

# **FISCO Second Report on Solutions - SRS**

## **Shifting Withholding Responsibility**

# Overview

- Why should withholding responsibilities be shifted ?
- Existing regimes for tax relief – Practical experience
- New proposals for tax relief
- Which responsibilities could be shifted?
- Legal liability and reliance in “good faith”
- To whom should the responsibilities be given?
- The legal basis for assuming the responsibilities
- How to ensure audit and tax assessment
- How to ensure recovery of tax and related penalties
- Simplification and harmonisation of at source relief procedures
- Customer documentation as proof of tax residency for relief

## Existing Regimes for Tax Relief

<u>Regime</u>	<u>Source country</u>	<u>Effective since</u>
QI – “Qualified Intermediary“	USA	January 2001
QFI – “Qualified Foreign Intermediary”	Japan	April 2001
QI – “Qualifying Intermediary”	Ireland	2001
DTC – “Depository Trust Company”-procedure	European countries	1999

## New Proposals for Tax Relief

- **The ISSA Tax Relief Model** –  
under construction since 2003 by JP Morgan (Christopher Gilbert)  
on behalf of International Securities Services Association (ISSA).
- **“Proposed Tax Relief Arrangement”** by a **BNP** Working Group -
- **FISCO** - Second Report on Solutions (SRS)

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