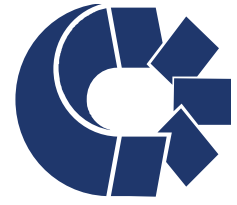


Spotlight on CSDI's Tax Administration Solutions



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Introduction

Definition and significance of tax administration within a CSD

- Tax Withholding and Reporting
- Tax Identification Numbers (TIN)
- Information Reporting
- Stamp Duty
- Tax Treaties and Compliance





Introduction

Overview of the specific tax environment in Iran's capital market

- Share Transfer Taxation (Applicable to Sales Only): A 0.5% Levy on the Sale Value, Exclusively Enforced, Free of Additional Charges
- Subscription, redemption, transfer, and proceeds from investment fund units are exempt from taxation

“In a general sense, government has sought to minimize taxation on various financial instruments, aiming to incentivize investor participation in the country's capital market.”





CSDI's Compliance with Laws & Regulations

Efficient Tax Administration in Capital Market: CSDI's Voluntary Role in Mitigating Compliance

Risks

Exemplary Tax Compliance: CSDI's Timely Deposits in Accordance with Direct Taxes Law

Roles and responsibilities of different departments or individuals related to tax management:

- Issuers Affairs Department: Application of the formula within the NetFlow system
- Equity Market Settlement Department: Receipt and matching of information from the Netflow system/Payment of tax funds/Submission of quarterly reports
- Financial Affairs Department: Issuance of a letter of deposit for tax funds to the country's tax affairs organization

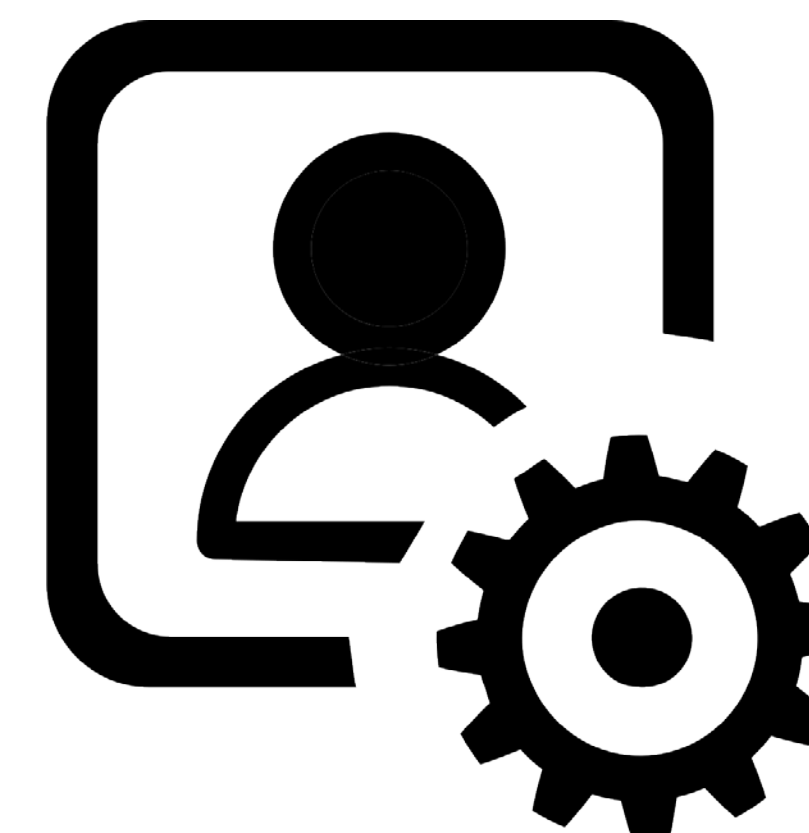


COMPLIANCE



Tools & Systems

- 1) NetFlow System
- 2) “RahKaran System” Platform
- 3) Sepas System





Tax Administration Processes

1) Data Inquiry from NetFlow System:

Obtain transaction settlement data, including tax information, from the NetFlow System

2) Data Matching with RahKaran System Accounting Files:

Align data from the NetFlow System with accounting files on the RahKaran System platform

3) Communication with Tax Organization:

Correspond with National Tax Organization regarding transaction and tax-related details

4) Tax Bill Reception from National Tax Administration:

Receive the tax bill from the National Tax Organization

5) Payment Processing:

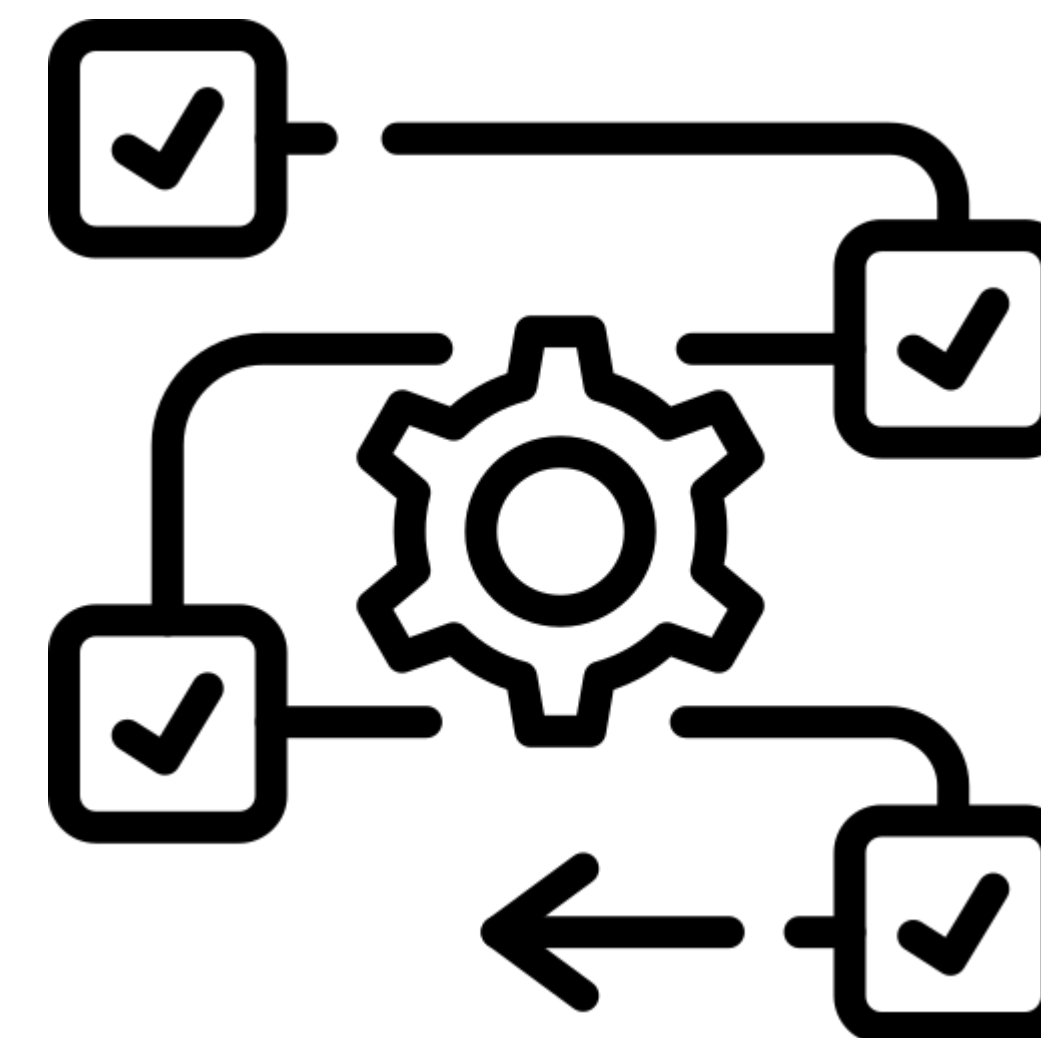
Facilitate the payment of the tax bill

6) Review of Documents and Bank Account Announced by National Tax Organization:

Conduct a thorough review of documents and bank accounts by CSDI

7) Quarterly Reporting to National Tax Organization:

Compile and issue a comprehensive quarterly report to the National Tax Organization





New Initiative

CSDI home-made “Miraas System”; designed to electronically transfer shares of the deceased to heirs

- **Automated Inheritance Tax Calculation:**

Utilizing the Miraas system to automatically calculate and deduct the inheritance tax.

- **Payment of Related Tax to National Tax Organization:**

Facilitating the seamless transfer of the calculated tax to the National Tax Organization.

- **Reporting to National Tax Organization via Application Programming Interface (API):**

Streamlining the reporting process by utilizing the Application Programming Interface (API) to submit comprehensive reports to the National Tax Organization."

Central Securities
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“Taxation is the price we pay for a civilized society”
Oliver Wendell Holmes, Jr.

*Thank
you!*

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