

Depository Receipt Market Updates

2014

GLOBETAX

September 2014

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ESP Update

- Currently available for Belgium, Finland, France, Germany, Ireland, Israel, Italy, Japan, Korea, Netherlands, Russian Federation, Spain (Equities & Debt), Sweden, Switzerland

Metrics	Shares	Beneficial Owners
2012	5.0 Billion	1.8 Million
2013	5.5 Billion	1.8 Million
2014 YTD	13 Billion	3.6 Million
Total	29.1 Billion	9.6 Million

- ESP: Expansion
 - Ireland, Russia, Designated Intermediaries
- Long-form and short-form reclaim processes available

Combined with DTC's EDS service, most efficient process available

Depository Reporting

ESP Reports

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ESP Reports

CLAIMS Research the status of filed claims

PAYMENTS Research payments made on filed claims

DIVIDENDS Research any ADR dividend event (including: dividend data, rates, dates)

REJECTIONS Research rejected claims that may be refiled

INQUIRIES Submit inquiry about specific claim(s)

UNCLAIMED Research security positions remaining available for claim (results given per dividend)

Please note that the data provided via this system are, to the best of GlobeTax's knowledge, a comprehensive accounting of the reclaim items that we have received to date and their current status, subject to noted limitations. It is required that the DTC Participants immediately notify GlobeTax of any discrepancies in the data in writing to ensure that no submission deadlines are missed. Please also note that the system is dynamic, and statuses are changed based on the claim input. It is imperative that the DTC Participant raise any questions about a status change in writing as soon as possible.

Statutory Rate Changes for 2014

- Greece from 25% to 10%
- Italy from 20% to 26%
- Japan from 7.147% to 15.315%
- Mexico from 0% to 10%*
- Russia from 15% to 30%**

* On dividends paid from 2014 earnings

** 30% withholding rate was implemented as punitive to encourage disclosure of domicile of holders

Market Updates: Puerto Rico

- Increased withholding to 15% for Individuals
 - DTC EDS Elections only allow for 10% withholding or 0% withholding (on ORD shares they usually only allow for 10% withholding)
- DTC Participants are the Withholding Agent
 - Responsible for withholding at the appropriate rates
 - Annual reporting requirement to the PR Tax Authorities
 - Tax Payments must be made to the PR Tax Authorities by the DTC Participants
 - Penalties are a minimum of 5% and maximum 25%
- GlobeTax can help

Market Updates: Japan

- Reduced withholding expired December 31, 2013
 - Statutory withholding increased to 15.315%
 - Treaty rates for US taxpayers and charities remain 10%, 0% for US pensions
- Required documentation
 - DTC Participants should be able to provide a copy of a Form W9 or W8 to prove residence during audit
 - Audits may take place 7 years after the dividend payment
- GlobeTax and Depositaries worked closely with Japanese custodians to develop a process balancing Japanese Tax Office's concerns with those of the DR investors.

Market Updates: Switzerland

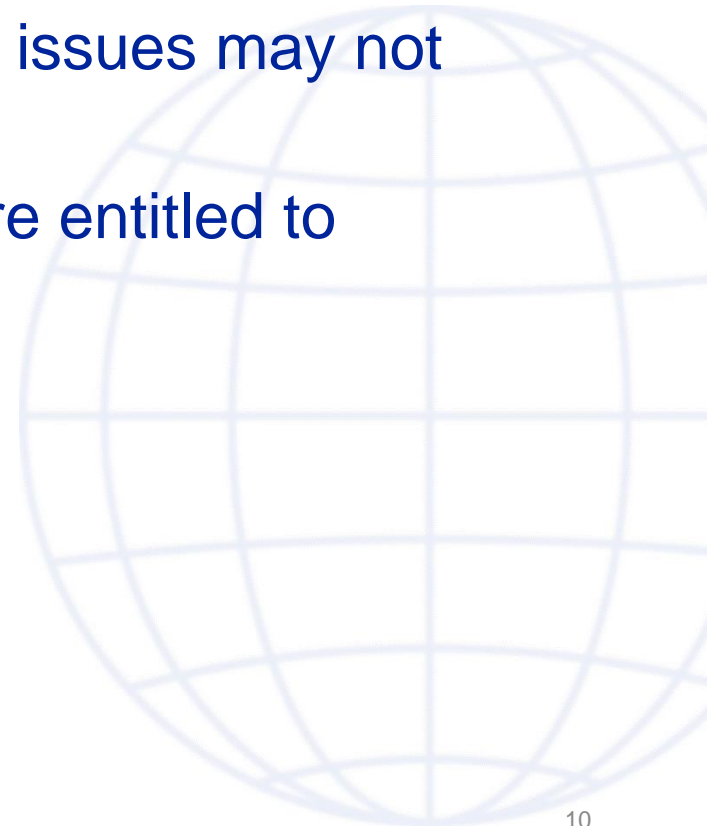
- Full Beneficial Disclosure for all investors
 - Starting with record dates as of January 1, 2014 and retroactively to ancillary batches for prior years
 - Must include full beneficial owner address
 - Must include TIN#s
- Forms 6166 required for certain entity types / thresholds
 - Individuals – No Forms 6166 required
 - Corporations, Other Entities, Pensions (claiming 20%), U.S. RICS – Required when Gross dividend > CHF 100,000
 - Transparent Entities – Needed when Gross dividend > CHF 25,000
 - Pensions (claiming exemption) – Always required
- More requirements are expected in 2015

Market Updates: Russia

- Punitive withholding rate in excess of Statutory Rate
 - 30% (punitive rate) vs. 15% (statutory rate)
- Statutory Rate
 - Disclose Country of Residence and Entity Type of investor.
 - Audit requirements are full beneficial owner disclosure and some type of proof of residence but not necessarily a COR
- Treaty Rate
 - Disclose Country of Residence and Entity Type of investor
 - Audit requirements are Certification of Residency Form (IRS Form 6166), Apostilled, Notarized, and must be specific to Russia
- Post-payable refund process in development

Market Updates: Mexico

- 10% Withholding Rate initiated
 - On corporate earnings generated starting January 1, 2014
 - Dividend withholding tax for most issues may not apply until late 2014 or 2015
 - US Pensions and US Charities are entitled to exemption
 - A process is still in development



ACH Payments

Currently available

- ACH Payments for all claims not coordinated with an EDS election
 - Quick refunds and long-form claims
- Increased accountability and ability to track payments
- Full feedback loop on payments now possible in conjunction with ESP Reports
- ESP users must sign-up for this free enhancement to our service
- Currently available for payments from ADRs issued by BNY Mellon and Citi.

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