



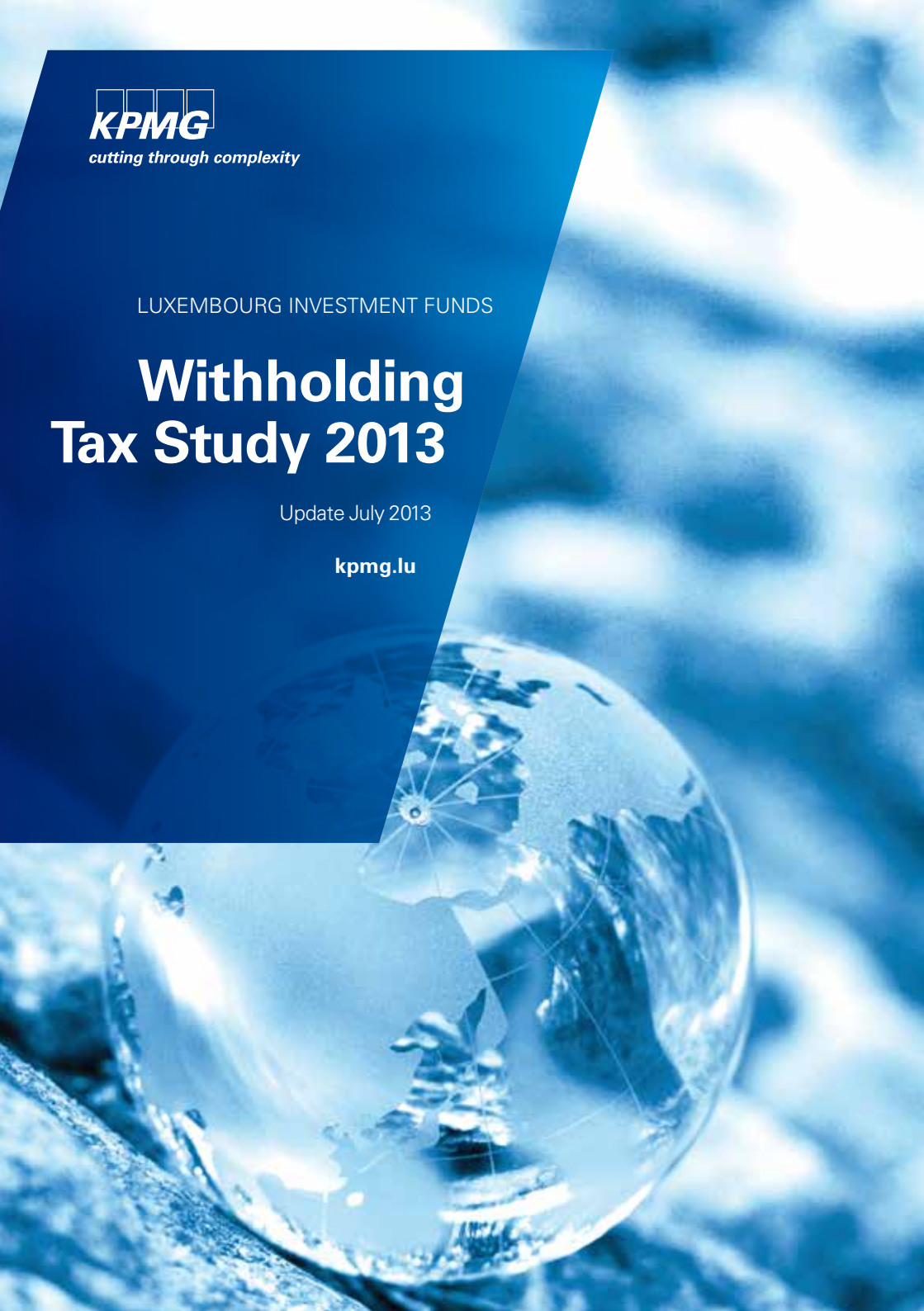
cutting through complexity

LUXEMBOURG INVESTMENT FUNDS

Withholding Tax Study 2013

Update July 2013

kpmg.lu



Introduction

On behalf of KPMG's Funds Line of Business, we are delighted to present to you the Luxembourg Investment Funds – Withholding Tax Study 2013 update, which is the sixth edition of this study.

The research includes a survey of 71 countries as well as an in-depth analysis of the stage of interest taxes, dividend taxes, capital gains tax and withholding rates applying to Luxembourg SICAVs and FCPs, updated as of June 2013.

In addition, we discuss the possibility for Luxembourg SICAVs and FCPs to reclaim withholding tax based on EU Law, the EU Commission's actions as well as administrative and juridical decisions.

We also outline the provisions of the US FATCA (Foreign Account Tax Compliance Act) system and their implications for the investment fund industry as well as the FTT (Financial Transaction Tax).

We hope you find the material of interest and should you seek further information on the report we would be pleased to assist you in your queries.

Please feel free to contact us if you have any questions or if you would like additional copies.

Soft copies are also available from our website: www.kpmg.lu

Finally, we would also like to thank all those who offered their valuable time to help complete the survey.

Vincent Heymans
Partner

Gérard Laures
Partner

How to further reduce withholding tax based on EU Law?

In the last 8 years, EU law has increasingly impacted the European tax environment and its consequences for the Luxembourg investment fund industry should no longer be underestimated.

CJEU case law ("Aberdeen Fininvest Alpha" C-303/07 and "Santander" C-338/11), EU Commission's actions as well as local administrative and judicial decisions provide a solid basis for Luxembourg SICAVs and FCPs to reclaim unduly levied withholding taxes, in the EU Member States where they have made investments.

As a consequence, the Withholding Tax Study 2013 includes several years the amount of withholding tax that could be reclaimed in countries which, based on our analysis, may be in breach of EU law. In the majority of cases, this should allow the investment funds to further reduce the WHT rate to zero.

However, we would like to draw your attention to the fact that the time limitation and the reclaim process may vary from country to country, as there is no common EU rule.

- For elapsed years, the reclaim should be filed with the competent tax authorities of the source state.
- For the future, it may be possible to file so-called "top-up claims" in order to obtain a reimbursement of withholding taxes on a yearly basis.

Please note that progress was made in this area in several countries. Certain countries have already amended their legislation in order to apply the same withholding taxes/exemption to domestic and foreign investment funds (i.e. Estonia, Hungary, Poland, Spain, Sweden and France). Other countries have issued administrative guidelines which under certain conditions provide a withholding exemption on dividend payments to certain investment vehicles. In March 2013 (following the CJEU decision in the "Commission v Belgium" case C-387/11 dated October 2012), a circular has addressed relevant issues and has paved the way for refunds, at least for UCITS-compliant investment companies from the EU/EEA. Therefore, refunds are expected to start (i) for Belgium in 2013 and (ii) for the other EU countries that may in be in breach of EU law in the next future. Finally, refunds have been already granted in Austria, Finland, France, Norway, Poland, Spain and Sweden. This clearly shows that reclaiming unduly withheld taxes is a success story.

KPMG Luxembourg has developed outstanding technical know-how in EU tax matters and is now filing claims on behalf of many Luxembourg investment funds in many countries, such as France, Germany, Poland, etc. Through these projects, our EU Tax team has gained experience in mobilizing and coordinating dedicated people and skills within the KPMG network to be able to quickly and efficiently respond to your needs.

KPMG Luxembourg can assist you in filing claims in all countries that infringe EU law by applying a discriminatory tax treatment to cross-border dividend distributions.

If you are interested in a tailor-made solution for your fund, or if you simply want to learn more about how to lodge a successful claim, we encourage you to contact:

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According to our analysis, EU based claims may be viable in the following countries:

Jurisdiction	WHT rates on dividend distributions to			Treaty rate	Rate Reclaimable		Time limitation
	Resident fund	Non resident FCP	Non resident SICAV		FCP	SICAV	
Austria	25% refundable	25%(1)	25%(1)	15%	10%	10%	5 to 10 years
Belgium	25% refundable	25%/15% refundable	25%/15% non refundable	n/a	25%/15% refundable	25%/15% non refundable	5 years
Denmark ^a	0% distributing funds /15% accumulating funds	15%	15%	15%/5%	15%	15%	
Finland ^b	0%	24.5%	24.5%	15%	24.5%	24.5%	5 years *
France	0%	30%(2)	30% (2)	n/a	30%	30%	2 years* (or special time limitation period for EU claims)
Germany ^a	26,375% refundable	26,375% non refundable	26,375% non refundable	15%	26,375% non refundable	26,375% non refundable	4 years *
Italy	0% (3)	20%	20%	n/a	20%	20%	48 months **
The Netherlands	25%/15% refundable	25%/15% non refundable	25%/15% non refundable	n/a	25%/15% non refundable	25%/15% non refundable	3 years *
Norway	0%	25%	25% (4)	n/a	25%	25%	3 years *
Poland	0%	19%	19%(5)	15%/5%	19%	19%	5 years*
Romania ^a	10% corporate fund 0% contractual fund	16% (10% as from 2009)	16% (10% as from 2009)	10%	16% (10% as from 2009)	16% (10% as from 2009)	5 years
Spain ^a	21% refundable (6)	21% non refundable (6)	21% non refundable (6)	15%/10%	21% non refundable	21% non refundable	4 years***
Sweden	0%	30% (7)	30% (7)	n/a	30%	30%	5 years*

1) Corporate funds may apply for a refund of withholding tax levied on dividends based on the Austrian Corporate Income Tax Act., if the Austrian withholding tax cannot be credited or refunded in its state of residence

2) Further to the vote by the French Parliament of the second Amended Finance Act 2012 on 31.07.2012, which entered into force on 18 August 2012, the 30% WHT on dividend payments to foreign investment funds (i.e. UCITS, property funds, investment company with fixed capital) has been abolished. A Circular is expected and will determine the eligible investment vehicles and the practicalities of application.

3) Until 31.12.2011, a substitute tax amounting to 12.5% was applied on the increase of the net asset value (NAV) at the level of the Italian fund.

4) In Norway, a WHT exemption at source is available, to the extent that the investment fund already filed a WHT reclaim procedure based on EU law for the past and the claim has been accepted by the tax authorities. In such case, the latter will issue a decision confirming that the entity is covered by the exemption method for the relevant year.

5) As from 01.01.2011, EU resident investment funds may benefit from a WHT exemption based on Polish law, to the extent that certain conditions are met. One of the conditions foreseen is notably the tax residency of the fund. Therefore, Luxembourg SICAVs may under certain conditions benefit from a WHT exemption.

6) As from 01.01.2010, Luxembourg UCITS may benefit from a WHT refund amounting to 18% based on Spanish law (i.e. for SICAVs 4% based on DTT and 14% based on local law and for FCPs 18% based on local law), so that the final tax burden for funds amounts to 1%. The WHT rate has been increased to 21% as from 01.01.2012. Nevertheless, UCITS funds will still be taxed at the final rate of 1% so that a WHT refund based on Spanish law may still be requested (i.e., for SICAVs 6% according to DTT and 14% based on local legislation). For non UCITS funds, a discriminatory treatment may further be evidenced and claims for refund of unduly levied WHT will have to be filed based on EU law.

7) As from 01.01.2012, dividends distributed by Swedish corporations to Swedish investment funds and comparable foreign investment funds are no longer subject to the 30% WHT. It is now unit-holders who are resident or otherwise fully taxable in Sweden that are, with some exceptions, taxed on a notional income of 0.4% of the value of the units held as at 1st January each year, regardless of the fund's state of residence.

8) For Denmark, Finland, Germany, Romania and Spain, we recommend claiming for a refund based on a reduced DTT rate. Then, we recommend filing an "Aberdeen" tax claim in order to obtain a refund of the remaining WHT (reduction up to 0%)

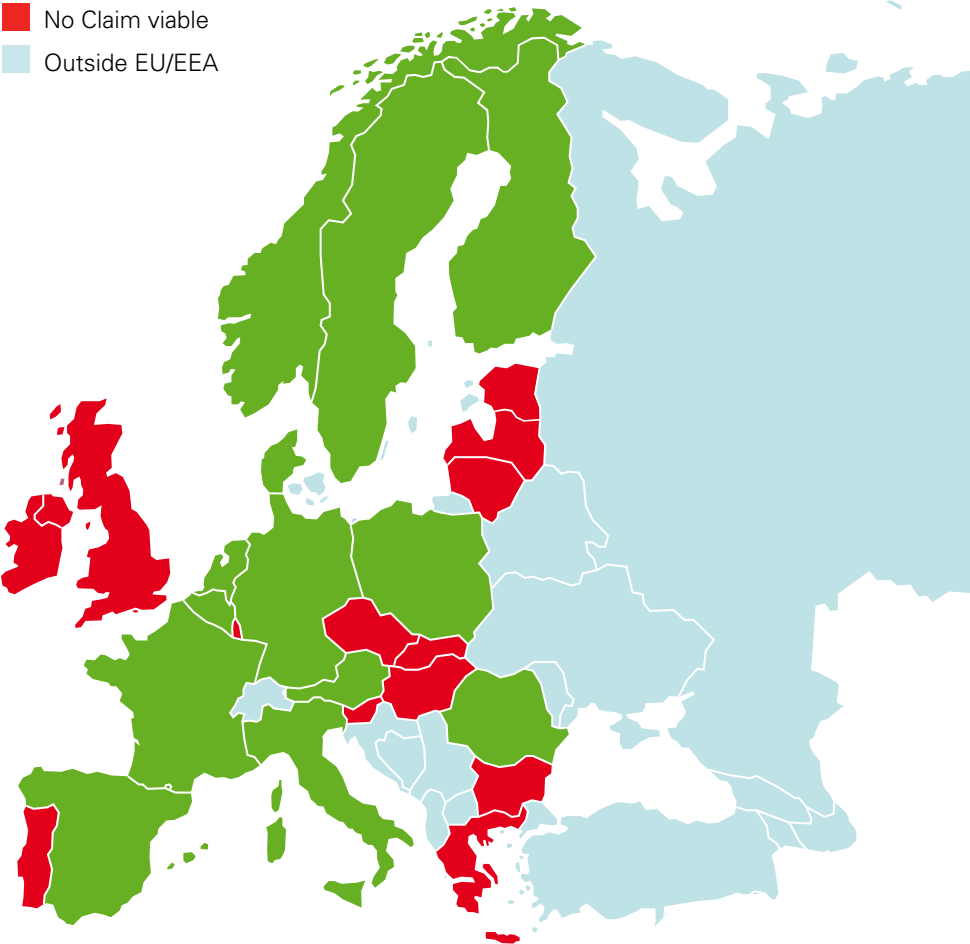
* Period begins to run as of 1st January after the year of distribution

** Time limitation as from the date of distribution

*** Quarterly time limitation period

**Aberdeen Claims:
identifying viable claim territories**

- Claim viable
- No Claim viable
- Outside EU/EEA



Financial Transaction Tax (FTT)

Background

On February 14, 2013, the EU Commission issued its proposal for an FTT Member States (MS) directive (draft directive) to be adopted by 11 MS under enhanced cooperation. The FTT is a tax on financial transactions between financial institutions (FI) charging 0.01 % across derivative contracts and 0.1 % against all other financial transactions, including, inter alia, the purchase, sale, exchange and repurchase agreement on financial instruments.

Investment vehicles in scope of the FTT

According to the draft directive, the FTT will apply to financial transactions where at least one party is a FI established in the territory of a participating MS. Hence, this residence principle ensures that if any party to the transaction is established in the FTT-zone, the transaction is taxed, regardless of where it takes place.

The term “Financial Institutions” (FI) is broadly defined and includes investment vehicles (i.e., UCITS and AIF) as well as management companies. Given the broad definition of FI, care should also be given to the custodian banks, clearing institutions prime brokers or any other agent intervening in the process of a FI. Whereas the issue of units/shares in an investment vehicle is exempt from FTT, redemption of shares/units is taxable.

FTT will affect non participating MS

Luxembourg is currently not participating to the FTT. Nevertheless, Luxembourg investment vehicles will be affected by the draft directive, as it foresees that a FI based outside an FTT MS can be “deemed established” in a participating MS where a relevant connection to such MS can be established.

For instance, Luxembourg funds or other FI will be deemed established in the MS of the counterparty when participating to a financial transaction with an FI resident in an FTT MS.

Further, the draft directive introduces an “[issuance principle](#)” in order to avoid FI relocating outside the FTT-zone. According to the issuance principle, an FI which is party to a transaction in a financial instrument issued within the territory of a participating MS will be considered as established in that participating MS and liable to pay the tax.

Specifically, we will assist you in the elaboration of an impact assessment in order to foresee how the FTT will influence your business.

In addition, we will seek to develop strategies which take into account the impact of the FTT on your business.

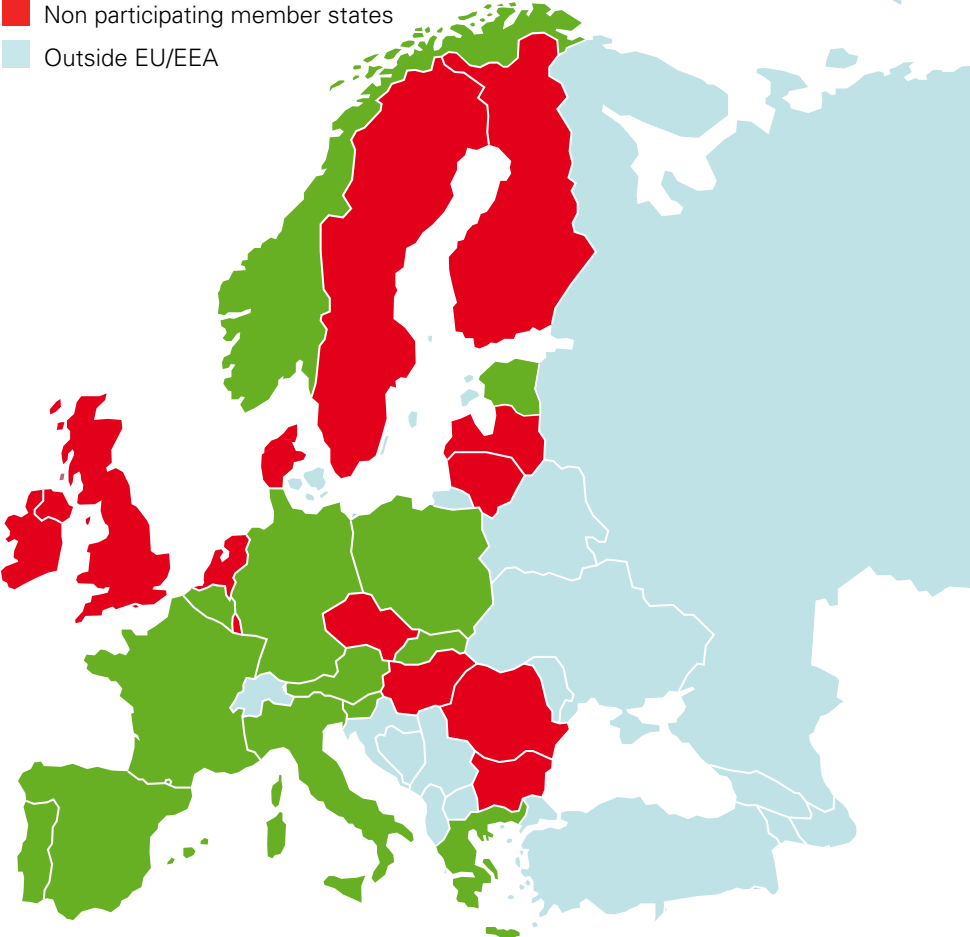
Finally, we shall assist you in the implementation of the necessary procedures in order to correctly withhold and report taxes to the relevant authorities.

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■ FTT-zone

■ Non participating member states

■ Outside EU/EEA



Foreign Account Tax Compliant Act (FATCA) – Implications for Funds

Since its enactment into law on 18 March 2010, the Foreign Account Tax Compliance Act (FATCA) has come a long way. Following a series of draft notes and regulations, today's FATCA is a set of regulations comprising over 500 pages and numerous Intergovernmental Agreements (IGA) signed between the US and countries from all continents. The act's main aim is to tackle US offshore tax evasion through the reporting of U.S. investors around the world. Even though FATCA has been met with much skepticism, with many believing it would never actually be enforced, over the last few months the opposite has proven to be true: an increasing number of political decision-makers outside the US have begun to view FATCA as a new way of approaching transparency in tax matters.

Given that Luxembourg intends to sign an IGA with the US, all Luxembourgish funds will have to comply with FATCA rules. This is irrespective of whether they have US investors or no US investors, whether they have US or only non-US investments.

Unlike for the banking sector, US tax principles are unfamiliar territory for the vast majority of Luxembourg fund industry players, and until now they have never been subject to US tax reporting obligations. Implementing FATCA for funds will therefore most likely translate into a relatively complex and costly process.

Choosing the best possible FATCA status for each investment fund, as well as choosing the most suitable FATCA service from service providers, will be a key element in the successful implementation of the regulation. The most obvious option would be to go for a "fully compliant status" such as the Reporting

FI status, where funds have to both register themselves with the US authorities and fully comply with the entirety of the FATCA rules set out under the IGA.

An alternative option for a Luxembourg fund would be to choose one of the deemed "compliant statuses" (also called "non-reporting") for funds with a low risk of US tax evasion. This status has numerous advantages: in a few words, the fund would neither have to register with the IRS, nor report to the Luxembourg tax authorities in the context of the FATCA framework in subsequent years.

Each deemed-compliant status is aimed at a specific category of funds which, according to the IRS, pose a low risk of tax evasion:

- "Qualified Collective Investment Vehicle": status for a fund that has no direct individual investors and that is solely distributed through FATCA compliant financial institutions. This status may prove to be efficient for funds that have no direct distribution, but are exclusively distributed through nominees or a global certificate.
- "Restricted Fund": status for a fund that excludes U.S. investors. This fund can be distributed either to individual or to institutional investors. To qualify for this status, a fund may have to update its sales and marketing documents, such as the fund's prospectus and distribution agreements, to include sales restrictions to U.S. investors under the new, broader FATCA definition of a U.S. person.

- “Investment Entity Wholly Owned by Exempt Beneficial Owners”: all investors are considered so-called exempt beneficial owners under FATCA. This includes governments, international organizations or certain pension funds.
- “Sponsored Investment Entity”: under this status, another entity called the “Sponsoring Entity”, such as the management company, agrees to fulfill the FATCA obligations on behalf of the fund. The Sponsoring entity would need to register as such with the IRS; however it would not be required to register the investment funds it sponsors, unless the fund had U.S. investors.
- “Sponsored, Closely Held Investment Vehicle”: this status is similar to the “Sponsored Investment Entity” described above, except that it is limited to individual investors and the maximum number of such investors is 20. A registration of the funds, however, is not required, even if it has U.S. investors.
- “Owner-documented FFI”: in this case, the fund would outsource its FATCA obligations to the custody bank.

The trade-off for choosing a deemed-compliant status compared to the full FATCA compliance status, such as the Reporting FI status, is that funds have to cope with restrictions and thus they may lose a certain degree of flexibility. For example, funds which have chosen the Restricted Fund status will have to update their fund prospectus, or in some cases the distribution agreements, to exclude US investors. Another example is the Qualified Collective Investment Vehicle, which requires individual investors to only invest in the fund through compliant nominees.

Another strategic consideration for funds to bear in mind when deciding on their FATCA status is that a deemed-compliant status may, depending on the situation, prove to be more burdensome during the implementation phase than the fully compliant FATCA status. However, in the long run, this status may yield a less burdensome process.

In addition to choosing the appropriate FATCA status, correctly mapping the service offering needed for FATCA purposes should be a primary “to do”. Defining the role and obligations of the different service providers such as the management company, the transfer agent and the registrar of a fund will be key to ensuring a smooth FATCA implementation.

FATCA timeline

G. 1 July 2014

QIs will be required to assume chapter 4 responsibilities as a condition for maintaining/obtaining QI status.

Withholding on U.S.-source FDAP payments begins. New Obligations issued after June 30, 2014 are not grandfathered obligations.

New Account Opening Procedures effective.

2012

2013

2014

A. 26 July 2012

Draft of Model 1 IGA released

C. 19 August 2013

IRS Portl opens

D. 25 April 2014

Deadline for inclusion on first IRS FFI list

F. 30 June 2014

Initial account balance or value to determine account threshold.

B. 17 January 2013

Final FATCA regulations released

H. November 2014

Deadline for Luxembourg FIs to obtain GIIN (deadline to be confirmed)

E. 2 June 2014

First IRS FFI list (for non-IGA country FFIs) will be published

J. 30 June 2015

Deadline for FFIs to complete remediation on all high-value accounts

I. 31 March 2015

IRS reporting on 'US' accounts for 2014

M. 1 January 2017

Withholding begins on non-compliant accounts for gross proceeds payments
Earliest application of passthru payments withholding on foreign source payments

L. 30 June 2016

Deadline for FFIs to complete due diligence reviews for all remaining accounts

2015

2016





2017

K. 31 March 2016

Annual IRS reporting on 'US' accounts
Begin IRS reporting on payments to NPFFIs

N. 31 March 2017

Annual IRS reporting on 'US accounts'
Last year of IRS reporting on payments to NPFFIs

-  IRS registration
-  Due diligence
-  Withholding
-  Reporting

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Luxembourg Investment Funds - Withholding Tax Study 2013

Welcome to the 2013 versions of the Investment Funds Withholding Tax Study of KPMG Luxembourg.

KPMG Luxembourg provides you, reader, investor, promoter or KPMG client, with the Withholding Tax Study 2013 to analyse WHT rates of different jurisdictions with respect to Luxembourg investment funds in one glimpse. Nevertheless, our analysis is a simplified summary - prepared in spring/summer 2013 - which is subject to exceptions and continuous changes. It is therefore essential that you contact us for complete and up-to-date information before making investment decisions.

Before reading the WHT Study, we would like to draw your attention to the following points:

1. Only a certain number of double taxation treaties signed by Luxembourg are applicable to Luxembourg funds.

Treaties with the following 376 countries should be applicable to SICAVS: Armenia, Austria, Azerbaijan, Bahrain, China, Denmark, Finland, Germany, Georgia, Hong Kong, Indonesia, Ireland, Israel, Korea (ongoing discussion on applicability), Liechtenstein, Malaysia, Malta, Moldova, Monaco, Mongolia, Morocco, Poland, Portugal, Qatar, Romania, San Marino, Singapore, Slovak Republic, Slovenia, Spain, Thailand, Trinidad and Tobago, Tunisia, Turkey, United Arab Emirates, Uzbekistan and Vietnam. Please also consult the Luxembourg Tax Authority's website for latest updates, <http://www.impotsdirects.public.lu/dossiers/conventions/opc/sicav/index.html>

Even though, under Luxembourg tax law, a FCP is considered a transparent entity, and it is often difficult or impracticable to apply the double taxation treaty with the country of the beneficial/parent owner, the beneficial/parent owner is not hindered from claiming treaty benefits, if applicable, with regard to his/her indirect investment through the FCP.

2. The "effective tax rate" has to be calculated by deducting the «rate reclaimable» from the «rate withheld». For instance, if the «rate withheld» is 25% and the «rate reclaimable» is 10%, then the "effective tax rate" is 15%.
3. The withholding rate reduction "a priori" means that an application can be made before the payment of the income in order to benefit from the reduced WHT rate.
4. The withholding rate reduction "a posteriori" is the more common procedure where a reclaim is filled in, in order to get a refund of the excess WHT levied.

Please do not hesitate to contact us for any questions.

INTEREST TAX				
Country	Corporate Bonds		Government Bonds	
	Rate Withheld	Rate Reclaimable	Rate Withheld	Rate Reclaimable
ARGENTINA	0%/15%35%	0%	0%	0%
ARMENIA	10%	0%/10%	10%	0%/10%
AUSTRALIA	10%	0%	10%	0%
AUSTRIA	0%	0%	0%	0%
BAHRAIN	0%	0%	0%	0%
BELGIUM	25%	0%	25%	0%
BERMUDA	0%	0%	0%	0%
BRAZIL	15%	0%	0%	0%
BULGARIA	10%	up to 10%	10%	up to 10%
CANADA	0%/25%	0%	0%	0%
CAYMAN ISLANDS	0%	0%	0%	0%
CHINA	10%	0%	0%	0%
CROATIA	0%	n/a	0%	n/a
CURACAO (Netherlands Antilles)	0%	0%	0%	0%
CYPRUS	0%	0%	0%	0%
CZECH REPUBLIC	35%/15%	0%	35%/15%	0%
DENMARK	0%	0%	0%	0%
EGYPT	20%	20%	32%	0%
ESTONIA	0%	0%	0%	0%
FINLAND	0%	0%	0%	0%
FRANCE	0%	0%	0%	0%
GERMANY	0%	0%	0%	0%
GREECE	0%	0%	0%	0%
HONG KONG	0%	0%	0%	0%
HUNGARY	0%	0%	0%	0%
ICELAND	10%	0%	10%	0%
INDIA	10%/20%	0%	20%	0%
INDONESIA	20%	10%	20%	10%
IRELAND	20%/0%	20%/0%	20%/0%	20%/0%
ISRAEL	0%/10%	0%	0%	0%
ITALY	20%	20%	12%	12%
JAPAN	15%	15%	15%	15%
KAZAKHSTAN	20%	0%	0%	0%
KOREA	15%	5%	15%	5%
LATVIA	0%	0%	0%	0%
LIECHTENSTEIN	0%	0%	0%	0%
LITHUANIA	0%	0%	0%	0%
LUXEMBOURG	0%	0%	0%	0%
MALAYSIA	10%/0%	5%	0%	0%
MALTA	0%	0%	0%	0%
MEXICO	5%/10%/21%/30%	n/a	0%	n/a
MONACO	0%	0%	0%	0%
NEW ZEALAND	15%	0%	0%	0%
NIGERIA	0%	0%	0%	0%
NORWAY	0%	0%	0%	0%
PAKISTAN	10%/35%	0%	10%/35%	0%
PANAMA	0%/5%	0% / 7%	0%	0%
PHILIPPINES	20%	0%	20%	0%
POLAND	20%	10%	20%	10%
PORTUGAL	25%	10%	25%	10%
QATAR	7%	7%	7%	7%
ROMANIA	16%	0%/6%/16%	0%	0%
RUSSIA	20%/0%	20%	0%/9%/15%	0%
SAUDI ARABIA	5%	0%	5%	0%
SINGAPORE	15%/0%	5%/0%	0%	0%
SLOVAK REPUBLIC	0%	0%	0%	0%
SLOVENIA	15%	10%	0%	0%
SOUTH AFRICA	0%	0%	0%	0%
SPAIN	0%/21%	0%/21%	0%	0%
SWEDEN	0%	0%	0%	0%
SWITZERLAND	35%	0%	35%	0%
TAIWAN ROC	15%	0%	15%/0%	0%/15%
THAILAND	15%/0%	0%/15%	0%	0%
THE NETHERLANDS	0%	0%	0%	0%
TURKEY	0%/10%	0%	0%	0%
UKRAINE	15%	0%	0%	0%
UNITED KINGDOM	20%/0%	0%	0%	0%
UNITED ARAB EMIRATES	0%	0%	0%	0%
UNITED STATES OF AMERICA	0%	0%	0%	0%
URUGUAY	12%/3%	0%	0%	0%
VENEZULA	15%-34%	0%	0%	0%

Summary for SICAV

Dividend Tax		Capital Gains	
Rate Withheld	Rate Reclaimable	Rate Withheld	Rate Reclaimable
0%	0%	0%/17%/35%	0%
10%	10%/5%	10%	0%/10%
30%/0%	0%	0%	0%
25%	10%*	0%	0%
0%	0%	0%	0%
25%/10%	0%*	0%	0%
0%	0%	0%	0%
0%/15%	0%	0%/10%/15%	0%
0%	0%	10%	up to 10%
25%	0%	0%/15%/25%	0%
0%	0%	0%	0%
10%	5%/0%	10%	10%/0%
12%	12%	n/a	n/a
0%	0%	0%	0%
0%	0%	0%	0%
35%/15%	0%	19%	0%
27%	12%*	0%	0%
0%	0%	0%	0%
0%	0%	0%	0%
24%	9%/24%*	0%	0%
30%	0%*	0%	0%
26%	11%*	0%	0%
10%	0%	0%	0%
0%	0%	0%	0%
0%	0%	19%/10%/0%	0%
18%	0%	18%	0%
0%	0%	S. Sheet	S. Sheet
20%	10%	5%	S.Sheet
20%/0%	20%/0%	0%/15%/33%	0%/15%/33%
5%/10%/15%	0%	0%	0%
20%	0%*	0%	0%
20%/7%	0%	0%	0%
20%	0%	20%	0%
22%	7%	11%/22%	0%
0%	0%	0%	0%
0%	0%	0%	0%
15%/0%	10%/15%	15%/0%	0%
15%	0%	0%	0%
0%	0%	2%	0%
0%	0%	0%	0%
0%	n/a	0%/5% or 20%/25%/30%	0%/5% or 20%/25%/30%
0%	0%	0%	0%
15%/0%	0%	0%	0%
10%	0%	10%	0%
25%	0%*	0%	0%
7% / 10%	0%	5%/8%/10%/26%/35%	0%
5%/10%	5%/0%	0%/5%/10%	0%
15%	0%	5%/10%/30%	0%
19%	14%/4%*	19%	19%/0%
25%	10.0%	0%	0%
0%	0%	0%	0%
16%	0%/1%/11%/15%/16%	16%	0%/16%
15%	0%/5%	0%/20%	0%
5%	0%	20%	0%
0%	0%	0%	0%
0%/15%/19%	0%/4%/10%/14%	19%/0%	0%/19%
15%	0%/10%	0%	0%
15%	0%	S. Sheet	0%
21%	approx. 21%*	0%/21%	0%/21%
0%/30%	0%/30%*	0%	0%
35%	0%	0%	0%
20%	0%	0%	0%
10%/0%	0%	15%	0%
15%	0%	0%	0%
0%/15%	0%*	32%/0%	0%
15%	0%	15%	0%
0%	0%	0%	0%
0%	0%	0%	0%
30%	0%	0%	0%
7%	0%	12%	0%
34%	0%	1%-5%	0%

* Higher reclaim possible based on EU Law (please refer to country specific appendix)

INTEREST TAX

Country	Corporate Bonds		Government Bonds	
	Rate Withheld	Rate Reclaimable	Rate Withheld	Rate Reclaimable
ARGENTINA	0%/15%/35%	0%	0%	0%
ARMENIA	10%	0%	10%	0%
AUSTRALIA	10%	0%	10%	0%
AUSTRIA	0%	0%	0%	0%
BAHRAIN	0%	0%	0%	0%
BELGIUM	25%	0%	25%	0%
BERMUDA	0%	0%	0%	0%
BRAZIL	15%	0%	0%	0%
BULGARIA	10%	0%	10%	0%
CANADA	0%/25%	0%	0%	0%
CAYMAN ISLANDS	0%	0%	0%	0%
CHINA	10%	0%	10%	0%
CROATIA	0%	n/a	0%	n/a
CURACAO (Netherlands Antilles)	0%	0%	0%	0%
CYPRUS	0%	0%	0%	0%
CZECH REPUBLIC	35%/15%	0%	35%/15%	0%
DENMARK	0%	0%	0%	0%
EGYPT	20%	20%	32%	0%
ESTONIA	0%	0%	0%	0%
FINLAND	0%	0%	0%	0%
FRANCE	0%	0%	0%	0%
GERMANY	0%	0%	0%	0%
GREECE	0%	0%	0%	0%
HONG KONG	0%	0%	0%	0%
HUNGARY	0%	0%	0%	0%
ICELAND	10%	0%	10%	0%
INDIA	10%/20%	0%	20%	0%
INDONESIA	20%	0%	20%	0%
IRELAND	20%/0%	20%/0%	20%/0%	20%/0%
ISRAEL	0%/15%/25%	0%	0%	0%
ITALY	20%	20%	12%	12%
JAPAN	15%	15%	15%	15%
KAZAKHSTAN	20%	0%	0%	0%
KOREA	15.40%	0.0%	15.40%	0.0%
LATVIA	0%	0%	0%	0%
LIECHTENSTEIN	0%	0%	0%	0%
LITHUANIA	0%	0%	0%	0%
LUXEMBOURG	0%	0%	0%	0%
MALAYSIA	15%/0%	0%	0%	0%
MALTA	0%	0%	0%	0%
MEXICO	5%/10%/21%/30%/40%	n/a	0%	n/a
MONACO	0%	0%	0%	0%
NEW ZEALAND	15%	0%	0%	0%
NIGERIA	0%	0%	0%	0%
NORWAY	0%	0%	0%	0%
PAKISTAN	10%/35%	0%	10%/35%	0%
PANAMA	0%/5%/12%	0%	0%	0%
PHILIPPINES	25%	0%	25%	0%
POLAND	20%	0%	20%	0%
PORTUGAL	25.0%	0%	25.0%	0%
QATAR	7%	0%	7%	0%
ROMANIA	16%	0%	0%	0%
RUSSIA	20%/0%	0%	0%/9%/15%	0%
SAUDI ARABIA	5%	0%	5%	0%
SINGAPORE	15%/0%	0%	0%	0%
SLOVAK REPUBLIC	19%	0%	0%/19%	0%
SLOVENIA	15%	0%	0%	0%
SOUTH AFRICA	0%	0%	0%	0%
SPAIN	21%	0%/21%	0%	0%
SWEDEN	0%	0%	0%	0%
SWITZERLAND	35%	0%	35%	0%
TAIWAN ROC	15%	0%	15%/0%	0%/15%
THAILAND	15%/0%	15%/0%	0%	0%
THE NETHERLANDS	0%	0%	0%	0%
TURKEY	0%	0%	0%	0%
UKRAINE	15%	0%	0%	0%
UNITED KINGDOM	20%/0%	0%	0%	0%
UNITED ARAB EMIRATES	0%	0%	0%	0%
UNITED STATES OF AMERICA	0%	0%	0%	0%
URUGUAY	12%/3%	0%	0%	0%
VENEZUELA	15%-34%	0%	0%	0%

Dividend Tax		Capital Gains	
Rate Withheld	Rate Reclaimable	Rate Withheld	Rate Reclaimable
0%	0%	0%/17%/35%	0%
10%	0%	10%	0%
30%/0%	0%	0%	0%
25%	0%	0%	0%
0%	0%	0%	0%
25%/10%	0%	0%	0%
0%	0%	0%	0%
0%/15%	0%	0%/10%/15%	0%
5%	0%	10%	0%
25%	0%	0%/15%/25%	0%
0%	0%	0%	0%
10%	0%	10%	0%
12%	12%	n/a	n/a
0%	0%	0%	0%
0%	0%	0%	0%
35%/15%	0%	19%	0%
27%	0%	0%	0%
0%	0%	0%	0%
0%	0%	0%	0%
24.5%	24.5%*	0%	0%
30%	0%*	0%	0%
26%	0%*	0%	0%
10%	0%-25%	0%	0%
0%	0%	0%	0%
0%	0%	19%/10%/0%	0%
18%	0%	18%	0%
0%	0%	S. Sheet	S. Sheet
20%	0%	5%	0
20%/0%	20%/0%	0%/15%/33%	0%/15%/33%
25%/30%	0%	0%	0%
20%	0%*	0%	0%
20%/7%	0%	0%	0%
20%	0%	20%	0%
22%	0%	11%/22%	0%
0%	0%	0%	0%
0%	0%	0%	0%
0%/15%	10%/15%	0%/15%	0%
15%	0%	0%	0%
0%	0%	0%	0%
0%	0%	0%	0%
0%	n/a	40%	n/a
0%	0%	0%	0%
15%/0%	0%	0%	0%
10%	0%	10%	0%
25%	0%*	0%	0%
7%/10%	0%	5%/8%/10%/26%/35%	0%
0%/5%/10%	0%	0%/5%/10%	0%
25%	0%	5%/10%/25%	0%
19%	0%*	19%	0%
25.0%	0%	0%	0%
0%	0%	0%	0%
16%	0%	0%	0%
15%	0%	0%/20%	0%
5%	0%	20%	0%
0%	0%	0%	0%
0%/15%/19%	0%	19%	0%
15%	0%	0%	0%
15%	0%	S. Sheet	0%
21%	approx. 21%*	21%	0%/21%
0%/30%	0%/30%*	0%	0%
35%	0%	0%	0%
20%	0%	0%	0%
10%/0%	0%	15%	0%
15%	0%	0%	0%
0%/15%	0%	32%/0%	0%
15%	0%	15%	0%
0%	0%	0%	0%
0%	0%	0%	0%
30%	0%	0%	0%
7%	0%	12%	0%
34%	0%	1% - 5%	0%

Summary for FCP

ARMENIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	10%	10%	10%	10%		
	Rate Reclaimable	0%/10%(1)	0%/10%(1)	10%/5%(2)	0%/10%(3)		
	Withholding rate reduction					Yes(4)	Yes(5)
	Refund payment timeframe	2 months(6)					
	Statute of limitations	3 years from the end of reporting period during which income was paid					
FCP	Benefit of DTT	No(7)					
	Rate Withheld	10%	10%	10%	10%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) According to the Article 11 of Armenia-Luxembourg DTT, interest income arising in Armenia could be taxed in Luxembourg. This exemption can be applied if the recipient of interests is a beneficiary owner of interest and resident of Luxembourg and: (a) the payer of the interest is the Government of Armenia, or a local authority, or (b) the interests are paid with respect to borrowing or loan, which is an obligation, or incurred, or given, or guaranteed by the Government of Armenia or its local authority or instrumentality (including a financial institution); (c) the interest is paid on a loan of any nature granted by a banking enterprise.
- (2) According to the Article 10 of Armenia-Luxembourg DTT, Armenian WHT on dividends could be taxed at the rate of 5% provided that a beneficial owner of the dividends is a company (other than a partnership) which holds directly at least 10 percent of the capital of the company paying the dividends; in all other cases the 10% local rate is applied.
- (3) According to the Article 13 of Armenia-Luxembourg DTT, gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 4 (i.e. immovable property; movable property; gains from alienation of ships, aircrafts, boats engaged in inland waterway transport, road vehicles; alienation of shares or corporate rights of the entity the assets of which consists of immovable property located in Armenia) shall be taxable only in Luxembourg i.e. the Contracting State of which the alienator is a resident.
- (4) The tax residency should be proven by the Luxembourg company prior to the first payment of income by presenting the Reference approved by the competent authority of the country of residency. Such Reference of residency should be renewed at the beginning of each calendar year, prior to payment of income to Luxembourg company in that year. If the tax residency is not proven the tax is withheld according to the Armenian legislation in force.
- (5) If a Luxembourg company fails to satisfy Armenia-Luxembourg DTT procedures at the time when income or gain is realized and tax is withheld at the source of payment of income the Luxembourg company could claim a refund of the excess WHT tax within three years from the year when the tax was withheld. To process a claim for refund Armenian tax authorities require to present the Certificate-Application approved by both countries tax authorities.
- (6) This is an estimated timeframe. According to the procedure established by the Government of Armenia the decision on refund of withheld tax should be provided by tax authorities within 20 days following the filling of application for refund and submission of required documents to the tax authority. There is practical uncertainty regarding the timing of refund (it is not stated how long it will take for actual refund after the decision is taken).
- (7) The Armenia-Luxembourg DTT does not specify the taxation of FCP. As payee is not the beneficial owner of the income it is assumed that FCPs are not entitled to the treaty benefit. However the investors might be subject to protection under relevant DTTs with the countries of their residency.

AUSTRIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes (1)					
	Rate Withheld	0%	0%	25%	0%		
	Rate Reclaimable	0%	0%	10% (1)	0%		
	Rate Reclaimable based on EU Law	n/a	n/a	15% (4)	n/a		
	Withholding rate reduction					No	Yes(1)
	Refund payment timeframe	6 months(2)					
	Statute of limitations	5 years					
FCP	Benefit of DTT	No					
	Rate Withheld	0%	0%	25%	0%		
	Rate Reclaimable	0%	0%	0% (3)	0%		
	Rate Reclaimable based on EU Law	n/a	n/a	n/a	n/a		
	Withholding rate reduction					No	No (3)
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

(1) The following has to be considered when applying DTTs:

For application filed after 31/12/2007 a refund of dividend withholding tax to a fund can just be made if a certificate of residence is issued to the fund and this fund proves or is able to demonstrate to which degree the Austrian income is made to the entitled shareholder. An entitled shareholder is a shareholder who is resident of a country with which Austria has concluded a DTT which is consistent with the OECD model convention. If the shareholder of a fund holds a participation of at least 10%, an additional certificate of residence of this shareholder is necessary in order to get a refund of national corporate tax.

Tax reclaims based on EU law shall be filed a posteriori.

(2) This is an estimate.

(3) The investor may claim a reduction in a refund procedure under the treaty between Austria and his country of residency.

(4) Corporate funds may apply for a refund of withholding tax levied on dividends based on the Austrian Corporate Income Tax Act., if the Austrian withholding tax cannot be credited or refunded in its state of residence

BELGIUM		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	25% (1)	25% (1)	25%/10% (3)(4)	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Rate Reclaimable based on EU Law	25%	25%	25%	0%		
	Withholding rate reduction					N/a	Yes(6)
	Refund payment timeframe Statute of limitations	12-18 months for DTT reclaims 5 years as from January 1 st of the related assessment year (5)					
FCP	Benefit of DTT	No					
	Rate Withheld	25%	25%	25%/10% (3)	0%		
	Rate Reclaimable	0%	0%	0% (3)	0%		
	Rate Reclaimable based on EU Law	n/a		0%			
	Withholding rate reduction					No	n/a
	Refund payment timeframe Statute of limitations	N/a N/a					

NOTES

(1) Please note that for registered bonds (both corporate and government), a withholding tax exemption is possible under certain conditions.

(2) A 15% rate applies to State bonds issued between November 24, 2011 and December 2, 2011.

(3) Withholding tax at a rate of 10% will be levied on proceeds further to the liquidation of a Belgian company (the federal government has recently decided to increase this rate from 10 to 25% as from October 1st, 2014 - the measure has not been enacted yet). Redemption gains on shares of a Belgian company are subject to 25% withholding tax.

(4) A withholding tax exemption will however apply:

- (i) on dividends from a Belgian SICAV with exclusion of the part of the distributed income that the Belgian SICAV has received from a Belgian company, and
- (ii) on liquidation proceeds and redemption proceeds from a Belgian SICAV. Furthermore, a withholding tax exemption also applies on liquidation and redemption proceeds further to the redemption of shares listed on a recognized Belgian or foreign stock exchange and on liquidation or redemption proceeds from a recognized co-operative company. Income from Belgian FCPs is exempt from Belgian withholding tax, except for certain well-defined FCPs that invest in debt claims.

(5) Please note that a refund of undue withholding taxes can be obtained within a period of 5 years as from January 1st of the calendar year of payment of the withholding tax. For WHT reclaims based on EU Law, the applicable time limitation period is of 5 years (i.e., claims filed prior 31st December 2013 can cover the period starting 1st of January 2009).

(6) Tax reclaim based on EU Law have to be carried out a posteriori.

BERMUDA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld						
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction	0%	0%	0%	0%		
	Refund payment timeframe	N/a				N/a	N/a
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a					
	Rate Withheld						
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction	0%	0%	0%	0%		
	Refund payment timeframe	N/a				N/a	N/a
	Statute of limitations	N/a					
NOTES							

BRAZIL		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	15% (3)	0%	0%/15%(1)	0%/10%/15%(2)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					No	No
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No					
	Rate Withheld	15% (3)	0%	0%/15%(1)	0%/10%/15%(2)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					No	No
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

Brazilian tax legislation grants a special tax regime for non-resident capital market investors (except residents in low-tax jurisdictions), if they make their investments under National Monetary Council Resolution 2.689/00 rules. Investing under Resolution 2.689/00, SICAV/FCP is not allowed to invest in a Brazilian non-public company (*compania fechada*/limited liability entity ("LTDA").

- (1) Dividends are levied at zero rate withholding tax. Investments in Federal Government Bonds are levied at zero rate withholding tax, as well as investments in Fundo de Investimento em Participações (FIP - a kind of private equity funds) and Fundo de Investimento em Empresas Emergentes (FIEE - another kind of private equity funds). Zero rate withholding tax for FIP and FIEE is applicable under very specific conditions. If these conditions are not followed, the tax rate is 15%. These rules are applicable for investments made under CVM Resolution 2.689/00 rules.
- (2) Capital gains earned at stock/mercantile and future exchange markets are levied at zero rate withholding tax; investments in stock mutual funds and swaps are levied at 10% rate withholding tax; other income at 15%. These rules are applicable for investments made under CVM Resolution 2.689/00 rules.
- (3) Zero rate withholding income tax: (i) long term bonds issued by non-financial institutions (with following characteristics: minimum maturity: 4 years; call/put options: 2 years; no REPO clauses; interest installments payments: not less than 180 days between interest payments; bond should be public traded - issuance should be approved by Brazilian CVM; the issuer should prove that financial resources received should be invested at investment projects); and (ii) Mutual fund with purpose of acquiring long term bonds (called as FIDC). This kind of investment is ruled by

Federal Decree 7.603/11 but CVM (Brazilian Securities Exchange Commission) did not issue rules regarding this kind of investment; Investment in bonds issued by Special Purpose Companies incorporated with solely purpose of investing in infrastructure investments or investing in mutual funds dedicated to acquire bonds issued by these SPC.

Please note that a tax levied on foreign exchange operations (i.e. on conversion of foreign currency into Brazilian Reais) at rate of 6% (IOF tax) for investments in all types of securities, except foras from 1 December, 2011): (i) 0% IOF tax for investments in Fundo de Investimento em Participações (FIP - a kind of private equity funds) and Fundo de Investimento em Empresas Emergentes (FIEE - another kind of private equity funds); (ii) 0% IOF tax subscription of share of public traded company (IPO) and to invest in share of public traded; (iii) 0% IOF tax on inbound operations related to cancelation of depositary receipts issued by Brazilian public traded company; (iv) 0% IOF tax on symbolic foreign exchange transactions due in order to convert direct investments made through Law 4,131/64 into Resolution 2,689 investment/special tax regime; Investing directly in a Brazilian company (Law 4,131/64 rules); IOF tax is levied at 0% rate for return (outflow) operations described above; IOF tax is due for another types/nature of foreign currency exchange operation is 0.38% (inflow and outflow operations).

BULGARIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld (1)	10%(2)	10%	0%(3)	10%(4)		
	Rate Reclaimable	up to 10%(5)	up to 10%(5)	0%	up to 10%(5)		
	Withholding rate reduction					No	Yes, on an annual basis(6)
	Refund payment timeframe	no less than 30 days after a claim is filed(7)					
	Statute of limitations	5 years(8)					
FCP	Benefit of DTT	No					
	Rate Withheld (1)	10%(2)	10%	5%(3)	10%(4)		
	Rate Reclaimable	0% (5)	0%(5)	0%	0%(5)		
	Withholding rate reduction					No	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	5 years(8)					

NOTES

- (1) Generally, the withholding tax (WHT) in Bulgaria is levied on the gross amount of the qualifying Bulgarian source income received by foreign companies
- (2) 10% is the general rate of the WHT levied on interest income accrued by a Bulgarian tax resident company to a foreign company. As of 1 January 2011, a reduced 5% WHT rate would apply when the Bulgarian source income is in favor of associated companies that are **tax residents in another EU Member State**. To this end however, they should meet the following requirements:
- they should have a tax residence certificate issued by the Luxembourgian tax authorities. Due to the transparency of the FCP, it would not be able to obtain such certificate; thus, the 5% WHT rate could not be applied for income in favor of Luxembourgian FCPs;
 - in its capacity of interest income recipient, and assuming that SICAV would have a Luxembourgian tax residence certificate, a SICAV should also be the beneficial owner(9) of the respective interest income (i.e. it should not act as an intermediary or an agent of another entity);
 - a SICAV with a Luxembourgian tax residence certificate, that is a beneficial owner of Bulgarian source interest, should be an associated company to a Bulgarian tax resident payer in order to apply the 5% WHT rate. In other words, one company should have owned at least 25% of the capital of the other company, for an uninterrupted period of at least two years, or a tax resident company in an EU Member State should have owned at least 25% of the capital of both paying and receiving companies, for an uninterrupted period of at least two years.

In addition, certain limitations related to the type of the interest income which would classify for WHT reduction are also provided in the domestic legislation. Please note that all requirements of the law should be met in order for the reduced 5% WHT rate to be applied. Otherwise, the general WHT rate of 10% would apply to Bulgarian source interest accrued in favor of SICAV. No specific procedures are set forth with regard to the application of the reduced WHT rate. However, SICAV should evidence the fulfillment of the above criteria before the Bulgarian payer of the income and this may be subject to review during a future tax audit of the Bulgarian payer.

- (3) No WHT is levied on dividends distributed by a Bulgarian tax resident company to a parent company which is a tax resident in another EU or EEA Member State. So, to the extent that SICAV may obtain a Luxembourg tax residence certificate, 0% WHT would apply. Otherwise 5% WHT would apply. We do not envision FCP to be able to benefit from this exemption.
- (4) 10% is the WHT rate under local legislation, which applies to capital gains of foreign persons from disposal of (i) immovable property in Bulgaria and (ii) financial assets issued by Bulgarian legal entities, the State or the Bulgarian municipalities. At the same time, gains from the following types of transactions with financial instruments are exempt from Bulgarian WHT

under the local legislation:

- disposal of shares in collective investment schemes, shares and rights attaching to shares made on a Bulgarian or EU regulated market;
 - deals concluded in accordance with the procedure for redemption by collective investment schemes which have been admitted to public offering in Bulgaria or in another EU/ EEA Member state;
 - transactions concluded according to the procedure for tender offering under the Bulgarian Public Offering of Securities Act, or transactions of similar nature under the law of another EU/ EEA Member state.
- (5) As of 1 January 2010, foreign entities that are tax residents in another EU/ EEA Member State are entitled to recalculate the WHT paid in Bulgaria on a net basis. Therefore, they are allowed to restate their WHT liabilities by deducting the expenses incurred in relation to the income received and have the right to be subsequently reimbursed for the excess over the recalculated WHT liabilities up to the amount of the WHT already paid in Bulgaria (limited to the amount that the foreign entity cannot deduct in the country of its tax residence). The recalculation should be made for all types of income subject to WHT in Bulgaria generated by the foreign entity throughout a given year. The applicable rate for the recalculation is 10%. Considering the transparency of FCP in Luxembourg, it may be expected that FCP would not be able to benefit from this option.
- (6) The recalculation of the WHT on a net basis should be claimed in the year following **the year of accrual of the income** via the submission of a standard declaration. The declaration should be filed not later than 31 December of the year following the year of accrual of income.
- (7) Due to the recent introduction of the change into the Bulgarian tax legislation, there is no established practice regarding the process of reimbursement of WHT after recalculation on a net basis. Thus, at this stage it cannot be definitely confirmed.
- (8) The 5-year period starts from 1 January of the year following the year when the tax liabilities should have been settled.
- (9) As of 1 January 2011 a definition of beneficial owner of Bulgarian source income is introduced in Bulgarian CITA. According to it, a foreign entity would be regarded as a beneficial owner of certain income if it has the right to dispose of the income and carries the risk related to its realization and does not act as a conduit (pass-through) entity. A pass-through shall be considered an entity (i) controlled by persons which would not be entitled to the same preferential treatment if the income was generated directly by them and (ii) does not perform economic activity beyond the ownership and administration of the rights and assets generating the income and (iii) does not possess the assets, capital and staff relevant to the scope of its activity or is not controlling the rights or the assets from which the income is generated. A foreign person will not be considered a conduit company if more than half of its voting shares are traded on a regulated market.

CANADA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	0%/25%(1)	0%	25%	0%/15%/25%(2)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No(3)					
	Rate Withheld	0%/25%(1)	0%	25%	0%/15%/25%(2)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) Withholding tax will not apply to interest payments made after 2007 by a Canadian resident to a non-resident with whom the Canadian resident deals at arm's length. Interest (other than "fully exempt interest") that is non-arm's length and "participating debt interest" remains subject to withholding tax. "Fully exempt interest" generally includes (non exhaustive list) interest paid on government and quasi-government debt and under certain securities lending arrangements. "Participating debt interest" generally consists of interest that depends on the success of the payer's business or investments, for example, interest computed by reference to revenue, profit, dividends, cash flow.
- (2) (0%) - Non-residents are subject to Canadian income tax on gains realized on the disposition of "Taxable Canadian Properties". Only 50% of the gain is taxable. Those properties include (non-exhaustive list): shares of private corporations resident in Canada, if at any time during the 60-month period that ends at that time more than 50% of the interest or share was generally derived directly or indirectly from Canadian real or immovable property, or Canadian resource properties; direct and certain indirect ownerships in real property situated in Canada; shares in certain public companies (including a share or unit of a mutual fund), if at any time during the 60-month period that ends at that time the taxpayer, persons with whom the taxpayer did not deal at arm's length, or the taxpayer together with all such persons owned 25% or more of the issued shares/units of any class of the capital stock of the corporation that issued the share and more than 50% of the fair market value of the share/unit was derived directly or indirectly from Canadian real or immovable property, or Canadian resource properties. Also included is, an interest in or option in respect of such properties whether or not that property exists. Generally, a clearance

certificate must be obtained, otherwise the purchaser may become liable for unpaid taxes. However, this clearance certificate is not required for "excluded property" such as: a share of a class of shares of the capital stock of a corporation that is listed on a prescribed stock exchange; a unit of a mutual fund trust; a bond, debenture, bill, note, mortgage, hypothecary claim or similar obligation; an option in respect of such properties. Effective January 1, 2009 the certificate is not required for sales of "treaty-protected" property by non-residents.

(15%) - In the case of otherwise non-taxable distributions from publicly traded Canadian mutual funds to non-residents, a final tax of 15% may be withheld at source from such distributions. This tax generally applies on distributions paid by Canadian mutual funds that derive most of their value from Canadian real estate or Canadian resource property.

(25%) - In the case of capital gains distributions from mutual fund corporations or mutual fund trusts to non-residents, non-resident tax of 25% may be withheld at source. This tax generally applies on distributions of capital gains dividends. This tax will only be applicable if more than 5% of the capital gains distribution paid by the mutual fund is received by or on behalf of non-residents. The 25% rate may be reduced if a treaty provides relief. See note 3.

(3) The Canadian tax authorities have issued an advance tax ruling (granted on a case-by-case basis) that a Luxembourg FCP would be treated as a transparent entity for Canadian tax purposes. This means that the withholding tax rate applicable to the investor in the FCP based on a treaty with the investor's country of residence would apply rather than the statutory rate of 25%. It is important to note however, that an advance tax ruling technically only applies to the taxpayer who requested it.

CAYMAN ISLANDS		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld						
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction	0%	0%	0%	0%		
	Refund payment timeframe	N/a				N/a	N/a
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a					
	Rate Withheld						
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction	0%	0%	0%	0%		
	Refund payment timeframe	N/a				N/a	N/a
	Statute of limitations	N/a					
NOTES							

CHINA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes(5)					
	Rate Withheld	10%	0%(8)	10%	10%		
	Rate Reclaimable	0%	0%	5%/0%(1)	10%(2)/0%		
	Withholding rate reduction					Yes(6)	Yes(7)
	Refund payment timeframe	N/a					
	Statute of limitations	Refer to note(3)					
FCP	Benefit of DTT	No(4)					
	Rate Withheld	10%	10%	10%	10%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	Refer to note(3)					

NOTES

Pursuant to the PRC tax reform, which became effective from 1 January 2008, a foreign enterprise that is established under the laws of foreign countries with the place of effective management located outside the PRC and which does not have an establishment or place of business in the PRC would be subject to PRC tax on its PRC sourced profits which includes interest, dividend, rental, capital gains. The PRC withholding tax rate is 10%. Foreign enterprise should be exempt from PRC corporate income tax and withholding tax on interest derived from PRC government bonds.

- (1) Provided a SICAV is considered as tax resident of Luxembourg, pursuant to the PRC - Luxembourg tax treaty, dividend withholding tax is reduced to 5% if the beneficial owner is a company (other than a partnership) which holds directly at least 25% of the capital of the company paying the dividends. The withholding tax is 10% for all other cases.
- (2) Provided a SICAV is considered as tax resident of Luxembourg, pursuant to the PRC - Luxembourg tax treaty, gains from the alienation of shares in a PRC company (other than companies, the property of which consists directly or indirectly principally of immovable property situated in the PRC) representing a participation of less than 25% in such company is only taxable in Luxembourg.
- (3) Under Article 52 of the PRC Collection and Administration Law of Taxation, the PRC tax authorities have the ability to recover any taxes underpaid (without late payment surcharge) for the past three years if the reason for the underpayment is due to the responsibility of the PRC tax authorities. If, however, a taxpayer underpays PRC taxes due to its own errors such as a miscalculation, the tax authorities may, within three years, demand the taxpayer to repay the undercharged tax and potentially also any late payment surcharge). In 'special circumstances', which is defined as circumstances where the accumulated underpaid tax due to the taxpayer's error is over RMB100,000, the statute of limitations period can be extended to five years. However, where the taxpayer is considered to have engaged in tax fraud or evasion, there is no statute of limitations.
- (4) FCPs, as transparent entities, may not be entitled for treaty benefits. However, the investors of FCPs may be able to obtain the relevant treaty benefits.

- (5) A SICAV would be able to obtain treaty benefits where it is qualified as a tax resident of Luxembourg within the definition of the DTT. The SICAV would also need to obtain a tax resident certificate issued by the Luxembourg tax authorities in order to apply for treaty relief pursuant to Guoshuifa [2009] No. 124. In addition, the SICAV should satisfy the "beneficial ownership" requirements in accordance with Guoshuifa [2009] No. 601 for entitlement to treaty benefits. While the DTT capital gains article does not contain a beneficial ownership requirement per se, there have been assessed tax cases in which DTT relief for capital gains has been denied on the basis of a lack of commercial substance at the level of the treaty benefit claimant, with the Chinese tax authorities having regard to the list of 'adverse factors' set out in Circular 601 in making the determination.
- (6) Taxpayer can apply for tax treaty relief for passive income (in the present case, only dividends and capital gains would be subject to tax treaty relief) prior to such income being paid out of the PRC by following the application requirement under Guoshuifa [2009] No. 124. Once approval is obtained, taxpayer is exempt from subsequent application for approval in subsequent 3 calendar years (including current year) on income from dividends, interest or royalties (i) from the same payer, (ii) under the same clause, (iii) under the same tax treaty. DTT relief for capital gains must normally be applied for at the time at which the gain arises, and a tax liability crystallizes. The application for DTT relief for gains historically having arisen to Qualified Foreign Institutional Investors (QFIIs) is, however, untested and QFIIs may look to claim DTT relief at the time of repatriation of share disposal proceeds.
- (7) For tax liabilities subject to tax treaty relief but taxpayers had failed to claim treaty relief previously or has not received approval under Guoshuifa [2009] No. 124 prior to making the distribution and overpaid tax as a result, taxpayers may apply for tax refund within three years of the tax payment date by following the application requirement under Guoshuifa [2009] No. 124.
- (8) This is subject to the bond income receiving State Council approval for exemption, in accordance with Article 91 Enterprise Income Tax Implementation Rules

CURAÇAO		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

FCP	Benefit of DTT	N/a					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

As from 10.10.10 the Netherlands Antilles have been dismantled. Curaçao and St Maarten are now like Aruba countries within the Kingdom of the Netherlands and still apply the previous tax legislation of the Netherlands Antilles.

Both countries may decide to make an old Ordinance dividend tax 2000 effective but this is not expected in the near future.

A 20% withholding tax on interest may apply if paid to individuals resident of one of the European Union countries and who do not request for exemption.

The islands Bonaire, Statia and Saba belong as from 10.10.10 to the Netherlands and have a new tax legislation as from 01.01.11.

A 5% yield tax has been introduced for profit distributions but not for interest.

Companies on these islands may be deemed to be established in European Netherlands with the consequence that Netherlands dividend tax rules will apply.

CZECH REPUBLIC		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No(1)					
	Rate Withheld	35%(4)/15%(5)(6)	35%(4)/15%(5)(6)	35%(4)/15%(5)	19%(7)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes(8)	No(9)
	Refund payment timeframe	N/a					
	Statute of limitations	3 years(3)					

FCP	Benefit of DTT	No(2)					
	Rate Withheld	35%(4)/15%(5)(6)	35%(4)/15%(5)(6)	35%(4)/15%(5)	19% (7)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes(8)	No(9)
	Refund payment timeframe	N/a					
	Statute of limitations	3 years(3)					

NOTES

- (1) The entitlement to treaty benefits for a SICAV (i.e. reduction to 0% in case of interest, 5% in case of qualifying dividends and 0% in case of capital gains from disposal of movable property) depends on whether the SICAV would be considered as 'liable to tax' from a Czech tax perspective. In general, Czech entities paying such income usually take a conservative approach. It would be up to the SICAV to initiate a more favourable treatment. However, the chances are likely to be low.
- (2) FCPs would generally be considered transparent, i.e. they would not be entitled to treaty benefits, but the investors in the FCP might be entitled to protection under a relevant treaty.
- (3) The statute of limitations for withholding taxes are not clear. There are generally three options how to proceed regarding a retrospective claim for a WHT refund:
- (A) The recipient of the income files a request for explanation with the payer of the income. The request must be filed within 60 days as of the day the recipient knew the amount of tax withheld. The payer of the income is obliged to explain the WHT rate applied in 30 days. If this is not satisfactory, the recipient of the income may refer to the Czech tax authorities. This must be done in 30/60 days (depending on the situation).
- (B) The payer of the income submits a supplementary tax return for the WHT paid in its own name and subsequently claims a refund. The statute of limitations is in general 3 years.
- (C) The recipient of the income files a claim for a refund. The statute of limitations is in general 6 years. This option may not be available for claims relating to 2010 and onwards. Please note that cooperation of the payer is necessary.
- (4) The 35% WHT rate was introduced as of 1 January 2013 and is applicable for situations where the recipient does not provide the payer with a tax residence certificate confirming that he is a tax resident of an EU/EEA MS or of a state which has concluded a DTT which contains an "Exchange of Information" Article or TIEA with the Czech Republic, before the tax is withheld. Please refer to note 8.
- (5) 15% is the standard WHT rate based on the local legislation. A reduction might be available under a relevant DTT (please refer to note 1 above). If the conditions of I/R or P/S Directive are met, a full exemption might apply. Entitlement may be difficult to prove for FCP investors.
- (6) It is possible to apply net taxation on interest payments if the SICAV and investors in the FCP are able to prove that they are tax residents of EU/EEA MS. Please note that additional filings are necessary in this respect.
- (7) 19% Czech corporate income tax/15% Czech personal income tax (not WHT) is applicable on the net gain. The following exemptions might be available:
- (A) If the corporate seller is an EU resident, fulfills the requirements on legal form and liability to tax in his home location (without being exempt from this tax by law or by choice) and has held at least 10% of the shares for at least 12 months
- (B) If the corporate seller is a resident of a non EU country which concluded a DTT with the Czech Republic, fulfills the requirements on legal form and liability to tax at a rate of at least 12% in his home location (without being exempt from this tax by law or by choice), has held at least 10% of the shares for at least 12 months.
- (C) If the ultimate FCP investor is an individual and has held the shares for 5 years (or 6 months for certain quoted shares).
- A Czech purchaser is obliged to withhold 1% of the purchase price in the case of a purchase of securities or 10% in the case of other Czech source income if the seller is not able to prove that he is a tax resident of an EU/EEA MS. This can be refunded if the actual tax liability is lower.
- (8) In order to avoid the 35% WHT, the payer must be provided with the necessary documents (certificate of tax residence, beneficial ownership declaration and, in case of FCPs, the investor structure) prior to the payment.
- (9) A refund of incorrectly withheld tax is possible, however there is a lack of practical experience and scrutiny of the claim should be expected. Co-operation of the payer may be necessary.

DENMARK		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	0%(1)	0%	27%	0%		
	Rate Reclaimable	0%	0%	12%(2)	0%		
	Rate Reclaimable based on EU Law	n/a	n/a	15%	n/a		
	Withholding rate reduction					No (3)	Yes (4)
	Refund payment timeframe	3 months for DTT reclaims					
	Statute of limitations	5 years from pay date (4)(5)					
FCP	Benefit of DTT	No (5)					
	Rate Withheld	0%(1)	0%	27%	0%		
	Rate Reclaimable	0%	0%	0%(5)	0%		
	Rate Reclaimable based on EU Law	0%	0%	0%	0%		
	Withholding rate reduction					No	No
	Refund payment timeframe	n/a					
	Statute of limitations	5 years from pay date (4)					

NOTES

- (1) As a general rule there is no WHT on interest payments from a Danish source to a non-resident independent third party. However, a Danish withholding tax on interest of 25% is levied on certain interest payments to foreign group companies (tax heavens etc.). A foreign related entity is defined as an entity holding, directly or indirectly, more than 50% of the share capital or controlling, directly or indirectly, more than 50% of the voting power of the company paying the interest. In practice, the rules are relevant only on payments of interest and capital gains on debt to a company outside the EU and to a country with which Denmark has no double tax treaty reducing or eliminating taxation on interest. (2) According to the DK/LUX treaty the WHT is 15%. The rate is reduced to 5 % if the beneficial owner holds at least 25% of the Danish company.
- (2) According to the protocol certain Luxembourg holding companies are not protected by the DK/Lux treaty (the so called "1929-companies").
- (3) The Danish tax authorities have in an announcement (bek. 1442 of 20 December 2005) decided that the WHT tax rate on Danish dividends to foreign recipients under certain conditions may be reduced to the rate agreed in a double taxation treaty at the time of payment. The shares must be registered at a Danish custodian and at the Danish VP Securities Services and the foreign recipient shall on specific forms document the recipient's state of origin and the applicable double taxation treaty (forms 02.009 and 02.0011-02.012).
- (4) WHT Tax reclaims based on EU law shall be filed a posteriori.
- (5) The statute of limitations for claims arising from reclaim of withholding on dividends, interest and royalty is 5 years. The general statute of limitation is 3 years.
- (6) For WHT reclaims based on EU Law, the applicable time limitation period is of 5 years as of the time the Danish Tax authorities received the reporting about the taxes withheld (usually due no later than the 10th of the month following the dividend distribution)
- (7) FCPs have, generally, from a Danish tax perspective been considered transparent, i.e. FCPs have, generally, not been considered subject to treaty benefits, but the investors in the FCP might be subject to protection under the relevant treaty. However, in a ruling from 2009 (SKM 2009.298 SR) the Danish tax authorities classified a Luxembourg FCP as an independent taxable entity. This FCP was covered by the UCITS Directive and as such comprised by the provision on investment companies in section 19 of the Danish Capital Gains Tax Act. In a ruling from 2012 (SKM 2012.61 SR) the Danish tax authorities classified a FCP as a transparent entity. Based on these rulings, the classification of an FCP as a transparent entity might be disputed but FCPs will most likely be regarded as transparent.

EGYPT		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	20%	32%(1)	0%	0%(3)		
	Rate Reclaimable	20%(2)	0%	0%	0%(3)		
	Withholding rate reduction					No(4)	No
	Refund payment timeframe	min 12 months					
	Statute of limitations	5 years					
FCP	Benefit of DTT	N/a					
	Rate Withheld	20%	32%(1)	0%	0%(3)		
	Rate Reclaimable	20%(2)	0%	0%	0%(3)		
	Withholding rate reduction					No(4)	No
	Refund payment timeframe	min 12 months					
	Statute of limitations	5 years					

NOTES

It is assumed that the Luxembourg fund is investing in an Egyptian company and not an investment fund established under Egyptian Capital Market Law.

- (1) The interest tax on corporate bonds is 20%. However, revenues on bonds issued by the Ministry of Finance in the favor of the Central Bank or other banks are subject to tax at the rate of 32%, without deducting any costs.
- (2) Bonds listed on the Stock Exchange are tax exempt. However, in case the term of the Loans is for more than 3 years, the interest will not be subject to withholding tax. Government bonds are subject to tax.
- (3) Provided that shares are listed on the Egyptian Stock Market.
- (4) The tax should be withheld in full at the time of the payment. The foreign entity should ask for reimbursement -if any- after the tax withheld.

ESTONIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes (5)					
	Rate Withheld	0%(1)	0%(1)	0%(2)	0%(6)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes(3)	Yes
	Refund payment timeframe	7 years					
	Statute of limitations	3 years(4)					
FCP	Benefit of DTT	No					
	Rate Withheld	0%(1)	0%(1)	0%(2)	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes(3)	Yes
	Refund payment timeframe	7 years					
	Statute of limitations	3 years(4)					
NOTES							
		(1) There is no WHT on interest paid by Estonian resident to a non-resident if the interest rate does not significantly exceed the market interest rate.					
		(2) The withholding tax on dividends paid to non-resident companies has been abolished as of 2009.					
		(3) Domestic law is more favorable than tax treaty i.e. exemption is applicable regardless tax treaty if the interest rate does not significantly exceed the market interest rate.					
		(4) Taxpayer has a right to submit a claim within 3 years. The claim is expired if the fulfilment of the claim is not applied within 7 years.					
		(5) If considered as resident of Luxembourg.					
		(6) Capital gain is taxable on income tax in certain circumstances but no withholding tax.					

FINLAND		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	0%	0%	24.5%	0%		
	Rate Reclaimable	0%	0%	9.5% (1)	0%		
	Rate Reclaimable based on EU Law	0%	0%	15%	0%		
	Withholding rate reduction					Yes (3)	Yes (3)
	Refund payment timeframe	appr. 2-3 months (5)					
Statute of limitations		5 years from end of year in which tax was levied					
FCP	Benefit of DTT	No					
	Rate Withheld	0%	0%	24.5% (2)	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Rate Reclaimable based on EU Law	n/a	n/a	24.5% (4)	n/a		
	Withholding rate reduction					Yes (3)	Yes (3)
	Refund payment timeframe	cannot be anticipated					
Statute of limitations		5 years from end of year in which tax was levied					

NOTES

- (1) WHT reduction based on treaty is 9.5%. The Finnish Supreme Administrative Court requested a preliminary ruling from the ECJ whether the WHT payable on dividends distributed to SICAVs is in accordance with the EU law. According to the preliminary ruling of ECJ issued on 18 June 2009 (C-303/07) such WHT was not in accordance with the EU law. In March 2010, the Finnish Supreme Administrative Court gave its decision on this case. Therefore, the reclaimable rate should be 24.5% at least for listed SICAVs. It should be noted that tax treaty rate of 15% can be applied a priori on certain prerequisites but 0% rate based on the above court decision can be applied only by means of refund.
- (2) It is likely that the WHT rate is 24.5% for FCP (and not 30% which is the rate for other recipient than corporation).
- (3) The rate may be applied already when the payment is made ("a priori") if the payer can make sure that sufficient specification regarding the recipient is available. If sufficient information is not available at the time the payment is made, the domestic withholding rate must be applied. In this

case a reclaim may be made later ("a posteriori"). "A priori" procedure is also possible in respect of nominee registered shares, when the foreign custodian has agreed to provide sufficient specification regarding the recipient on demand and the custodian is registered in the register of the Finnish Tax Administration.

WHT reclaims based on EU shall be filed a posteriori.

- (4) The Central Tax Board ruled in its advance ruling KVL 13/2014 that withholding tax should not be levied on dividend distributions from a Finnish company to a Luxembourgian FCP.

- (5) Cannot be anticipated for EU claims.

FRANCE		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	0%(1)	0%(1)	30% (2)	0% (3)		
	Rate Reclaimable	0%	0%	30%	0%		
	Rate Reclaimable based on EU Law	0%	0%	30%(5) (6)	0%		
	Withholding rate reduction					No	No (7)
	Refund payment timeframe	2-3 years (4)					
	Statute of limitations	2 years from end of year in which dividend was paid					
FCP	Benefit of DTT	No					
	Rate Withheld	0%(1)	0%(1)	30%	0% (3)		
	Rate Reclaimable	0%	0%	0%(2)	0%		
	Rate Reclaimable based on EU Law	0%	0%	30% (5)	n/a		
	Withholding rate reduction					No	No (7)
	Refund payment timeframe	2-3 years (4)					
	Statute of limitations	2 years from end of year in which dividend was paid					

NOTES

- (1) If client provides a certificate of non-residence (either fiscal residence or head office), withholding on interest is exempt for bonds issued on or after 1.1.1987.
- (2) In the event of distribution made by a French UCIT (SICAV or FCP), the WHT should only apply to French source dividend income in case of ventilation (i.e. 'couponnage') per type of income.
- (3) Article 244 bis B of the French Tax Code provides that, when a foreign entity or a non resident individual realizes a capital gain on the sale of its shareholding in a French company subject to CIT, said capital gain is subject to a 45% WHT, as of January 1st 2013, in France where the foreign entity has held at least 25% of the financial rights in the French company at any time during the five preceding years (individuals can claim the reimbursement of the excess between the WHT paid and the tax paid in case of the application of a progressive scale). Since January 1st, 2013, the rate is increased to 75% where the seller is domiciliated in a non cooperating country / territory regardless the percentage of shareholding in the French company.
- (4) It takes generally 6 months in order to get a response from the FTA. In the case where the FTA reject the claim (which is highly likely), the latter must be referred to the Administrative Court. This second step generally takes 2 years. For EU Law tax reclaims a reimbursement may be obtained within a time frame for less than one year.
- (5) As from January 1st 2012 WHT rate is 30% for French source dividends against 25% previously. The WHT rate is increased to 75% for dividend paid in a non cooperative country or territory. Further to Santander Case (on 10 May 2012), the French law has been changed and no WHT should apply on French source dividends paid as of August 17, 2012, to a Luxembourg UCIT.
- (6) For dividend paid as from January 1st 2009 to August 17, 2012, a claim can be made on the ground of the Santander case in order to obtain the refund of the unduly paid WHT.
- (7) Further to the vote by the French Parliament of the second Amended Finance Act 2012 on 31.07.2012, which entered into force on 18 August 2012, the 30% WHT on dividend payments to foreign investment funds (i.e. UCITS, property funds, investment company with fixed capital) has been abolished. Circular is expected that will determine the eligible investment vehicles and the practicalities of application.
- (7) For WHT suffered prior the administrative circular, which will determine the eligible investment articles and the practicalities of application, is issued, the latter will have the reclaimed based on EU law posteriori.

GERMANY		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	0% (1)	0%	26.375% (2)	0%		
	Rate Reclaimable	0%	0%	11.375% (2)(3)	0%		
	Rate Reclaimable based on EU Law	0%	0%	15%	0%		
	Withholding rate reduction					No	Yes
	Refund payment timeframe	10-12 months for DTT reclaims (4)					
	Statute of limitations	4 years from end of year in which income is accrued (6)					
FCP	Benefit of DTT	No					
	Rate Withheld	0% (5)	0%	26.375% (5)	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Rate Reclaimable based on EU Law	0%	0%	26.375%	0%		
	Withholding rate reduction					No	Yes
	Refund payment timeframe	10-12 months					
	Statute of limitations	4 years from end of year in which income is accrued					

NOTES

- (1) 26.375% tax is generally withheld on convertible bond income.
 (2) Dividends paid out of pre-2001(fiscal years) profits will be taxed at 26.375%.
 (3) WHT reduction based on treaty.
 (4) For EU Law based WHT reclaims, all decisions are currently "an hold" as it is still unclear which authority is competent to receive such claims.
 (5) 26.375% tax is generally withheld on convertible bond income and on income from participation rights provided that this income does not qualify as dividend income.

- (6) For EU Law based WHT reclaims, an uncertainty concerning the time limitation period exists. Apart from the 4 years time limitation period a 1 year or 7 years period may be applicable.
 (7) Dividends paid out of pre-2001(fiscal years) profits will be taxed at 26.375%. FCPs are not entitled to the benefit of Germany's tax treaties but, in principle, its unitholders might be. In practice, however, it will not be easy for the unitholders to apply for the WHT reduction.

GREECE		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	0%(1)(2)	0%(2)(3)	10%(4)	0%(5)		
	Rate Reclaimable	0%	0%	0%(6)	0%(6)		
	Withholding rate reduction					No(6)	No(6)
	Refund payment timeframe	N/a					
	Statute of limitations	3 years					
FCP	Benefit of DTT	No					
	Rate Withheld	0%(1)(2)(7)	0%(2)(3)(7)	10%(4)	0%(5)		
	Rate Reclaimable	0%	0%	0%-25%(8)	0%(8)		
	Withholding rate reduction					Yes(7)(8)	Yes 7(8)
	Refund payment timeframe	N/a					
	Statute of limitations	3 years					

NOTES

Please be advised that as the report reflects the withholding tax issues in Greece based on the tax legislation currently in force.

- (1) Rate reflected applies to bonds issued from Feb 10, 2000. Prior issues may have been subject to tax.
- (2) A tax exemption is granted by internal legislation to foreign residents. However, a tax residence certificate should be supplied to the payer to be filed with the Greek tax authorities.
- (3) The withholding tax rates on Greek Government Debt that accrued before 1/1/1999 were as follows:
Interest on Government Debt issued on or before December 31 1996 is taxed at 0%.
Interest on Government Debt issued after January 1 1997 is taxed at 7%.
Interest on Government Debt issued after January 3 1998 is taxed at 10%.
- (4) Dividends distributed by Greek corporations which are approved by the General Meeting from 1 January 2014 onwards are subject to a withholding tax of 10%. This is a final tax obligation for the beneficiary of the dividends. No tax withholding is effected when dividends are distributed to a parent company established in another EU country provided that the latter is eligible for exemption on the basis of the provisions of the Parent-Subsidiary EU Directive (i.e. 10% uninterrupted participation in the share capital of the Greek subsidiary for at least two years).
- (5) Capital gains arising from the sale of shares that have been acquired up to and including 30 June 2013 is subject to 0.2 percent transfer duty, borne by the seller. Gains from the sale of shares listed on the Athens Stock Exchange or foreign stock markets that will be acquired from 1 July 2013 onward will also be subject to capital gains tax at the rate of 20%. Guidance is expected to be issued by the Greek Ministry of Finance in relation to the application of the capital

gains tax to foreign residents and with regard to the classification of profits from the sale of listed shares which in turn will determine the tax treatment of such profits in the context of a DTT. The gains arising from the transfer of non listed shares, which have been acquired as of 1 July 2013 onwards, are subject to capital gains tax at the rate of 20%. The capital gains tax as above exhausts the tax liability of the individual beneficiary. For legal entities the withholding tax will be an advance tax that will be set off against the final tax liability according to the general provisions of the Income Tax Code currently at the rate of 26% (Ministerial guidance is expected in this respect for foreign residents).

Gains arising from the sale of government or corporate bonds are subject to withholding tax at the rate of 33%.

- (6) Non-reclaimable because the DTT will most probably not apply on the basis that a SICAV is liable but exempted from income taxes in Luxembourg. However, for application of Parent-Subsidiary Directive and for bonds a priori.
- (7) Because FCP is transparent the investors participating in the FCP should be able to provide a tax residence certificate to be filed with the Greek tax authorities (this must be confirmed with the Greek Ministry of Finance).
- (8) Although the FCP will not be able to take benefit of the DTT because it is transparent, the investors participating in the FCP will be able to take advantage of the treaty provisions (depending on the applicable DTT of each investor).

HONG KONG		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
NOTES							

ICELAND		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No(2)					
	Rate Withheld	10%	10%	18%	18%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No(3)					
	Rate Withheld	10%(4)	10%(4)	18%	18%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) Tax exempt are interests paid by the Central Bank of Iceland for his own account (paid by him but not behalf of the Treasury), interest paid to foreign states, international organization or other public bodies which are tax exempt in their resident state.
- (2) According to decisive letter of the Director of the Internal Revenue no. 2/10 Luxembourg SICAV are excluded from falling under the Iceland-Luxembourg Double Tax Treaty.
- (3) FCP do not have legal status and are therefore tax transparent. For this reason FCP's do not fall under Icelandic Double Tax Treaties.
- (4) The tax rate of individuals is 20% on income over ISK 100,000 per year by assessment. Individual investor in might be able to apply for reimbursement of tax withheld of income under that amount.

INDIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	
SICAV	Benefit of DTT	No					
	Rate Withheld	10%(1)/20%(A)(2)(7)	20%(2)(7)(A)(B)	Exempt (A)(3)	(A)(4)(5)		
	Rate Reclaimable	0%	0%	0%	(4)(5)		
	Withholding rate reduction					No	No
	Refund payment timeframe	1 year from the end of the financial year in which the return is made					
	Statute of limitations	2 years from the end of the financial year for making the claim of refund					

FCP	Benefit of DTT	No					
	Rate Withheld	10%(1)/20%(*) (2)	20%(A)(2)(B)	Exempt (A)(3)	(A)(4)(5)		
	Rate Reclaimable	0%	0%	0%	(4)(5)		
	Withholding rate reduction					No	No
	Refund payment timeframe	1 year from the end of the financial year in which the return is made					
	Statute of limitations	2 years from the end of the financial year for making the claim of refund					

NOTES

(A) AS PER SECTION 206AA OF THE INCOME TAX ACT, 1961, IF THE NON- RESIDENT DOES NOT FURNISH Permanent Account Number (PAN), THE APPLICABLE WITHHOLDING TAX RATE WOULD BE 20 PERCENT.

- (B) Though Government required to withhold tax, practically it does not withhold and tax is required to be paid as advance tax.
- For foreign company surcharge is applicable at the rate of 2 per cent if taxable income exceeds INR 10 million but does not exceed INR 100 million and at the rate of 5 per cent if taxable income exceeds INR 100 million. For non-corporate assessee surcharge is applicable at the rate of 10 per cent if taxable income exceeds INR 10 million.
- The rate of tax and surcharge is further increased by education cess at the rate of 3 percent on tax plus surcharge.
- (1) On interest received on Foreign Currency Convertible Bond (FCCB) / Foreign Currency Exchangeable Bond (FCEB).
- (2) On interest received from Government / Indian concern on money's borrowed / debt incurred in foreign currency; interest earned by FI on security.
- (3) In case the Indian company pays dividend distribution tax on dividend declared, dividend is exempt in the hands of the shareholder. Otherwise taxable at 10 per cent.
- (4) Capital Gains Tax on shares in Indian companies:
No benefit available as per the DTT. Given below is the treatment as per the domestic law:

Sale of shares and units of equity oriented funds chargeable to Securities Transaction Tax (STT):

Short-term capital gains 15%
Long-term capital gains Exempt from tax

Sale of securities (other than shares and units of equity oriented funds chargeable to STT):

	FII	FDI	FCCB / GDR
Short-term capital gains	30%	30%/40%	30%/40%
Long-term capital gains	10%	10%/20%	10%

- (5) As per the DTT, Capital Gains Tax on securities other than shares is taxable in the country of residence of the alienator (i.e. Luxembourg).
- (6) A provision had been introduced by Finance Act, 2012, to allow a concessional tax rate of 5 percent on interest payment to non resident on certain approved loans and on foreign currency denominated long term infrastructure bonds, as long as the interest rate did not exceed a specified limit. Concessional withholding rate of 5 percent would apply even if non- resident payee has not obtained a PAN.
- (7) The amendments to the Finance Bill 2013, introduced a new Section 194LD to provides that the interest payment during the period 1 June 2013 to 31 May 2015 to Foreign Institutional Investors (FIIs) and Qualified institutional Investors (QFIs) on investment in a Government Security or a rupee denominated bond of an Indian Company would be taxable at a lower rate of 5 percent as against existing rate of 20 percent. Further, the tax also needs to be withheld at a lower rate of 5 percent.

INDONESIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes(1)					
	Rate Withheld	20%	20%	20%	5%		
	Rate Reclaimable	10%	10%	10%	(3)		
	Withholding rate reduction					Yes(1)	Yes(2)
	Refund payment timeframe						
	Statute of limitations						
FCP	Benefit of DTT	No(1)					
	Rate Withheld	20%	20%	20%	5%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					No(1)	No(2)
	Refund payment timeframe						
	Statute of limitations						

NOTES

- (1) In order to qualify the Double Tax Treaty Agreement (DTA) as to enjoy the benefit of DTA, the non resident should be able to demonstrate a COD (Certificate of Domicile) signed by the Competent Authority of its country of resident. The COD should be available prior to the payment of income by resident to non resident. Without the COD, the resident taxpayer, as the income tax withholder, should withhold 20% tax. The reduced tax rate under the DTA will be applied if COD exists.
- (2) Effective 1 January 2010, if a non resident has been taxed not based on the provisions of the relevant DTA, such non resident may ask the Competent Authority of its country of resident to settle the issue based on the mutual agreement procedures stated in the DTA.
- (3) Based on the Indonesia-Luxembourg DTT, capital gains realised by a Luxembourg investor should be taxable in Luxembourg.

IRELAND		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes(1)					
	Rate Withheld	20%/0%(1)	20%/0%(1)	20%/0%(1)	0%/15%/33%(2)		
	Rate Reclaimable	20%/0%(1)	20%/0%(1)	20%/0%(1)	0%/15%/33%(2)		
	Withholding rate reduction					Yes(3)	Yes(3)
	Refund payment timeframe	3 months					
	Statute of limitations	4 years from end of tax year during which withholding tax suffered					
FCP	Benefit of DTT	No(5)					
	Rate Withheld	20%/0%(4)	20%/0%(4)	20%/0%(4)	0%/15%/30%(2)		
	Rate Reclaimable	20%/0%(4)	20%/0%(4)	20%/0%(4)	0%/15%/30%(2)		
	Withholding rate reduction					Yes(3)(4)	Yes(3)(4)
	Refund payment timeframe	3 months					
	Statute of limitations	4 years from end of tax year during which withholding tax suffered					

NOTES

- (1) Domestic exemption available from Irish interest and dividend withholding tax once the SICAV is a resident of Luxembourg and where appropriate declarations provided to the payor (see footnote 3). Relief is based on the residence of the SICAV and not on the DTA.
- (2) Purchaser of certain Irish situated assets such as real property or shares in a company deriving the majority of its value for Irish land must withhold 15% of purchase consideration. Non-residents subject to Irish capital gains tax on gain on disposal of such assets at 33% (on disposals made on or after December 2012). Any tax withheld available as credit against this liability with the balance refundable.
- (3) A company (SICAV) that provides a written declaration that it is not resident in Ireland or controlled directly or indirectly by Irish residents and a certificate of residence from the Luxembourg tax authorities can benefit from relief "a priori" on dividend withholding tax. Refunds possible where declarations not in place before payment and withholding tax suffered.
- (4) It is not clear whether the Irish tax authorities would consider the FCP tax transparent. It may be possible to obtain Irish domestic exemption where FCP not "controlled" by Irish tax residents and where FCP managed in Luxembourg by Luxembourg resident managers. Otherwise, the domestic withholding tax applies at a rate of 20%.
- (5) Please note that, according to the website of the Luxembourg tax authorities, a FCP itself does not benefit from DTTs, with the exception of the DTT concluded between Luxembourg and Ireland. This should be analysed on a case-by-case basis. The Irish Revenue Commissioners have however previously confirmed that they do not consider an FCP as entitled to the benefits of the Ireland / Luxembourg DTT.

ISRAEL		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	0%/10%(1)	0%(2)	5%/10%/15%(3)	0%(4)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes	Yes(5)
	Refund payment timeframe	Theoretically 3 months, in practice may be longer					
	Statute of limitations	4/6/10 years(6)					
FCP	Benefit of DTT	No(9)					
	Rate Withheld	0%/15%/25%(7)	0%(2)	25%/30%(8)	0%(4)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes	Yes(5)
	Refund payment timeframe	Theoretically 3 months, in practice may be longer					
	Statute of limitations	4/6/10 years(6)					

NOTES

- (1) As of January 2009, domestic law generally provides an exemption on interest related to publicly traded bonds paid to a non-significant shareholder (owns less than 10% of shares). In all other cases, the Treaty rate of 10% should apply.
- (2) Relating to bonds issued after May 8, 2000 which are traded on an Israeli stock exchange. An amendment was passed effective 7/2/2011 such that the exemption will not apply to bonds where the redemption date is no longer than 13 months from issuance - certain transitional provisions apply to bonds issued prior to the effective date.
- (3) The dividend withholding tax rates are based on the following: (i) 5% if the beneficial owner is a company that holds directly at least 10% of the payor company; (ii) 10% if the beneficial owner is a company that holds directly at least 10% of the capital of the payor company, where the payor company is resident of Israel and the dividends are paid out of profits which are subject to tax in Israel at a rate which is lower than the normal Israeli corporate tax rate; or (iii) 15% in all other cases.
- (4) Treaty exemption is generally provided for sale by the beneficial owner of stocks in a company, provided the property of which does not consist, directly or indirectly, principally of immovable property in Israel. Domestic exemption is also generally provided for sale of stocks in traded companies and for sale of non-traded companies (depending on acquisition date) by a foreign resident, provided the property of which does not consist, directly or indirectly, principally of immovable property in Israel.
- (5) This option is available, but is a lengthy and burdensome process.
- (6) The general statute of limitations for tax purposes is 4 years (3 years which can be extended by the Assessing Officer for an additional year). However, the legal statute of limitations is 6 years, and in some cases up to 10 years following the filing/transaction.
- (7) As of 1.1.2009, interest related to publicly traded bonds paid to a non-significant shareholder are exempt from withholding tax. Otherwise, for interest relating to bonds issued after May 8, 2000: 15% tax on interest paid to an individual where the underlying asset is not linked or partially linked to the Consumer Price Index or Foreign Exchange Rate. 25% tax on interest paid to an individual where the underlying asset is linked; and where the following main conditions, inter alia, are fulfilled: (i) the individual is not a service provider/supplier of the corporation; and (ii) the individual is not a significant shareholder (holding of less than 10%) in the payor corporation, in which case tax at the maximum marginal rate (48% as of 2013) will be withheld. 25% withholding tax will apply on all interest payments to a foreign corporation.
- (8) As of 1.1.2012, the rates are based on the lower of the following: (i) 25% tax on publicly traded bonds or on distributions to a recipient who is not a significant shareholder (owns less than 10% of the shares) and 30% in all other cases; or (ii) the applicable treaty rate as between the beneficial owner and the Israeli payor.
- (9) The Israel-Luxembourg Income Tax Treaty as well as the commentary to the Luxembourg-Israel tax treaty are silent with respect to FCPs. Therefore, it is assumed that FCPs are not entitled to treaty benefits. However, it should be noted that the ultimate beneficial owner may be entitled to treaty benefits, where applicable.

ITALY		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No (3)					
	Rate Withheld	20%	12.5%	20%	0%(1)		
	Rate Reclaimable	20%(2)(4)	12.5%(4)	0%	0%(1)		
	Rate Reclaimable based on EU Law	n/a	n/a	20% (7)	n/a		
	Withholding rate reduction					Yes	Yes
	Refund payment timeframe Statute of limitations	12-18 months for DTT (5) 48 months from pay date					
FCP	Benefit of DTT	No(6)					
	Rate Withheld	20,0%	12.5%	20%	0%(1)		
	Rate Reclaimable	20%(4)(2)	12.5%(4)	0%	0%(1)		
	Rate Reclaimable based on EU Law	n/a	n/a	20%	n/a		
	Withholding rate reduction					Yes	Yes
	Refund payment timeframe Statute of limitations	12-18 months 48 months from pay date					

NOTES

- (1) Please be aware that capital gains on disposal of non-qualified shareholdings in Italian listed companies are not taxable in Italy, while capital gains on disposal of non-qualified shareholdings in Italian non-listed companies are tax exempt (on condition that a self-certification in compliance with the Form approved by the Italian Ministerial Decree is provided). Italian non-qualified shareholdings are those where the taxpayer holds less than 20% (or 2% in the case of a listed company) of the voting rights or less than 25% (or 5%, in the case of a listed company) of the share capital of a company. Furthermore, capital gains on disposal of listed bonds are not taxable in Italy, while capital gains on disposal of non-listed bonds are tax exempt (on condition that a self-certification in compliance with the Form approved by the Italian Ministerial Decree is provided).
- (2) Interest on bonds issued by non-listed companies, other than banks, cannot benefit from the exemption.
- (3) Treaty benefit theoretically possible, failure in practice due to refusal of residence certificate delivery by Luxembourg Tax Authorities.
- (4) WHT reduction based on internal law.
- (5) For WHT reclaims based on EU Law, a time frame for reimbursement cannot be anticipated as the Italian tax authorities are currently not treating the tax reclaims.
- (6) DTTs signed by Italy do not apply to foreign transparent funds, as they cannot be qualified as a resident person for tax treaty purposes. However, with Ministerial Resolutions no. 17/E of 27 January 2006 and no. 167/E of 21 April 2008, the Italian Tax Authorities clarified that the investors of foreign fiscally transparent investment funds are entitled to claim the benefits available under treaties entered into by the State where they are resident and Italy provided that two specific conditions (to be verified on case by case basis) are met: (i) the fund's articles of association require the management result to be distributed annually to the investors; (ii) the investor's State of residence taxes the management result allocated to the investor.
- (7) Until 31.12.2011, a substitute tax amounting to 12.5% was applied on the increase of the net asset value (NAV) at the level of the Italian fund.

JAPAN		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No(1)					
	Rate Withheld	15%	15%	20% / 7%(2)	0%(3)		
	Rate Reclaimable	15%(4)	15%(5)	0%	0%		
	Withholding rate reduction					Yes(7)	No(1)
	Refund payment timeframe	3-6 months					
	Statute of limitations	5 years(6)					
FCP	Benefit of DTT	No					
	Rate Withheld	15%	15%	20% / 7%(2)	0%(3)		
	Rate Reclaimable	15%(4)	15%(5)	0%	0%		
	Withholding rate reduction					Yes(7)	Yes
	Refund payment timeframe	3-6 months					
	Statute of limitations	5 years(6)					

NOTES

- (1) If the SICAV is recognized as a resident of Luxembourg by the Japan tax authorities, DTT may be available for interest and dividend. In that case, the withholding tax rate on corporate bonds and government bonds is 10%, and on dividends is 15% (a 5% reduced tax rate applies where a company owns at least 25% of the voting shares of the company paying the dividends during the period of six months immediately before the end of the accounting period for which the distribution of profits takes place.). If the DTT is applied, "A posteriori" should be "Yes".
- (2) Dividends on listed shares paid to investors are subject to a statutory withholding rate of 7% until 31 December 2013, and the rate will increase to 15% from 1 January 2014.
- (3) Capital gains realized on the disposition of stock of a Japanese corporation held by a non-resident investor might be subject to Japanese taxation (i) if the non-resident investor is treated as owning 25% or more of the Japanese corporation at any time during the fiscal year of the sale or during the previous two fiscal years and 5% or more of the shares are disposed of during the fiscal year, (ii) if the non-resident investor is involved in acquiring substantial ownership through "market corner" (kaizutsumi) regardless of the level of ownership or number of shares sold or (iii) if the non-resident investor is treated as owning 5% or more (2% for unlisted company) of a "real estate holding corporation" (a corporation where the fair market value of its real property interests equals or exceeds 50% of the fair market value of its total assets) as of the day prior to the beginning of the year including the disposal day. In the event that such circumstances apply, the gain arising is generally taxed at 30% (25% from accounting periods beginning on or after 1 April 2012 plus 10% of the corporation tax liability (i.e. total 28%) or 2% of individual income tax as special reconstruction corporation or income tax if any) in Japan by filing a tax return rather than by withholding.
- (4) A special rule applies for Japanese corporate bonds issued outside Japan ("Minkan Kokugai Sai") and Japanese corporate bonds managed under the Book-Entry system ("Furikae Shasai") whereby interest is exempt from withholding tax, provided that relevant application forms are submitted and certain conditions are met.
- (5) A special rule applies for Japanese Government bonds managed under the Book-Entry System, whereby interest is exempt from withholding tax, provided that relevant application forms are submitted and certain conditions are met.
- (6) In case of tax evasion, the statute of limitations is extended to 7 years.
- (7) In case the DTT is applied, the special reconstruction tax is not imposed after January 1, 2013.

KAZAKHSTAN		Interest tax on corporate bonds	Interest tax on government bonds (2)	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a(1)					
	Rate Withheld (3)	20%(3)	0%	20%(3)	20%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a(1)					
	Rate Withheld (3)	20%(3)	0%	20%(3)	20%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) Kazakhstan has not ratified the tax treaty with Luxembourg yet, so the statutory tax rates apply in all cases. Certain types of income paid to Kazakhstan tax nonresidents are exempt from taxation under domestic legislation (e.g. income paid on Kazakhstan government securities, dividends or interest paid on securities listed on the Kazakhstan stock exchange, capital gains realized on the disposal of government securities, and capital gains on securities sold on a stock exchange).
- (2) Luxembourg is regarded as a tax haven under Kazakh law. Kazakh-source income of a nonresident registered in a tax haven is subject to withholding tax at a rate of 20%, regardless of the type of income. Nevertheless, certain types of income, which are listed in Note 1 above, are still exempt from Kazakh withholding tax even if paid to a resident of a tax haven.
- (3) The standard rate of Kazakh withholding tax on interest dividends and capital gains is 15%. However, as noted above, Kazakh-source income of a nonresident registered in a tax haven is subject to withholding tax at a rate of 20%, regardless of the type of income, unless exemption is granted.

KOREA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	15%(1)	15%(1)	22%(2)	11%/22%(3)		
	Rate Reclaimable	5%(*)	5%(*)	7%(*)	0%(*)		
	Withholding rate reduction					Yes	Yes
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No					
	Rate Withheld	15%(1)	15%(1)	22%(2)	11%/22%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

In principle, to be eligible for the treaty benefits (e.g., reduced withholding tax rate, capital gains tax exemption, etc.), the following two conditions should be satisfied in accordance with the provisions of the Korean tax laws: i) residency status in the jurisdiction of incorporation for tax purposes; and ii) beneficial ownership of the income. If a foreign fund is determined as a look-through entity (i.e., a paper company), the withholding tax rate and capital gains tax treatment would be different depending on the tax treaty between Korea and the country in which the real beneficial owners reside. In case of a SICAV, even though it has a legal personality, tax treaty benefits will only be available when it can satisfy a beneficial ownership requirement. In case of a FCP, not having a legal personality, it would be regarded as a look-through entity for Korean tax purposes.

(*) On 16 May 2011, the Korean Ministry of Strategy and Finance ("MoSF") issued in response to a request from the National Tax Service of Korea ("NTS") an authoritative interpretation in which the MoSF takes the view that Luxembourg SICAVs/SICAFs are not eligible for benefits from the Korea-Luxembourg tax treaty.

In 2012, in Korea there are several cases in the court that SICAVs/SICAFs are not eligible for tax treaty benefits and the final judgment is not made on such cases yet. But if the treaty benefits of DTT would not be applicable, the rate of reclaimable in the above table for SICAVs would be 0% for interest, dividend and capital gains. Further research would be required.

The Luxembourg tax authorities, remain of the opinion that the Korea-Luxembourg tax treaty is applicable to Luxembourg SICAVs/SICAFs. They will liaise with the Korean administration in order to seek further clarifications in this regard.

As from 2012 non-residents will be required to submit an application form to the withholding agent before the payment of the Korean-source income. If the Korean-source income is paid through an offshore investment vehicle, the beneficial owners of foreign investment vehicle is required to submit these application forms as well as supporting documents to the withholding agent. Those new procedures are applicable to all investment vehicles. If application forms are not submitted or the beneficial owner of offshore investment vehicle is not identified, reduced treaty rate is not applicable but should be withheld taxes under the Korea tax laws.

- (1) 10% WHT under the tax treaty between Korea and Luxembourg. The Korean law does not require a formal procedure to benefit from the reduced withholding rate. In practice, as a payor will act as a withholding agent, a payor may request supporting documents (e.g. residence certificate, etc) to a recipient. In addition, a foreign recipient does not need to pay withholding tax based on a domestic tax law and make application to get a refund of the excess withholding tax based on a tax treaty. Indeed, unlike some countries where the domestic tax rate is applied initially, followed by receiving a refund on the difference with the tax treaty, in Korea, the tax treaty rate is applied first. Therefore, it will not be necessary for the foreign recipient to pay the domestic tax law withholding tax rate, and then get a refund on the excess or difference, as the tax treaty rate should be applied initially.
- (2) 15% under the tax treaty between Korea and Luxembourg. A company, which owns directly at least 25% of the capital of the company paying the dividends, will be subject to 10% WHT.
- (3) The WHT will be applied at the lesser of i) 11% of the gross proceeds received or ii) 22% of the capital gains realized.

LIECHTENSTEIN		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

The WHT on Liechtenstein interest and dividend income has been abolished with effect from 1 January 2011. As a consequence, interest and dividend payments after 1 January 2011 are not subject to any WHT. As an exemption, dividends paid out of old reserves (i.e. existing reserves as of 31 December 2010) are subject to WHT at a rate of 2% (if distributed in 2011 or 2012) or 4% (if distributed after 2012).

If a Luxembourg investment fund receives dividend income that is subject to WHT (since it was distributed out of old reserves), the WHT may not be reclaimed by the fund. This is because the double tax treaty between Luxembourg and Liechtenstein that entered into force on 1 January 2011 does not include any provisions that a Luxembourg investment fund may claim treaty benefits.

LUXEMBOURG		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	0%	0%	15%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a(1)					
	Rate Withheld	0%	0%	15%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

(1) Under Luxembourg tax law a FCP is considered a transparent entity. In practice, however, it is often difficult/burdensome to apply the double tax treaty entered into between Luxembourg and the jurisdiction of residence of the beneficial owner.

MALTA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
NOTES							

MONACO		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes(1)					
	Rate Withheld	0%(2)	0%(2)	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/A					
	Statute of limitations	N/A					
FCP	Benefit of DTT	No					
	Rate Withheld	0%(2)	0%(2)	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/A					
	Statute of limitations	N/A					

NOTES

- (1) A Monaco-Luxembourg Double Tax Treaty came into force on 3 May 2010 and applies from 1 January 2011 for taxes withheld at source.
- (2) Under the EU Savings Directive, a withholding tax on cross-border interest payments may apply.

NEW ZEALAND		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	15% (1)	0% (2)	15% (3) 0% (4)	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a					
	Rate Withheld	15% (1)	0% (2)	15% (3) 0% (4)	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) Actual 15% withholding tax can be avoided by paying a 2% Approved Issuer Levy on all government bonds and "approved" corporate bonds issued after 8/1/91.
- (2) This is because the payer (the Reserve Bank of New Zealand) automatically pays (and grosses up for) the Approved Issuer Levy (2%), which reduces the withholding tax to nil.
- (3) Investment less than 10%.
Rate reflects a fully imputed dividend where tax has been paid at the corporate level; to the extent that the dividend is not fully imputed the rate is increased to 30%. A foreign investor tax credit (FITC) may be claimed at corporate level to the extent that fully imputed dividends are paid to non-residents. The FITC funds the payment of a supplementary dividend equal to the withholding tax deducted. This has the net effect of reducing the withholding tax rate to 0%.
- (4) Investment greater than 10%.
Rate reflects a fully imputed dividend where tax has been paid at the corporate level; to the extent that the dividend is not fully imputed the rate is increased to 30%.

Note: The FCP is a fiscally transparent entity for tax purposes, and our comments above assume that the ultimate partners/shareholders of the FCP are tax residents of Luxembourg.

NIGERIA			Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a						
	Rate Withheld		0%(1)	0%(1)	10%	10%		
	Rate Reclaimable		0%	0%	0%	0%		
	Withholding rate reduction						N/a	N/a
	Refund payment timeframe	N/a						
	Statute of limitations	N/a						
FCP	Benefit of DTT	N/a						
	Rate Withheld		0%(1)	0%(1)	10%	10%		
	Rate Reclaimable		0%	0%	0%	0%		
	Withholding rate reduction						N/a	N/a
	Refund payment timeframe	N/a						
	Statute of limitations	N/a						

NOTES

(1) On 2 January 2012, the Federal Government of Nigeria issued the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order. The Order exempts all Government and Corporate Bonds; and interest earned by holders of such Bonds and Short Term Securities from tax. The tax exemption is for a period of ten (10) years except for Federal government Bonds which will continue to enjoy the exemption.

NORWAY		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	0%	0%	25%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Rate Reclaimable based on EU Law	n/a	n/a	25% (1) (2)	n/a		
	Withholding rate reduction					N/a	(4)
	Refund payment timeframe Statute of limitations	N/a (3)					
FCP	Benefit of DTT	No					
	Rate Withheld	0%	0%	25%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Rate Reclaimable based on EU Law	n/a	n/a	25% (1) (2)	n/a		
	Withholding rate reduction					N/a	(4)
	Refund payment timeframe Statute of limitations	N/a (3)					

NOTES

- (1) Please note that the Ministry of Finance in an opinion from September 2009 stated that as a consequence of the Aberdeen case, there is no longer a requirement that the company is subject to corporation tax in its country of residence as previously stated. The decisive factor is whether the foreign companies or funds are considered as separate tax subjects. In other words foreign companies or funds must be considered separate tax subjects assessed pursuant to Norwegian tax law in order to be considered to be comparable to Norwegian companies.
- A central factor for whether the company is seen as a separate tax subject is if the participants' liability for the company is limited to the capital invested. Because of this change in opinion a Luxembourg SICAV has reached a settlement with the Norwegian Tax authorities. This settlement should have positive impact on pending and new refund cases with the tax authorities and improve the possibility to obtain refund for corporate based investment fund as Luxembourg SICAVs. Since an FCP is a contractual fund it may be difficult to claim that an FCP is a "taxpayer" as such. But based on the new statement there should be a possibility given that the unit holders have limited liability so that the entity can be comparable to a limited liability company and thus be comprised by the exemption method.
- (2) The dividend standard tax rate in accordance with the double tax treaty between Norway and Luxembourg is 15% under the condition that the receiving party is beneficial owner and resident

in Luxembourg for tax purposes. In practice the custodian will often withhold 25%, but the Luxembourg investment fund can in principle ask for a refund of 10% in accordance with the treaty if they can prove that the fund is beneficial owner and resident in Luxembourg. In most cases it will be more beneficial to file a Fokus bank claim reclaiming the full amount.

- (3) According to section 9-2 no. 4 of the TAA, withholding tax claims must be filed within one year after the end of the assessment year. The one year deadline is calculated from the point in time when the decision to distribute the dividends was made by the Norwegian company and WHT levied. Despite the new legislation, COFTA continues the current practice with a three year deadline to file a claim.
- (4) A condition for meeting with the set deadline is that the amount to be reclaimed is specified in the reclaim letter. In Norway reclaims should thus be filed after the dividend payment has been made. However, a WHT exemption at source is available, to the extent that the investment fund already filed a WHT reclaim procedure based on EU law for the past and the claim has been accepted by the tax authorities. In such case, the latter will issue a decision confirming that the entity is covered by the exemption method for the relevant year.

PAKISTAN		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	10%/35%(1)	10%/35%(1)	7%/10%(2)	5%/8%/10%/26%/35%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes(5)	Yes(6)
	Refund payment timeframe	60 days(4)					
	Statute of limitations	2 years(4)					

FCP	Benefit of DTT	N/a					
	Rate Withheld	10%/35%(1)	10%/35%(1)	7%/10%(2)	5%/8%/10%/26%/35%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes(5)	Yes(6)
	Refund payment timeframe	60 days(4)					
	Statute of limitations	2 years(4)					

NOTES

Negotiations with regard to a double tax treaty between Pakistan and Luxembourg are currently in progress.

- (1) The Pakistan source interest income of a non-resident shall be subject to Pakistan withholding tax at 20%. However the rate of tax to be deducted in respect of payment for profit on debt payable to a non-resident person having no permanent establishment in Pakistan, shall be 10% of the gross amount paid. The interest income is taxable on net income basis at the applicable tax rate (i.e. 35%) except such 10% withholding tax shall be the final tax payable by non-resident investors on interest earned on such debt instruments where the non-residents have no PE in Pakistan and the debt investments are made through a Special Rupee Convertible Account held in a Pakistani bank.
- (2) The dividend income of a non-resident received from a Company incorporated in Pakistan are generally subject to Pakistan withholding tax at 10%. However, a reduced 75% withholding tax rate applies to dividends received from a Pakistan corporation set up for power generation.
- (3) **On disposal of Listed Securities:**

Where the holding period is less than six months, capital gain tax is payable at the rate of 10%; in case the holding period is more than 6 months but less than one year, capital gain tax is payable at the rate of 8%; and capital gain is exempt if the holding period is more than a year. The 'securities' have been defined to mean 'share of a public company', 'Modarba Certificate', 'an instrument of redeemable capital' and 'derivative products'. Advance tax in respect of a capital gain is also payable when there is a disposal during a quarter. The rate of advance tax 2% where the holding period is less than 6 months and 1.5% where the holding period exceeds six months but not one year.

On disposal of other Capital Assets:

Capital gains on disposal of other Capital assets is taxable at 35%. However, if the holding period

of non listed securities is more than one year, then 25% is exempt and the remaining 75% would be taxable at 35%. The effective tax rate works out to 26% (i.e. 35 per cent x 75 per cent). The 'Capital Assets' have been defined to mean property of any kind except any stock-in-trade, consumable stores or raw materials held for the purpose of business; any property with respect to which the person is entitled to a depreciation / amortization deduction; any movable property held for personal use (excluding a painting, sculpture, drawing or other work of art, Jewellery, a rare manuscript, a folio or book, coin or medallion, an antique). In case any asset does not fall under the purview of Capital Assets, the resultant gain on its disposal would be taxed as 'business income' and not capital gain.

On disposal of Immovable Property:

An amendment has been made where gain on immovable property is now taxable. Where the holding period is up to one year, capital gain tax is payable at the rate of 10%; in case the holding period is more than one year but less than two years, capital gain tax is payable at the rate of 5%; and capital gain is exempt if the holding period is more than two years.

- (4) Under the tax laws, a person who has paid excess amount of tax may apply for a refund of the excess amount on a prescribed application within two years of the later of the date on which the assessment order was passed or the date on which the tax was paid.
- (5) The concept of prior applies as tax withholding is made as per the reduced rate wherever given in the Double Tax Treaties.
- (6) Any excess tax withholding will be refunded on process of refund after filing refund application. However, no refund is likely to arise as tax withholding is lower or equal to the final tax liability.

PANAMA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes(4)					
	Rate Withheld	0%/5%(1)	0%	5%/10%(2)	0%/5%/10%(3)(7)		
	Rate Reclaimable	0%/7%(5)	0%	5%/0%(6)	0%		
	Withholding rate reduction					Yes(8)	Yes(9)
	Refund payment timeframe	N/a					
	Statute of limitations	15 years from the due date of payment when the tax withholding is non exempt					
FCP	Benefit of DTT	N/a(4)					
	Rate Withheld	0%/5%/12%(5)	0%	0%/5%/10%(2)	0%/5%/10%(7)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	15 years from the due date of payment when the tax withholding is non exempt					

NOTES

- (1) 0% wht rate is applied when the Beneficial Owner (BO) of the interest is the other Contracting State (CS) or its Central Bank, when interest arises from a sale on credit, and when it is paid by a financial institution of the source State to a financial institution of the other State. 5% rate is applicable when the BO is a resident of the other CS in other cases.
- (2) The 5% rate is applicable when the BO is a residents of the CS to which the dividends are paid. The treaty provides for a rate of up to 15% in other cases, but the Panamanian domestic legislation provides for a maximum rate of 10%. Under domestic law, a 5% rate applies to dividends paid out of foreign source profits.
- (3) Securities traded in a recognized stock market are only taxable in the State of residence of the seller. The sale of shares deriving more than 50% of their value from imovable property in Panama will be taxable in Panama in accordance to the DTT.
- (4) DTT signed with Luxembourg entered into effect on January 2012.
- (5) 0% tax rate is relied on securities registered at CNV and transferred either through a stock exchange or an organized market. Corporate WHT rate reduced from 15% to 12.% by Law No. 8 of 2010. Under the DTT it can be further reduced to 5%.
- (6) Under domestic law, dividend tax would be 0% if securities registered at CNV and listed on a stock exchange, otherwise the rate would be 10% if arising from Panamanian source profits or 5% if paid out of foreign source profits.
- (7) 5% tax rate is to be withheld by the buyer upon the sale value and as an advanced sum of a definitive 10% tax rate on any non-exempt transfer of securities such as acquisitions of the public offers of stocks.
- (8) In general, Form 929 has to be filed by the person making the payment (when obliged to withhold and pay income tax) and the corresponding tax is paid at the reduce rate applicable under the DTT.
- (9) In the case of Complementary Tax, which is an advance on Dividend Tax, it is unclear whether the tax has to be effectively paid, with the right to request a refund for it afterwards. Complementary tax is paid together with the annual Income Tax if the company distributes less than 40% of its Panamanian source profits or less than 20% of its foreign source profits, at a rate of 10% on the difference between such minimum distribution percentages and the effectively distributed amount.

PHILIPPINES		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	20%(1)	20%(1)	15%(2)	5%/10%/30%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a					
	Rate Withheld	25%(4)	25%(4)	25%(4)	5%/10%/25%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) DA ITAD Ruling No. 053-06 and BIR Ruling No. DA-616-99 provides that interest received from bonds and notes by non-resident foreign corporations with no tax treaty with the Philippines is subject to 20% withholding tax pursuant to Section 28 (B)(5)(a) of the Philippine Tax Code. Said bonds and notes must be denominated in foreign currency.
- (2) Section 28(B)(5)(b) of the Philippine Tax Code imposes a final withholding tax of 15% on the amount of cash and/or property dividends received from a domestic corporation, subject to the condition that the country in which the non-resident foreign corporation is domiciled, shall allow a credit against the tax due from the non-resident foreign corporation taxes deemed to have been paid in the Philippines equivalent to 15% which represents the difference between the regular income tax of 30% and the 15% tax on dividends. If such a condition is not met, the rate shall be 30%.
- (3) On shares of stock - A final tax of 5% for the first Php 100,000 and 10% on the amount in excess of Php 100,000 is imposed upon the net capital gains realized from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the stock exchange.
- (3) On bonds/other securities - Subject to 30% (for incorporated SICAV) or 25% (FCP trust) income tax.
- (4) Section 61 of the Philippine Tax Code provides that the taxable income of a trust shall be computed in the same manner and on the same basis as in the case of an individual. Since the FCP is not a resident and is not engaged in trade or business in the Philippines, it is taxable as a non-resident alien not engaged in trade or business within the Philippines under Section 25 (B) of the Tax Code providing for a tax rate of 25% on its entire income received from all sources within the Philippines.

POLAND		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	20% (7)	20% (7)	19% (7)	19% (7)		
	Rate Reclaimable	10%(1)	10%(1)	4%/14% (2)	19%/0%(3)		
	Rate Reclaimable based on EU Law	10%	10%	15%/5% (8)	n/a		
	Withholding rate reduction					Yes(4)	Yes(5)
	Refund payment timeframe Statute of limitations	12-18 months (6) 5 years as of the 1 st January after the year of distribution					
FCP	Benefit of DTT	No					
	Rate Withheld	20%	20%	19%	19%		
	Rate Reclaimable	0%	0%	0%	0%		
	Rate Reclaimable based on EU Law	20%	20%	19%	n/a		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe Statute of limitations	N/a N/a					

NOTES

- (1) Poland/Luxembourg DTT rate is 10%.
- (2) Reduction available under DTT Poland/Luxembourg: WHT rate of 5% if SICAV holds more than 25% of shares of the paying company and WHT rate of 15% in all other cases.
- (3) Depending from the detailed background, capital gains may be taxed in Poland or in Luxembourg. Gains derived from the alienation of immovable property situated in Poland are taxed in Poland.
- (4) The reduced rate may be generally applied a priori in each case (i.e., for WHT exemption based on EU Law), however the payer of interest should fulfill all prerequisites for the reduction (i.e. hold a certificate of residence of the recipient).
- (5) The tax refund procedure concerns among all the situations in which the wrong rate was applied. It is formalised and started upon a written motion. As a rule the procedure requires that a tax proceeding is conducted and a formal decision is issued.
- (6) As a rule the refund is made after finalising of a tax procedure (which can last for a few years). The refund is made within 30 days after the favourable decision is issued. In certain cases the refund payment can be made without initiating the procedure. For WHT reclaimers based on EU Law, refunds may be obtained within a period of less than one year to the extent all documents information requested by the Polish tax authorities can be provided.
- (7) It should be noted that exchange of diplomatic notes on the ratification still has not take place according to the signed on 7th June 2012 of the Protocol to the Treaty between the Luxembourg and the Republic of Poland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital of 14th June 1995.

Having the above in mind amendments come into force with reference to:

- Interest – two months after exchange of diplomatic notes on the ratification (decrease of levied tax to 5%),
 - Dividends and capital gains – in following year after exchange of diplomatic notes on the ratification (it is expected that the amendments will be in force since 1 January 2014 at earliest).
- (8) As from 01.01.2011, EU resident investment funds may benefit from a WHT exemption based on Polish law, to the extent that certain conditions are met. One of the conditions foreseen is notably the tax residency of the fund. Therefore, Luxembourg SICAVs may under certain conditions benefit from a WHT exemption.

PORTUGAL		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT (4) (5) (6)	Yes					
	Rate Withheld	25%(1)	25%(1)	25%	0%		
	Rate Reclaimable	10%(2)	10%(2)	10%(3)	0%		
	Withholding rate reduction					Yes	Yes
	Refund payment timeframe	12 months					
	Statute of limitations	2 years from the date the tax was withheld					
FCP	Benefit of DTT (4) (6)	No					
	Rate Withheld	25%(1)	25%(1)	25%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) There is a special regime, approved by Decree-Law no. 193/2005, of 7 November, and amended by both Decree-Law no. 25/2006, of 8 February and Decree-Law no.29-A/2011, of 1 March, applicable to certain public and private debt, according to which, provided some formalities are met, income (capital income and capital gains) obtained by non-resident entities is exempt from tax, except:
- if the non-resident investor is owned, directly or indirectly, in more than 20% by Portuguese entities;
 - if the non-resident investor is resident in a tax haven.
- (2) WHT reduction based on treaty. Reduced rate of 15 % should apply.
- (3) WHT reduction based on treaty.
- (4) Please note that the protocol that changes the DTT between Portugal and Luxembourg was published and has reviewed the information exchange mechanism.
- (5) Further to the Decree-Law no. 71/2010, of 18 June, collective investment undertakings (such as SICAVs) and property investment funds under corporate form are allowed to be established in Portugal. Under this new legal regime it is also foreseen that corporate investment funds should be deemed as investment funds for tax purposes.
- (6) The Portuguese tax authorities have issued an administrative understanding (Circular no. 4/2009) according to which investment funds may benefit from the provisions foreseen in the DTTs celebrated by Portugal provided that some requirements are met, as follows: i) the investment funds should be considered itself a "person" for DTT purposes; ii) it should be subject to tax and not a transparent entity and iii) it should be the beneficial owner of the generated income. In this

context, unlike SICAVs, FCPs are considered under Luxembourg tax law as transparent entities without legal personality, they are not entitled to benefit from the relief provided by the DTT since these investment vehicles are not considered the beneficial owners of the income.

ROMANIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	16%	0%	16%	16%		
	Rate Reclaimable	0%/6%(1)/16%(7)	0%	0%/1%/11%(2)/16%(8)	0%/16%(3)		
	Withholding rate reduction					Yes(4)	Yes(5)
	Refund payment timeframe	N/a					
	Statute of limitations	5 years					

FCP	Benefit of DTT	No					
	Rate Withheld	16%	0%	16%	0%(6)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) The 16% tax rate can be reduced to 10% by applying the DTT.
- (2) According to Article 10 - Dividends of the Romania - Luxembourg double tax treaty, withholding tax on dividend income received from Romania by a Luxembourg resident is levied at:
- 5% of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25% of the capital of the company paying the dividends. Therefore, should this condition be met and should a SICAV be entitled to benefit from the DTT, 11% can be reclaimed;
 - 15% of the gross amount of the dividends in all other cases. Therefore, should a SICAV be entitled to benefit from the DTT, 1% can be reclaimed.
- (3) According to Article 14 - Capital gains of the Romania - Luxembourg double tax treaty, gains from the alienation of any property other than that referred to in paragraphs 1, 2 and 3 (i.e. immovable property, movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment. Gains from the alienation of ships, aircraft or rail or road vehicles operated in international traffic, boats engaged in inland waterways transport or of movable property pertaining to the operation of such ships, aircraft, rail or of road vehicles or boats), shall be taxable only in the Contracting State of which the alienator is a resident. Therefore, Luxembourg reserves the right to tax such gains derived by its residents from Romania.
- (4) The matter is not entirely clear-cut; a SICAV is in principle entitled to benefit from the DTT (see website of the Luxembourg Tax Authority). However, the application of the corresponding DTT in the context of a Luxembourg SICAV could be challenged/denied by the Romanian Tax Authorities.
- (5) If, at the moment when payment is made, the non-resident taxpayer does not prove its tax residency by means of a tax residency certificate, tax is withheld according to Romanian tax legislation in force; once the necessary documents are made available to the Romanian income payer (or Romanian proxy, as the case may be), reimbursement of tax paid in excess of the obligations provided for under the double tax treaty can be claimed, during the statute of limitation period of 5 years. Similarly, should the conditions for applying the Interest and Royalties Directive or the Parent Subsidiary Directive be met, entities may apply for reimbursement of tax withheld within the same 5 year period.
- (6) Capital gains made from the transfer of Romanian securities, earned by non-resident undertakings for collective investment in transferable securities which are not legal entities, are outside the scope of taxation in Romania.
- (7) According to the provisions of the Romanian Fiscal Code implementing the provisions of EU Interest and Royalties Directive, interest derived from Romanian companies by EU/EFTA legal entities is not subject to WHT (the tax rate was 10% until 31 December 2010), subject to a minimum shareholding of 25% for an uninterrupted period of 2 years.
- (8) According to the provisions of the Romanian Fiscal Code implementing the provisions of EU Parent Subsidiary Directive, dividends derived from Romanian companies by EU/EFTA legal entities are not subject to WHT, subject to a minimum shareholding of 10% (15% prior to 2009) for an uninterrupted period of 2 years.

RUSSIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	20%/no WHT(1)	no WHT/9%/15%(3)	15%	no WHT/20%(5)		
	Rate Reclaimable	20%(2)	0%	0%/5%(4)	0%		
	Withholding rate reduction					Yes(6)	Yes(7)
	Refund payment timeframe	1 month					
	Statute of limitations	3 years from end of reporting period during which income was paid					
FCP	Benefit of DTT	No					
	Rate Withheld	20%/no WHT(1)	no WHT/9%/15%(3)	15%	no WHT/20%(5)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) Russian borrowers are exempted from the obligation to withhold Russian withholding tax from interest payments under "quoted bonds" issued by a Russian legal entity (hereinafter - a "RLE") prior to 1 January 2014 (including via an SPV registered in Luxembourg). For the purposes of this exemption "quoted bonds" mean bonds and other debt obligations listed on one or more foreign stock exchanges and/or rights to which are recorded by a foreign depository-clearing organisation, provided such foreign stock exchanges and depository-clearing organisations are specified in the list approved by the Federal Authority for Securities Markets in consultation with the Ministry of Finance of the Russian Federation.
- (2) According to the Russia/Luxembourg DTT, interest from debt-claims of every kind arising in Russia and paid to a Luxembourg resident should be taxed in Luxembourg. This exemption can be applied in full if the recipient of such interest:
- (i) is a tax resident of Luxembourg and is a beneficial owner of such interest;
 - (ii) interest payments are not attributable to a PE in Russia;
 - (iii) the confirmation of tax residence should be provided to the Russian payer prior to the date of interest payment;
 - (iv) interest is paid in accordance with arm's length principle.
- (3) Russian borrowers are exempted from the obligation to withhold Russian withholding tax from interest payments on state and municipal bonds. This provision was introduced to the Russian Tax Code in 2012 and applicable starting from 1 January 2007. In accordance with the Tax Code and latest clarifications of regulatory bodies of the Russian Federation (Ministry of Finance and the tax authorities), the WHT exemption on interest income paid to non-resident companies on state and municipal securities applies to debt payments arising as of 1 January 2007 and to bonds issued prior to 1 January 2014.
- (4) According to the Russia/Luxembourg DTT, Russian WHT on dividends can be taxed at the rate of 10% provided that the beneficial owner of such dividends owns directly at least 30% of the capital of the company paying the dividends and the price of acquisition of the holding exceeds EUR75,000 or its equivalent amount in the national currency. In all other cases 15% Russian WHT rate is applied. Please be aware that on November 11, 2011 the President of the Russian Federation signed the Protocol to Russia/Luxembourg DTT (hereinafter - "the Protocol"). On December 30, 2012 the President signed the law on ratification of this Protocol. The Protocol will come into force after its ratification from Luxembourg side and interchange of notifications between Russia and Luxembourg. The Protocol reduces the minimum WHT rate on dividends to 5%. To be eligible for the reduced rate, dividend recipients must meet the following conditions:
- be beneficial owners of such dividends;
 - hold shares directly representing at least 10% of the capital of the company paying the dividends; and
 - have invested at least EUR 80,000 or the same value in roubles in the capital of the company paying the dividends.
- If these conditions are not met, dividends will be taxed at a general rate of 15%.
- The Protocol also clarifies that reduced dividend WHT rate will apply for the following payment vehicles that qualify as dividends for the purposes of application of Article 10 of the DTT:
- payments on units of mutual investment funds or any other collective investment vehicles (except for those that invest mainly in immovable property); and
 - payments on depositary receipts.
- (5) Capital gains on sale of shares generally is not subject to WHT in Russia. However, in case a foreign company disposes shares of Russian companies more than 50% of whose assets consist of immovable property located in Russia, excluding shares which are traded through an organized stock exchange, the tax is to be withheld and paid to the budget by the purchasing Russian company or permanent establishment (PE) at 20% profits tax rate **on profits from such a disposal** provided that the foreign company can provide the purchaser with the documents supporting the expenses incurred to acquire the shares. Otherwise, 20% Russian profits withholding tax will be applied **to the gross income from the sale of the shares**. No WHT shall apply to any Russian shares, regardless of the portion of total assets which is comprised of immovable property, where such shares or their derivatives are sold through a non-Russian recognized exchange. Please note that according to Article 13 (item 4) of Russia/Luxembourg DTT, currently disposal of shares of Russian companies more than 50% of whose assets consist of immovable property located in Russia could be exempt from WHT in Russia. However the Protocol will remove such exemption after entering into force.
- (6) The confirmation of the tax residence should be provided to the Russian payer of income **prior to the date of payment**. Such certificate of residency should be renewed at the beginning of each calendar year prior to any payment of income to a Luxembourg tax resident in such year. No further filing requirements are imposed for purposes of claiming the exemption from the WHT under the Russia/Luxembourg DTT. In the event such confirmation is not provided before the date of payment of income by the Russian payer, the latter would lack the formal grounds for applying any DTT benefits.
- (7) If a Luxembourg company fails to satisfy the Russia/Luxembourg DTT procedures at the time when income or gains are realised and tax is withheld by a Russian payer, the Luxembourg company could claim a refund of the excess WHT within three years from the end of the year in which the tax was withheld. To process a claim for a refund, the Russian tax authorities require:
- (i) an apostilled or legalised confirmation of the foreign tax residency of the Luxembourg company at the time the income was paid;
 - (ii) an application for a refund of the withheld tax; and
 - (iii) copies of the relevant contracts or other documents based on which the income was paid, as well as payment documents confirming the payment of tax that was withheld to the appropriate Russian authorities.
- The Russian tax authorities may require a Russian translation of some documents. The refund of the withheld tax should be granted within one month following the filing of the application for this refund and the relevant documents with the Russian tax authorities. However, there is significant practical uncertainty regarding the availability and timing of such refunds.

SAUDI ARABIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	5%	5%	5%	20%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	5 years					
	Statute of limitations	10 years					
FCP	Benefit of DTT	N/a					
	Rate Withheld	5%	5%	5%	20%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	5 years					
	Statute of limitations	10 years					
NOTES							

SLOVAK REPUBLIC		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Local Rate Withheld	0%(2)	0%(1)(2)	0%/15%/19%(5)	19%(3)/0%(4)		
	Rate Reclaimable	0%(2)	0%(1)(2)	0%/4%/14%/0%/0%/10%(6)	0%(3)/19%(4)		
	Withholding rate reduction					Yes(7)	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	5/10 years					
FCP	Benefit of DTT	No					
	Local Rate Withheld	19%	0%(1)/19%	0%/15%/19%(5)	19%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

Assumption - SICAV to be treated as a corporate entity.

- (1) Revenues from Slovak government bonds which were issued abroad and registered abroad are exempt from tax in Slovakia (applicable only to bonds issued and registered by 28 February 2009).
- (2) Exemption on the basis of the DTT.
- (3) Capital gains from the alienation of immovable and movable property situated within the territory of Slovakia are taxable in Slovakia.
- (4) Based on the DTT no Slovak tax applicable on capital gains from the sale of shares in Slovak companies by Luxembourg tax residents.
- (5) 0% for dividends paid out of profits generated as from January 1, 2004 (19% for profits generated prior to January 1, 2004), 15% for dividends paid out after 31 December 2012 of profits generated prior to January 1, 2004 if the decision of the paying out was made after 31 December 2012.
- (6) Withholding tax reduction based on DTT (i.e. final withholding tax of 5% for payments made to a SICAV, which holds at least 25% of the capital or of the voting rights of the distributing company, 15% otherwise).
- (7) The provisions of the DTT apply automatically, no special procedure required.

SLOVENIA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	15%	0%	15%	0%		
	Rate Reclaimable	10%(1)	0%	0%/10%(1)	0%		
	Withholding rate reduction					Yes	Yes
	Refund payment timeframe	30 days					
	Statute of limitations	5 years					
FCP	Benefit of DTT	No					
	Rate Withheld	15%(2)	0%	15%(2)	0%		
	Rate Reclaimable	0%(3)	0%	0%(3)	0%		
	Withholding rate reduction					N/a(1)(3)	N/a(1)(3)
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) According to Article 70, Paragraph 5 of the CIT Act, Withholding tax **shall not be calculated and paid** on dividend (and interest) income paid to non-residents – pension funds, **investment funds** and insurance undertakings authorized to implement the pension scheme, on the condition that they are residents of an EU and/or EEA member state other than Slovenia, and provided that the non-resident cannot claim the withholding tax paid in Slovenia in the country of residence. Exemption from taxation or taxation of income of these taxpayers under this paragraph in the country of residence at a 0 % rate shall be deemed to be inability to claim tax.
- The withholding tax that has already been paid upon dividend (or interest) distribution may be, upon a request addressed to the Tax Authority, **refunded in full or in part in the event that the non-resident investment fund could not claim it in full or in part** and the inability to claim the tax in question occurred after the calculation, withdrawal and payment of withholding tax.
- (2) According to the Article 70 of CIT Act, interest and dividend (whose source is in Slovenia) paid to residents and non-residents are subject to withholding tax levied on the gross amount.
- In relation to the withholding tax on payments to the mutual funds (FCP) the Slovene Ministry of finance has issued Explanation No 423-02-11/2004, dated 8 September 2004. In this Explanation the Ministry of finance took the position that mutual funds are not considered as taxable persons for the purposes of Corporate Income Tax and therefore payments to mutual funds are not subject to withholding tax in Slovenia. Nevertheless, please note that the Ministry of finance did not make any difference between domestic and foreign mutual funds and did not explain whether this argument could apply also for foreign mutual funds. In this relation we have obtained just oral explanation from

Slovenian Tax Authorities that foreign mutual funds which are not legal persons of foreign law are not treated as taxable persons for the purposes of Corporate Income Tax and that payments to these funds (dividend, interest) are not subject to withholding tax in Slovenia.

Accordingly, if abovementioned Explanation of Ministry of finance is still applicable and if this Explanation could apply also for foreign FCP the dividend and interest payments to Luxembourg FCP would not be subject to withholding tax in Slovenia. However, further clarifications with Slovenian Tax Authority would be necessary on this issues.

- (3) If paid dividends and interest would be subject to withholding tax in Slovenia (please see explanations under footnote 2) it is questionable if Article 70, Paragraph 5 of the CIT Act (please see explanations under footnote 1) would be applicable also for Luxembourg FCPs, since Luxembourg FCPs are very likely not residents for tax purposes in Luxembourg. Accordingly (please see also explanations under footnote 2), the tax position of foreign FCPs is currently very unclear in Slovenia. Nevertheless, we would advise any Luxembourg FCP that has suffered withholding tax on dividend (or interests) in Slovenia to file a suitable claim for WHT refund. We believe that Aberdeen case gives all of us quite strong arguments that paid withholding tax should be refundable but you should be aware that reaction of Slovenian Tax Authorities on any such claim is rather uncertain.

SOUTH AFRICA		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	0% (3)	0%	15%	(1)		
	Rate Reclaimable	0%	0%	(2)	(1)		
	Withholding rate reduction					x	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No					
	Rate Withheld	0% (3)	0%	15%	(1)		
	Rate Reclaimable	0%	0%	(2)	(1)		
	Withholding rate reduction					x	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

(1) Non-South African residents are only taxed on the disposal or deemed disposal of:

- assets attributable to a permanent establishment in South Africa, and
- immovable property, or an interest in immovable property (not held as trading stock), situated within South Africa (an interest in immovable property includes at least 20% ownership in the equity shares in a company, where the market value of these shares is 80% or more attributable to South African immovable property).

Capital gains tax is triggered by a capital gains tax event (ie a disposal) and this includes the sale, scrapping or exchange of property (exemptions apply).

Prior to 1 March 2012, in relation to South African incorporated companies, capital gains tax is levied at a rate of 28% on 50% of the gain realised by the legal entity (an effective tax rate of 14%) (in the case of a foreign company the tax rate is 33% which causes an effective tax rate of 16.5%).

Effective from 1 March 2012, in relation to South African incorporated companies, capital gains tax is levied at a rate of 28% on 66.6% of the gain realised by the legal entity (an effective tax rate of 18.6%).

Effective from 1 March 2012, in the case of a foreign company, capital gains tax is levied at a rate of 33% on 66.6% of the gain realised by the legal entity (an effective tax rate of 21.98%).

Effective from 1 April 2012, in the case of a foreign company, capital gains tax is levied at a rate of 28% on 66.6% of the gain realised by the legal entity (an effective tax rate of 18.6%).

Prior 1 March 2012, in the instance that the taxpayer is considered to be a trust (other than a special trust), the capital gains tax rate would be 40% on 50% of the gain realised by the trust (an effective tax rate of 20%).

Effective from 1 March 2012, in the instance that the taxpayer is considered to be a trust (other than a special trust), the capital gains tax rate would be 40% on 66.6% of the gain realised by the trust (an effective tax rate of 26.64%).

In the case of individuals, a rising tax scale is applied ranging from 18% to 40% depending on the taxable income of the individual. Prior 1 March 2012 only 25% (effective from 1 March 2012, 33%) of the capital gains of individuals are subject to tax, the maximum effective capital gains tax rate for an individual would amount to 10% (from 1 March 2012, 13.2%). Exceptions apply for the rate of tax for taxable income from e.g. long-term insurance business, gold-mining operations, the mining of natural oil, small business corporations and personal service companies and trusts.

It is important to highlight that the impact of STC raises the effective tax rate on capital profits distributed to shareholders. From 1 April 2012, STC at a rate of 10%, is replaced by a dividend withholding tax at a rate of 15%.

Where a non-resident disposes of South African immovable property, the person paying the non-resident must withhold a certain amount from the payment. The rate at which the amount is withheld is dependent on whether the seller is a natural person (5%), a company (75%) or a trust (10%). The amount withheld is an advance payment of the normal tax payable by the seller.

(2) Neither SICAV nor FCP has access to DTA relief under South Africa - Luxembourg DTA.

(3) South Africa currently does not impose a withholding tax on interest paid to non-residents. The South African tax legislation allows for a full exemption of interest received in one of the following cases: - the recipient is a non-resident natural person who was not in South Africa for a period exceeding 183 days during the year; or - the non-resident does not carry on any business through a permanent establishment situated in South Africa. However, a withholding tax on interest will be introduced on 1 March 2014 at a rate of 15%.

SPAIN		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No (1)					
	Rate Withheld		0% (3)	21%	0% / 21% (5)		
	Rate Reclaimable (9)		0% / 21% (6)	6% (4)	0% / 21% (5)(6)		
	Rate reclaimable based on local legislation		n/a	14% (11)	n/a		
	Withholding rate reduction		n/a			Yes (8)	Yes (4)(9)
	Refund payment timeframe	From 6 months to 2 years for DTT and national law reclaims (2)					
FCP	Benefit of DTT	No (1)					
	Rate Withheld		21% (7)	21%	21% (5)		
	Rate Reclaimable (9)		0% / 21% (6)	0%	0% / 21% (5)(6)		
	Rate reclaimable based on local legislation		n/a	20% (11)	n/a		
	Withholding rate reduction		n/a			Yes (8)	Yes (4)(9)
	Refund payment timeframe	From 6 months to 2 years for DTT and national law reclaims (2)					
Statute of limitations		4 years since payment or filing date (12)					

NOTES

- (1) Based on the provisions of the Mutual Agreement Procedure signed between Spain and Luxembourg on 26 January 1996 and the criteria stated by the Spanish General Directorate of Taxes ("GDT") in the Binding Ruling V0579-07 dated on 20 March 2007, the Spain-Luxembourg Double Tax Treaty (the "DTT") would not be applicable to collective investment vehicles ("CIVs") incorporated under the Luxembourg Law.
- (2) The refund timeframe would depend on the specific features of the investor and/or the domestic exemption invoked. A new WHT exemption on dividends obtained by UCITS, as explained below, was approved with effects from 1st January 2010 and at this stage it is unclear the expected timeframe to obtain a refund.
- (3) WHT exemption based on internal law. Certain corporate debt/bonds (i.e. so-called "qualifying debt") can also rely on the government bonds' domestic exemption provided that they fulfil certain requirements. In this sense, the potential application of this WHT exemption should be confirmed on a case-by-case basis taken into account the legal, regulatory and tax features of the Luxembourg vehicle.
- (4) As from January 1st 2010 Luxembourg UCITS would be entitled to a WHT refund subject to certain conditions. That is, dividends and other profits distributions obtained by Collective Investment Vehicles covered by the EC Directive 2009/65/EC (regulated UCITS) are exempt from taxation in Spain. However, the tax law includes a provision under which such exemption would apply to the extent that it does not imply that these UCITS suffer a lower level of taxation than if they would have been Spanish resident Collective Investment Vehicles. At this stage the wording of this limitation could give rise to interpretative doubts, although the most likely interpretation is that EU UCITS would be in principle subject to final taxation in Spain at the rate of 1% (which is the current CIT rate applicable to Spanish UCITS). Spanish payers will still be obliged to make a withholding on account of Spanish NRIT (at the standard rate of 21% or, if applicable, at the DTT rate). Non-resident UCITS will have to submit an assessment and claim the refund of the excess tax withheld. In order to claim the refund the non-resident UCITS should be in a position to present a certification issued by the Regulator of its country of origin stating that the Investment Funds is complying with the EC Directive 2009/65/EC (i.e. it is a regulated UCITS).
- (5) For Spanish tax purposes, income derived from the transfer or reimbursement of a bond is not taxed as a "capital gain", but as capital source income. Only capital gains derived from the transfer, redemption or amortization of units in Spanish Undertaken for Collective Investments would be subject to WHT in Spain. Other Spanish sourced capital gains (e.g. Spanish listed equities) would in principle be subject to tax on a self-assessment basis. The tax rate would be 21%. Having said that, according to domestic provisions, capital gains derived from Spanish listed equities obtained by Luxembourg CIVs would be tax exempt (certificate of tax residence would be required). However such tax exemption would not be applicable to such transfers of shares in a Spanish entity where (i) the shareholding in the capital exceeds the 25% of the equity or (ii) in the cases of "real estate entities" (entities which assets mainly consist of real estate located in the Spanish territory).
- (6) Spanish Tax Authorities consider that, under certain circumstances, regulated FCPs and SICAVs may benefit from the exemptions provided in Spanish domestic law for certain capital gains and certain interest derived from corporate and Government bonds. However, the issue of whether FCP would be considered as look-through or opaque for the purposes of the Spanish domestic exemption is unclear. For any refund, if finally applicable, the FCP would need to prove its Luxembourg tax residence through the relevant certificate of tax residence. Please refer to (1) above.
- (7) Under domestic provisions the following exemptions could be applicable: (i) interest paid to EU resident companies (accepting Luxembourg non UCITS SICAVs or FCPs) provided that they could provide evidence of its residence in Luxembourg) will be tax exempt in Spain. (ii) Income derived from bonds issued in Spain by non resident institutions will be tax exempt in Spain.
- (8) A priori reduction from 21% to 0% would be available for interest and capital gains (where a domestic exemption is applicable) but not for dividend payments (a posteriori refund may be available). Likewise, as from 1 January 2010, in order to determine the taxable base, non-resident taxpayers resident in the European Union (EU), operating in Spain without a permanent establishment, will be able to deduct the expenses incurred for obtaining the income or capital gains from Spanish sources as long as those expenses are allowed under the Spanish Personal Income Tax and are directly related to the income obtained in Spain, provided that the direct relationship can be justified. In this sense, and although Spanish payers remain obliged to make a withholding of Spanish NRIT on the gross amount of the income obtained at the rates established in the Spanish legislation (24.75% as a general rule, 21% in the case of dividends, interest and certain capital gains) the non-resident taxpayer may be entitled to determine directly the taxable income on a net basis by filing a self-assessment 210 Form prior to the submission by the entity obliged to apply the withholding tax of the WHT return 216 Form and provides to the latter evidence of the filing and payment of the relevant NRIT due.
- (9) As from 1 January 2010, in order to determine the taxable base, non-resident taxpayers resident in the European Union (EU), operating in Spain without a permanent establishment, will be able to deduct the expenses incurred for obtaining the income or capital gains from Spanish sources as long as those expenses are allowed under the Spanish Personal Income Tax and are directly related to the income obtained in Spain, provided that the direct relationship can be justified. In this sense, in the case that the non-resident taxpayer has not filed the self-assessment form 210 before the Spanish entity obliged to apply the WHT levies the relevant WHT on account of the Spanish NRIT, it would also be possible to submit, "a posteriori" a 210 Form claiming the refund of the excess tax withheld (net basis refund).
- (10) Under the terms of the Spanish domestic legislation, the 21% tax rate/withholding rate will only be applicable to such income/capital gains obtained during the period from 1 January 2012 to 31 December 2013. Based on the above, in principle, with effects from 1 January 2014 the domestic tax rate applicable would be 19%. However, the Government has publicly announced the extension of the 21% rate to 2014 although up to date there is not an official announce in this regard.
- (11) As from 01/01/2010, Luxembourg UCITS may benefit from a WHT refund amounting to 18% based on Spanish law (i.e. for SICAVs 4% based on DTT and 14% based on local law and for FCPs 18% based on local law), so that the final tax burden for funds amounts to 1%. The WHT rate has been increased to 21% as from 01/01/2012. Nevertheless, UCITS funds will still be taxed at the final rate of 1% so that a WHT refund based on Spanish law may still be requested, i.e., for SICAVs 6% according to DTT and 14% based on local legislation. For non UCITS funds, a discriminatory treatment may further be evidenced and claims for refund of unduly levied WHT will have to be filed based on EU law.
- (12) Quarterly time limitation period (as of the end of the voluntary filing period) 2010/2013 for the 3rd quarter 2009.

SWEDEN		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	0%	0%	0/30% (1)	0%		
	Rate Reclaimable	0%	0%	0/30%(1)	0%		
	Rate Reclaimable based on EU Law	n/a	n/a	30%(2)	n/a		
	Withholding rate reduction					Yes (3)	Yes(4)
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No					
	Rate Withheld	0%	0%	0/30%(1)	0%		
	Rate Reclaimable	0%	0%	0/30%(1)	0%		
	Rate Reclaimable based on EU Law	n/a	n/a	30%	n/a		
	Withholding rate reduction					Yes (3)	Yes(4)
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

(1) As from 1 January 2012 there is no Swedish withholding tax on distributions to a foreign investment fund that qualifies as a fund company (Sw. "fondföretag") under the Investment Fund Act, provided that the fund is domiciled within the EEA or in a country with which Sweden has concluded a DTT that contains an article on exchange of information.
which Sweden has concluded a DTT that contains an article on exchange of information.
There are still some uncertainties as to which funds that may be exempted and as regards the reclaiming procedures.
With respect to FCPs there are arguments that the Withholding Tax Act is not applicable in the first place. This is being litigated and it is also being discussed whether the FCP or the investors should be seen as beneficial owners.

(2) For funds which are not benefiting the WHT exemption and suffered WHT in the past, there are arguments that Swedish dividend withholding tax of 30% is taken out in contrary to EU law. The matter is still being litigated, but it may be recommended for the investment funds to file protective claims for recovery of the withholding tax suffered.
(3) If the investment funds benefits the WHT exemption under the investment fund Act.
(4) EU based WHT reclaims are filed a posteriori.

SWITZERLAND		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	35%	35%	35%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No					
	Rate Withheld	35%	35%	35%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
NOTES							

TAIWAN ROC		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	15%	15%/0%(1)	20%	0%(2)		
	Rate Reclaimable	0%	0%/15%(1)	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a					
	Rate Withheld	15%	15%/0%(1)	20%	0%(2)		
	Rate Reclaimable	0%	0%/15%(1)	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

(1) Rare exemption may be granted if provided for under the issuance terms of the government bonds.

(2) At present, gains from Taiwanese securities and futures are exempt from income (withholding) tax.

THE NETHERLANDS		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	0% (1)	0% (2)	15%	0%		
	Rate Reclaimable	0% (1)	0% (2)	0%	0%		
	Rate Reclaimable based on EU Law	0%	0%	15%	n/a		
	Withholding rate reduction					N/a	Yes
	Refund payment timeframe	Cannot					
	Statute of limitations	3 years as of the 1 st January after the year of distribution					
FCP	Benefit of DTT	No					
	Rate Withheld	0% (1)	0% (2)	15%	0%		
	Rate Reclaimable	0% (1)	0% (2)	0%	0%		
	Rate Reclaimable based on EU Law	0%	0%	15%	0%		
	Withholding rate reduction					N/a	Yes
	Refund payment timeframe	Cannot					
	Statute of limitations	3 years as of the 1 st January after the year of distribution					

NOTES

- (1) No interest withholding tax exists in the Netherlands. Only in very exceptional situations of certain profit sharing loans, the dividend withholding tax will apply.
 (2) No interest withholding tax exists in the Netherlands.

TURKEY		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	Yes					
	Rate Withheld	0%/10%(1)(4)	0%(1)(4)	0%/15%(2)(3)	32%/0%(1)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes	No
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	No					
	Rate Withheld	0% (1)(5)(4)	0%(1)(4)	0%/15%(2)(3)	32%/0%(1)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					Yes	No
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					

NOTES

- (1) Effective from 01.10.2010, income derived from certain securities are subject to 0% withholding tax rate for resident corporations (joint stock companies, companies limited by shares and limited companies) and nonresident corporations (in the nature of joint stock companies, companies limited by shares and limited companies and foreign corporations which are determined by Ministry of Finance to be in similar nature with investment funds and investment trusts established according to the Capital Markets Code) and 10% for resident and nonresident real persons and resident corporations other than those mentioned above. The regulation in question does not cover dividend income. Unless the shares and corporate bonds were issued through the intermediation of banks or intermediary institutions, the interest income of private sector bonds will be subject to withholding at the rate 10% and the applicable tax rate for capital gains of shares and corporate bonds will be total 32% (20% corporate income tax + 15% withholding on remaining).
- (2) Turkish withholding tax rate is 15%. The rate is 0% if the fund has a Permanent Representative (PR) in Turkey. Otherwise, the applicable withholding tax rate is 15% for the dividends distributed on or after 23 July 2006. However, if the dividends distribution was made to the grandfathered portfolio, withholding rate is 0%. On the other hand, if the distribution made to a second portfolio (new portfolio in dual system), withholding rate is 15%. (Double tax treaty provisions were not taken in to account in this study)
- (3) In terms of the DTT between Turkey and Luxembourg, dividends are taxed in Turkey according to 10% of the gross amount of the dividends if the recipient is a company (excluding partnership) which holds directly at least 25% of the capital of the company paying the dividends, 20% of the gross amount of the dividends in all other cases.
- (4) Neither capital gains nor interest income derived from Eurobonds are subject to withholding tax. It will not be declared.
- (5) Since they are more like open partnerships the shareholder structure of FCP should be checked. The withholding tax rate for the mentioned income for incorporate shareholders' is 0%. On the other hand, the withholding tax rate for individual shareholders' is 10%.

UNITED KINGDOM		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	No					
	Rate Withheld	20%/0%(1)	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	4 years from 31 January following the tax year					
FCP	Benefit of DTT	No					
	Rate Withheld	20%/0%(1)	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	4 years from 31 January following the tax year					

NOTES

- (1) UK quoted corporate bonds (which meet the UK definition of Quoted Eurobonds) will pay gross whilst UK unquoted corporate bonds would have 20% UK withholding tax deducted if interest was paid to SICAVs/FCPs. Please note that dividends/distributions from REITs are subject to an income tax deduction of 20%.
- (2) The UK treats FCPs as transparent for income tax purposes, i.e. the rates depend on who the participants are. For the purpose of capital gains tax and corporation tax on chargeable gains, FCPs are deemed to be companies.

UKRAINE		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a (1)					
	Rate Withheld	15%	0% (2)	15%	15%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	1,095 days (3 years)					
FCP	Benefit of DTT	N/a (1)					
	Rate Withheld	15%	0% (2)	15%	15%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	1,095 days (3 years)					

NOTES

- (1) The DTT between Ukraine and Luxembourg was signed back in 1997. However, since this DTT has not been yet ratified by the Ukrainian parliament, it has effectively not come into force. Therefore, no DTT relief is currently available for payments made from Ukraine for the benefit of a Luxembourg resident. Unfortunately, at present, there is no official or non-official information when the ratification of the said DTT could happen.
- (2) 0% WHT applies to interest on the government bonds, bonds issued by local authorities or other bonds secured by guarantees of the government or local authorities provided such bonds are sold or offered to non-residents of Ukraine through authorised agents.
- (3) In 2009, the Ukrainian tax authorities issued a tax clarification claiming that non-resident banks participating in a syndicated loan may enjoy the WHT reliefs on the Ukrainian-sourced loan interest under the DTTs between Ukraine and jurisdictions where the participating banks reside for tax purposes, although the total loan interest is usually paid by the Ukrainian borrowers to a coordinator of the syndicated loan.

Based on the above clarification, if the FCP acts as a coordinator for the purchase of corporate or government bonds and further distribution of interest, the beneficiaries of such income may theoretically claim a WHT relief under the DTT between Ukraine and the jurisdiction where the beneficiaries reside for tax purposes. In practice, such approach most likely will not be accepted by the Ukrainian tax authorities.

UNITED ARAB EMIRATES		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
FCP	Benefit of DTT	N/a					
	Rate Withheld	0%	0%	0%	0%		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	N/a					
NOTES							

URUGUAY		Interest tax on corporate bonds	Interest tax on government bonds	Dividend tax	Capital Gains tax	A priori	A posteriori
SICAV	Benefit of DTT	N/a					
	Rate Withheld	12%/3%(1)	0%	7%(2)	12%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	5 years (10 years in case of fraud)					
FCP	Benefit of DTT	N/a					
	Rate Withheld	12%/3%(1)	0%	7%(2)	12%(3)		
	Rate Reclaimable	0%	0%	0%	0%		
	Withholding rate reduction					N/a	N/a
	Refund payment timeframe	N/a					
	Statute of limitations	5 years (10 years in case of fraud)					

NOTES

The indicated withholdings correspond to Non Resident Income Tax, levied on Uruguay source income obtained by non-resident individuals or legal entities (foreign source income is not subject to tax).

Uruguay source income is defined as that obtained from activities developed, goods located or rights used economically in Uruguayan territory.

- (1) Interest from corporate bonds issued with a term of more than three years, through public subscription and quoted at a stock exchange is taxable at the rate of 3%. Otherwise the 12% general rate of Non Resident Income Tax will apply.
- (2) The 7% withholding only applies on dividends paid by Uruguay Corporate Income Tax taxpayers and provided the dividends are generated by taxable profits. The taxable amount of the dividends is also capped by the fiscal profits of the company during the year to which the dividends correspond.
- (3) As a general rule the capital gains obtained from the sale of Uruguayan assets is determined as being 20% of their selling price (if the effective capital gain cannot be determined). The sale of bearer shares from Uruguay companies is exempt. In the case of real estate the capital gain is determined as the difference between the updated fiscal cost and the selling price of the real estate.

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