



Pension Funds

The Issue

“But we’re supposed to be Tax-Exempt?...”

Pension funds are often tax exempt in their country of residence. However, because of the way banks and brokers hold securities, it is often not clear to a foreign government or to a paying agent precisely who owns the assets and, subsequently, what the tax status should be.

Withholding tax is a cross border issue. When investors receive income from international investments, the income is often taxed at a high “statutory” withholding rate which varies by country. Funds may be eligible, under Double Taxation Treaties, to be taxed at a lower “treaty” rate. As the beneficial owner of the securities, the fund is then entitled to reclaim the difference between the statutory rate and the treaty rate.

In many markets the treaty rate for pension funds is 0%.

Entitlements are only available for a limited period of time and then expire, as each market has its own Statute of Limitations. If the entitlement is not reclaimed before expiration, it is lost forever.

The Entitlement

Protecting Your Interests

- Due to the relative size of their portfolios, pension funds are often able to recover very large sums of money by filing reclaims. Pension funds are a leading force among institutional investors urging alternative investment vehicles, such as hedge funds, to recover entitlements.
- Due to the complexities involved many brokers, particularly custodians and prime brokers, do not offer a tax reclaim service. As a result, clients may be missing out on significant entitlements.
- **Due to their tax status, pension funds are often allowed to reclaim the entire withholding amount (dependent on the market and applicable treaties)**

The Solution

GlobeTax:

- Provides tax reclaim services to thousands of pension funds, helping to recoup billions of dollars in excess withholdings.
- Founded in 1992, is the world’s pre-eminent withholding tax recovery expert, filing over 2 million reclaims a year with a 0.00% fail rate.
- **Fees are entirely contingent and payable only after money has been recovered.**

Visit GlobeTax.com or email Info@GlobeTax.com

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