



SIFMA CAS Global CA Forum

GlobeTax Updates

October 11, 2018

GLOBETAX

Agenda

- Trends
- Important Updates
- Additional Market Updates
- Withholding Tax Updates Newsletter
- Evolution of ESP
- Contact Information



Trends

- Increased tax authority scrutiny
 - More supporting documents are required
 - Audits more prevalent and more difficult to respond
 - Processes being reworked to prevent fraud
- Despite challenges participation seems to be holding steady
- Increased industry collaboration (SIFMA, AFME, AGC, ISITC)
- Pre-registration processes seem to be our future reality
 - Denmark, Germany, Netherlands, Norway



Important Updates Norway



- Effective January 1, 2019
- Requires disclosure and documents.
 - Individuals
 - COR, Declaration of Beneficiary, exemptions apply
 - Legal Entities
 - COR, Declaration of Beneficiary, Pre-Approval Authorization or Proof of prior approval of tax reclaim
- COR generally requires renewal every 3 years
- Thresholded approach for non-legal entities (10,000 NOK / 5,000 NOK)
- Exemptions:
 - Individuals who held Norwegian equities as of 1/1/2019 who earned income not greater than threshold in 2018 do not need to be documented
 - Individuals who purchased after 1/1/2019 who submitted documents at least once and earned income not greater than threshold in the year prior to renewal do not need to renew



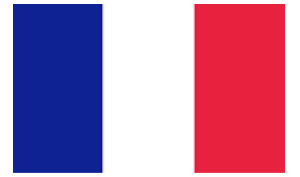
Important Updates Denmark – RAS proposed process



- Requires pre-registration of beneficial owners
- Equities moved into segregated rate pooled accounts at VPS
- Dividends pay net on payment date
- 4 month “correction” period
- Spot checking will apply
 - At the moment they believe it will be a random sample, not threshold based
- Potential to become a chargeback market ala France
- 60 business days to respond to any request for additional documentation
- No long-form claims allowed



Important Updates France



- 12.8% Statutory Rate for Non-Resident Individuals announced by the FTA
 - Some events require a 6166 (valid for three years)
- U.S. Government Entities Eligible for Relief At Source
 - Requires an original 6166
- New IRA Requirements for Relief At Source and Long Form
 - Requires an original 6166 Referring to Ruling 401(a), 401(b), 403(b), OR 457



Important Updates Germany



- New Relief at Source post process for investment funds
 - Window on ESP will be available for 16 months
 - Available to DR holders of Bayer AD as of May 29, 2018
 - Statusbescheinigung (Status Certificate) issued by the Federal German Ministry of Finance required
 - Submit a complete list of purchase dates (excel or pdf accepted)



Important Updates Ireland



- Recent conversations with the Irish Revenue have provided clarification about two outstanding requirements:
 - To qualify for Relief At Source or Quick Refund for beneficial owners, all financial institutions within the payment chain (including DTC Participants) must satisfy one of the following requirements:
 - Domiciled in the United States
 - Irish Qualified Intermediary status
 - DTC Participants are not required to send GlobeTax documentation (V2 or Cover letter) to support Relief at Source or Quick Refund ESP submissions if all required Forms V2 and V3 are on-file with a Qualified Intermediary.
 - We recommend that Participants keep original documentation for audit purposes.



Additional Market Updates

- **Italy / Norway (U.S. exempt Entities)**
 - Upfront fees for long form claims
- **Chile**
 - QR process implemented in 2018 w/ COR for Banco Santander Chile dividend
- **Netherlands**
 - New beneficial owner registration process (RSIN #)
- **Philippines**
 - Latest acquisition date to be completed on CORTT
- **Indonesia**
 - Updates to DGT-1 & DGT-2 tax forms
 - Brokers can now complete tax forms with POA
- **Sweden**
 - U.S. pensions may require a Treasury Determination Letter to receive exemption



What's on the Horizon

- **Future RAS opportunities:**
 - Denmark
 - Bangladesh
 - Turkey
 - Taiwan
- **Netherlands**
 - Abolishment of withholding tax in 2020
- **XBRL**
 - True golden source now available for majority of ADR events
- **ACH**
 - Now available for post CA Web reclaims for all four Depository Banks



Withholding Tax Update Newsletter

In addition to event specific important notices, GlobeTax's newsletter will provide a platform for sharing our insights on the cross-border tax landscape at large.

Topics will include:

- Market updates (documentation and tax rate changes)
- Tax reclamation trends
- Guest editorials
- Upcoming conferences and events

The Newsletter is distributed via email but, it can also be found on GlobeTax.com under Resources.



Stay in Touch with the GlobeTax Depository, CSD, & Issuer Services Team



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Evolution of ESP

Product Update

- New feature – Russian Audit Portal
 - Avoids navigating bulky Excel files
 - Allows for a secure transfer of audit data
 - Increase efficiency as participants can disclose across multiple record dates, CUSIPs, and linked accounts
- Metrics

	Shares	Beneficial Owners
2015	19.0 Billion	6.1 Million
2016	22.3 Billion	6.5 Million
2017	21.9 Billion*	6.7 Million
SINCE INCEPTION	106 Billion	33 Million

***\$2.3 Billion returned to investors in 2017**



ESP Japan Bulk Upload

- Allows users to submit up to 30,000 beneficial owners across multiple Japanese events
 - Reduces processing time
 - Easier interface to manage accounts that do not pass validations

- Usage stats since implementation:

Submission Type	# of Brokers	# of Events Uploaded	# of ESP Submissions	Average # of Events per Submission
Bulk Upload	45	2,935	276	10.63
Event by Event	92	2,459	2,459	1

- One broker claimed 154 events in a single submission
- Participation increased by 30% more BOs and 14% more ADRs



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