

Euroclear Manual

Electronic Share Trading

Rules, Procedures, Practices, Guidelines and Interpretations

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1 Introduction

1.1 Stamp duty on shares

Where, on a sale, stocks or marketable securities (or an interest in stocks or marketable securities) are transferred to another person by way of an instrument (i.e. a written document), the Stamp Duties Consolidation Act (SDCA) 1999 makes provision for the instrument to be charged with stamp duty at a rate of 1% of the value of the securities or interest transferred. The instrument traditionally used for transferring certificated (i.e. paper) shares is the stock transfer form.

1.2 Transfer of securities through CREST System

The Companies Act 1990 (Uncertificated Securities) Regulations, 1996 (S.I. No. 68 of 1996) were introduced to give Irish companies the option of allowing their shareholders to:

1. evidence their title to shares otherwise than by a share certificate, and
2. transfer their shares electronically i.e. without a stock transfer form.

The Regulations provided that electronic transfers of uncertificated (i.e. paperless) shares must be effected through an electronic system the operator of which was approved by the Minister for Enterprise, Trade & Employment (or by a body designated by the Minister) or by the appropriate authority in another Member State of the European Union. The approved operator was CREST in the United Kingdom, which acted as the issuer central securities depository (CSD) for Irish shares and provided related services such as trading and settlement in the shares.

To ensure that electronic transfers of uncertificated shares through CREST were charged with stamp duty (in the absence of an instrument of transfer), sections 68 to 78 (Chapter 1 of Part 6) SDCA 1999 were introduced. Section 69 deems an operator-instruction effecting a transfer of title to or equitable interest in securities through a relevant system (i.e. a settlement system operated by a CSD) to be an executed instrument of conveyance or transfer of such securities. Where an equitable interest of securities is effected through a relevant system but no operator-instruction is generated, the transfer will be deemed by section 69 to have been effected by an operator-instruction. This meant that unless otherwise specified, all the other provisions of SDCA 1999 applied to an operator-instruction in the same way as a stock transfer form.

The exit of the United Kingdom from the European Union meant that the trading and settlement of shares could no longer take place in CREST, although it is still possible to trade indirectly in Irish shares in London by the purchase and sale of CREST Depository Interests. Direct trading in Irish shares through CREST ceased in March 2021.

1.3 Transfers of interests in securities through Euroclear Bank System

Euroclear Bank in Belgium is approved to operate a system (Euroclear Bank System) through which interests in Irish shares that are dealt with on certain exchanges/markets can be transferred electronically.

The transfer of interests in Irish shares through the Euroclear Bank System commenced on 15 March 2021 in accordance with the Migration of Participating Securities Act 2019, which

provided for the transfer of securities from the CREST system to the Euroclear Bank System. The migration was required as a result of the exit of the United Kingdom from the EU. EU law requires that book entry (electronic) transfers of shares in companies incorporated in EU member states are settled in a CSD located in the EU.

To ensure that electronic transfers of shares or interests in Irish shares through the Euroclear Bank System (and in other circumstances) post migration continue to be charged with stamp duty, Chapter 2 of Part 6 was inserted into the SDCA 1999. It came into operation on the commencement of trading in Euroclear Bank.

1.4 Intermediary and Clearing House Relief

On 1 October 2007, a stamp duty relief became available to recognised intermediaries and clearing houses in sections 75 and 75A SDCA 1999 respectively. Section 78C SDCA 1999 (inserted by the Finance Act 2020) confirms that these reliefs will apply to transfer orders effecting a transfer of interest in shares. Therefore, a transfer order through the Euroclear Bank System is eligible for relief for recognised intermediaries and clearing houses.

Legislation is in place to cater for exemptions on certain transfers in a settlement chain involving a Central Counterparty.

The following sections explain how stamp duty and the Euroclear Bank System interact. For the sake of simplicity, the term share is used but all types of security (e.g. shares, stock, debentures, debenture stock) can be transferred through the system and the charge to stamp duty covers transfers of all such types.

2 General Information

2.1 What is Euroclear Bank System?

Euroclear Bank System is a computer-based system which acts as the issuer Corporate Securities Depository for Irish shares. As part of this function, it provides a system which enables interests in Irish shares to be transferred without a written document, i.e. without a stock transfer form. Euroclear Bank System is owned and operated by a Belgium company called Euroclear Bank SA/NV and commenced operations on 15 March 2021. Euroclear Bank System replaced CREST, the previous Central Securities Depository for the issuing of Irish shares. Until March 2021 it was possible to buy and sell Irish shares directly through the CREST system. Euroclear Bank in contrast provides an intermediated system which means that trading and settlement is effected in interests in shares rather than directly in the shares themselves.

Irish shares are now held by Euroclear Bank in trust in its settlement system and trading in these shares is done indirectly by buying or selling interests in those shares. However, a holder of an interest in the shares has the right to hold those shares in certificated form outside of the Euroclear Bank System.

2.2 Is stamp duty charged on shares and interests in shares transferred electronically?

Chapter 2 of Part 6 SDCA 1999 was commenced in March 2021 to coincide with the migration of shares from CREST to Euroclear Bank. It applies to the transfer of shares, depository receipts and any legal or equitable interest in shares. Euroclear Bank collects the stamp duty charges on transfer orders through its system and pays it over to Revenue.

2.3 What is the basis for the charge?

Section 78B(1) SDCA 1999 imposes a stamp duty charge where a transfer order effects a transfer of an interest in securities through a relevant system. A relevant system is a settlement system operated by a CSD.

2.4 What rate of duty applies?

The rate of duty on interests in shares transferred electronically is 1% of the consideration for the sale. Where the calculation results in an amount which is not a multiple of a cent, the amount so calculated is rounded to the nearest cent, any 0.5c being rounded up to the next whole cent.

2.5 Are gifts of interest in shares liable to duty?

Yes. Gifts of interest in shares, which are transferred electronically, are liable to duty. Duty is chargeable at the rate of 1% on the market value of the interest in shares being transferred and the accountable person is the transferee.

2.6 Is a person liable to duty if they withdraw shares from the Euroclear Bank System?

Shares held in electronic form may be converted into paper form – a process called “rematerialisation”. When interests in shares are being rematerialised, they are converted to shares in paper form. There is no charge to duty unless the beneficial ownership changes. If the beneficial ownership does change, the transfer will be liable to ad valorem duty and the stock withdrawal instruction input into Euroclear Bank System must include an instruction to debit Stamp Duty (input of “IE1X” flag).

3 Intermediary Relief and Central Counterparty Relief

Intermediary Relief and Central Counterparty Relief are available to persons who have been approved by Revenue.

3.1 What is Intermediary Relief?

On 1 October 2007 a new stamp duty relief was made available to a recognised intermediary in accordance with Section 75 of the Stamp Duties Consolidation Act, 1999. Section 78C (a) (inserted by the Finance Act 2020) of the Act confirms that the exemption under section 75 will continue to apply to recognised intermediaries.

An “intermediary” means a person who carries on a bona fide business of dealing in securities. Any firms wishing to claim Intermediary Relief are required to forward an application to the CREST Unit.

Section 75 grants an exemption from stamp duty on the transfer of securities to a person or a person’s nominee, where:

- the person is a member firm of an exchange or market, and
- the person is an intermediary and is approved by the Revenue Commissioners as a recognised intermediary in accordance with arrangements made by the Revenue Commissioners with the exchange or market, and
- the transfer of securities is effected **either**:
 - on the exchange or market in respect of which the intermediary is a recognised intermediary, **or**
 - on any exchange or market operated by the Irish Stock Exchange Limited (e.g. the ISE Main Market and ESM) or the London Stock Exchange plc (e.g. the LSE Main Market and AIM), **or**
 - on any other exchange or market designated by Revenue for this purpose in regulations (A list of Designated Exchanges/Markets can be found on the Revenue website - please see [section 9.2 - links](#)), and
- the transfer is not effected in connection with excluded business.

If the trade meets the criteria for Intermediary Relief, input the **“IEPX” flag at the level of the transaction(s)**.

3.2 What is Excluded Business?

For an exemption from stamp duty to be available to a recognised intermediary on any transfer to it of interest of Irish securities, as a rule, it is necessary that the transfer to it must be in connection with the intermediary’s business of dealing in securities and not in connection with various business activities termed “excluded business” carried on by the intermediary.

Excluded business means any business which consists in:

- the making or managing of investments
- providing services for connected persons

- insurance business, or assurance business
- administering, managing or acting as trustee in relation to pension business
- operating or acting as trustee in relation to collective funds.

A separate **Euroclear Bank Participant Number** is required for any trades effected on a transfer in connection with an excluded business also carried on by the Intermediary.

3.3 What is the procedure for approval as a “recognised intermediary”?

The member firm must satisfy itself, by reference to the legislation and explanatory notes (see [Section 9.2 – links](#), Stamp Duty on Transfers of Irish Securities - New Reliefs For Certain Market Participants), that it falls within the statutory definition of an intermediary and, on having done so, complete the application form (see [Appendix 4](#)) and forward it to:

CREST Unit,
Collector-General's Division,
Revenue Commissioners,
Government Offices,
St. Conlon's Road,
Nenagh,
Co. Tipperary,
E45 T611
Ireland.

Telephone +353 (0)67 63470 or +353 (0)67 63201

Email: crest@revenue.ie

Where a member firm is not certain that it is entitled to apply for approval as a “recognised intermediary”, it should seek clarification from the CREST Unit.

Revenue will advise the applicant, in writing, of the outcome of the application.

Where a member firm of a designated exchange/market e.g. ISE, is an intermediary and is approved by Revenue as a recognised intermediary for that exchange, that member may, where appropriate, claim an exemption from stamp duty on a transfer of Irish securities to it, even if that is effected on any other exchange/market designated by Revenue. This means that, once approved, there is no requirement to apply in respect of other designated exchanges/markets of which they are members.

3.4 CREST Unit checks on applications for approval as a recognised intermediary

On Receipt, check that the application form is fully completed:

- Name and address of applicant completed
- Confirms member firm of an exchange(s)
- Includes CREST Participant ID/Euroclear Bank Participant Number(s)
- Contact address in relation to accounting for stamp duty

- Telephone number
- Email address
- Signed
- Capacity of signatory

If information is missing, contact the applicant by email/telephone and request that missing information be submitted by email.

If the form is not signed, contact the applicant by telephone/email to advise that you are returning for a signature and it cannot be registered until re-submitted and signed.

- Checks to be carried out prior to input on the database
- The applicant is a member of the stock exchange indicated - Membership to be verified by the CREST Unit.
- The CREST/Euroclear Bank Participant Number is valid and relates to the name and address of the applicant
- The details to be checked with Euroclear UK & International Limited/Euroclear Bank

The name of applicant may not be the same as the name on the Euroclear Bank Participant Number (e.g. settlement agents, nominees, sponsored members etc.). In the event of a query on this, the Euroclear Bank Participant Number details should be confirmed with the applicant.

3.5 What is the procedure for approval as a Designated Exchange/Market?

Any exchange/market that wishes to apply to become a designated exchange/market should contact the CREST Unit directly. See [Appendix 5](#) for the application form.

The application should be accompanied by a copy of approval given by the relevant Competent Authority to operate as an exchange/market, i.e. IFSRA, FSA etc. together with any other relevant documentary evidence.

3.6 What is Central Counterparty Relief

A central counterparty (CCP) is an entity which introduces post-trade anonymity on exchanges or markets where member firms submit orders for shares. It is done by the interposition of a CCP, or a clearing member of a CCP, in the settlement chain. However, the interposition of new parties to the transaction gives rise to additional stamp duty charges unless appropriate relief is available. On 1 October 2007, section 75A SDCA 1999 commenced and provides relief on any additional transactions relating to the CCP.

Section 78C(b) confirms that section 75A continues to apply to recognised counterparties. Section 75A (2) provides for a stamp duty exemption for each transferee in Legs 1, 2, 3 and 4 (in the settlement chain shown below) so long as that transferee is required, on receipt, to transfer the securities concerned to another person under a matching contract.

CLIENT/NCP ► CP ► RCH ► CP ► NCP ► CLIENT
 1 2 3 4

NCP = a non-clearing participant; CP = a clearing participant; RCH = a recognised clearing house.

Provision has also been made for a stamp duty exemption in respect of transfers from the NCP directly to the RCH and from the RCH directly to the NCP where the transferee is required, on receipt, to transfer the securities concerned to another person under a matching contract.

An additional feature is where the CP fails to deliver securities to the RCH in Leg 2 and the RCH purchases the securities from another person. In that case, the RCH is exempt from stamp duty on that purchase and, while required to transfer the securities to the next person in the settlement chain, need not do so under a matching contract.

Further information can be found in Stamp Duty on Transfers of Irish Securities - New Reliefs For Certain Market Participants Note (see [section 9.2 - links](#)).

A list of Recognised Clearing Houses can be found on the Revenue website, please see [section 9.2 - links](#).

3.7 What is the procedure for approval as a Recognised Clearing House?

Any clearing house that wishes to apply to become a Recognised Clearing House should contact the CREST Unit directly.

See [Appendix 6](#) for the application form.

The application should be accompanied by a copy of approval given by the relevant competent authority to operate as a clearing house, i.e. IFSRA, FSA etc. together with any other relevant documentary evidence.

4 Other reliefs and exemptions from stamp duty

4.1 Relief from stamp duty under Chapter 1 of Part 7 of the Act

Any reliefs from stamp duty contained in Chapter 1 of Part 7 of the Act require that a return is made to Revenue. In the Euroclear Bank System, the reliefs for shares transferred in connection with company reconstructions or amalgamations and for share transfers between associated companies are a case in point.

In such cases, the requirement to make a return will be satisfied if:

- in advance of the transaction, the details set out below are submitted to the Revenue CREST Unit, and
- the transaction is flagged as **“IEQX”, Irish exempt, for any other reason.**

The details that are to be provided to the Revenue CREST Unit should include:

- Name of transferor
- Tax reference number of transferor
- Name of company shares transferring
- Tax reference number of company shares transferring (if possible)
- Name of transferee
- Tax reference number of transferee
- Consideration/value of shares transferring
- Relief claimed including the relevant section number of SDCA 1999.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

In addition, the Euroclear Bank member (e.g. the broker that enters the details in respect of the transfer of interest in shares into the Euroclear Bank System) is obliged to retain evidence to support the declaration that the transfer is relieved from duty. This evidence is to be retained for examination by Revenue for **a period of six years**. Penalties will apply if a relief not properly due has been claimed or if the appropriate evidence has not been retained.

4.2 Dematerialisation

Paper shares cannot be transferred electronically. Therefore, in order for paper shares to be transferred electronically, they must first be converted from paper (certificate) form to electronic form. The process of conversion is called dematerialisation. When shares are being dematerialised and there is no change in beneficial ownership but there is a change in legal ownership, the stock transfer form and the stock deposit into Euroclear Bank are exempt from Stamp Duty and the “IEYX” flag should be used to exempt the transaction in Euroclear Bank. If the beneficial ownership does change, however, and that stamp duty is due on such a transaction, participant must enter an onward delivery or own account transaction with the correct stamp duty transaction fields (use of “IE1X” flag) for EB to calculate the stamp duty.

No Change in Beneficial Ownership (NCBO).

This involves transfers of shares within the system when the beneficial ownership does not change. Electronic instructions, where the legal ownership changes but the beneficial ownership remains unchanged, are not liable to Stamp Duty and the "IEYX" flag should be used to exempt the transaction.

4.3 How does the stock borrowing exemption apply?

If quoted interest in stock is transferred to an intermediary for the sole purpose of enabling them to complete a contract for the sale of stock of that type, then that transfer ("stock borrowing") is exempt from stamp duty whether it is effected electronically or via a stock transfer form. Equivalent interest in stock must be returned to the lender ("stock return") within 12 months of the date on which the interest in stock was acquired from the lender.

The "IELX" flag should be used to exempt the transaction.

If equivalent interest in stock is not returned within that 12-month period, then the intermediary will become liable to pay ad valorem duty on the stock transferred to him by the lender. If the Stamp Duty is not paid to the CREST Unit, Collector-General's Division within 14 days of the end of that 12-month period, interest and penalties are due as follows:

- where the unpaid duty exceeds €30, interest on such duty calculated at the following rates:
 - 0.0219% of the stamp duty per day (from 01/07/2009)
 - 0.0273% (from 01/04/2005 to 30/06/2009)
 - 0.0322% (from 01/09/2002 to 31/03/2005)
 - 1% per month or part thereof before 01/09/2002,
 - a penalty of 1% of the duty for each day the duty remains unpaid.

The stock borrower must maintain separate records of each stock borrowing and any stock return made in respect of that stock borrowing. Such records must include:

1. evidence that the stock borrower was obliged to supply interest in stock to complete a trade;
2. the name and address of the lender;
3. the type, nominal value, description and amount of interest in stock borrowed from the lender;
4. the date on which the interest in stock was transferred from the lender to the broker/dealer, market maker or his nominee;
5. the date on which equivalent interest in stock should be returned to the lender;
6. the type, nominal value, description and amount of the interest in stock returned to the lender and the date of the interest in stock return; and

7. full details where the interest in stock has been paid, converted, subdivided, consolidated, redeemed, made the subject of a takeover, call on partly paid stock, capitalisation issue, rights issue, distribution or other similar event.

The transfer of interest in stock to the lender as security (“collateral stock”) for the undertaking given by the stock borrower to return equivalent interest in stock to the lender within 12 months is also exempt from duty.

5 Payment of Duty

5.1 Who is accountable for payment of the duty?

The accountable person is the transferee.

5.2 When is the duty due?

In the Euroclear Bank system the Stamp duty is due and payable as from the time the transaction is matched.

5.3 How is the duty paid?

Where a Euroclear Bank Member wishes to pay Stamp Duty on an electronic transfer of interest in shares through Euroclear Bank System, they must select the "IE1X" flag – 1% ad valorem, so that the appropriate Stamp Duty is deducted by Euroclear Bank from the stampable consideration for Eur or GBP in their instruction or not indicated a stampable consideration or has provided a stampable consideration to another currency than Eur or GBP will be applied to the cash amount indicated in that party's instruction (converted to Euro by application of the daily ECB exchange rate, if the cash amount is expressed in another currency other than EUR or GBP or 1% will be applied to the transaction quantity multiplied by the closing price of the share on the previous day).

How does a Recognised Intermediary carrying out Excluded Business pay duty?

A Recognised Intermediary must use a separate **Euroclear Bank Participant Number** for any trades effected on a transfer in connection with an excluded business also carried on by the Intermediary.

5.4 How does Revenue receive the Stamp Duty via the Euroclear Bank System?

The Stamp Duty deducted by Euroclear Bank is remitted to Revenue by way of Electronic Funds Transfer on a daily basis.

5.5 How do I pay Stamp Duty by Electronic Funds Transfer (EFT)?

Irish Stamp Duty can be paid by Electronic Funds Transfer (EFT) – please contact the CREST Unit directly for Bank Account details.

When payment is made by EFT:

- (a) Reference **CREST** must be quoted in the "**Message for Beneficiary**" field of the payment instruction.
- (b) relevant bank charges must be included.
- (c) CREST Unit must be advised (by email to crest@revenue.ie) of the payment, on the day the payment is instructed.
- (d) A list of Euroclear Bank Reference (7 digits) of the Transaction(s) and trade dates and corresponding amounts of Stamp Duty must be included with the email.
- (e) **Euroclear Bank Participant Number** should be quoted.

5.6 What happens if the duty is not paid on time?

The interest and surcharge that apply to late payment of stamp duty on documents also apply to late payment of stamp duty chargeable on interest in shares transferred electronically i.e.

- Where the unpaid duty exceeds €30, interest on such duty calculated at the following rates per day or part of a day from the date the electronic message was generated to the date of payment of the unpaid duty:
 - 0.0219% of the stamp duty (from 01/07/2009)
 - 0.0273% of the stamp duty (from 01/04/2005 to 30/06/2009)
 - 0.0322% (from 01/09/2002 to 31/03/2005)

[The rate was 1% per month or part thereof before 01/09/2002.]

and

- A surcharge equivalent to:
 - 5% of the unpaid duty, subject to a maximum surcharge of €12,695 where the duty is paid not later than 2 months after the date the electronic message was generated, or
 - 10% of the unpaid duty, subject to a maximum surcharge of €63,485 where the duty is paid more than 2 months after the date on which the electronic message was generated.

When duty is paid late, the late payment, including the appropriate penalties, should be paid by EFT direct to Revenue, AIB Capital Taxes Account.

6 Refunds

General Information on refunds:

Reclaims for Stamp Duty paid should not normally arise. The majority of reclaims in respect of transactions carried out only arise as a result of errors incorrectly flagging settlement instructions in the Euroclear Bank System.

The most common types of refund claims are:

- Intermediary Relief
- No Change of Beneficial Ownership (NCBO)
- Others.

6.1 General Information on Claiming Refunds

All refund claims must be accompanied by a letter, on headed paper by Euroclear Bank Participant who conducted the trades, and include the following:

1. request a reclaim of Irish Stamp Duty and state the legislative basis
2. quote Euroclear Bank Participant Number of the claimant
3. state the amount and currency of the reclaim
4. include the relevant Euroclear Bank Reference of the Transaction(s) (7 digits) and trade date(s)
5. state the reason for the reclaim (in detail)
6. sign and quote a contact name and phone number
7. quote a reference number on each claim for ease of reference
8. Sterling and Euro claims must be made separately
9. spreadsheet ([Appendix 1](#)- Irish Stamp Duty Reclaim) reclaims for more than 20 transactions must be provided on a Microsoft Excel spreadsheet via email to crest@revenue.ie.

Failure to include any of the above information may result in rejection of the reclaim.

It is important that the basis for each reclaim is clearly outlined and that the appropriate schedule and declarations are submitted, together with any supporting evidence. The claimant should submit the required details in list format. Reclaims for more than 20 transactions should be provided on a Microsoft Excel Spreadsheet via secure email.

Irish Revenue banking records for repayments for customers for EUR & GBP were recorded under CREST ID numbers as used in EUI.

In order for Revenue to link bank accounts on file to EB Participant Number, the CREST Participant ID is required.

If a different bank account (other than those Revenue already have on record) is being used or if registering for the first time, the following is required: (a) Bank Account Name, (b) IBAN, and

(c) BIC. These details should be sent by hard copy for each EB Participant Number to the following address:

CREST Unit,
Collector-General's Division,
Revenue Commissioners,
Government Offices,
St. Conlon's Road,
Nenagh,
Co. Tipperary,
E45 T611
Ireland.

In certain circumstances, Revenue may require further documentation to prove entitlement to a refund. All refund claims must be made within 4 years of the original payment. Where the claimant is not resident in the State and has no branch or agency in the State, Revenue may require the claimant, as a condition for obtaining a repayment, to appoint and maintain a tax representative in the State who shall be personally liable to Revenue for any loss of duty arising out of an incorrect claim.

[See Appendix 1 for Irish Stamp Duty Reclaim Forms Spreadsheet.](#)

6.2 Intermediary Relief

On 1 October 2007, a new stamp duty relief was made available to recognised intermediaries in accordance with section 75 of the Stamp Duties Consolidation Act 1999. Section 78C (a) (inserted by the Finance Act 2020) of the Act confirms that the exemption under section 75 will continue to apply to recognised intermediaries.

6.3 Reclaim Procedures

To reclaim Intermediary Relief, it is necessary to certify that at the date of each transfer:

- The transferee was approved by Revenue as a recognised intermediary *and*
- the transfer of securities was effected **either**:
 - on the exchange or market in respect of which the intermediary is a recognised intermediary, or
 - on any exchange or market designated by Revenue for this purpose in regulations
- the transfer was not effected in connection with excluded business.

These details must be included in the reclaim covering letter.

A Microsoft Excel spreadsheet with the list of the transaction(s) must be included.

[See Appendix 2 for Intermediary Relief Reclaim Forms and Spreadsheet.](#)

6.4 No change of Beneficial Ownership (NCBO)

Where there are transfers in Euroclear Bank System, and where there is no change in the beneficial ownership of the interest of the Securities, a stamp duty charge does not apply. A

reclaim can arise where a transaction involved no change of beneficial ownership but had not been correctly flagged using “IEYX” - Irish exempt, reason NCBO.

6.5 Reclaim Procedures

Where legal title only is being transferred electronically and there is no change in beneficial ownership involved, the transfer is exempt from stamp duty.

All NCBO reclaims must be accompanied by:

- a declaration confirming that there has been no change in beneficial ownership in the transaction to which the reclaim relates

and

- If the movement was an NCBO to facilitate a purchase or sale, then the Euroclear Bank Reference of the Transaction (s) (7 digits) and trade date(s) of the relevant purchase or sale transaction will be required in support of the reclaim,

[See Appendix 3 for NCBO Reclaim Forms and Spreadsheet.](#)

6.6 Other Reclaims

There may be many other reasons why a reclaim of Stamp Duty may be made.

6.7 Duplicate Payment of Stamp Duty

Where Stamp Duty has been charged on a transaction and Stamp Duty was also charged on an earlier or subsequent leg and there was only one change of beneficial ownership. The evidence required is the Euroclear Bank Reference of the Transaction(s) (7 digits) of the other leg where Stamp Duty was also paid or evidence of the manual payment made to Irish Revenue.

[See Appendix 1 for Irish Stamp Duty Reclaim Spreadsheet.](#)

6.8 Incorrect/Cancelled Trade

Where Stamp Duty has been deducted on a trade that was incorrect or cancelled and the trade was not rebooked, Revenue will require an explanation for the error and any relevant supporting evidence when the reclaim is being made. If the trade was rebooked, Revenue will require the Euroclear Reference of the rebooked trade (7 digits) and trade date.

6.9 How are reclaims processed?

When the reclaim is received it is examined to see if the following are present:

- A cover letter stating the amount and currency of the reclaim
- Euroclear Bank Participant Number
- A list of the relevant Euroclear Bank Reference of the Transaction(s) (7 digits) and trade date(s).
- The reason for the reclaim (in detail)
- A signature clearly stating a contact name and phone number
- Sterling and Euro reclaims made separately

- A spreadsheet for reclaims with more than 20 transactions (see [Appendix 1 for Irish Stamp Duty Reclaim Spreadsheet](#)).

Where the above requirements are not met or the information supplied is incorrect, the reclaim is rejected and returned to the sender with a cover note. The following details are recorded prior to returning the claim:

- Date received
- Company Name
- Contact
- Applicant's reference of their claim
- Date returned
- Amount
- Reason returned.

The reclaim information is inputted into Revenue's Euroclear Bank System for matching with information received from Euroclear Bank. Any unmatched transactions are highlighted and listed for notification to claimant of rejection of the total or part reclaim.

Euro and Sterling repayments are made by EFT only. Revenue requests all participants, for whom bank account details are not held, to provide their details. Participant claims will be withheld pending receipt of bank details.

7 CREST Unit EFT Payments

7.1 Euroclear Bank Daily Payment Advice (Funds lodged to Central Bank Euro Account)

Euroclear Bank make EFT payments each weekday to the Central Bank Stamp Duty Account (daily Sterling payment and daily Euro payments).

7.2 Other EFT Payments

Euroclear Bank Members may make payments to Revenue by EFT in respect of Stamp Duty underpaid. This may be due to incorrectly exempting a chargeable transaction at the time of input. EFT payments may be made in either Euros or Sterling but are all lodged to the Revenue Euro account (i.e. Sterling EFT payments are shown in the account at converted Euro value lodged).

1. The firm notifies CREST Unit by email to crest@revenue.ie, that an EFT has been instructed and the amount of the payment. The payment details are recorded in the submitted spreadsheet.
2. CREST Unit checks that Euroclear Bank Reference of the Transaction(s)(7 digits) and trade date(s) have been provided for the payment and if not, this information is requested immediately.

7.3 Cheque Payments

Cheque payments are not accepted.

8 Audits

8.1 Will Revenue audit transfers effected through the Euroclear Bank System?

Transfers effected through the Euroclear Bank System are subject to audit.

Euroclear Bank Participants are required to retain evidence in relation to all transfers effected through the system where no duty is paid. In addition, there are penalties for failure to comply or for fraud or negligent input – see Section 78H of the Stamp Duties Consolidation Act, 1999.

8.2 What evidence must a Euroclear Bank System member retain?

If a Euroclear Bank Participant enters stamp duty exempt transaction flags and/or leaves the stampable consideration field blank, then evidence must be retained in legible written form, or readily convertible into such form, for a period of 6 years from the date the flag was entered and/or the field left blank in sufficient detail to establish that the related operator-instruction is not chargeable with duty.

The evidence must be made available to Revenue upon request.

8.3 What happens if this evidence is not retained?

The Euroclear Bank Participant will be liable to pay a fine of €1,265 per instruction, if the appropriate evidence is not retained.

8.4 Are there penalties for fraud or negligence?

Yes. If a Euroclear Bank Participant fraudulently or negligently enters an incorrect instruction into Euroclear Bank System, then they will be liable to pay the following if that incorrect instruction gives rise to an underpayment of duty:

- a penalty of €1,265, **plus**
- tax geared penalties as set out in the [Code of Practice for Revenue Audit and other Compliance Interventions](#).

9 Other Information

9.1 Transaction Status Stamps (TSS) Flags

The following are the TSS flags available in the Euroclear Bank System for Irish Stamp Duty purposes:

Value	Description
IE1X	Irish 1% ad valorem
IE8X	Irish exempt, new issue
IELX	Irish exempt, stock borrowing
IEQX	Irish exempt, for any other reason
IEPX	Irish exempt, as acting as a recognised intermediary, approved by the Revenue Commissioners.
IEYX	Irish exempt, no change in beneficial ownership (NCBO)

9.2 Links

Stamp Duty on Transfers of Irish Securities - New Reliefs for Certain Market Participants – August 2007

[List of Designated Exchanges](#)

[List of Recognised Clearing Houses.](#)

10 Frequently asked questions

10.1 What is the scope of Chapter 2 of Part 6 SDCA 1999?

Chapter 2 of Part 6 SDCA 1999 makes provision for stamp duty to be charged on the transfer of an interest in dematerialised securities.

An “interest in securities” is defined in section 78A SDCA 1999 as follows:

- any legal or equitable interest or right in, or in relation to, a security,
- a depository receipt,
- an indirect interest or right in, or in relation to, underlying securities arising from the immobilisation or dematerialisation of the securities, or
- without prejudice to the generality of paragraph (c), an interest or right in, or in relation to, securities which are held in, or on behalf of, a CSD, the rules of which require holders of interests or rights in, or in relation to, securities to hold those interests or rights by way of a co-ownership interest in a fungible pool of underlying securities.

Accordingly, an interest in securities includes a book interest in shares, depository receipts and any other form of security issued by a company. Transfers in interest includes transfers in title as well as transfers in book entry interest in securities.

“Dematerialised securities” mean securities in respect of which the physical certificates or documents of title have been eliminated and the securities are recorded as book entries in the CSD (section 78A(3)). Although there is no physical certificate or document of title indicating ownership for dematerialised securities, the name and address of the owner may be recorded on a register maintained by the issuer of the security.

Notwithstanding the foregoing, Revenue accepts that the provisions of Chapter 2 of Part 6 SDCA 1999 do not apply where the transfer of an interest in dematerialised securities is effected by means of an instrument (e.g. a physical stock transfer form) on the basis that the instrument is “stampable” by means of the e-stamping system.

10.2 Does Chapter 1 of Part 6 SDCA 1999 still apply to transfers of CREST Depository Interests?

The provisions of Chapter 1 of Part 6 SDCA 1999 were introduced to ensure that transfers of shares through the CREST system from 1996 onwards were chargeable with stamp duty. As the CREST legislation remains in place, a double charge could apply by virtue of both Chapters 1 and 2 of Part 6 SDCA 1999. Revenue accepts that where Chapter 2 applies to any transfer of shares or interests in shares, Chapter 1 will not also apply.

10.3 Does Chapter 2 of Part 6 SDCA apply to transfers of shares or interest in shares outside of CSDs

Section 78B(2) SDCA 1999 applies a stamp duty charge to transfer orders that effect transfers of interests in securities outside a securities settlement system operated by a CSD where the underlying shares are dematerialised; for example, transfers recorded only as a book entry on the books of CSD members. This could apply in the case where a stockbroker effects a transfer of book interests within its own system between two clients.

10.4 What are the record retention requirements in relation to transfer orders?

Section 78H SDCA 1999 obliges the transferee of a security and the CSD through which the transfer was effected to retain records for a period of 6 years after the execution of a transfer order. The retention of records in an accessible form is to facilitate any follow-up Revenue audit or enquiry. A fixed penalty of €1,265 applies for non-compliance with the obligation to retain records.

Where Revenue has entered into an agreement with a CSD for the payment of stamp duty in accordance with section 78E(2) SDCA 1999, Revenue accept that the obligations and penalties will apply only in relation to the CSD member that inputs the transfer order through the relevant system. To date, Revenue has entered into such agreements with Euroclear Bank and Euroclear UK and International Limited.

Appendix 1 – Irish Stamp Duty Reclaim Forms Spreadsheet

Euro Reclaims in Euroclear Bank System

Applicants Name: _____

Euroclear Bank Participant Number: _____

Item No	Name of security	Security ISIN	Quantity	Trade Date	Euroclear Bank Reference of the Transaction(s) (Stamp duty paid in Euroclear Bank)	Amount of repayment claimed €

TOTAL:

NB
 (1) MS Excel spreadsheet, must be provided for claims in excess of 20 transactions, via secure email
 (2) Sterling and Euro claims must be made separately

Sterling Reclaims in Euroclear Bank System

Applicants Name: _____

Euroclear Bank Participant Number: _____

Item No	Name of security	Security ISIN	Quantity	Trade Date	Euroclear Bank Reference of the Transaction(s) (Stamp duty paid in Euroclear Bank)	Amount of repayment claimed £

TOTAL:

NB

(1) MS Excel spreadsheet, must be provided for claims in excess of 20 transactions, via secure email

(2) Sterling and Euro claims must be made separately

Appendix 2 – Intermediary Relief Reclaim Forms and Spreadsheet

Stamp Duty Relief for Recognised Intermediaries

STAMP DUTY ON THE TRANSFER OF SHARES EURO RECLAIM DECLARATION

Section 75 of the Stamp Duties Consolidation Act 1999

I refer to the attached schedule and wish to claim a refund of stamp duty in the amount of € _____ to Euroclear Bank Participant Number _____ Revenue Intermediary Name & Revenue Number _____

I certify that all the details on the attached list are correct and hereby claim exemption from stamp duty by reference to the provisions of Section 75 of the Stamp Duties Consolidation Act 1999 (intermediary relief).

I certify that at the date of each transfer the purchase was conducted in a principal capacity and not effected in connection with an excluded business and

- The transferee was a member firm of the Irish Stock Exchange Limited _____ the London Stock Exchange plc _____ other designated exchange/market _____

Specify _____ **and**

- was an intermediary and approved by the Revenue Commissioners as a recognised intermediary **and**
- the transfer of securities was effected **either**—
 - on the exchange or market in respect of which the intermediary is a recognised intermediary, **or**

- on any exchange or market operated by the Irish Stock Exchange Limited (e.g. the ISE Main Market and IEX) or the London Stock Exchange plc (e.g. the LSE Main Market and AIM), **or**

on another exchange or market designated by the Revenue Commissioners for this purpose in regulations. Specify _____ SIGNED:

_____ DATE: _____

Capacity: _____

Telephone: _____ applicants stamp here

Email: _____

Stamp Duty Relief for Recognised Intermediaries

**STAMP DUTY ON THE TRANSFER OF SHARES STERLING RECLAIM
DECLARATION****Section 75 of the Stamp Duties Consolidation Act 1999**

I refer to the attached schedule and wish to claim a refund of stamp duty in the amount of £_____ to Euroclear Bank Participant Number _____
_____ Revenue Intermediary Name & Revenue Number _____

I certify that all the details on the attached list are correct and hereby claim exemption from stamp duty by reference to the provisions of Section 75 of the Stamp Duties Consolidation Act 1999 (intermediary relief).

I certify that at the date of each transfer the purchase was conducted in a principal capacity and not effected in connection with an excluded business and

- The transferee was a member firm of the Irish Stock Exchange Limited _____
the London Stock Exchange plc _____ other designated exchange/market

_____ Specify _____ **and**

- was an intermediary and approved by the Revenue Commissioners as a recognised intermediary **and**
- the transfer of securities was effected **either**—
 - on the exchange or market in respect of which the intermediary is a recognised intermediary, **or**
 - on any exchange or market operated by the Irish Stock Exchange Limited (e.g. the ISE Main Market and IEX) or the London Stock Exchange plc (e.g. the LSE Main Market and AIM), **or**
 - on another exchange or market designated by the Revenue Commissioners for this purpose in regulations. Specify _____

SIGNED: _____ DATE: _____

Capacity: _____

Telephone: _____ applicants stamp here

Email: _____

Euro Currency**Claims For Repayment Of Stamp Duty In Respect Of Intermediary Relief**

Section 75 of the Stamp Duties Consolidation Act 1999

Applicants Name: _____ Euroclear Bank Participant Number: _____ Revenue Intermediary Name & Revenue Number _____

Item No	Name of security	Security ISIN	Quantity	Trade Date	Euroclear Bank Reference of the Transaction(s) (Stamp duty paid in Euroclear Bank)	Amount of repayment claimed €

NB (1) MS Excel spreadsheet, must be provided for claims in excess of 20 transactions, via secure email
 (2) Sterling and Euro claims must be made separately

Sterling Currency

Claims For Repayment Of Stamp Duty In Respect Of Intermediary Relief

Section 75 of the Stamp Duties Consolidation Act 1999

Applicants Name: _____ Euroclear Bank Participant Number: _____ Revenue Intermediary Name & Revenue Number _____

Item No	Name of security	Security ISIN	Quantity	Trade Date	Euroclear Bank Reference of the Transaction(s) (Stamp duty paid in Euroclear Bank)	Amount of repayment claimed £

- NB
- (1) MS Excel spreadsheet, must be provided for claims in excess of 20 transactions, via secure email
 - (2) Sterling and Euro claims must be made separately

Appendix 3 – NCBO Reclaim Forms and Spreadsheet

Stamp Duty On The Transfer Of Shares NCBO Reclaims

EXEMPTION FOR NO CHANGE IN BENEFICIAL OWNERSHIP CLAIMED ON IRISH SHARES TRANSFERRED IN EUROCLEAR

Where legal title only is being transferred electronically and no change in beneficial ownership is involved, the transfer is exempt from stamp duty.

All NCBO reclaims must be accompanied by:

1. A declaration confirming that there has been No Change of Beneficial Ownership on the transactions to which the reclaim relates. (“I can confirm that the trades on which we are seeking the refund have involved no change of beneficial ownership”)
2. Details of the prior or subsequent leg where stamp duty was paid:
 - If the movement of stock is to facilitate a sale to the market, the Euroclear Bank Reference of the Transaction (7 digits) and trade date of that sale is required.
 - If the movement of stock is on foot of a purchase, the Euroclear Bank Reference of the Transaction (7 digits) and trade date of the purchase is required.

Appendix 4 – Recognised Intermediary Application Form

Application For Approval By The Revenue Commissioners Recognised Intermediary

Under the relevant legislation¹ a recognised intermediary is not charged to stamp duty on a transfer to it of Irish securities where such transfer is not effected in connection with excluded business as defined in the relevant legislation.

Name & Address of Applicant

--

- (1) We confirm that we are a member firm of:
- | | |
|-------------------------------------|--|
| the Irish Stock Exchange Limited | |
| the London Stock Exchange plc | |
| other designated exchange or market | |

Specify

--	--	--

(2) **Euroclear Bank Participant Number(s)**

(3) **CREST Participant Number**

(4) We hereby apply for approval as a recognised intermediary within the meaning of the relevant legislation.

In this respect we certify that –

- a. we have considered the relevant legislation and confirm that we are an intermediary as defined in the relevant legislation;
- b. we will not claim relief as a recognised intermediary in respect of any transfer of securities effected in connection with excluded business as defined in the relevant legislation;

and

- c. we hereby consent to have the relevant records of the firm made available to an officer of the Revenue Commissioners, when so required, for the purposes of verifying compliance with the relevant legislation.

- (5) The address at which the Revenue Commissioners can contact the applicant in relation to its accounting for stamp duty is as follows:

--

Telephone:		Email:	

Signed:

Please print name:

Capacity:

(Director, Company Secretary etc.)

Date:

dd/mm/yyyy

¹The relevant legislation means Section 75 of the Stamp Duties Consolidation Act 1999, .

²Specify *each* EB Participant Account Number for which approval is sought

Appendix 5 – Designated Exchange/Market Application Form

Application for designation by an EXCHANGE OR MARKET for the purposes of INTERMEDIARY RELIEF

Section 75 of the Stamp Duties Consolidation Act 1999

Section 75 provides for a stamp duty relief for members of certain exchanges or markets when acquiring Irish securities, subject to certain conditions being met.

The exchanges or markets concerned are:

- the Irish Stock Exchange Limited,
- the London Stock Exchange plc, and
- any other exchange or market which is designated for the purposes of Section 75 in regulations made by the Revenue Commissioners.

(Note: An exchange or market which appears on the list drawn up by an EEA State pursuant to Article 16 of Council Directive 93/22 EEC of 10 May 1993 is entitled to make this application)

Name of Applicant

Address

Home Member State

Name of Competent
Authority of Home
Member State

Address

Signed:

Capacity:

Date:

*(Director, Company Secretary etc.)***Completed Application form should be forwarded to:**

CREST Unit,
Collector-General's Division,
Revenue Commissioners,
Government Offices,
St. Conlon's Road,
Nenagh,
Co. Tipperary,
E45 T611
Ireland.

Telephone +353 (0)67 63470 or +353 (0)67 63201**Email: crest@revenue.ie**

Appendix 6 – Recognised Clearing House Application Form

Application for designation as a Recognised Clearing House

(Section 75A of the Stamp Duties Consolidation Act 1999)

A clearing house is a body or association which provides services related to the clearing and settlement of transactions and payments and the management of risks associated with the resulting contracts and which is regulated or supervised in the provision of those services by a regulatory body, or an agency of government of a Member State of the European Communities.

Name of Applicant

Address

**Name of Regulator or
Supervisor**

Address

We hereby apply to the Revenue Commissioners to be designated as a recognised clearing house for the purposes of Section 75A of the Stamp Duties Consolidation Act 1999.

Signed:

Capacity:

Date:

(Director, Company
Secretary etc.)

Completed Application form should be forwarded to:

CREST Unit,
Collector-General's Division,
Revenue Commissioners,
Government Offices,
St. Conlon's Road,
Nenagh,
Co. Tipperary,
E45 T611
Ireland.

Contact

Telephone +353 (0)67 63470 or +353 (0)67 63201

Email: crest@revenue.ie