



Harmonisation Forum

2022-04-27

Workshop: Issuer Agent Model
Summary and Take aways



Agenda

- Introduction: basis for the discussion & clarifications
- Discussion: discuss changes to the issuer agent model required to align with European standards
 - ▶ In smaller groups
- Recap: reconvene and recap discussions, highlight key take-aways from discussions
- Short summary



Basis for Discussion cont.

- We assume that the issuer agent model will change, and information flow will align to European standards.
- Euroclear have learnt that the term “intermediary” is also used in a broader legal context
- The key here is to agree on the division of responsibilities
- The difference between account provider and account operator remains – no change proposed
- The relationship / information flow between CSD (Euroclear) and the issuer remains the same – no change proposed
- For the discussion, we assume that the issue with “accounts with unknown owners” is resolved





Open questions

Future tax obligation

- Preliminary tax – upon launch of the Payments project, ES can no longer be considered legally responsible for withholding of preliminary tax.
(September 2023)
- Withholding/Coupon tax – remains to be determined but assumed that this responsibility will be removed from ES in the future.
New legislation as of 1 January 2024

Practical approach

Planning of changes on (all) tax deduction and reporting can only be done when there is clarity around future responsibility of withholding tax.

ES will continue to withhold tax in the meantime, as a service.

Change will come – timing is dependent when this can be handled in an orderly fashion.



For Discussion...

- What is required to enable the information to flow from the CSD to the CSD participant and from the CSD participant to the investor?
 - ▶ Top 3-5 enablers / challenges
- What is required to enable response handling from the investor to the CSD participant and from the CSD participant to the CSD?
 - ▶ Top 3-5 enablers / challenges
- Other feedback from participants in the forum



Summary and Key take aways

- Consensus that the issuing agent model should change to align with European standards.
- Foremost a timing question
- ISO 20022 for all events (CA) and instruments necessary before implementation
- A number of challenges
 - Accounts with unknown owners
 - Future tax processes
 - Issuer data needs to be improved
 - Access to settlement banks (key challenge for issuer agents)
 - Resources
 - Implementation of change



Next steps

- Before summer: dates for workshops during Q3-Q4
- Updates to the discussion papers following input and feedback so far
- Q4: publication of Corporate Action discussion paper

