



Statutes of Limitations

Tax Reclamation

Investors holding foreign securities are normally taxed on their investment income (dividends and interest) both in the country of investment, at a "statutory" withholding rate, and in the country of tax residency. Statutory rates can reach 25 - 35%, meaning investors only receive a fraction of the investment income to which they are entitled.

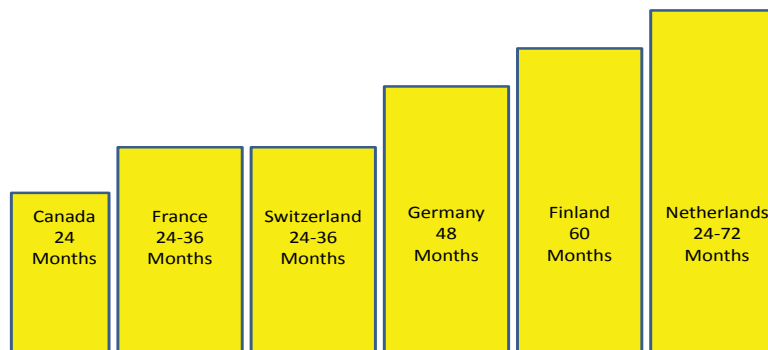
Due to treaties allowing for more favorable tax rates between certain countries, many investors are eligible to recover some or even all of the tax withheld. However, it is the responsibility of the investor or their financial institution to reclaim over-withheld taxes. Foreign tax authorities will hold the excess funds for a set period (or Statute of Limitations). This varies by market, but is generally between 3-5 years. If the funds are not reclaimed within the Statute of Limitations, they are lost forever.

Benefits

Investors who are reclaiming excess withholding tax for the first time often receive a wind-fall payment, as they are likely entitled to multiple prior years of recovery. For the average cross-border portfolio, the benefits of withholding tax recovery can represent a gain of 50 basis points or more annually. Therefore, because of the Statute of Limitations period, the initial recovery amount can add 250 basis points or more to investment returns, depending on levels of leverage.

Statute of Limitation Periods

In some markets, the allowable recovery period is fixed. Others may vary according to the country of residence and entity type. Statutes of Limitation for some common markets are:



About Us

Founded in 1992, GlobeTax is the world's leading provider of withholding tax reclamation services to the investment community. We file over 2 million reclaims annually, with a 0.00% fail rate. Our clients reside in over 40 countries worldwide. To learn more about us and our services, visit www.GlobeTax.com or email Info@GlobeTax.com