

United Kingdom and Ireland trade instructions

# Guide for SWIFT formats

Version 3.0  
March 2008



**RBC DEXIA**  
INVESTOR SERVICES

# Table of Contents

---

<b>Stamp Duty Reserve Tax (SDRT) and Stamp Duty</b> .....	<b>2</b>
Introduction .....	2
Market practice .....	2
Instructing RBC Dexia .....	3
Receive versus payment (MT541) .....	3
Agent to agent Irish trades .....	3
Free of payment receipt (MT540) .....	3
Additional evidential requirements for certain exemptions .....	5
<b>Nationality Declaration</b> .....	<b>7</b>
Introduction .....	7
Instructing RBC Dexia .....	7
<b>Appendix A – Stamp Duty trade examples</b> .....	<b>8</b>
<b>Appendix B - Stamp Duty status codes</b> .....	<b>11</b>
<b>Appendix C – securities requiring Nationality Declaration</b> .....	<b>13</b>

RBC Dexia Investor Services Limited is a holding company that provides strategic direction and management oversight to its affiliates, including RBC Dexia Investor Services Trust, which operates in the UK through a branch authorised and regulated by the Financial Services Authority. All are licensed users of the RBC trademark (a registered trademark of Royal Bank of Canada) and Dexia trademark and conduct their global custody and investment administration business under the RBC Dexia Investor Services brand name.

This document is intended to provide general information only on services and products of RBC Dexia Investor Services, and does not constitute any legal obligation or commitment on behalf of RBC Dexia Investor Services.

# Stamp Duty Reserve Tax (SDRT) and Stamp Duty

## INTRODUCTION

In the UK, accountability for the payment of Stamp Duty Reserve Tax (SDRT) on behalf of another may only be undertaken by an exchange member or qualified dealer, usually the broker. In Ireland, accountability for Stamp Duty typically rests with the buyer's broker. Where an exchange member or qualified dealer is not involved in the transactions then accountability for SDRT and Stamp Duty is the responsibility of the buyer and ultimately the buyers Agent in CREST. In all transactions, the buyer is responsible for:

- understanding all stamp status elements of the transaction
- instructing their agent accordingly
- ensuring the accuracy of their instructions

## MARKET PRACTICE

In most receive versus payment (RVP) transactions the broker acting on behalf of the buyer is accountable for SDRT and Stamp Duty and will collect the amount as part of the settlement amount from the buyer, who is the liable party. The stamp is calculated and collected from the broker by CREST (based on the information supplied by the broker); it is then passed onto the relevant tax authority – Her Majesty's Revenue and Customs for the UK and Irish Revenue Commissioners for Ireland. In these instances, the purchaser does not provide any instruction with respect to stamp status as the exchange member/broker will account for them. The buyer will include any stamp liable in the net settlement amount<sup>1</sup>:

### Subsequence E3 – Amounts:

19A::SETT//GBP10050, - the amount that will be passed to the broker who will have calculated and paid the stamp to CREST

The general exception to the above is off-market trades, where there is no exchange member or qualified dealer involved resulting in the buyer holding accountability for Stamp Duty and SDRT through their instructions to their custodian. The purchaser instructs their custodian to settle the trade and pay for stamp. The purchaser's instructions will include stamp information to allow their custodian to account for stamp:

### Sequence E – Settlement Details:

22F::STAM/CRST/GBPX - stamp status indicating stamp at 0.5% *ad valorem*

### Subsequence E3 – Amounts:

19A::DEAL//GBP10000, - the stamp consideration to be passed to CREST for the stamp calculation

**AND**

### Subsequence E3 – Amounts:

19A::SETT//GBP10000, - the amount to be passed to the seller of the security

<sup>1</sup> In transaction examples, client (buyer) is purchasing securities for a consideration of GBP10000

CREST will calculate the stamp amount (£50.00) and will debit the amount from the purchaser's custodian who will pass the stamp charge onto the purchaser.

Where the purchaser is accountable and wants to claim an exemption, they may allege the appropriate detail in the trade instruction claiming an exemption to SDRT or Stamp Duty. In certain instances where exemptions are being claimed, additional evidence must be included in the client's instruction. Please refer to section "Additional Evidential Requirements for Certain Exemptions".

## INSTRUCTING RBC DEXIA

### Receive versus payment (MT541)

When instructing receive versus payment trades (MT541), the Stamp Duty Status Code and stampable consideration are only required where the purchaser is accounting for stamp. The determination of whether these are required and/or alleged by the purchaser is at their discretion based on their knowledge of the transaction. RBC Dexia will not fail STP on any against payment receipt transactions that do not contain Stamp Duty or SDRT information.

Where the purchaser is accounting for stamp in their trade instructions they must include the detail provided in the off-market trade example above. If any of these fields are missing, the trade will not achieve STP. A query will be initiated with the client and new trades instructions will be required as RBC Dexia London cannot amend instruction fields relating to stamp duty.

If the purchaser includes stamp information in the trade instruction, this detail will be passed onto CREST who will calculate and charge the stamp amount to RBC Dexia who will then pass the charge to the purchaser. In the event the exchange member has also accounted for Stamp Duty or SDRT the charges may be levied twice. In that situation, the purchaser will be charged and will be required to raise a claim with the appropriate tax authority to recover the overpayment.

For instructions received from the purchaser where a stamp duty exemption (i.e., charity) has been alleged, depending on the exemption claimed the trade may not achieve STP pending the inclusion of certain information or a post trade exception will be generated requiring client follow-up. Please refer to the section "Additional Evidential Requirements for Certain Exemptions".

### Agent to agent Irish trades

Particular attention is required for Irish transactions between two agents. In these examples, it is mandatory that the receiving Agent account for stamp duty. Where a stamp status code is not provided CREST will automatically charge the *ad valorem* stamp amount to the transaction and charge the receiving Agent for the Stamp. In these situations, RBC Dexia will pass on the charge to the purchaser. It is essential that purchasers are aware when receiving Irish securities that the counterparty is acting as an Agent and instruct Stamp Duty details accordingly. This is also important for against payment trades where accounting for stamp is optional, from the perspective of validation of trade instruction at RBC Dexia. For free of payment trades RBC Dexia London always requires the purchaser to account for stamp (please refer to next section).

### Free of payment receipt (MT540)

Free of payment trades are generally off market trades that do not involve an exchange member or qualified dealer. The accountability for these trades rest with the purchaser through their custodian. As a result, the receiving Agent (custodian) must account for stamp duty on these transactions.

For all free of payment receipts, RBC Dexia London requires the purchaser to provide stamp status instructions. RBC Dexia London as Agent is accountable for stamp duty and must rely on the client's instruction to fulfill their Agent responsibility.

## No change in beneficial owner

### Sequence E Settlement Details:

22F::STAM/CRST/GBOX for UK ISIN's,

22F::STAM/CRST/IEYX for Irish ISIN's

### OR

22F::BENE/NBEN

In all instances these trades will process free of stamp duty. Where the client instructs 22F::BENE/NBEN the message will be edited during validation by RBC Dexia and we will populate the Stamp Status code as GBOX for a UK ISIN and IEYX for an Irish ISIN's

## Change in beneficial owner

### Sequence E – Settlement Details

22F::STAM/CRST/GBPX (0.5%) or GBRX (1.5%) for UK ISINs

22F::STAM/CRST/IE1X (1.0%)for Irish ISINs

### AND

### Sequence B – Trade Details

70E::SPRO///GROSS/CCCXXX,XX

- Where CCC is the currency code and XXX,XX is the gross settlement amount or stampable consideration required to calculate stamp duty liability. A " / " must precede the word "GROSS" when inputting these details. SWIFT standard formats already apply " //" after "SPRO" however to achieve STP a third slash must be received. If this information is absent and a chargeable stamp code or YBEN is present in field 22F: the message will not achieve STP. A query will be initiated with the client and a new instruction will be required that includes this field.

### OR<sup>2</sup>

22F::BENE/YBEN

Where the client instructs 22F::BENE/YBEN the message will be enriched and will populate the Stamp Status code as GBPX for UK ISIN's and IE1X for Irish ISIN's. To calculate the stamp amount the message will also require the DEAL amount to be populated as follows:

### Sequence B – Trade Details

70E::SPRO///GROSS/CCCXXX,XX

- Where CCC is the currency code and XXX,XX is the gross settlement amount or stampable consideration required to calculate stamp duty liability. A " / " must precede the word "GROSS" when inputting these details. SWIFT standard formats already apply " //" after "SPRO" however to achieve STP a third slash must be received. If this information is absent and a

<sup>2</sup> Where trades instructions contain a Stamp Duty status code and Beneficial Ownership detail, the Stamp Duty status code will prevail in processing the transaction.

chargeable stamp code or YBEN is present in field 22F: the message will not achieve STP. If this information is absent and a chargeable stamp code or YBEN is present in field 22F: the message will not achieve STP. A query will be initiated with the client and a new instruction will be required that includes this field.

### All other exemption codes:

#### Sequence E – Settlement Details:

22F::STAM/CRST/XXXX - where XXXX is the relevant exemption codes.

Any Free of Payment Trade received where the client (buyer) does not account for Stamp Duty will fail STP and a query will be initiated with the client. A new trade instruction will be required as RBC DEXIA London can not make amendments to instruction fields relating to stamp duty.

Please refer to section 'Additional Evidential Requirements for Certain Exemptions' for additional information required in certain circumstances.

### Additional evidential requirements for certain exemptions

For certain exemptions tax authorities require additional proof to substantiate the instructed exemptions. These additional requirements are only necessary when the purchaser is accounting for stamp duty in their instructions.

#### GBSX - Charity exemption (UK only)

Where the client instructs a Charity Exemption (GBSX) they must also instruct the charity ID as follows:

#### Sequence E1 – Sell:

95S::ALTE//CHTY/XX/Charity Number - Where XX is ISO Country Code for the charity. Trade instructions alleging a stamp duty exemption due to charity status will not achieve STP without field 95S populated. These will be routed to repair and a query will be initiated with the client. A new trade instruction will be required with the correctly formatted field.

#### GBTX - No SDRT liability, SDRT paid inside of CREST on another CREST transaction (UK only)

Where the purchaser instructs "no SDRT liability, SDRT paid inside CREST on another CREST transaction (GBTX)" they must also provide the CREST transaction ID of the trade on which SDRT was paid<sup>3</sup> as follows:

#### Subsequence A1 – Linkages

20C::RELA/CREST Transaction ID

<sup>3</sup> Refer to "Stamp Duty Reserve Tax in CREST – A Guide to Market Practice", section "Evidence to Support Exemptions", page 33. <http://www.crestco.co.uk>

Validation of this additional requirement will be monitored post trade and a query will be initiated with the client to obtain the transaction ID to support the exemption. If the purchaser does not provide the required details within 5<sup>4</sup> business days from settlement date then RBC Dexia will levy the appropriate stamp duty and remit to the tax authority.

The evidential requirements for GBTX exemption are mandated by Her Majesty's Customs and Revenue and responsibility for monitoring and ensuring compliance rests with the Agent (custodian) of the counterparty alleging the exemption. Stamp Duty control and administration are subject to periodic audits and non-compliance by RBC Dexia could result in fines or suspension.

To help you better understand the message format requirements, please refer to the examples in Appendix A.

The current list of Stamp Duty status codes is included in Appendix B.

<sup>4</sup> Stamp Duty regulation requires any amount owing to be remitted to the relevant revenue authority by the 7<sup>th</sup> business day following the month in which the transaction settles. Therefore RBC Dexia requires sufficient time to prepare manual returns and remit proceeds to meet this deadline and avoid penalty.

# Nationality Declaration

---

## INTRODUCTION

In both the UK and Irish markets designated securities require a Nationality Declaration of the underlying beneficial owner in all trade instructions. This information is mandatory in all trades instructions: Delivery Against Payment, Receive Against Payment, Receive Free of Payment and Deliver Free of Payment. CREST monitors all trades in designated securities and if the information is not provided, the trade will be rejected back to the alleging counterparty.

## INSTRUCTING RBC DEXIA

When providing instructions in designated securities the transaction should include the following information:

### Sequence F Other Parties:

95C::INVE//XX

Where XX is the ISO country code of the underlying beneficiary transacting in the security. If this mandatory information is not provided, the message will not achieve STP. A query will be initiated with the client and a new instruction will be required.

Please refer to Appendix C for the current list of securities requiring Nationality Declaration.



## Appendix A – Stamp Duty trade examples

---

1. Receipt against payment of 1000 units of a UK security at a price of GBP 10 each (GBP 10000) where the transaction is being delivered from an exchange member who is accounting for stamp duty:

The delivering counterparty, as the exchange member, is accountable for stamp. The trade instruction received from the purchaser should not contain a Stamp Duty status code.

---

2. Receipt against payment of 1000 units of a UK security at a price of GBP 10 each (GBP 10000) where the transaction is being delivered from another agent who is not an exchange member and therefore not accounting for stamp duty:

The receiving counterparty must account for stamp duty in the trade with the following message formats:

### Sequence E – Settlement Details:

22F::STAM/CRST/GBPX - 0.5% *ad valorem* Stamp Duty Reserve TAX (SDRT)

**AND**

### Subsequence E3 – Amounts:

19A::DEAL//GBP10000, - Stampable consideration duty will be calculated against

**AND**

### Subsequence E3 – Amounts:

19A::SETT/GBP10000, - Amount being passed to the seller

CREST will calculate the SDRT amount of GBP50 and charge the custodian for the purchaser. The charge will be passed to the purchaser from the custodian

---

3. Receipt free of payment of 1000 units of an Irish security where there is no change in beneficial owner:

All free of payment trades require the purchaser to account for stamp. The following formats must be used:

### Option 1:

### Subsequence E – Settlement Details:

22F::STAM/CRST/IEYX - Stamp Duty status code claiming an exemption due to no change in beneficial owner

**OR**

## Option 2:

### Subsequence E – Settlement Details:

22F::STAM/BENE/NBEN - SMPG format to instruct there is no change in beneficial owner. This message will be enriched to include the Stamp Duty status code IEYX for transmission to CREST

---

## 4. Receipt free of payment of 1000 units of a UK security with a unit value of GBP10 (GBP 10000) where there is a change in beneficial ownership and stamp duty liability must be accounted for and paid:

All free of payment trades require the purchaser to account for stamp. The following formats must be used:

## Option 1:

### Subsequence E – Settlement Details:

22F::STAM/CRST/GBPX - 0.5% *ad valorem* Stamp Duty Reserve Tax (SDRT)

**AND**

### Sequence B- Trade Details:

70E::SPRO///GROSS/GBP10000, - To calculate the stamp duty liability CREST requires the stampable consideration amount which the stamp duty will be levied against. This is required as free of payment trades do not include a deal amount

**OR**

## Option 2:

### Subsequence E – Settlement Details:

22F::STAM/BENE/YBEN - SMPG format to instruct there is a change in beneficial ownership. This message will be enriched during validation to include the Stamp Duty status code GBPX to denote 0.5% *ad valorem* SDRT

**AND**

### Sequence B- Trade Details:

70E::SPRO///GROSS/GBP10000, - To calculate the stamp duty liability CREST requires the stampable consideration amount which the stamp duty will be levied against. This is required as free of payment trades do not include a deal amount

---

## 5. Receipt against payment 1000 units of a UK security with a unit value of GBP10 (GBP 10000) where the purchaser is accounting for stamp where stamp was paid on a leg another trade inside of CREST:

The purchaser, accounting for stamp, will need to provide the following instructions:

### Sequence E – Settlement Details:

22F::STAM/CRST/GBTX

**AND**

**Subsequence A1 – Linkages:**

20C::RELA/{CREST reference}                      - The 16-digit CREST transaction ID of the trade on which stamp was paid must be entered on the trade instruction

While the absence of the CREST trade reference will not fail STP, it will be raised as a query from your client service representative requesting this information. If requests remain outstanding more than 5 business days from the date of settlement, RBC Dexia will calculate and remit the stamp to Her Majesty's Revenue and Customs and debit the client's account.

---

## Appendix B - Stamp Duty status codes

SWIFT CODE	DESCRIPTION	STAMP EXEMPT (YES/NO)
GBAX	no SDRT liability, change of trustee	Yes
GBBX	no SDRT liability, transfer to specific beneficiary of will, transfer to residual beneficiary of will or distribution to beneficiary of settlement	Yes
GBCX	no SDRT liability, transfer in intestacy	Yes
GBDX	no SDRT liability, appropriation on death	Yes
GBEX	no SDRT liability, confirmation of traditional option	Yes
GBFX	no SDRT liability, hedge against traditional option	Yes
GBGX	no SDRT liability, transfer on marriage	Yes
GBHX	no SDRT liability, transfer on divorce	Yes
GBIX	no SDRT liability, transfer on liquidation	Yes
GBLX	no SDRT liability, gift <i>inter vivos</i>	Yes
GBMX	no SDRT liability, death (varying disposition)	Yes
GBNX	no SDRT liability, result of automatic transformation (cannot be input by members)	Yes
GBOX	no SDRT liability, transfer to/from nominee, with no change of beneficial owner (or transfer between nominees of the same beneficial owner)	Yes
GBPX	0.5% <i>ad valorem</i> SDRT	No
GBRX	1.5% <i>ad valorem</i> SDRT	No
GBSX	no SDRT liability, transfer to exempt charity	Yes
GBTX	no SDRT liability, SDRT paid inside CREST on another CREST transaction	Yes
GBUX	no SDRT liability, stamp duty paid outside CREST on physical document (including form 169); or SDRT paid (or to be paid) outside CREST on corporate action	Yes
GBVX	no SDRT liability, NCBO-NCLO (including pure de- or re-materialisation)	Yes
GBWX	no SDRT liability, issuing house exemption on new issue	Yes
GBXX	no SDRT liability, synthetic SLR (for use during transition only)	Yes
IEYX	Irish exempt, no change in beneficial ownership (NCBO)	Yes
IEZX	Irish exempt, other reason than NCBO	Yes
IE1X	Irish 1% <i>ad valorem</i> (exact percentage)	No

GB2X	no SDRT liability, transfer result of corporate action	Yes
GB3X	no SDRT liability, intra-group transfer, a letter of direction executed	Yes
GB4X	no SDRT liability, stock loan return or transfer of DBV collateral, relating to loans	Yes
GB5X	no SDRT liability, letter of direction executed (including pension scheme mergers, purchase of life insurance policies and transfers as security for loans)	Yes
GB6X	no SDRT liability, AUT merger or AUT/OEIC conversion/amalgamation	Yes
GB7X	no SDRT liability, security on an overseas register	Yes
IE8X	Irish exempt, new issue	Yes

## Appendix C – securities requiring Nationality Declaration

COMPANY NAME	SEDOL	ISIN
British Aerospace	0263494	GB0002634946
British Airways	0129057	GB0001290575
Rolls Royce	3283648	GB0032836487
Ryanair Holdings	3111761 / 3113864	IE0031117611
Goldman Sachs Dynamic	B173P70	GB00B173P701
Goldman Sachs Dynamic	B173611	GB00B1736115
Goldman Sachs Dynamic	B173NZ4	GB00B173NZ45
Qinetiq	B0WMWD0	GB00B0WMWD03
Easyjet	0164199	GB0001641991
Aer Lingus	B1CMPN8	IE00BICMPN86
Aberdeen All Asia Inv Trust Plc	392075	GB0003920757
RAB Special Situations Company	B08HCH3	GB00B08HCH30
Marwyn Value Investors Limited	B0XHH73	GB00B0XHH732
Marwyn Value Investors Limited	B0XHMV2	GB00B0XHMV25
Silverjet Plc	B1443S3	GB00B1443S31
Marwyn Value Investors II limited	B1DSZV3	GG00B1DSZV37
Marwyn Value Investors II limited	B1DSZY6	GG00B1DSZY67
Marwyn Value Investors II limited	B1DT0B1	GG00B1DT0B16
Thomas Cook Group Plc	B1VYCH8	GG00B1DT0B16
Marwyn Value Investors Limited	B1VZ46Z0	GG00B1Z46Z02
Marwyn Value Investors Limited	B1Z46W7	GG00B1Z46W70
TUI Travel Plc	B1Z7RQ7	GB00B1Z7RQ77