



## INFO SHEET

# Calculate Your Recovery

### Explanation of Terms

#### AUM

Assets under management, or the value of assets in the portfolio or fund

#### Cross Border

The proportion of the assets held cross border i.e. where the income is received from an investment in a country which is different from the country of residence of the ultimate recipient.

#### Yield

The dividend or interest received annually from an investment.

#### Recoverable

This is the average difference between the statutory tax that will be deducted from investment income, and the treaty tax rate the investor may be entitled to have been taxed at. The recoverable varies by market and entity type, but is generally between 10-35%.

\*Due to greater entitlements due under many double taxation treaties, tax exempt entities can expect rates of recovery 25-50% higher than cited

#### Statutes

The average time one can go back and still recover tax on previous income. This multiplies the potential available recovery.

Double Taxation Treaties can often give rise to an entitlement to recover tax that has been over-withheld by foreign governments on investment income.

Tax reclamation is a powerful tool for enhancing cross-border investment returns.



Use this simple model to calculate the potential recoverables in a portfolio, fund or custody department:

	Global	Typical Investor	Your Calculation
<b>AUM</b>	\$104 trillion	\$10 million	
<b>Cross Border</b>	32% \$33.3 trillion	35% \$3.5 million	
<b>Yield</b>	4.0% \$1.33 trillion	3.5% \$122,500	
<b>Recoverable Total</b>	15% <b>\$199.7 billion</b>	15% <b>\$18,375</b>	
<b>Statutes Total</b>	5 years <b>\$1.04 trillion</b>	5 years <b>\$91,875</b>	5 years

This model uses global averages researched by GlobeTax. Cross border investments are increasing at over 16% a year so these numbers will change. Whether any particular investor has an entitlement to recover tax depends on a number of factors, all of which must be considered.

For a more accurate assessment, GlobeTax offers a free analysis based on actual investment income and tax position. For an analysis, please contact:

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