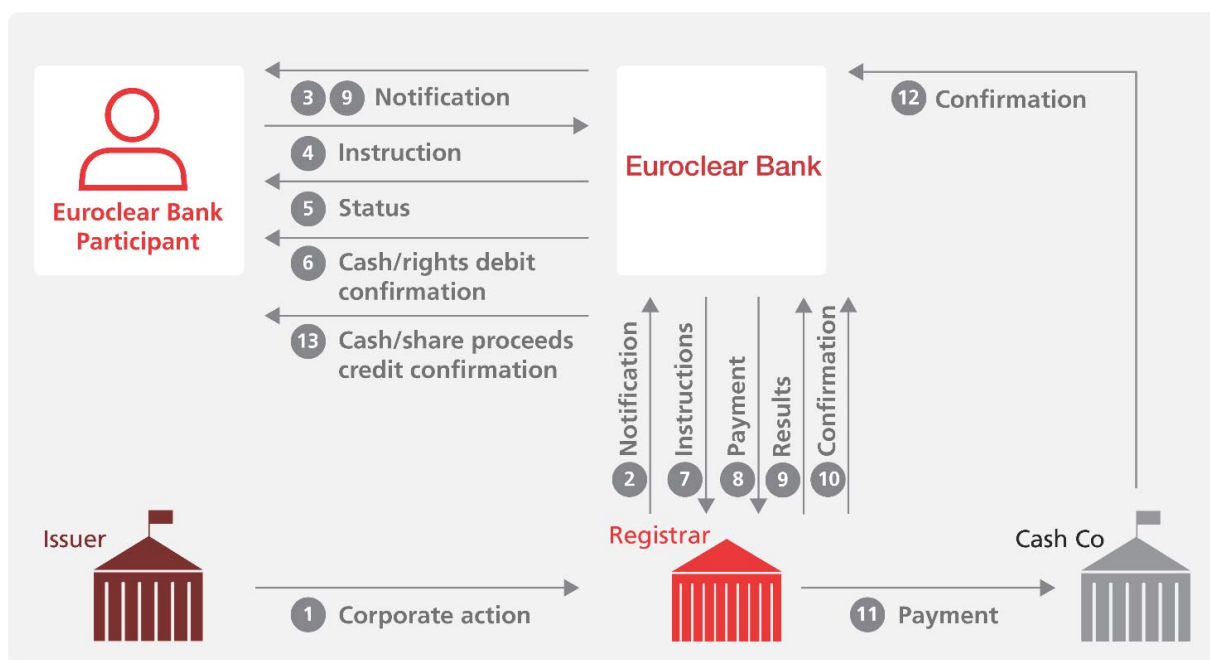
This type of corporate action will be processed through two distinct events:

- A. mandatory distribution of rights
- B. subscription with oversubscription option (voluntary event)

**A. Mandatory distribution of rights**

Please refer to the mandatory distribution of nil-paid rights above for more details on how the mandatory distribution of rights will be processed.

**B. Subscription with oversubscription option**



EX425\_23

Step	Details
1	<b>The issuer informs the registrar about the subscription including the oversubscription option</b>
2	<b>The registrar informs us upon receipt of the information from the issuer</b>
3	<p><b>Corporate action notification</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing Programme</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>In our corporate action notification, we will inform you of all the details of the subscription, the possible options available (e.g. to exercise your rights, to oversubscribe), the subscription price, the subscription ratio, the Euroclear deadline and the market deadline, the payment date as well as, any other information required in the corporate action instruction, if applicable.</p>
4	<p><b>You send us your corporate action instruction(s)</b></p> <p>If you want to subscribe, you send us corporate action instruction(s) for the option corresponding to the exercise of the rights.</p> <p>In addition, if you want to oversubscribe, you send us corporate action instruction(s) for the option corresponding to the oversubscription, indicating the number of new shares you want to receive. You send us your corporate action instruction(s) by the deadline via SWIFT MT 565 or EasyWay Corporate Actions. In the absence of any instruction from you, we will not take any action.</p> <p>Please note that we will only accept an instruction to oversubscribe if you have already sent us an instruction to subscribe.</p>

	<p>Upon receipt of your corporate action instruction(s), we will:</p> <ul style="list-style-type: none"> <li>• <b>validate it</b></li> <li>• <b>position it</b> (i.e. check the availability of securities and cash/credit before execution)</li> </ul> <p>Upon successful positioning, we will proceed to the debit of the rights you have exercised and the corresponding subscription price. We will also proceed to the debit of the subscription price corresponding to the amount of shares you want to receive through the oversubscription option. Upon unsuccessful positioning, we will automatically recycle your corporate action instruction for five business days or until the Euroclear deadline, whichever is the earliest. We will cancel your corporate action instruction if it is still not successfully positioned by then.</p> <p><b>Cancellation requests</b> - you can send us a cancellation request for your corporate action instruction which will be submitted for approval to the registrar. Upon receipt of the registrar's feedback, we will accept or reject your cancellation request and report it to you.</p>
5	<p><b>Status reporting</b></p> <p>We inform you of the status of your instruction, the reason for any failed instruction and issue that occur throughout the lifecycle of the instruction(s).</p>
6	<p><b>Debit confirmation</b></p> <p>We debit the rights you have exercised from your Securities Clearance Account and debit the full subscription price (under both the exercise of rights and oversubscription options, if applicable) from your Cash Account.</p>
7	<p><b>We send the corporate action instruction(s) to the registrar for processing</b></p>
8	<p><b>Payment to the registrar</b></p> <p>We mandate our Cash Correspondent to pay the subscription cash amount corresponding to both the exercise of rights and to the oversubscription options to the registrar.</p>
9	<p><b>Result of oversubscription</b></p> <p>The registrar informs us of the results of the oversubscription and the proration rate, if any.</p>
10	<p><b>Updated corporate action notification</b></p> <p>We notify you of the proration rate resulting from the oversubscription via an update of the corporate action notification.</p>
11	<p><b>Debit/credit from registrar</b></p> <p>The registrar confirms to us the debit of the exercised rights and the credit of the new share proceeds. If proration applies, the registrar mandates the payment of the excess subscription cash amount previously paid to them to our Cash Correspondent.</p>
12	<p><b>Credit confirmation from Cash Correspondent</b></p> <p>Following the credit of our account, our Cash Correspondent sends us a credit confirmation.</p>
13	<p><b>Final credit of your account</b></p> <p>Upon receipt of the credit confirmation from:</p> <ul style="list-style-type: none"> <li>• <b>the registrar</b>, we credit your Securities Clearance Account with the new share proceeds</li> <li>• <b>our Cash Correspondent</b>, we re-credit to your Cash Account the excess subscription price previously debited from your Cash Account</li> </ul> <p>We report the securities and cash credits to you. In the case of proration, we will apply the proration rate at the level of the amount of each of your oversubscription corporate action instruction.</p>

**Note:** although not illustrated, we will also be able to support corporate actions such as schemes of arrangement or capital reorganisations.

## 5.4 Fractions of securities proceeds

Based on the total amount of securities proceeds received for a given corporate action, we will calculate each client's entitlement and apply a rounding up or rounding down mechanism, as follows:

- clients with the largest fractional entitlement will be rounded up until all fractional shares are distributed
- all other clients will be rounded down
- in the case of equal fractional entitlements, we will first allocate to the client who instructed first

*Example* – we receive a total number of 100 shares

- Client A is entitled to 22.4284 shares – we will round this up to 23 shares
- Client B is entitled to 54.3972 shares – we will round this down to 54 shares
- Client C is entitled to 23.1744 shares – we will round this down to 23 shares

## 5.5 Evergreen instructions

This type of instruction is not possible for elective corporate actions. To notify us of your election, you will need to send us an instruction except if there is a default option (for instance a dividend with currency option). In such a case, we will elect for the default option on your behalf, if you have not instructed us.

## 5.6 Additional information

Information on	Where you can find it
Income and redemption processing	<a href="#">Income and redemptions</a> <sup>30</sup> webpage
Income and redemption reporting	<ul style="list-style-type: none"> <li>• <a href="#">Income reporting</a><sup>31</sup> webpage</li> <li>• <a href="#">Custody reporting quick card</a><sup>32</sup></li> </ul>
Corporate action processing	<a href="#">Corporate actions</a> <sup>33</sup> webpage
Corporate action reporting	<a href="#">Custody reporting quick card</a> <sup>34</sup>

**Note:** on the [SWIFT MyStandards website](#), we have a Euroclear Bank group where you can find templates of the MT 564, MT 565, MT 566 and MT 567 messages.

<sup>30</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Income**

<sup>31</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Income reporting**

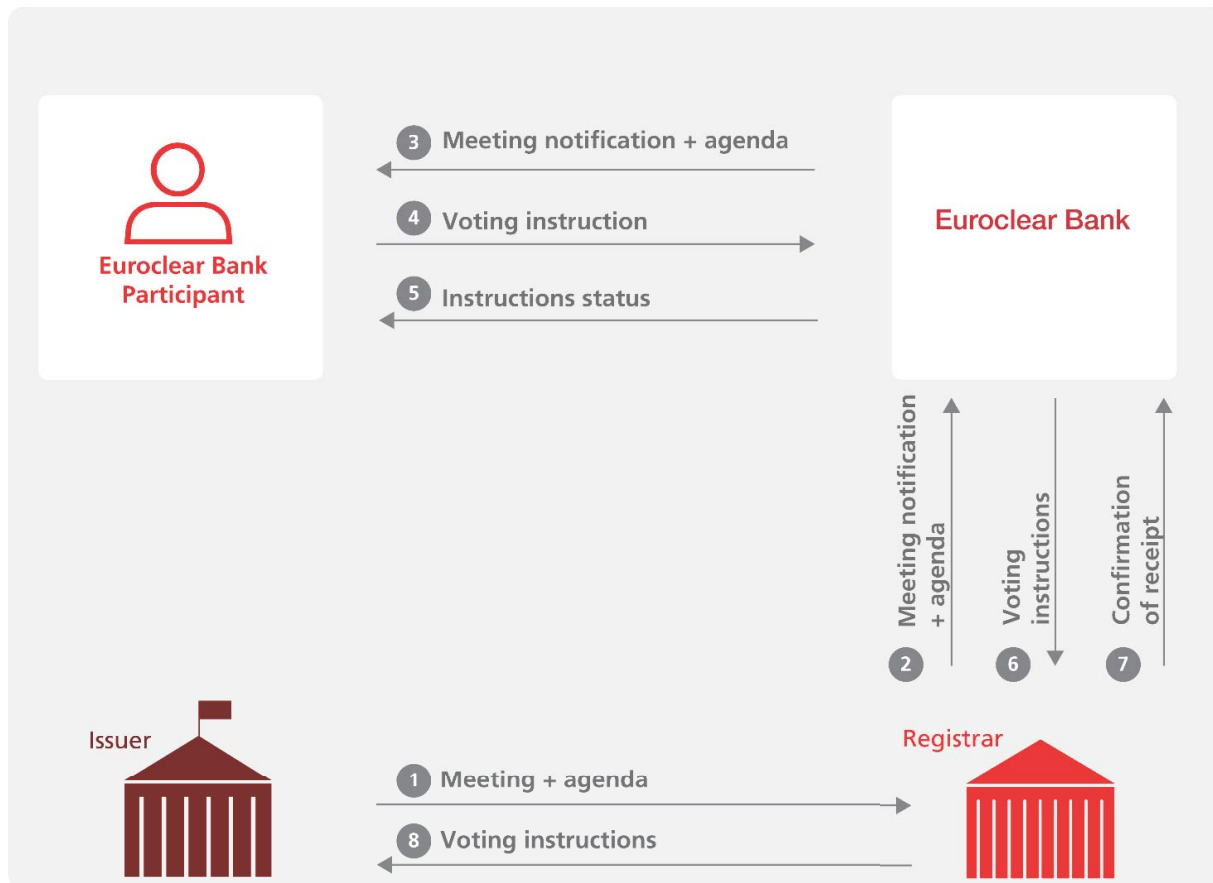
<sup>32</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Custody reporting**

<sup>33</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Corporate actions**

<sup>34</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Custody reporting**

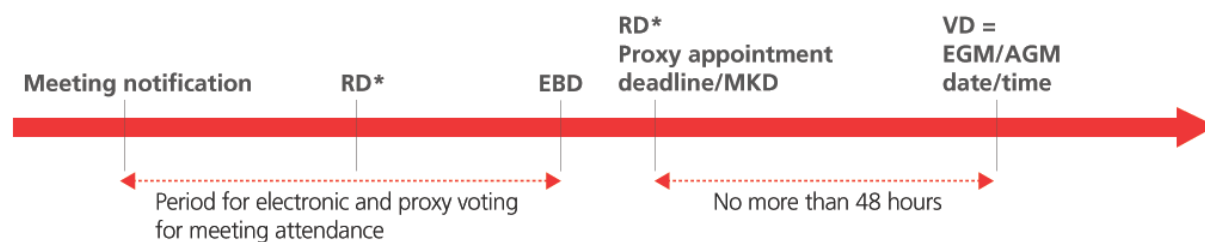
## 6. Custody – Meeting services

We will provide voting services on Irish corporate securities.



EX425\_25

### Timeline



EX425\_26

**RD** = Record date **EBD** = Euroclear Bank deadline **MKD** = Market deadline **VD** = Voting date

\* There may be meetings on Irish corporate securities for which our deadline may be either **before** or **after the record date**. In any case, our deadline is only a few hours before the market deadline. In function of the order of dates, we will process voting instructions as follows:

- **if our deadline date and time is before the record date**, we will block your instructed position until end-of-day on the record date
- **if our date and time is after the record date**, we **will not** block your instructed position



Step	Details						
1	<b>The Issuer informs the registrar of an Annual General Meeting (AGM) or Extraordinary General Meeting (EGM) (and includes the agenda of the meeting and/or provides the URL of the company's website)</b>						
2	<b>The registrar informs us of the AGM/EGM upon receipt of the information from the issuer</b>						
3	<p><b>We send corporate action notifications to holders</b></p> <p>We notify you via a corporate action notification if you have:</p> <ul style="list-style-type: none"> <li>• a balance in your Securities Clearance Account</li> <li>• a lent or borrowed position under our Securities Lending and Borrowing service</li> <li>• a pending securities transaction</li> <li>• a pending corporate action instruction</li> </ul> <p>In our corporate action notification, we will inform you of all the details of the meeting event, such as the type of meeting, the meeting date, the record date, the voting options available, whether the resolutions are voting or non-voting, the format you can use to send an instruction, the detailed requirements to appoint a proxy to attend the meeting and the Euroclear Bank and market deadlines. We will also inform you whether any specific restrictions and/or requirements apply. In function of what we receive from the registrar, the meeting agenda will also be available in our <a href="#">Corporate action app</a><sup>35</sup> on my.euroclear.com. If the registrar provides a link to the Issuer's website containing the meeting information, such link will be added to our corporate action notification.</p>						
5	<p><b>Voting instruction</b></p> <p>You send us an <b>electronic</b> voting instruction by our deadline via SWIFT or EasyWay Corporate Actions to instruct us to<sup>36</sup>:</p> <ul style="list-style-type: none"> <li>• vote in favour of all or a specific resolution(s)</li> <li>• vote against all or a specific resolution(s)</li> <li>• abstain<sup>37</sup> for all or a specific resolution(s)</li> <li>• give discretionary vote to the chairman for all or a specific resolution(s)<sup>38</sup>. For this option, please use codeword <b>CHRM</b> in your voting instruction as follows:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d3d3d3;">SWIFT (ISO 15022 – MT 565)</th> <th style="background-color: #d3d3d3;">EasyWay Corporate Actions</th> </tr> </thead> <tbody> <tr> <td>70E::INST//CHRM(All) – to instruct chairman with discretionary vote for all resolutions</td> <td>In the <b>Narrative to Service Provider</b> field: CHRM(All) – to instruct chairman with discretionary vote for all resolutions</td> </tr> <tr> <td>70E::INST//CHRM(1,2.4a,3b) to instruct chairman to vote for specified resolutions</td> <td>CHRM(1,2.4a,3b) to instruct chairman to vote for specified resolutions</td> </tr> </tbody> </table> <p><b>Note:</b> if you want to cast a split vote for the same resolution, you will need to send a separate instruction for each chosen vote direction (in favour, against or abstain) for the given resolution. You will also be able to cast split votes across the different resolutions (i.e. vote in favour of some resolutions or against other resolutions).</p> <p>You send us a <b>proxy</b> voting instruction to appoint a third party (i.e. different than Euroclear Bank's Nominee) to attend and vote at the meeting. In the case of a proxy voting instruction, you will need to provide us with the proxy details as requested in our notification (e.g. proxy first name, proxy last name, proxy address, nationality code)</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• If you want to cast a split vote for the same resolution, you will need to send a separate instruction for each chosen vote direction (in favour, against or abstain) for the given resolution. You will also be able to cast split votes across the different resolutions (i.e. vote in favour of some resolutions or against other resolutions).</li> <li>• You will be able to cast split votes between the different available voting options (e.g. vote in favour of all resolutions for a given security quantity and appoint a proxy for another security quantity).</li> <li>• When the meeting agenda includes both voting and non-voting resolutions, we expect to receive instructions in relation to voting resolutions only. We will reject instructions in relation to a non-voting resolution.</li> <li>• When not voting in the same direction for all resolutions, you must express a vote for each voting resolution included in the meeting agenda, otherwise we will reject your instruction.</li> <li>• In your voting instruction, you must refer to the same resolution IDs as mentioned in the corporate action notification we have sent to you announcing the meeting.</li> </ul>	SWIFT (ISO 15022 – MT 565)	EasyWay Corporate Actions	70E::INST//CHRM(All) – to instruct chairman with discretionary vote for all resolutions	In the <b>Narrative to Service Provider</b> field: CHRM(All) – to instruct chairman with discretionary vote for all resolutions	70E::INST//CHRM(1,2.4a,3b) to instruct chairman to vote for specified resolutions	CHRM(1,2.4a,3b) to instruct chairman to vote for specified resolutions
SWIFT (ISO 15022 – MT 565)	EasyWay Corporate Actions						
70E::INST//CHRM(All) – to instruct chairman with discretionary vote for all resolutions	In the <b>Narrative to Service Provider</b> field: CHRM(All) – to instruct chairman with discretionary vote for all resolutions						
70E::INST//CHRM(1,2.4a,3b) to instruct chairman to vote for specified resolutions	CHRM(1,2.4a,3b) to instruct chairman to vote for specified resolutions						

<sup>35</sup> Go to [my.euroclear.com](http://my.euroclear.com) > My Apps > Corporate actions

<sup>36</sup> All votes need to be instructed by Euroclear Bank, as registered shareholder, to the registrar.

<sup>37</sup> The 'abstain' option has the same meaning as the 'vote withheld' option. From a legal perspective, in the case of a Vote Withheld/Abstention, the holders of the share count as 'present' at the meeting for the purpose of forming a quorum at the meeting, but they are not formally considered to have voted on the proposal and their 'votes' will not be counted in the calculation of the proportion of votes 'For' or 'Against' the resolution.

<sup>38</sup> This option gives you the possibility to delegate the vote to the chairman of the meeting without giving an indication prior to the meeting whether you vote in favour, against or abstain.

	<ul style="list-style-type: none"> <li>We will not offer a Letter of Company Representation. However you can appoint a Company as proxy in your proxy voting instruction</li> </ul> <p>For a security where nationality declaration applies, we will require you to indicate the nationality of the investor in your voting instruction. This means that for these securities, you will have to send individual voting instructions per investor. If you do not indicate the nationality of the investor or the nationality of the investor has not been authorised by the issuer in its Articles of Association, we will reject your voting instruction. Please refer to <b>Section 9.1. Nationality declaration</b> for further details.</p> <p>Beneficial owner detail<sup>39</sup> are optional. If you provide us with beneficial owner’s details (i.e. beneficial owner first name, beneficial owner last name, beneficial owner address) in your instruction, we will forward them to the registrar.</p> <p>If there are specific voting restrictions, by sending us an instruction, you certify your compliance with any stipulated restrictions and conditions.</p> <p>If you do not send us a voting instruction, we will take no action.</p> <p>Upon receipt of your corporate action instruction, we will:</p> <ul style="list-style-type: none"> <li><b>validate it</b></li> <li><b>position it</b> (i.e. check the availability of securities before execution).</li> <li><b>Scenario 1: the internal Euroclear Bank deadline date and time is before record date end of day:</b> <ul style="list-style-type: none"> <li><b>if your instruction is positioned successfully</b>, we will block your instructed position until the end-of-day on the record date. We will send your successfully-positioned instruction to the registrar for processing</li> <li><b>if your instruction is not positioned successfully</b>, we will recycle it for up to five BDs. If at the end of the recycling period, your instruction is still not successfully positioned, we will cancel it</li> </ul> </li> <li><b>Scenario 2: the internal Euroclear Bank deadline date and time is after record date end of day:</b> <ul style="list-style-type: none"> <li><b>before end-of-day on the record date</b>, we will not position your instructions and will therefore not block your instructed positions. We will send your valid voting instructions to the registrar for information only</li> <li><b>as from end-of-day on the record date</b>, we will position all your valid voting instructions received to date. If successfully positioned, we will not block your instructed position. If not successfully positioned, we will cancel your instruction</li> </ul> </li> </ul> <p><b>Late instructions</b></p> <p>We will not be able to accept electronic voting instructions or proxy voting instruction to appoint a third party to attend and vote at the meeting beyond our deadline.</p>
6	<p><b>Status reporting</b></p> <p>We inform you of the status of your instruction, the reason for any failed instruction and issue that occur throughout the lifecycle of the instruction(s).</p>
7	<p><b>We send the voting instructions to the Registrar for processing</b></p> <p>We send your successfully positioned corporate action voting instructions to the Registrar for processing and we send to the registrar, for information only, details of all the voting instructions received to date</p>
8	<p><b>Registrar validates the voting instructions</b></p> <p>The registrar reports on the validation of the voting instructions that we send to them for processing</p>
9	<p><b>Registrar communicates the voting instructions to the chairman of the meeting for the actual voting at the meeting</b></p>

Here are the possible scenarios for a Euroclear Bank Participant holding 1,000 shares:

1	One electronic vote instruction for all 1,000 shares for <b>all resolutions</b>
2	One split electronic vote instruction for 1,000 shares: <ul style="list-style-type: none"> <li>Resolution 1, 2 and 4: <b>in favour</b></li> <li>Resolution 3 and 5: <b>against</b></li> <li>Resolution 6 and 7: <b>abstain</b></li> <li>Resolution 8: <b>no action</b></li> <li>Resolution 9: <b>discretionary</b></li> </ul>
3	One proxy appointment instruction for 1,000 shares (for a third party)
4	<ul style="list-style-type: none"> <li>One electronic vote instruction for <b>600 shares in favour</b> of all resolutions</li> <li>One electronic vote instruction for <b>400 shares against</b> all resolutions</li> </ul>

<sup>39</sup> Other than nationality declaration

5	<ul style="list-style-type: none"> <li>• One split electronic vote instruction for 600 shares:             <ul style="list-style-type: none"> <li>○ Resolution 1, 2 and 4: <b>in favour</b></li> <li>○ Resolution 3, 5 and 8: <b>against</b></li> <li>○ Resolution 6, 7 and 9: <b>abstain</b></li> </ul> </li> <li>• One proxy appointment instruction with voting right for 400 shares</li> </ul>
6	<ul style="list-style-type: none"> <li>• One electronic vote instruction for <b>600 shares against</b> all resolutions</li> <li>• One electronic vote instruction for <b>400 shares against</b> all resolutions</li> </ul>
7	One electronic vote instruction for chairman to cast <b>discretionary vote for 1,000 shares</b>

**Show of hands**

The chairman of the meeting could call for a 'show of hands' during the meeting. If the result of the show of hands is different than the direction of the electronic voting instructions sent by Euroclear Bank and any other shareholder (other than those to appoint a proxy to attend the meeting), the chairman must call a poll (i.e. distribute voting cards to all attendees at the general meeting).

The results of such a poll are made up of the votes cast in the room (or virtually if the Issuer's constitution law allows) and will be taken in addition to the voting instructions sent by Euroclear Bank and any other shareholder (other than those to appoint a proxy to attend the meeting) received by the registrar and passed to the chairman of the meeting after the proxy voting deadline date and before the meeting date.

## 7. Custody – Market claims

### 7.1 Overview

Market claims ensure that the party entitled to receive the cash and/or securities proceeds of a corporate action actually receives the proceeds. We detect market claims on all distribution events in cash or securities.

We will:

- detect and/or process market claims on against payment and free of payment internal CCP-cleared and non-cleared transactions in Irish corporate securities related to:
  1. **income payments** (interest payments, currency elections, cash dividends, dividend reinvestments, dividends with options, capital gains)
  2. **bonus issues and rights distributions**
- detect market claims based on the **trade date rule** for securities in units (equities, REITs and domestic ETFs, ETCs and ETNs) and on the **contractual settlement date rule** for securities in nominal (corporate debt securities).
- report detected cash and securities market claims
- report the settlement of cash and securities market claims

### 7.2 Detection

#### 7.2.1 Detection period

Market claims will be detected on all CCP-cleared and non-cleared internal and Bridge settlement instructions as from the record date until twenty business days after the payment date of the distribution corporate action, provided the underlying instruction is matched.

#### 7.2.2 Detection rules

The market claim detection process is based on the following rules.

##### **Corporate debt securities**

*Securities in nominal – contractual settlement date rule*

- The contractual settlement date is used to determine who is the owner of the securities
- 'Cum distribution' if the contractual settlement date is before or on the record date
- 'Ex distribution' if the contractual settlement date is after the record date

##### **Equities, REITs and domestic ETFs, ETCs and ETNs**

*Securities in units – trade date rule*

- The trade date is used to determine who is the owner of the securities
- 'Cum distribution' if the trade date is before the ex-date
- 'Ex distribution' if the trade date is on or after the ex-date

**Note:** we will not detect market claims on mark-up or mark-down instructions in Irish corporate securities.

## 7.3 Processing rules

The table below displays our processing rules for market claims on matched internal settlement instructions in Irish corporate securities.

### Corporate debt securities

Trade date before the ex-date	Intended settlement before or on the record date	Settled before or on record date	Market claim created	Direction
N/A	Yes	No	Yes	From the seller to the buyer

### Equities, REITs and domestic ETFs, ETCs and ETNs

Trade date before the ex-date	Intended settlement before or on the record date	Settled before or on record date	Market claim created	Direction
Yes	N/A	No	Yes	From the seller to the buyer
No	N/A	Yes	Yes	From the buyer to the seller

**Note:** we will not process market claims on mark-ups, mark-downs and Bridge settlement instructions in Irish corporate securities.

## 7.4 Settlement

Market claims on internal transactions will settle with the highest settlement priority. They will:

- settle independently from the underlying settlement instruction. This means that even if the underlying instruction is cancelled, the market claim will still exist and will not be cancelled
- be generated in 'released' mode even if the underlying settlement instruction was set 'on hold'. You will not have the possibility to set the market claim 'on hold'

**Securities market claims** will:

- be generated with the same partial settlement indicator as the underlying settlement instruction. You will not have the possibility to change the partial settlement indicator of securities market claims. If partial settlement is executed on a security market claim, we will cancel the original market claim and create two new market claims, one for the settled portion and one for the remaining to be settled portion. Your client reference will appear in the two market claims
- settle as from the payment date of the corporate action distribution and can settle during the real time window for internal settlement

**Cash market claims** will:

- not be subject to partial settlement
- be booked upon receipt and reconciliation of the corporate action distribution proceeds (i.e. as of payment date +1) during the overnight batch process with value date equal to the market claim settlement date to avoid a back-valuation of cash

**Market claims relating to cash distributions with currency options** will be generated in EUR, provided a EUR option is offered by the issuer. If not, the market claim will be generated in the default currency of the distribution. Therefore, it's possible that the market claim is generated in a different currency than the currency you elected for the distribution payment.

**Market claims relating to distributions with both cash and security options** will be generated in EUR, provided a EUR cash option is offered by the issuer. If not, the market claim will be generated in the default cash option of the distribution, if different.

## 7.5 Cancellation

You will not be able to cancel cash and securities market claims once centrally generated or booked by us.

## 7.6 Withholding tax on market claims

Cash market claims on internal settlement instructions in Irish corporate securities will be processed as follows:

Type of security	Type of corporate action distribution	Withholding tax applied on cash market claims	Maximum withholding tax	Type of relief available
Domestic equities and REITs	Standard cash dividends Dividend with options (e.g. SCRIP/DRIP, currency election) <sup>40</sup>	<p>Market claims will be credited net of the maximum withholding tax to the buyer<sup>41</sup>, i.e. regardless of its tax status.</p> <p>Market claims will generally be debited from the seller<sup>42</sup>, net of the maximum withholding tax, i.e. regardless of its tax status.</p> <p>As an exception to the previous paragraph, the market claim will be debited gross of withholding tax from the seller<sup>46</sup> and the withholding tax amount will be returned by us to the Revenue Commissioners, if the following conditions are cumulatively met:</p> <ol style="list-style-type: none"> <li>the seller<sup>46</sup>'s account is set-up as a segregated account exclusively holding its proprietary assets</li> <li>the seller<sup>46</sup> is a qualifying non-resident person or an excluded Irish person;</li> <li>the market claim amount being debited represents a dividend amount received by the seller<sup>46</sup> gross of withholding tax based on its record date position.</li> </ol> <p><b>Important note:</b> When you act as an intermediary (holding assets on behalf of clients) and you are debited with a market claim net of withholding, you should be aware that you may be required to deduct and remit withholding tax to the Revenue Commissioners. We strongly recommend that you consult your own tax adviser.</p>	25%	TBC <sup>43</sup>
Domestic corporate debt	Interest payment	Market claims will be processed gross of withholding tax <sup>44</sup>	exempted <sup>45</sup>	N/A
Domestic ETFs	Interest/dividend payment	N/A	exempted	N/A
Domestic ETCs, ETNs	Interest/dividend payment	N/A <sup>46</sup>	Varies	-

<sup>40</sup> We will not offer a Relief at Source service on dividends with options for REITs distributing both non-property and property income. Consequently, debit and credit market claims in relation to these events will be generated net of withholding tax

<sup>41</sup> To the seller, in case of reverse market claim

<sup>42</sup> From the buyer, in case of reverse market claim

<sup>43</sup> We are currently in discussion with the Revenue Commissioners on the refund procedures for market claims in relation to domestic equities and REITs. We will update this Service Description upon completion of these discussions.

<sup>44</sup> Except if the domestic corporate debt is not exempt from withholding tax, in which case market claims will be generated net of withholding tax

<sup>45</sup> Withholding tax (at a rate of 20%) does not apply if the conditions of the 'quoted Eurobond' exemption are met or if another exemption applies

<sup>46</sup> Except if the ETC, ETN is subject to withholding tax in which case market claims will be generated net of withholding tax.

## 7.7 Reporting

From detection up to (but not including) settlement, pending market claims will be reported via:

SWIFT	EasyWay
MT 599	R57 Pending market claim status report

We will report settled market claims to you via:

SWIFT	EasyWay
<ul style="list-style-type: none"> <li>• SWIFT MT 566 Income and Corporate Action Movement Confirmation - this report will also include the posting date (i.e. the date the cash movement is booked) and the value date</li> <li>• SWIFT MT 548 Settlement Status and Processing Advice (for securities market claims only)</li> </ul>	<ul style="list-style-type: none"> <li>• EasyWay Proceeds</li> <li>• EasyWay Reports                             <ul style="list-style-type: none"> <li>○ R59 Income Payable Report (for cash market claims)</li> <li>○ R23 Securities and Related Cash Movements – real-time process settlement results (for securities market claims)</li> </ul> </li> </ul>

## 8. Custody - Transformations

### 8.1 Overview

We will offer transformations on mandatory reorganisations in securities without options with a ratio that is a whole integer, i.e. we will cancel your pending instructions and replace them with new instructions in the new security proceeds.

For mandatory reorganisations with a more complex ratio, we will only cancel your pending instructions.

### 8.2 Processing rules

On the **payment date** of the reorganisation event, upon receipt of the credit confirmation of the new security proceeds from the registrar, we will:

- cancel your pending matched and unmatched internal and Bridge settlement instructions (CCP-cleared and non-cleared transactions, including own account matching instructions)
- replace them by new internal or Bridge settlement instructions in the security proceeds, with the same characteristics as the original cancelled instruction, i.e. including your original transaction reference, the same hold/release indicator, the same partial settlement indicator, same original intended settlement date etc.

You will have the possibility to put the replacement instruction on hold, if created with a 'release' indicator or release it if created 'on hold'. Please refer to the **Section 4.3.6 Hold and Release** for more information.

The replacement internal instruction (including own account matching instructions) will be generated with the same stamp duty transaction fields as the original cancelled instruction. Please refer to the **Section 10.6 Stamp duty** for more information.

As from the **record date** of the reorganisation event, you will no longer be able to input any instruction in the security subject to the reorganisation. You will have to enter transactions immediately in the new ISIN after the record date (RD). We recommend to harmonise this process with other European markets whereby trading in the old ISIN stops on RD-2 BD so that only failed transactions are transformed.

We will process transformations on a mandatory reorganisation in securities without option and with a ratio that is a whole integer (1,2,10, ...).

For **mandatory reorganisations with a more complex ratio**, we will only cancel your pending instructions. You will need to agree with your counterparties to input new instructions in the new security outturn.

Similarly, we will not automatically transform your pending mark-down and mark-up instructions. We will only cancel them. You will need to re-input a new mark-down or mark-up instruction in the new security proceeds.

We will not process transformations on a mandatory reorganisation in securities with option nor on a mandatory reorganisation in cash. There are no transformations on voluntary events.

We will inform you in the corporate action notification of the reorganisation event whether we will transform your pending instructions or not.



### 8.3 Reporting

We will report the creation and the settlement of the replacement instructions to you via:

<b>SWIFT</b>	<b>EasyWay</b>
<ul style="list-style-type: none"> <li>• SWIFT MT 548 Settlement Status and Processing Advice (for securities market claims only)</li> <li>• SWIFT MT 54x Confirmation message</li> </ul>	<ul style="list-style-type: none"> <li>• EasyWay Settlement</li> <li>• EasyWay Reports                             <ul style="list-style-type: none"> <li>○ R70, Unexecuted Securities Transaction Instructions report</li> <li>○ R23 Securities and Related Cash Movement – real-time process settlement results</li> <li>○ R20 - Securities and Related Cash Movement – batch process settlement results</li> </ul> </li> </ul>

We will report the cancellation of your original pending instructions to you via:

<b>SWIFT</b>	<b>EasyWay</b>
<ul style="list-style-type: none"> <li>• SWIFT MT 548 Settlement Status and Processing Advice</li> </ul>	<ul style="list-style-type: none"> <li>• EasyWay settlement</li> <li>• EasyWay Reports:                             <ul style="list-style-type: none"> <li>○ R76 Cancelled Instructions Report</li> </ul> </li> </ul>

We will not report 'transformation' as the reason for the creation of a replacement instruction or the cancellation of a pending instruction.

## 9. Disclosure requirements

Under Irish law, we may be required to disclose to the issuer or its agent your name, location and holdings of any issue of Irish corporate securities, or any other information as may be required under Irish law.

You may also be required to comply with certain disclosure requirements or other requirements under Irish law and regulations (including the Irish Companies Act and the Irish Takeover Rules). Failure to do so could result in you having to hold your securities in physical form in your name on the shareholder register.

### 9.1 Nationality declaration

Certain Irish companies may have legal or regulatory obligations to limit the ownership of their equity by a certain category of investors. Where this is the case, upon acquisition or sale of the securities, details of the selling and purchasing investor's nationality must be reported to us via a nationality declaration.

It is your responsibility to accurately report to us the investor's nationality in your settlement instructions, as defined by the issuer in their Articles of Association. We will validate that the nationality is input for any instructions involving securities that require a nationality declaration. Failure to input the nationality declaration will result in the instruction being rejected.

We will report the investors' nationalities to the issuing company or their registrar.

If the applicable foreign holding thresholds are exceeded, the issuing company or its registrar may contact you to instruct you to sell the relevant holding.

The relevant Irish companies have confirmed that completion of the relevant input field is an acceptable form of compliance with their nationality declaration requirements. They will treat the data input on the settlement instructions as being the equivalent of the issuer's Nationality Declaration Form.

#### 9.1.1 Which securities are subject to nationality declaration?

Currently, only Ryanair Holdings plc. requires such a nationality declaration.

You will be able to identify if an Irish corporate security is subject to a nationality declaration using the [Euroclear Bank securities search app](#)<sup>47</sup> on my.euroclear.com:

1. enter the ISIN or name of the security in the search box
2. select the relevant security
3. in the **General information** tab, the **Additional specifications** field will indicate if the security is subject to a nationality declaration

#### 9.1.2 How to instruct your nationality declaration

##### Non-cleared transactions

When transferring securities subject to a nationality declaration in Euroclear Bank, the buyer must specify the ISO 3166 country code of the purchasing investor in its internal receipt instruction and the seller must specify the ISO 3166 country code of the selling investor in its internal delivery instruction, as follows:

	EasyWay	EUCLID (ISO 7775)	SWIFT (ISO 15022)
Investor's nationality	Sequence: OTHER PARTIES Field: Investor: Select the country identifying the investor's nationality	<b>:77B: /NDCL/XX</b> where XX represents the ISO country code identifying the investor's nationality	Sequence: F - OTHRPRTY Field: :95C::INVE//the ISO country code identifying the investor's nationality

<sup>47</sup> Go to [my.euroclear.com](#) > [My Apps](#) > [Euroclear Bank securities search](#)

**Important** –nationality declaration is mandatory in non-cleared transactions in securities subject to nationality declaration. If you do not input the nationality declaration in your internal instruction in a security subject to a nationality declaration or you input an invalid country code, we will reject your instruction. In both cases, we will report the rejection to you via a narrative stating 'Invalid Country Code'.

In the case of bulked non-cleared transactions on behalf of multiple investors:

- you need to send us adjustment instructions via:
  1. own account matching<sup>48</sup> (free of payment or against payment) internal receipt and delivery instructions with the underlying investor's nationality **or**
  2. matching internal (free of payment or against payment) delivery and receipt instructions between your account and another account in Euroclear Bank with the underlying investor's nationality

In the case of transactions on the books of a custodian:

- custodians must report those transfers to us by instructing:
  1. own account matching<sup>48</sup> (free of payment or against payment) internal receipt and delivery instructions with the underlying investor's nationality **or**
  2. matching internal (free of payment or against payment) delivery and receipt instructions between their omnibus account and another account in Euroclear Bank with the underlying investor's nationality

### CCP-cleared transactions

For CCP-cleared transactions in a security subject to a nationality declaration, we will enrich the instructions with the ISO 3166 country code of:

- the CCP nationality in the internal receipt and delivery instructions related to the CCP's own account
- the nationality you will have communicated to us beforehand in the matching internal instruction that either the CCP sends to us on your behalf<sup>49</sup> or that you send yourself to match the settlement instruction of the CCP. For that purpose, you will need to confirm to us the nationality we should enrich your instructions with before you start any settlement activity against a CCP

Please complete the form *Declaration of nationality for Irish corporate securities related CCP-cleared transactions (RG 415)* and return it to us to confirm the nationality we should enrich your instructions with. If we have not received it at the time we receive a settlement instruction from you or from a CCP on your behalf without mention of the nationality, we will reject the instruction.

Alternatively, if you have not provided a Power of Attorney to the CCP for the CCP to input settlement instructions on your behalf, meaning you send us the settlement instructions to match the settlement instructions of the CCP and you have not provided us with the nationality beforehand for us to enrich your instruction, you must specify the ISO 3166 country code of the purchasing investor in your internal receipt instruction and the ISO 3166 country code of the selling investor in your internal delivery instruction against the CCP.

In case you settle bulked CCP-cleared transactions on behalf of multiple investors, you need to send us adjustment instructions via:

- own account matching<sup>50</sup> (free of payment or against payment) internal receipt and delivery instructions with your nationality in one instruction and the underlying investor's nationality in the other **or**
- matching (free of payment or against payment) internal delivery and receipt instruction between your broker account and another Euroclear Bank account (e.g. the account of the investor's custodian) with your nationality in one instruction and the underlying investor's nationality in the other

**Important note:** we provide the flows and related descriptions below for illustration purposes only. It is your responsibility to determine whose and which nationality needs to be indicated on each settlement instruction related to your account.

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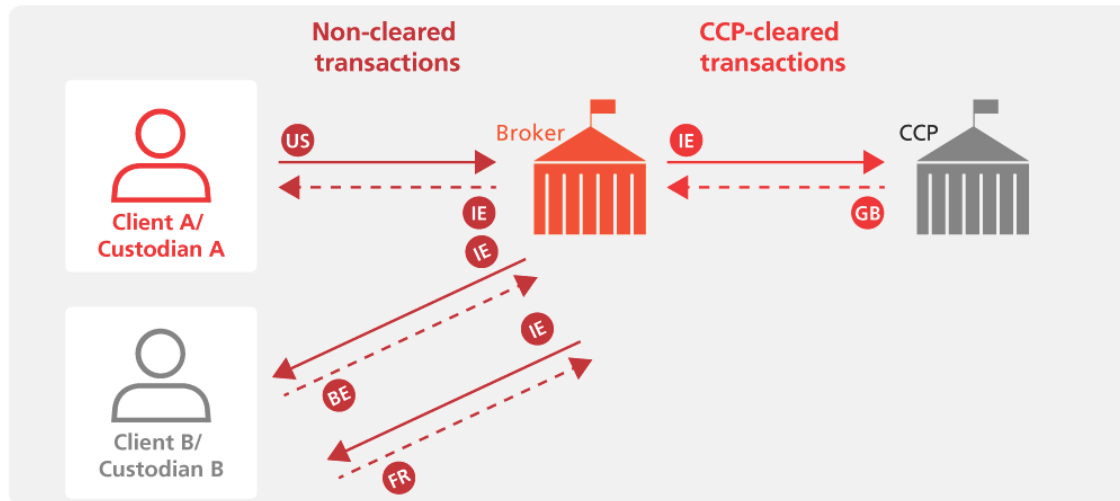
<sup>48</sup> An own account transaction is where the account of the receiver is the same as the account of the deliverer. The instructions require matching but there are no special fields to be completed. We provide you with the detailed formats of these instructions in our [Transactions in Irish corporate securities – Instructions formats guide](#)

<sup>49</sup> You need to provide a Power of Attorney to the CCP for the CCP to send instructions to us on your behalf, please complete and return the form *SWIFT access - specific purpose/agent(s) (RG 10)* to us for this purpose

<sup>50</sup> An own account transaction is where the account of the receiver is the same as the account of the deliverer. The instructions require matching but there are no special fields to be completed. We provide you with the detailed formats of these instructions in our [Transactions in Irish corporate securities – Instructions formats guide](#)

Example 1

Broker buys securities subject to nationality declaration for several underlying investors with three distinct nationalities holding their assets through custodian A and custodian B in their accounts in Euroclear Bank

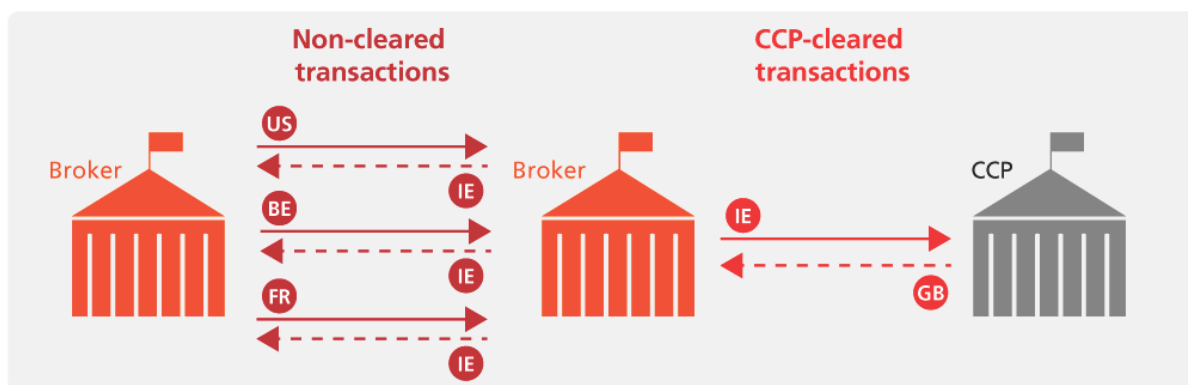


EX425\_27

CCP cleared transaction	Non-cleared transaction
<ul style="list-style-type: none"> <li>• The CCP inputs an internal delivery instruction against the account of the broker that we enrich with the ISO country code corresponding to its nationality (GB) as confirmed to us by the CCP beforehand</li> <li>• The CCP inputs an internal receipt instruction on behalf of the broker against its own account, that we enrich with the ISO country code corresponding to the broker's nationality (IE) as communicated to us by the broker beforehand</li> </ul>	<ul style="list-style-type: none"> <li>• The Irish broker re-delivers the purchased securities to the accounts of its clients and inputs:                             <ul style="list-style-type: none"> <li>○ three internal delivery instructions against the accounts of its Client A and Client B (or their custodians), including the ISO country code corresponding to its Irish nationality</li> </ul> </li> <li>• Client A (or its custodian) inputs:                             <ul style="list-style-type: none"> <li>○ a matching internal receipt instruction against the account of the broker for the securities purchased for the US investor, including the ISO country code corresponding to the US nationality of the investor</li> </ul> </li> <li>• Client B (or its custodian) inputs:                             <ul style="list-style-type: none"> <li>○ a matching internal receipt instruction against the account of the broker for the securities purchased for the Belgian investor, including the ISO country code corresponding to the Belgian nationality of the investor</li> <li>○ a matching internal receipt instruction against the account of the broker for the securities purchased for the French investor, including the ISO country code corresponding to the French nationality of the investor</li> </ul> </li> </ul>

*Example 2*

Broker buys securities subject to nationality declaration for underlying investors with three distinct nationalities holding their assets on broker's books in broker's account in Euroclear Bank.



EX425\_28

CCP cleared transaction	Non-cleared transaction
<ul style="list-style-type: none"> <li>The CCP inputs an internal delivery instruction against the account of the broker, that we enrich with the ISO country code corresponding to its nationality (GB) as confirmed to us by the CCP beforehand</li> <li>The CCP inputs an internal receipt instruction on behalf of the broker against its own account, that we enrich with the ISO country code corresponding to the broker's nationality (IE) as communicated to us by the broker beforehand</li> </ul>	<ul style="list-style-type: none"> <li>The Irish broker declares the nationality of the underlying investor on whose behalf they purchased the securities, by inputting:                             <ul style="list-style-type: none"> <li>three internal own account delivery instructions against its own account, including the ISO country code corresponding to its Irish nationality</li> <li>three internal own account receipt instructions against its own account, including the ISO country code corresponding to the respective nationality of the underlying investors (American (US), Belgian (BE), French (FR))</li> </ul> </li> </ul>

**Transactions on your own books**

When transfers of securities that are subject to a nationality declaration take place on your own books, you must report those transfers to us, so that we can inform the issuing company of any change in nationality.

You can inform us by either instructing:

- own account matching free of payment or against payment receipt and delivery internal instructions<sup>51</sup>
- matching internal free of payment or against payment receipt and delivery instructions between your main account and another account opened with us

**Mark-up and mark-down instructions**

When transferring a security subject to a nationality declaration from an account in Euroclear Bank to another account in the register, you must specify both the **ISO 3166 country code of the delivering investor and the receiving investor** in your mark-down instruction (and transferee registration details) to us, as explained above.

When transferring a security subject to a nationality declaration from an account in the register to an account in Euroclear Bank, you must specify the **ISO 3166 country code of the receiving investor** in your mark-up instruction to us, as explained above.

If you do not provide a nationality declaration in your mark-up/mark-down instruction in a security subject to a nationality declaration, or you input an invalid country code, we will reject your instruction. In both cases, we will report the rejection to you via a narrative stating 'Invalid Country Code'.

<sup>51</sup> An own account transaction is where the account of the receiver is the same as the account of the deliverer. The instructions require matching but there are no special fields to be completed. We provide you with the detailed formats of these instructions in our [Transactions in Irish corporate securities – Instructions formats guide](#)

### Corporate action and voting instructions

In the event of a voluntary corporate action or meeting on a security (or right) subject to a nationality declaration, you must also indicate the nationality of the investor for which you instruct in the narrative field of your corresponding corporate action or voting instruction, as follows:

	EasyWay	SWIFT (ISO 15022 – MT565)
Investor's nationality	Narrative to Service Provider INVE (Two- character ISO country of the investor's nationality)	70E::INST//INVE/Two-character ISO country code of the investor's nationality

If you do not provide a nationality declaration in your corporate action or voting instruction or you input an invalid country code, we will reject your instruction. For voting instructions, we will also validate that the country code you mentioned corresponds to a country of which the investor is authorised to vote, in line with the issuer requirements. In all cases, we will report the rejection to you via a narrative stating 'Invalid Country Code'.

### Correction of a nationality declaration

If you need to correct the nationality declaration you made on a previously sent instruction, you can either:

- cancel your instruction, if still possible, and send a new instruction with the correct nationality declaration **or**
- instruct either:
  1. own account matching free of payment or against payment receipt and delivery internal instructions<sup>Error!</sup> with the corrected and new **ISO 3166 country code**

**or**

  2. matching internal free of payment or against payment receipt and delivery instructions between your main account and another account opened with us with the corrected and new **ISO 3166 country code**

### 9.1.3 Reporting to the issuer

For securities where nationality declaration is a requirement, we will report to the issuer or their registrar the nationality of the buying and selling investors on all settled CCP-cleared and non-cleared instructions, mark-up (buying investor only) and mark-down (selling investor only) instructions and all corporate action and voting instructions.

If the applicable foreign holding thresholds are exceeded, the issuer or its registrar, may contact you to instruct you to sell the relevant holding.

## 9.2 Shareholder identification disclosure requests

We will support shareholder identification request from an issuer or its agent in relation to an Irish corporate security under the following two processes:

- **under Section 1062 of the Companies Act Ireland, 2014** - upon receipt of such a request, we will disclose your identification details and positions, in line with the specifics of the request, to the issuer or its agent. The issuer or its agent will then contact you directly to obtain details about your interests and those of your underlying clients in their shares
- **following the Shareholders Right Directive II (SRD II) process** - pursuant to existing Irish corporate law and the implementation of SRD II into Irish law, Euroclear Bank's Nominee, as the person recorded in the register of members, is the 'shareholder' for the purposes of SRD II- in-scope Irish corporate securities held by Euroclear Bank Participants. However, we offer the service to issuers of Irish corporate securities, upon their request, to disclose the underlying Euroclear Bank Participants following the SRD II shareholder identification processing principles.

When we receive a shareholder identification disclosure request for a security that you hold, we will transmit the request to you (via SWIFT and/or EasyWay) with all the necessary information you need to respond to the issuer (or the agent appointed by the issuer).

## 10. Tax services



**Important note: this section is subject to legislative amendments to the dividend withholding tax and stamp duty rules being covered in the Finance Bill expected in Q4 2020.. We are closely following up on the progress thereof and will keep you informed.**

### 10.1 Overview

We will offer you the following tax services on Irish corporate securities:

Instruments	Withholding tax			Other taxes
	Tax rate	Tax relief	Market claims	
Domestic equities and Real estate investment trusts (REITs) for non-property income distributions	25%	Relief at Source <sup>52</sup> Standard Refund	TBC (1)	Stamp duty collection and payment
REITs for property income distributions	25%	Relief at Source Standard Refund	TBC (1)	Stamp duty collection and payment
Domestic equities listed on the Euronext Growth securities segment	25%	Relief at Source Standard Refund	TBC (1)	N/A
Domestic corporate debt securities	exempted <sup>53</sup>	N/A <sup>54</sup>	N/A <sup>55</sup>	N/A <sup>56</sup>
Domestic ETFs	exempted	N/A	N/A	N/A
Domestic ETCs, ETNs	Varies	-	-	N/A <sup>57</sup>

- (1) We are currently in discussion with the Revenue Commissioners on the refund procedures for market claims in relation to domestic equities and REITs. We will update this service description upon completion of these discussions

<sup>52</sup> If there would be a dividend with options on a REITS distributing both non-property and property income, we will discuss with the issuer and the registrar how to best process the event.

<sup>53</sup> Withholding tax (at a rate of 20%) does not apply if the conditions of the 'quoted Eurobond' exemption are met or if another exemption applies.

<sup>54</sup> We will not offer Relief At Source or Standard Refund services on the interest payment.

<sup>55</sup> We will generate market claims net of withholding tax if the domestic corporate debt is not exempt from withholding tax and we will not offer a Standard Refund service

<sup>56</sup> Exceptions may apply. You will be able to check whether the security is subject to stamp duty in the Euroclear Bank securities search app. See

**Section 10.6.2 Which securities are subject to stamp duty** for more information.

## 10.2 Tax - Relief at Source

### 10.2.1 Overview

Instruments	Withholding tax		
	Tax rate	Tax relief on dividend payments	Market claims
Equities	25%	Relief at Source	No
REITs for non-property income distributions	25%	Relief at Source	No
REITs for property income distributions	25%	Relief at Source	No

### 10.2.2 Account structure

Our Relief at Source service for taxable Irish corporate securities supports the following account structures:

Status	Possible account structures
You are the beneficial owner of the assets held in your account and you are a qualifying non-resident person or an excluded Irish person	<ul style="list-style-type: none"> <li>Segregated account exclusively holding your proprietary assets</li> </ul>
You are the beneficial owner of the assets held in your account and you are not a qualifying non-resident person or an excluded Irish person	
You are holding assets on behalf of clients and you are a Qualifying Intermediary	<ul style="list-style-type: none"> <li>Mixed rate omnibus account holding the assets of several beneficial owners</li> </ul>
	<ul style="list-style-type: none"> <li>Segregated account holding the assets of one beneficial owner only which is a qualifying non-resident person or an excluded Irish person</li> </ul>
	<ul style="list-style-type: none"> <li>Segregated account holding the assets of one beneficial owner only which is not a qualifying non-resident person or an excluded Irish person</li> </ul>
	<ul style="list-style-type: none"> <li>Single rate omnibus account holding the assets of a pool of excluded Irish persons</li> </ul>
	<ul style="list-style-type: none"> <li>Single rate omnibus account holding the assets of a pool of qualifying non-resident persons</li> </ul>
	<ul style="list-style-type: none"> <li>Single rate omnibus account holding assets of a pool of fully taxable beneficial owners</li> </ul>
You are holding assets on behalf of clients and you are not a Qualifying Intermediary	<ul style="list-style-type: none"> <li>Omnibus account holding the assets of several beneficial owners</li> </ul>

### 10.2.3 Relief at Source procedure

To benefit from the relief available, you must comply with the below procedural requirements in a complete and timely manner. Otherwise, your dividend payment(s) will be taxed at the maximum rate.

## Equities and REITs for non-property income distributions

### Eligibility criteria

You may obtain Relief at Source if either of the following conditions apply:

- you are the beneficial owner of the Irish equities or REITs for non-property income distributions and you are a qualifying non-resident person or an excluded Irish person
- you have been authorised as Qualifying Intermediary (QI) by the Revenue Commissioners and you hold Irish equities or REITs for non-property income distributions on behalf of a qualifying non-resident person or an excluded Irish person



Qualifying non-resident persons	Excluded Irish persons (Note: this list is not exhaustive)
<ul style="list-style-type: none"> <li>An individual or an unincorporated entity which is neither resident nor ordinarily resident in Ireland, but resident in another EU Member State or in a DTA country for tax purposes</li> <li>A company resident in another EU Member State or in a DTA country that is not controlled, either directly or indirectly, by Irish residents</li> <li>A company ultimately controlled by residents of another EU Member State or of a DTA country</li> <li>A company for which the principal class of shares (or alternatively, either belonging to a 75% parent, or to two or more companies by which the company is wholly-owned) is substantially and regularly traded on a recognised stock exchange in another EU Member State or in a DTA country, or on such other exchange as may be approved of by the Minister of Finance</li> </ul>	<ul style="list-style-type: none"> <li>An Irish resident company</li> <li>A pension scheme</li> <li>A manager of approved retirement funds, approved minimum retirement funds and special savings incentive accounts</li> <li>A qualifying employee share option trust</li> <li>A collective investment undertaking</li> <li>a charity</li> <li>A sports body that is exempt from income tax by virtue of the income concerned being applied for the sole purpose of promoting athletic or amateur games or sports</li> <li>A designated stockbroker who is receiving relevant distributions as part of the income of a special portfolio investment account</li> </ul>

For a list of DTA countries, consult the [DTA table – Equities/REITs<sup>57</sup>](#).

### Documentation requirements

The documentation requirements depend on whether or not you are the beneficial owner of the securities held or a Qualifying Intermediary (QI) for Ireland for securities held on behalf of clients.

**Note:** you can find all tax forms for Ireland on [my.euroclear.com](#).

### You are the beneficial owner of the Irish equities or REITs for non-property income distributions you hold in your Securities Clearance Account

You must send us the following documents:

- a duly completed and executed **Tax relief certificate (IR\_F024)**. This certificate is valid for a period of five years, with the possibility to extend every five years. When you complete the Tax relief certificate, you certify that you are, or may be, the beneficial owner of the Irish equities or REITs you may hold, from time to time, in your Securities Clearance Account(s). You must send this document to us by post or alternatively via TaxGenix before the first relevant dividend payment.

For more information on our TaxGenix web-based tool, please see our [TaxGenix – Putting you in the driver's seat<sup>58</sup>](#) page.

- a duly completed and executed Declaration of Exemption, **Non-Resident Form V2** (Form **V2B** if you are a qualifying non-resident company ([IR\\_F009](#)) or Form **V2C** if you are a qualifying non-resident person (not being an individual or a company) ([IR\\_F012](#)). The Declaration of Exemption Non-Resident Form V2 is valid from the date of issue until 31 December in the fifth year following the year in which the declaration was issued. If you have filed the Declaration of Exemption once, you do not need to file another Declaration of Exemption unless the five year validity period has expired or if there is a change of circumstances.

or

- a duly completed and executed Declaration of Exemption, **Composite Resident Form V3 (IR\_F008)**, if you are an excluded Irish person. You must only send this document for the first respective dividend payment and is valid until revoked or if there is a change of circumstances.

You must send these forms to us by post.

<sup>57</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Ireland - DTA table – Equities/REITs**

<sup>58</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **TaxGenix**

**You are not the beneficial owner of the securities held in your Securities Clearance Account and are a QI for Ireland**

You must send us the following documents:

- a duly completed and executed **Tax relief certificate** ([IR\\_F024](#)). This certificate is valid for a period of five years, with the possibility to extend every five years. You must send this document by post or alternatively upload it to TaxGenix before the first relevant dividend payment.
- for **dividends without options**, an **Amendment to Tax relief certificate** ([IR\\_F018](#)), if your Securities Clearance Account is not segregated exclusively for a pool of 'Qualifying non-resident persons' or exclusively for a pool of 'Excluded Irish persons'. You can send us this breakdown information via TaxGenix, authenticated SWIFT MT 599, post or email (using this [template](#) and attaching it to your email). To send the list by email, you must be subscribed to our [Tax breakdowns via email](#) service. If sending by post, the list must be authenticated by an authorised signature.

We must receive the breakdown information before each relevant dividend without options payment and for each relevant Securities Clearance Account by our announced deadline.

- for **dividends with options**, (e.g. SCRIP/DRIP dividends and dividends with currency options) an Amendment to Tax relief certificate is **not required** as the applicable tax rate is determined via the option you select in your corporate action instruction. Please refer to **Section 5.3. Mandatory corporate actions with options** and the examples for further details on how to ensure application of the correct withholding tax rate on taxable mandatory distributions with options.

For more information on our TaxGenix web-based tool, please see our [TaxGenix – Putting you in the driver's seat<sup>59</sup>](#) page.

**Deadline for receipt of documentation**

We inform you of the deadline by which we need to receive your certificates and breakdown through the notification of the related dividend payment via:

- **SWIFT MT 564/568** Corporate Action Notification/Corporate Action Narrative
- **EasyWay Corporate Actions**
- **TaxGenix** – Tax event notification alerts

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<sup>59</sup> Go to [my.euroclear.com](#) > **My Apps** > **Knowledge base** and enter Keyword: **TaxGenix**

## REITs for property income distributions

### Eligibility criteria

You may obtain Relief at Source if either of the following conditions apply:

- you are the beneficial owner of the Irish REITs and are an excluded Irish person
- you have been authorised as a QI by the Revenue Commissioners and hold Irish REITs on behalf of an excluded Irish person

*Excluded Irish persons* (**Note:** this list is not exhaustive)

- an Irish resident company
- a pension scheme
- qualifying fund manager of approved retirement funds or approved minimum retirement funds
- a qualifying employee share ownership trust
- a collective investment undertaking
- a charity
- a sports body that is exempt from income tax by virtue of the income concerned being applied for the sole purpose of promoting athletic or amateur games or sports
- a designated stockbroker who is receiving relevant distributions as part of the income of a special portfolio investment account

### Documentation requirements

The documentation requirements depend on whether or not you are the beneficial owner of the securities held or a Qualifying Intermediary (QI) for Ireland for securities held on behalf of clients.

**Note:** you can find all tax forms for Ireland on [my.euroclear.com](http://my.euroclear.com).

### You are the beneficial owner of the Irish REITs you hold in your Securities Clearance Account and are an 'excluded Irish person'

You must send us the following documents:

- a duly completed and executed **Tax relief certificate** ([IR\\_F024](#)). This certificate is valid for a period of five years, with the possibility to extend every five years. When you complete the tax relief certificate, you certify that you are the beneficial owner of the Irish REITs you may hold, from time to time, in your Securities Clearance Account(s). You must send this document to us by post or alternatively via TaxGenix before the first relevant dividend payment.

For more information on our TaxGenix web-based tool, please see our [TaxGenix – Putting you in the driver's seat](#)<sup>60</sup> page.

- a duly completed and executed Declaration of Exemption, **Composite Resident Form V3** ([IR\\_F008](#)), as an excluded Irish person. You must only send this document for the first respective dividend payment and is valid until revoked or if there is a change of circumstances. You must send this form to us by post.

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<sup>60</sup> Go to [my.euroclear.com](http://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **TaxGenix**

**You are not the beneficial owner of the securities held in your Securities Clearance Account and are a QI for Ireland**

You must send us the following documents:

- a duly completed and executed **Tax relief certificate** ([IR\\_F024](#)). This certificate is valid for a period of five years, with the possibility to extend every five years. When you complete the Tax relief certificate, you certify that you are a QI that holds, or may hold, Irish REITs, from time to time, in your Securities Clearance Account(s) on behalf of beneficial owners that are 'Excluded Irish Persons' for which you request gross payments to be made. You must send this document by post or alternatively upload it via TaxGenix before the first relevant dividend payment.
- for **dividends without options**, an **Amendment to Tax relief certificate** ([IR\\_F018](#)), if your Securities Clearance Account is not exclusively segregated for a pool of 'Excluded Irish persons'. You can send us this breakdown information via TaxGenix, authenticated SWIFT MT 599, post or email (using this template and attaching it to your email). To send the list by email, you must be subscribed to our Tax breakdowns via email<sup>61</sup> service. If sending by post, the list must be authenticated by an authorised signature.

We must receive the breakdown information before each relevant dividend without options payment and for each relevant Securities Clearance Account by our announced deadline, which may be before the record date.

- for **dividends with options**, (e.g. SCRIP/DRIP dividends and dividends with currency options) an Amendment to Tax relief certificate is **not required** as the applicable tax rate is determined via the option you select in your corporate action instruction. Please refer to **Section 5.3. Mandatory corporate actions with options** and the examples for further details on how to ensure application of the correct withholding tax rate on taxable mandatory distributions with options

For more information on our TaxGenix web-based tool, please see our [TaxGenix - Putting you in the driver's seat](#)<sup>62</sup> page.

**Deadline for receipt of documentation**

We inform you of the deadline by which we need to receive your certificates and breakdown through the notification of the related dividend payment via:

- **SWIFT MT 564/568** Corporate Action Notification/Corporate Action Narrative
- **EasyWay Corporate Actions**
- **TaxGenix** - Tax event notification alerts

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<sup>61</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Tax breakdowns**

<sup>62</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **TaxGenix**

## 10.3 Tax - Standard Refund

### 10.3.1 Overview

Instruments	Withholding tax		
	Tax rate	Tax relief on dividend payments	Market claims
Equities	25%	Standard Refund – Domestic relief for non-residents Standard Refund – DTA relief for non-residents	TBC <sup>63</sup>
REITs for non-property income distributions	25%	Standard Refund – Domestic relief for non-residents Standard Refund – DTA relief for non-residents	TBC <sup>63</sup>
REITs for property income distributions	25%	Standard Refund – DTA relief for non-residents	TBC <sup>63</sup>

### 10.3.2 Standard Refund procedure

#### Equities and REITs for non-property income distributions - Domestic relief for non-residents

##### Eligibility criteria

You may obtain an exemption from withholding tax through a Standard Refund procedure if you are, or hold Irish equities or REITs for non-property income distributions on behalf of (a) beneficial owner(s) that is (are):

- an individual or an unincorporated entity neither resident nor ordinarily resident in Ireland, resident in another EU Member State or in a country that has a Double Taxation Agreement (DTA) in place with Ireland
- a company resident in another EU Member State or in a DTA country that is not controlled, either directly or indirectly, by Irish residents
- a company ultimately controlled by residents of another EU Member State or of a DTA country
- a company for which the principal class of shares (or alternatively, either belonging to a 75% parent, or to two or more companies by which the company is wholly-owned) is substantially and regularly traded on a recognised stock exchange in another EU Member State or in a DTA country, or on such other exchange as may be approved of by the Minister of Finance

For a list of DTA countries, consult the [DTA table – Equities/REITs](#)<sup>64</sup>.

<sup>63</sup> We are currently in discussion with the Revenue Commissioners on the refund procedures for market claims in relation to domestic equities and REITs. Once finalised, we will update this service description accordingly.

<sup>64</sup> Go to [my.euroclear.com](https://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **Ireland - DTA table – Equities/REITs**

### Documentation requirements

To apply for a Standard Refund, you must send us the following documents:

- a **cover letter** to Euroclear Bank ([IR\\_F001](#)), printed on letterhead paper, giving general information about the dividend payment(s), the refund claimed and your Cash Account number
- a duly completed **Dividend Withholding Tax Refund Claim Form** ([IR\\_F013](#)) for each beneficial owner. Any future refund claim has to be supported by a new Dividend Withholding Tax Refund Claim Form
- one of the following **Declarations of Exemption**, duly completed and executed:
  1. Non-resident form V2A - Qualifying non-resident Individual ([IR\\_F003](#))
  2. Non-resident form V2B - Qualifying non-resident Company ([IR\\_F009](#))
  3. Non-resident form V2C - Qualifying non-resident Person (not being an individual or a company) ([IR\\_F012](#))

You must only send the Declaration of Exemption, Non-Resident Forms V2 (A, B or C) for the first respective refund claim and is valid until the end of the fifth year from the date the declaration is signed.

**Note:** Section 2 of Non-resident forms V2A and V2C must be completed and signed by the beneficial owner's resident tax authorities or, can be left blank if replaced by a separate certificate of residence, issued in English. This document is also valid from the date of issue until the 31<sup>st</sup> day of December in the fifth year following the year in which the declaration was issued.

- a **power of attorney** ([IR\\_F004](#)), if you have executed refund application forms in your capacity as the beneficial owner's authorised representative
- a **credit advice** ([IR\\_F005](#)) as proof of the final distribution of the dividends net of withholding tax, if you receive the dividends and you are not the beneficial owner of the securities. This credit advice must include the:
  1. full name and address of the party making the final payment to the beneficial owner
  2. full name and residence for tax purposes of the beneficial owner
  3. description of the security
  4. security code
  5. quantity of securities held
  6. dividend payment date
  7. gross amount of dividends distributed
  8. withholding tax applied
  9. next amount of dividends distributed

The credit advice must be either the original or a copy authenticated by your authorised signature or stamp.

You must send us these documents, by post, for each relevant dividend payment and for each beneficial owner.

### Deadline for receipt of documentation

To be effective, our **Tax Operations - Ireland** team must receive your documentation no later than six weeks before the tax authorities' deadline, which is four years as of the end of the year in which tax was withheld, unless another deadline is provided in the relevant DTA.

## Equities and REITs for non-property income distributions - DTA relief for non-residents

### Eligibility criteria

If the beneficial owner does not meet the eligibility criteria for the domestic relief for non-residents, you may instead obtain partial or full relief from withholding tax through a refund procedure if you are, or hold Irish equities or REITs for non-property income distributions on behalf of (a) beneficial owner(s) that is (are) resident in a country that has a DTA in place with Ireland.

For a list of DTA countries, consult the [DTA table – Equities/REITs<sup>65</sup>](#).

### Documentation requirements

To obtain a refund of Irish withholding tax, you must send us the following documents:

- a **cover letter** to Euroclear Bank ([IR\\_F001](#)), giving general information about the dividend payment(s), the refund claimed and your Cash Account number
- a duly completed **Dividend Withholding Tax Refund Claim Form** ([IR\\_F013](#)) for each beneficial owner. This form must be duly certified by the competent tax authorities in the beneficial owner's country of residence or, can be left blank if replaced by a separate certificate of residence, issued in English and covering the year of the dividend distribution
- a **power of attorney** ([IR\\_F004](#)), if you have executed refund application forms in your capacity as the beneficial owner's authorised representative
- a **credit advice** ([IR\\_F005](#)), as proof of the final distribution of the dividends net of withholding tax, if the one receiving the dividends is not the beneficial owner of the securities. This credit advice must include the:
  1. full name and address of the party making the final payment to the beneficial owner
  2. full name and residence for tax purposes of the beneficial owner
  3. description of the security
  4. security code
  5. quantity of securities held
  6. dividend payment date
  7. gross amount of dividends distributed
  8. withholding tax applied
  9. next amount of dividends distributed

The credit advice must be either the original or a copy authenticated by your authorised signature or stamp.

You must send us these documents by post, for each relevant dividend payment and for each beneficial owner.

### Deadline for receipt of documentation

To be effective, our **Tax Operations – Ireland** team must receive your documentation no later than six weeks before the tax authorities' deadline, which is four years as of the end of the year in which tax was withheld unless another deadline is provided in the relevant DTA.

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<sup>65</sup> Go to [my.euroclear.com](https://my.euroclear.com) > **My Apps** > **Knowledge base** and enter Keyword: **Ireland - DTA table – Equities/REITs**

## REITs for property income distributions - DTA relief for non-residents

### Eligibility criteria

You may claim a Standard Refund of withholding tax if your beneficial owner is resident in a country that has a Double Taxation Agreement (DTA) in place with the Republic of Ireland that provides for a rate lower than the statutory rate.

For a list of DTA countries, consult the [DTA table - Equities/REITs](#)<sup>66</sup>.

### Documentation requirements

To obtain a refund of Irish withholding tax, you must send us the following documents:

- a **cover letter** to Euroclear Bank ([IR\\_F001](#)), giving general information about the dividend payment(s), the refund claimed and your Cash Account number
- a duly completed **Dividend Withholding Tax REIT Refund Claim Form** ([IR\\_F017](#)) for each beneficial owner. This form must be duly certified by the competent tax authorities in the beneficial owner's country of residence or, can be left blank if replaced by a separate certificate of residence, issued in English and covering the year of the dividend distribution
- a **power of attorney** ([IR\\_F004](#)), if you have executed refund application forms in your capacity as the beneficial owner's authorised representative
- a **credit advice** ([IR\\_F005](#)) as proof of the final distribution of the dividends net of withholding tax, if the one receiving the dividends is not the beneficial owner of the securities. This credit advice must include the:
  1. full name and address of the party making the final payment to the beneficial owner
  2. full name and residence for tax purposes of the beneficial owner
  3. description of the security
  4. security code
  5. quantity of securities held
  6. dividend payment date
  7. gross amount of dividends distributed
  8. withholding tax applied
  9. next amount of dividends distributed

The credit advice must be either the original or a copy authenticated by your authorised signature or stamp.

You must send us these documents, by post, for each relevant dividend payment and for each beneficial owner.

### Deadline for receipt of documentation

To be effective, our **Tax Operations - Ireland** team must receive your documentation no later than six weeks before the tax authorities' deadline, which is four years as of the end of the year in which tax was withheld, unless another deadline is provided in the relevant DTA.

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<sup>66</sup> Go to [my.euroclear.com](#) > **My Apps** > **Knowledge base** and enter Keyword: **Ireland - DTA table – Equities/REITs**



## 10.4 Tax vouchers

We are currently discussing the tax voucher issuance process for dividends and market claims with the Revenue Commissioners. We will update this section upon the completion of these discussions.

## 10.5 Reporting

Please refer to our [Tax reporting quick card](#)<sup>67</sup> for the different tax-related reporting you can receive from us.

## 10.6 Tax - Stamp duty



**This section is subject to legislative amendments to the stamp duty rules being covered in the Finance Bill expected in Q4 2020.**

### 10.6.1 Overview

We will implement a process for the collection of and payment to the Revenue Commissioners of stamp duties on non-cleared settlement transactions in Irish **stampable securities**. We will levy stamp duty on non-cleared internal transactions based on the information provided in the stamp duty transaction fields of your internal settlement instructions, if applicable.

We will also levy stamp duty on mark-down instructions based on the information provided in the stamp duty transaction fields, if applicable.

The current standard stamp duty rate is **1%** and will apply to the stampable consideration specified in your instruction or the cash amount indicated in your instruction, as applicable.

We will:

- not apply stamp duty on CCP-cleared transactions, i.e. net settlement transactions against a CCP account, be it either principal or agency trades<sup>68</sup>
- apply stamp duty on non-cleared transactions, and mark-down instructions
- not apply stamp duty on mark-up instructions

It is your responsibility to input the correct stamp duty transaction fields in the settlement instructions that you send to us. We do not enforce compliance with Irish tax rules.

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<sup>67</sup> Go to [my.euroclear.com](https://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **Tax reporting quick card**

<sup>68</sup> For CCP-cleared transactions, there is no need to report the gross transactions making up the net settlement transactions to us.

For **non-cleared transactions**, we will:

1. calculate the stamp duty based on the stamp duty transaction fields provided as of the moment your settlement instruction is matched in our system
2. debit your Cash Account with the stamp duty amount before remitting it to the Revenue Commissioners

For **mark-down instructions**, we will:

1. calculate the stamp duty based on the stamp duty transaction fields provided as of the end of the intended settlement date of the instruction
2. debit your Cash Account with the stamp duty amount before remitting it to the Revenue Commissioners

In addition to the stamp duty calculation and collection process, we will report the exempt and chargeable (both CCP-cleared and non-cleared) transactions, as well as the mark-up and mark-down instructions to the Revenue Commissioners. The Revenue Commissioners may request either us, or you directly, to provide further information in case of inquiry or audit.

## 10.6.2 Which securities are subject to stamp duty?

You will be able to identify if an Irish corporate security is subject to stamp duty using the [Euroclear Bank securities search app](#)<sup>69</sup> on my.euroclear.com:

1. enter the ISIN or name of the security in the search box
2. select the relevant security
3. in the **General information** tab, a stamp eligibility flag will indicate if the security is subject to stamp duty

## 10.6.3 How to complete the stamp duty transaction fields in your settlement instructions?

Two specific stamp duty transaction fields **Stamp status** and **Stampable consideration** in your internal settlement instructions and in your mark-down instructions are considered by our stamp duty processing.

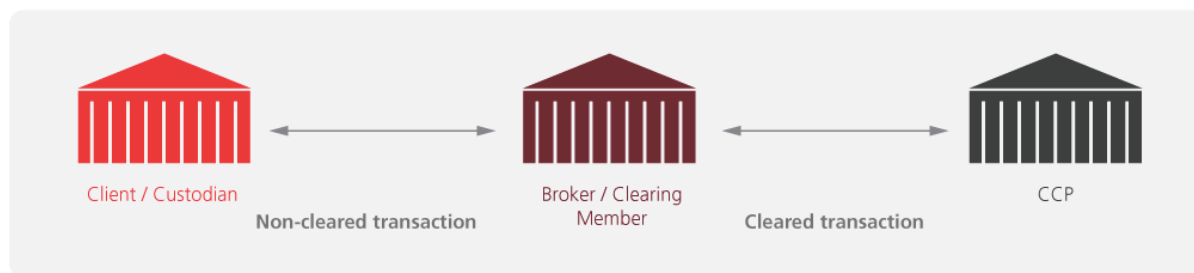
- **Stamp status**: indicates whether your transaction is exempt from or subject to stamp duty.
- **Stampable consideration**: is the amount to which the stamp duty rate is applied.

Transactions in Euronext Growth securities are **not subject** to stamp duty. Therefore there is no need to input any stamp duty transaction fields in instructions related to such securities. We will not collect stamp duty on these transactions. However, we will report all transactions in Euronext Growth securities to the Revenue Commissioners on a monthly basis.

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<sup>69</sup> Go to [my.euroclear.com](#) > [My Apps](#) > [Euroclear Bank securities search](#)

### 10.6.4 Transaction types



EX425\_20

#### CCP-cleared transactions

Whether principal or agency trades, transactions against a CCP’s account will not be considered by us for stamp duty calculation. We will automatically exclude instructions from or to the account of a CCP from the stamp duty calculation and collection process. Consequently, CCPs are not expected to input any stamp duty transaction fields in the internal instructions that they send to us on behalf of a broker/clearing member. If the CCP is not sending instructions to us on your behalf but you have to match their instructions, you will not have to input stamp duty transaction fields in your internal instructions against the CCP. In case you would input stamp duty transaction fields in an instruction against a CCP, we will ignore such fields.

If you deliver the securities that, as a clearing member/broker, you have bought on behalf of one or several clients, to the account of your client(s) or their custodian(s) **in our books**, you can account for stamp duty on these transactions by inputting the correct stamp duty transactions fields in the internal free of payment or against payment delivery and receipt instructions that you and your client or their custodian will send us, as per the rule for the usage of the stamp duty indicator explained below.

If the transfer of the securities that, as a clearing member/broker, you have bought on behalf of one or several clients, to the account of your client(s) is **not to be settled on our books**, but for example, on your own books, or because you keep those securities in your own account with us, you can account for stamp duty on these trades by sending us internal free of payment or against payment delivery and receipt instructions with the correct stamp duty transaction fields. This will enable us to correctly calculate, collect, pay and report the stamp duty amount. For more details on how to instruct, please refer to the **Transaction on your own books** section below.

#### Non-cleared transactions

For transactions which do not settle against a CCP’s account, you and/or your counterparty will have to indicate if the transaction is **exempt** or **eligible** for stamp duty by inputting one of the following stamp status indicators in your respective internal settlement instructions or in your mark-down instructions.

Stamp status indicator	Status	Description
IEYX	Exempt	Irish exempt, no change in beneficial ownership (NCBO)
IE8X	Exempt	Irish exempt, new issue
IEPX	Exempt	Irish exempt, acting as a recognised intermediary, approved by the Revenue Commissioners
IELX	Exempt	Irish exempt, stock borrowing
IEQX	Exempt	Irish exempt, for any other reason
IE1X	Stamp duty is due	Irish 1% ad valorem (exact percentage)

If the onward transfer of stampable Irish corporate securities that, as a clearing member/broker, you have bought on behalf of one or several clients is **not to be settled on our books**, but for example, on your own books, you can report this transaction to us with the correct stamp duty transaction fields. This will enable us to correctly calculate, collect, pay and report the stamp duty amount. For more details, please refer to the **Transaction on your own books** section below.

**Who will account for the stamp duty on a non-cleared transaction?**

We will apply the following rules for the usage of the stamp duty indicator to determine who will be debited with the stamp duty:

Buyer	Seller	Stamp duty debited from
No stamp status indicator	No stamp status indicator	Buyer
No stamp status indicator	Stamp <b>exempt</b> indicator	Buyer
Stamp <b>exempt</b> indicator	No stamp status indicator	Stamp exempt
Stamp <b>exempt</b> indicator	Same stamp <b>exempt</b> indicator	Stamp exempt
Stamp <b>exempt</b> indicator	Different stamp <b>exempt</b> indicator	Stamp exempt
Stamp <b>eligible</b> indicator	No stamp status indicator	Buyer
Stamp <b>eligible</b> indicator	Stamp <b>exempt</b> indicator	Buyer
Stamp <b>exempt</b> indicator	Stamp <b>eligible</b> indicator	Seller
No stamp status indicator	Stamp <b>eligible</b> indicator	Seller
Stamp <b>eligible</b> indicator	Stamp <b>eligible</b> indicator	Buyer

If stamp duty applies to a transaction as per the above input rules, we will apply the stamp duty rate to the stampable consideration indicated in the internal instruction of the party accounting for the stamp duty,

We will only consider for stamp duty calculation a stampable consideration expressed in EUR or GBP, even if the trade was executed in another currency.

In the absence of stampable consideration or in the case of a stampable consideration in a currency other than EUR or GBP and a transaction to be settled on an **against payment basis**, we will apply the stamp duty rate to the cash amount (converted into EUR using the ECB exchange rates of the previous business day, if not versus EUR or GBP) indicated in the seller instruction,

In the absence of stampable consideration or in the case of a stampable consideration in a currency other than EUR or GBP, and a transaction to be settled on a **free of payment basis**, we will apply the stamp duty rate to the quantity of security indicated in the instruction of the party accounting for the stamp duty, as per the above rules, multiplied by the security closing price on the previous business day, as determined by us. In this case, the stamp duty will be calculated in EUR.

**Transactions on your own books**

You will be able to report transactions in Irish corporate stampable securities that settle on your books so that stamp duty can be calculated and paid through our Euroclear System.

You will have the following two options to do so:

- via own account matching internal free of payment or against payment receipt and delivery instructions and the input of the relevant stamp duty transaction fields in the internal instruction<sup>70</sup>
- via matching internal free of payment or against payment receipt and delivery instructions between your main account and another account that you will have opened with us and the input of the relevant stamp duty transaction fields in the internal instruction

**Note:** if you input stamp duty transaction fields in a settlement instruction related to a non-stampable security, we will ignore these fields.

<sup>70</sup> An own account transaction is where the account of the receiver is the same as the account of the deliverer. The instructions require matching but there are no special fields to be completed. We provide you with the detailed formats of these instructions in our [Transactions in Irish corporate securities – Instructions formats guide](#).

### 10.6.5 Where to input the stamp duty transaction fields in your instructions

You will be able to input the stamp duty transaction fields as follows:

	EasyWay Settlement	EUCLID (ISO 7775)	SWIFT ISO 15022
Stamp status	Sequence: SETTLEMENT DETAILS  Field: Stamp duty indicator: <b>XXXX</b> where XXXX is the stamp status code	:77B: /SSTA/ <b>1</b> (1% ad valorem) :77B: /SSTA/ <b>Y</b> (NCBO) :77B: /SSTA/ <b>8</b> (exempt, new issue) :77B: /SSTA/ <b>Q</b> (exempt, other reason) :77B: /SSTA/ <b>P</b> (exempt, recognized intermediary) :77B: /SSTA/ <b>L</b> (exempt, stock loan)	Sequence: E - SETDET  :22F::STAM/ECLR/ <b>XXXX</b> where XXXX is the stamp status code
Stampable consideration	Sequence: AMOUNTS  Field: Trade amount: EURnnnnnnnnnnnn.nn or GBPnnnnnnnnnnnn.nn  <b>Note:</b> the amount of the stampable consideration may not be longer than fifteen digits and must always include two decimals. The currency must be EUR or GBP.	:77B:(2nd line) /SCON/EURnnnnnnnnnnnn.nn)  or  /SCON/GBPnnnnnnnnnnnn.nn)  <b>Note:</b> the amount of the stampable consideration may not be longer than fifteen digits and must always include two decimals. The currency must be EUR or GBP.	Sub-sequence: E3 - AMT  Field: :19A::DEAL//EURnnnnnnnnnnnn.nn  or  Field: :19A::DEAL//GBPnnnnnnnnnnnn.nn  <b>Note:</b> the amount of the stampable consideration may not be longer than fifteen digits and must always include two decimals. The currency must be EUR or GBP.

### 10.6.6 Transactions generated by us which are not subject to stamp duty

The following centrally-generated transactions are not subject to stamp duty:

- collateral management related settlement movements
- lending and borrowing related movements generated by our automatic Lending and Borrowing service
- asset servicing related movements
- market claim related movements
- some transformations depending upon whether stamp duty was already processed on the original transaction or whether the original security being transformed was a non stampable security (see the **Transformations** section for more details)

We will generate these settlement instructions with the corresponding exempt stamp status indicator **IENX** (no stamp duty liability, centrally generated transaction).

## 10.6.7 Other transactions where stamp duty may not be chargeable

### No change of beneficial ownership

You may be entitled to an exemption from stamp duty if the transaction does not result in a change of beneficial ownership. You are responsible for ensuring that you are entitled to the exemption you claim and for retaining all documentation which may be requested as part of an enquiry.

### Mark-ups

We will not collect stamp duty on transfers of Irish corporate securities from an account (other than Euroclear Bank's Nominee account) to Euroclear Bank's Nominee account in the shareholder register (also referred to as **mark-up**).

If the mark-up transaction is subject to stamp duty (e.g. because it implies a change of beneficial ownership), it is your responsibility to account for the stamp duty. Please refer to the Section '**Transactions on your own books**' above for possible ways to account for the stamp duty through us.

### Mark-downs

Transfers of Irish corporate securities from Euroclear Bank's Nominee account to an account (other than Euroclear Bank's Nominee account) in the shareholder register (also referred to as **mark-down**) need to have the correct exempt stamp status indicator in order to be considered exempt from stamp duty. However, mark-downs with a change of beneficial ownership are subject to stamp duty.

It is your responsibility to input the correct stamp duty transaction fields in your mark-down instruction. The stamp status indicator will be mandatory in a mark down instruction. In the absence of any stamp status indicator, we will reject your mark-down instruction and inform you accordingly.

If the mark-down instruction is input as not exempt from stamp duty, we will calculate and debit the stamp duty from your Cash Account with us.

### Corporate action securities proceeds

If following a rights issue, you subscribe to new shares, the initial credit of shares will not be subject to stamp duty. However, any subsequent transfer may be subject to stamp duty.

Stamp duty may apply to corporate actions involving the distribution to investors of Irish stampable corporate securities that the issuing company or its agent has purchased on the secondary market.

For example, in the event of a SCRIP/DRIP dividend, if you opt for the security proceeds option, you will receive your dividend entitlement in securities with **1%** stamp duty deducted. The deduction of the stamp duty from the entitlement is performed by the registrar or the issuer's agent or broker before we credit your account with the security proceeds.

We will inform you via corporate action notification if the corporate action event is subject to stamp duty.

### Stock borrowing

If Irish stampable corporate securities are transferred for the sole purpose of stock borrowing and returned to the lender within twelve months, then the transaction should be instructed as exempt from stamp duty (with the stamp status indicator **IELX**). Otherwise, you will be responsible to pay the stamp duty either directly through our Euroclear System by marking the transfer as eligible for stamp duty or directly with the Revenue Commissioners.

## Transformations

Liability to pay stamp duty is not affected by the cancellation of instructions by the automatic transformation process as the calculation of stamp duty remains made by reference to the information contained in the cancelled instructions.

### Stampable security transformed in a stampable security

#### Matched transformed instructions

If an instruction was matched at the time the transformation process cancels and replaces it, the replacement instruction will be centrally generated with the same stamp duty transaction fields as the original instruction. The stamp duty will be debited on the day following actual settlement of the replacement instruction.

#### Unmatched transformed instructions

If an instruction was unmatched at the time the transformation process cancelled and replaced it, the replacement instruction will be created with the same stamp duty transaction fields as the cancelled instruction. The stamp duty will be due at the time the replacement instruction matches. The stamp duty will be debited on the day following actual settlement of the replacement instruction.

### Stampable security transformed in a non-stampable security

On the transformation date, we will cancel the original transaction in the stampable security and replace it with a new transaction in the non-stampable security with the stamp status indicator **IEEX** (no stamp duty due, non stampable security). We will not collect stamp duty on the replacement instruction. However, the liability to pay the stamp duty remains based on the stamp duty transaction fields on the original transaction. It is the buyer's responsibility to ensure that the stamp duty is paid, if applicable.

### Non-stampable security transformed in a stampable security

On the transformation date, we will cancel the original transaction in the non-stampable security and replace it with a new transaction in the stampable security with the stamp status indicator **IENX** (no stamp duty due, centrally generated transaction). We will not collect stamp duty on the replacement instruction. However, liability to pay the stamp duty may apply. It is the buyer's responsibility to ensure that the stamp duty is paid, if applicable.

### Events for which no transformation is performed

For the reorganisation events where we do not transform pending transactions (e.g. reorganisation in securities with a complex ratio, reorganisation in cash, reorganisation with options), it is the buyer's responsibility to ensure that the stamp duty is paid in case it was not collected on your original instruction.

## New issue distribution

The initial distribution of a new Irish corporate security issuance, whether under the **cross-border** or **non-syndicated distribution** model, will be exempt from stamp duty. Consequently, we will not consider these instructions for stamp duty collection. Any subsequent transfer from the initial investor to another investor may be subject to stamp duty.

If you are receiving a position in a newly issued stampable security under the non-syndicated distribution model, you must input the exempt stamp duty indicator **IE8X** (Irish exempt, new issue) in the internal receipt instruction that you are expected to input against the Issuing Paying Agent's non-syndicated new issue distribution account.

You do not need to take any action for a new issuance under the cross-border distribution model.

Please refer to **Section 3 - New issues distribution** for further information on the settlement of new issuance distributions.

### 10.6.8 Who is accountable for the payment of the stamp duty?

It is your responsibility to input the correct stamp duty transaction fields in the settlement instructions that you send to us for your instructions to be considered by our stamp duty calculation and payment process. Otherwise, it is your responsibility to pay the stamp duty directly to the Revenue Commissioners once your instruction has settled. We do not enforce compliance with the tax rules.

### 10.6.9 Amending stamp duty transaction fields

You will be unable to amend the stamp duty transaction fields **after** input and validation of your internal settlement instruction. However, depending on which stage your settlement instruction is at during the transaction lifecycle, you can take the following action in case you need to modify the stamp duty information provided.

Transaction lifecycle stage of your receipt instruction	To amend the stamp duty transaction fields you need to:
Not yet matched	cancel your instruction and replace it with a new instruction with the correct stamp duty transaction fields. We will not debit stamp duty on the cancelled instruction
Already matched	agree with your counterparty to cancel your respective instructions. We will not debit stamp duty on the cancelled instruction

### 10.6.10 Calculation of stamp duty

We are responsible for the calculation of the stamp duty based on the stamp duty transaction fields that you and/or your counterparty have input in your respective settlement instructions.

#### 10.6.10.1 When is stamp duty calculated and debited?

The stamp duty is due as from the time the transaction is matched.

Status of your settlement instruction	Stamp duty is calculated	Stamp duty is debited
Matched and fully settled	End-of-day on the matching date of your settlement instruction	As of start of real time process dated actual settlement date +1 BD (with value date = actual settlement date+1 BD)
Matched and partially settled	End-of-day on the matching date of your settlement instruction (for the full amount)	As of start of real time process dated actual settlement date +1 BD (with value date = actual settlement date+1 BD) for the portion of your settlement instruction settled on the previous day
Cancelled after matching and before actual settlement	End-of-day on the matching date of your settlement instruction except if your settlement instruction is cancelled on matching date before 20.00, in which case there is no calculation of stamp duty	No stamp duty is debited
Cancelled after partial settlement	End-of-day on the matching date of your settlement instruction (for the full amount)	As of start of real time process dated actual settlement date +1 BD (with value date = actual settlement date+1 BD) for the portion of your settlement instruction settled on the previous day  No stamp duty is debited for the remaining 'to be settled' portion of your cancelled settlement instruction

For **mark-down instructions**, stamp duty is calculated as of the end of intended settlement date, upon receipt of a valid instruction. It is debited as of the start of the real time process dated actual settlement date +1 BD (with value = actual settlement date + 1 BD).



### 10.6.10.2 How is stamp duty calculated?

Transaction type	Stamp duty calculation
Against payment transaction for which stamp duty applies (as per the input rules set out in <b>Section 10.6.4 Transaction types</b> )	<ul style="list-style-type: none"> <li>• <b>The party accounting for the stamp duty has indicated a stampable consideration in EUR or GBP in their instruction</b> - 1% will be applied to this amount.</li> <li>• <b>The party accounting for the stamp duty has not indicated a stampable consideration or has provided a stampable consideration in another currency than EUR or GBP</b> - 1% will be applied to the cash amount indicated in the seller's instruction (converted to EUR by application of the daily ECB exchange rate, if the cash amount is expressed in another currency than EUR or GBP)</li> </ul>
Free of payment transaction for which stamp duty applies (as per the input rules set out in <b>Section 10.6.4 Transaction types</b> )	<ul style="list-style-type: none"> <li>• <b>The party accounting for the stamp duty has indicated a stampable consideration in EUR or GBP in their instruction</b> - 1% will be applied to this amount.</li> <li>• <b>The party accounting for the stamp duty has not indicated a stampable consideration or has provided a stampable consideration in another currency than EUR or GBP</b> - 1% will be applied to the transaction quantity multiplied by the closing price of the share on the previous business day converted to EUR, if applicable</li> </ul>

### 10.6.11 How is stamp duty debited from your Cash Account?

We will debit your Cash Account with the calculated stamp duty in EUR or GBP via a book transfer. The book transfer will be generated end-of-day before the overnight batch process dated actual settlement date + 1 BD.

The book transfer will be:

- created with payment date equal to the processing date
- created with a reference to the underlying transaction and with a stamp duty related indicator
- a conditional movement and executed as soon as there is sufficient capacity on your Cash Account to execute the payment. If not, the book transfer will be recreated on your account until it settles

### 10.6.12 How are stamp duty movements reported to you?

We will report to you the execution of the book transfer debiting the stamp duty from your Cash Account per transaction via:

- SWIFT MT 900 Debit confirmation report – we will also include the transaction reference of the settled transaction the reported cash movement refers to
- MT 950 Cash statement
- EasyWay Cash screens
- EasyWay Reports

You will be able to identify these cash movements via a narrative 'Irish stamp duty'.

For reconciliation purposes, we will provide you upon subscription with Stamp Duty Summary report (in CSV comma delimited format) in EasyWay Reports of all calculated stamp duty amounts related to your matched settlement instructions. You can subscribe to this report for all your accounts or for one or several accounts.

This report will be available daily, at the end of day during which stamp duty was calculated (around 20:00-20:30). It will display all your settlement instructions and related stamp duty cash amount as well as the foreign exchange (FX) rate used to convert the cash amount indicated in your instruction, if not expressed in GBP or EUR. The report will remain available in EasyWay Reports for eight business days.

You can either receive the report in push mode or pull the report from the EasyWay Reports screen. We will send the report file via Managed File Transfer. We will send empty files to you if there was no stamp duty calculated on a given day.

In the event one of your settlement instructions was cancelled (for the full amount or for the amount remaining to be settled in case of partial settlement), after calculation of the stamp duty, the settlement instruction and the related previously calculated stamp duty amount will be reported in the Stamp Duty Summary report at the end of the day during which the settlement instruction was cancelled. You can find a sample of the Stamp Duty Summary report and a description of the fields included in the report on our [Delivering continuity of Irish securities settlement in the long term post Brexit](#) webpage on my.euroclear.com.

### 10.6.13 How is stamp duty paid to the Revenue Commissioners?

On a daily basis, we will pay the Revenue Commissioners all stamp duty amounts debited from our clients' Cash Accounts on that day (in the same currency as the currency we debited the stamp duty).

### 10.6.14 Reporting obligations towards the Revenue Commissioners

On a daily basis, we will report to the Revenue Commissioners:

- all net CCP-cleared and non-cleared transactions, internally generated transactions, mark-up and mark-down instructions in stampable securities, whether subject to stamp duty or exempted, including the stamp status indicator, stampable consideration and the unique transaction reference and the client reference
- all individual stamp duty movements in EUR and GBP generated at the end of the previous business day for which we will pay the Revenue Commissioners
- all individual failed and recycling stamp duty movements in EUR and GBP
- the cumulated sum of the failed stamp duty movements in EUR and GBP for which stamp duty is still due

On a monthly basis, we will report all transactions in non-stampable Euronext Growth securities to the Revenue Commissioners.

**Note:** the Revenue Commissioners may request additional information directly from you in the event of an inquiry or an audit.

### 10.6.14 Stamp duty reclaim procedure

We will not offer a stamp duty reclaim service. If you want to reclaim stamp duty that was not due, you will have to contact the Revenue Commissioners directly and follow the process as will be outlined by the Revenue Commissioners.

## 11. Asset optimisation

### 11.1 Securities Lending and Borrowing Programme

Irish corporate securities will be eligible for our Securities Lending and Borrowing Programme.

The Securities Lending and Borrowing Programme is an integral part of the settlement service. Whenever a settlement failure is detected due to a lack of securities in the borrower's account, the Securities Lending and Borrowing Programme automatically generates a borrowing, provided that sufficient relevant securities are available in the lending pool.

Lenders can choose to make securities held in their securities clearance accounts available for lending on an automatic basis and at any time. Their lendable position is automatically determined during each securities lending and borrowing processing run and loans are allocated amongst lenders according to set rules, preventing arbitrary selection. When securities become available on the borrower's account, they are automatically returned to the lenders.

To benefit from our automated securities lending and borrowing service, you must subscribe to it.

For more information on our Securities Lending and Borrowing Programme, please refer to our [Securities lending and borrowing basics](#)<sup>71</sup> webpage.

### 11.2 Triparty collateral management services

Irish corporate securities will be eligible for our Triparty collateral management services.

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<sup>71</sup> Go to [my.euroclear.com](https://my.euroclear.com) > My Apps > Knowledge base and enter Keyword: **Securities lending and borrowing**

## 12. Other Euroclear Bank services

### 12.1 Money transfer

You will be able to benefit from our Money transfer service to support your activity in Irish corporate securities.

For more information about our Money transfer service, please refer to our [Money transfer](#)<sup>72</sup> web page.

### 12.2 Banking

You will be able to benefit from our Treasury and Credit management services to support your activity in Irish corporate securities.

For more information about these services, please refer to [Treasury](#)<sup>73</sup> and [Credit management](#)<sup>74</sup> web pages.

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<sup>72</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Money transfer**

<sup>73</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Treasury**

<sup>74</sup> Go to [my.euroclear.com](#) > My Apps > Knowledge base and enter Keyword: **Credit management**



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