

GUIDELINES
to the Rules on the Treatment of Króna-Denominated Assets Subject to Special
Restrictions, no. 425/2016

1. General provisions

The Central Bank of Iceland has compiled these Guidelines in order to explain the implementation of the Rules on the Treatment of Króna-Denominated Assets Subject to Special Restrictions, no. 425/2016. The Guidelines are intended for financial institutions in connection with their requests for Central Bank confirmation of withdrawals of interest and dividend payments on behalf of their customers, in accordance with Article 11.

Financial undertakings shall ensure that requests for Central Bank confirmation and accompanying documents meet the form and substance requirements set forth in the Rules on the Treatment of Króna-Denominated Assets Subject to Special Restrictions, no. 425/2016, and these Guidelines, and that confirmation is requested of the Central Bank in the correct manner; cf. the entry descriptions below.

Information on withdrawals shall be entered into the predefined fields in an Excel document that can be found on the Central Bank website, together with entry descriptions in these Guidelines. A summary of the entry descriptions can be found under the tab labelled *Offshore króna assets*. The Excel document shall accompany the financial undertaking's request for Central Bank confirmation, together with the documents required according to the Rules on the Treatment of Króna-Denominated Assets Subject to Special Restrictions, no. 425/2016. Financial undertakings acting as intermediaries for withdrawals (hereinafter referred to as intermediaries) shall prepare a special application form for their customers for the above-listed transactions; the form shall contain the same fields so as to ensure that the Central Bank's requirements are met. Intermediaries should note that it is possible to encrypt e-mail correspondence or lock attachments in consultation with the Central Bank.

2. Requests for Central Bank of Iceland confirmation of withdrawals of interest, indexation of interest, and dividends in accordance with Article 11, Paragraph 2 of Act no. 37/2016.

Requests for Central Bank of Iceland confirmation of withdrawals of interest, indexation of interest, and dividends in accordance with Article 11, Paragraph 2 of Act no. 37/2016, shall satisfy the requirements set forth in Article 3 or Article 5 of Rules no. 425/2016.

Information pertaining to the request for confirmation shall be entered into the predefined fields in the Excel document according to the appropriate entry descriptions in Sections 2.1-2.4.

2.1 Entry description – Interest and indexation of interest on bonds issued in domestic currency.

Requests for confirmation of withdrawals of payments of interest and indexation of interest on bonds issued in domestic currency by domestic issuers shall meet the requirements set forth in Article 2, Paragraph 3, Item 1 of Rules no. 425/2016.

Requests for confirmation, together with the pertinent documentation, shall be sent electronically to the Central Bank of Iceland Capital Controls Surveillance Unit by e-mail to: ge.offshore@sedlabanki.is. Information pertaining to the request for confirmation shall be entered into the predefined fields in the Excel document according to the following entry descriptions:

Name of document: SKBR_21_NB_KT.XLSX

Where:

SKBR_21	Fixed text to identify the type of message; that is, interest payment on bonds issued in domestic currency subject to special restrictions (SKBR_21).
NB	Intermediary's two-digit identity code.
KT	Applicant's national ID number.

The fields are as follows:

Date:

DD.MM.YYYY	Date of request for confirmation.
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Payer:

A(40)	Name of issuer.
N(10)	National ID number of issuer.

Product:

A(40)	Identity number/Name of issue.
A(12) (IS + N(10))	ISIN number of issue.
DD.MM.YYYY	Date of issue.
DD.MM.YYYY	Maturity date.
N(3,4)	Auction exchange rate.

Underlying asset:

N(12)	Nominal value.
DD.MM.YYYY	Date of bond purchase.

N(12) Amount.
DD.MM.YYYY Date of bond sale.
N(12) Sale value.

Conditions for payment:

DD.MM.YYYY Interest period from.
DD.MM.YYYY Interest period to.
DD.MM.YYYY Settlement date.
N(3,4) Interest rate.
N(12) Interest amount.¹
N(12) Indexation of interest.
N(12) Commission amount.
N(12) Instalment of principal.
N(12) Investment tax (Financial income tax).

Recipient:

A(40) Name of investor.
N(10) National ID number of investor.
A(40) Investor's address 1.
A(40) Investor's address 2.
A(40) Investor's address 3.
A(2) Country/domicile of investor, 2-letter ISO 3166.
N(34) IBAN number of investor's ISK account.
N(34) IBAN number of investor's FX account.

Custodian:

A(40) Name of custodian of securities.
N(10) National ID number of custodian.

Intermediary for foreign exchange transactions and capital transfers:

A(40) Name of intermediary.
A(40) National ID number of intermediary.
A(40) Name of contact.
A(40) E-mail address of contact.

¹ Example of interest calculation on zero-coupon bond (Treasury bill):

A four-month (120-day) Treasury bill is purchased on the date of issue at a price of 97.75. The nominal value of the bill is 100. The interest on the bill is 2.25% (100 – 97.75), and that amount may be converted on the maturity date of the bill.

If the Treasury bill is sold during its lifetime, the right to convert interest into foreign currency is prorated to the length of time the applicant owned the bill.

If the owner owns the bill for 40 days, he or she can exchange $2.25/120*40=0.75$.

The same applies to a bond issued in domestic currency as regards the right to convert interest to foreign currency.

N(15) Telephone number of contact.

Appendices:

(YES/NO) Receipt for settlement of bond purchase.

(YES/NO) Receipt for payment of interest.

(YES/NO) Receipt for settlement of bond sale.

(YES/NO) Calculations in Excel document.

Where:

A(x) Refers to text that may be no more than x characters long.

N(y) Refers to numerical values that may be no more than y characters long.

N(z,w) Refers to numerical values that may be no more than z characters long and w decimal places.

YES/NO Specify, using YES or NO, whether the document is enclosed.

2.2 Entry description – Interest and indexation of interest on deposits held in accounts subject to special restrictions

Requests for confirmation of withdrawals of payments of interest and indexation of interest on deposits held in accounts subject to special restrictions shall fulfil the requirements set forth in Article 2, Paragraph 3, Item 2 of Rules no. 425/2016.

Requests for confirmation, together with the pertinent documentation, shall be sent electronically to the Central Bank of Iceland Capital Controls Surveillance Unit by e-mail to: ge.offshore@sedlabanki.is. Information pertaining to the request for confirmation shall be entered into the predefined fields in the Excel document according to the following entry descriptions:

Name of document: INNL_21_NB_KT.XLSX

Where:

INNL_21 Fixed text to identify the type of message; that is, interest payment on deposits held in accounts subject to special restrictions. (INN_21)

NB Intermediary's two-digit identity code.

KT Applicant's national ID number.

The fields are as follows:

Date:

DD.MM.YYYY Date of request for confirmation.

Debtor:

A(40) Name of financial undertaking.
N(10) National ID number of financial undertaking.

Underlying asset:

N(34) IBAN number of interest-bearing account.
A(3) Currency.

Conditions for payment:

DD.MM.YYYY Interest payment date.
DD.MM.YYYY Interest period from.
DD.MM.YYYY Interest period to.
N(12) Principal before interest payment.
N(3,4) Average interest rate for the period.
N(12) Interest amount.
N(3) Number of days.

Recipient:

A(40) Owner's name.
N(10) Owner's national ID number.
A(40) Owner's address 1.
A(40) Owner's address 2.
A(40) Owner's address 3.
A(2) Country/domicile of owner, 2-letter ISO 3166.
N(34) IBAN number of owner's ISK account.
N(34) IBAN number of owner's FX account.

Intermediary for foreign exchange transactions and capital transfers:

A(40) Name of intermediary.
A(40) National ID number of intermediary.
A(40) Name of contact.
A(40) E-mail address of contact.
N(15) Telephone number of contact.

Attachments:

(JÁ/NEI) Confirmation of disbursement of interest payment.

Where:

A(x) Refers to text that may be no more than x characters long.
N(y) Refers to numerical values that may be no more than y characters long.
N(z,w) Refers to numerical values that may be no more than z characters long and w decimal places.
YES/NO Specify, using YES or NO, whether the document is enclosed.

2.3 Entry description – Interest on certificates of deposit issued by the Central Bank of Iceland.

Requests for confirmation of withdrawals of interest on certificates of deposit issued by the Central Bank of Iceland shall fulfil the requirements set forth in Article 2, Paragraph 3, Item 3 of Rules no. 425/2016.

Requests for confirmation, together with the pertinent documentation, shall be sent electronically to the Central Bank of Iceland Capital Controls Surveillance Unit by e-mail to: ge.offshore@sedlabanki.is. Information pertaining to the request for confirmation shall be entered into the predefined fields in the Excel document according to the following entry descriptions:

Name of document: INNSTB_21_NB_KT.XLSX

Where:

INNSTB_21	Fixed text to identify the type of message; that is, interest payment on certificates of deposit issued by the Central Bank of Iceland and subject to special restrictions. (INNSTB_21).
NB	Intermediary's two-digit identity code.
KT	Applicant's national ID number.

The fields are as follows:

Date of request: DD.MM.YYYY	Date of request for confirmation.
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Product: A(40)	Identity number/Name of issue.
A(12) (IS + N(10))	ISIN number of issue.
DD.MM.YYYY	Date of issue.
A(3)	Currency of issuance.

Underlying asset: N(12)	Nominal value.
DD.MM.YYYY	Date of purchase of certificates of deposit.
N(12)	Amount.

Conditions for payment: DD.MM.YYYY	Interest period from.
DD.MM.YYYY	Interest period to.

DD.MM.YYYY	Settlement date.
N(3,4)	Interest rate.
N(12)	Interest amount.
N(12)	Commission amount.
N(12)	Investment tax (Financial income tax).

Recipient:

A(40)	Owner's name.
N(10)	Owner's national ID number.
A(40)	Owner's address 1.
A(40)	Owner's address 2.
A(40)	Owner's address 3.
A(2)	Country/domicile of owner, 2-letter ISO 3166.
N(34)	IBAN number of owner's ISK account.
N(34)	IBAN number of owner's FX account.

Custodian:

A(40)	Name of custodian of securities.
N(10)	National ID number of custodian.

Intermediary for foreign exchange transactions and capital transfers:

A(40)	Name of intermediary.
N(10)	National ID number of intermediary.
A(40)	Name of contact at intermediary.
A(40)	E-mail address of contact.
N(15)	Telephone number of contact.

Attachments:

(YES/NO)	Receipt for purchase of certificates of deposit.
(YES/NO)	Receipt for payment of interest.
(YES/NO)	Calculations in Excel document.

Where:

A(x)	Refers to text that may be no more than x characters long.
N(y)	Refers to numerical values that may be no more than y characters long.
N(z,w)	Refers to numerical values that may be no more than z characters long and w decimal places.

2.4 Entry description – Dividend payments.

Requests for confirmation of withdrawals of dividend payments shall fulfil the requirements set forth in Article 3 of Rules no. 425/2016.

Requests for confirmation, together with the pertinent documentation, shall be sent electronically to the Central Bank of Iceland Capital Controls Surveillance Unit by e-mail to: ge.offshore@sedlabanki.is. Information pertaining to the request for confirmation shall be entered into the predefined fields in the Excel document according to the following entry descriptions:

Name of document: ARÐ_21_NB_KT.XLSX

Where:

ARÐ	Fixed text to identify the type of message; that is, dividend payment on equity securities issued in domestic currency and subject to special restrictions. (ARÐ_21).
NB	Intermediary's two-digit identity code.
KT	Applicant's national ID number.

The fields are as follows:

Date:

DD.MM.YYYY	Date of request for confirmation.
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Payer:

A(40)	Name of payer of dividend.
N(10)	National ID number of payer of dividend.
A(2)	Country/domicile of payer of dividend, 2-letter ISO 3166.

Product:

A(40)	Identity number of payer of dividend.
A(12) (IS + N(10))	ISIN number of payer of dividend.
A(3)	Currency of share capital issuance.

Underlying asset:

N(12)	Nominal value of asset.
N(12)	Date of share capital purchase.

Conditions for payment:

DD.MM.YYYY	Dividend payment date.
N(3,4)	Dividend percentage.
N(12)	Dividend amount.
A(3)	Dividend currency.
A(40)	Name of auditor.
N(10)	National ID number of auditor.
N(12)	Investment tax (Financial income tax).

Recipient:

A(40) Shareholder name.
N(10) National ID number of shareholder.
A(40) Address of shareholder 1.
A(40) Address of shareholder 2.
A(40) Address of shareholder 3.
A(2) Country/domicile of lender, 2-letter ISO 3166.
A(34) IBAN number of investor's ISK account.
A(34) IBAN number of investor's FX account.

Custodian:

A(40) Name of custodian of securities.
N(10) National ID number of custodian.

Intermediary for foreign exchange transactions and capital transfers:

A(40) Name of intermediary.
N(10) National ID number of intermediary.
A(40) Name of contact.
A(40) E-mail address of contact.
N(15) Telephone number of contact.

Attachments:

(YES/NO) Confirmation from certified auditor/accountant.
(YES/NO) Copy of annual accounts for previous operational year.

Where:

A(x) Refers to text that may be no more than x characters long.
N(y) Refers to numerical values that may be no more than y characters long.
N(z,w) Refers to numerical values that may be no more than z characters long and w decimal places.
YES/NO Specify, using YES or NO, whether the document is enclosed.