

Tax Reclamation: Focus on Financial Intermediaries

June 18, 2008

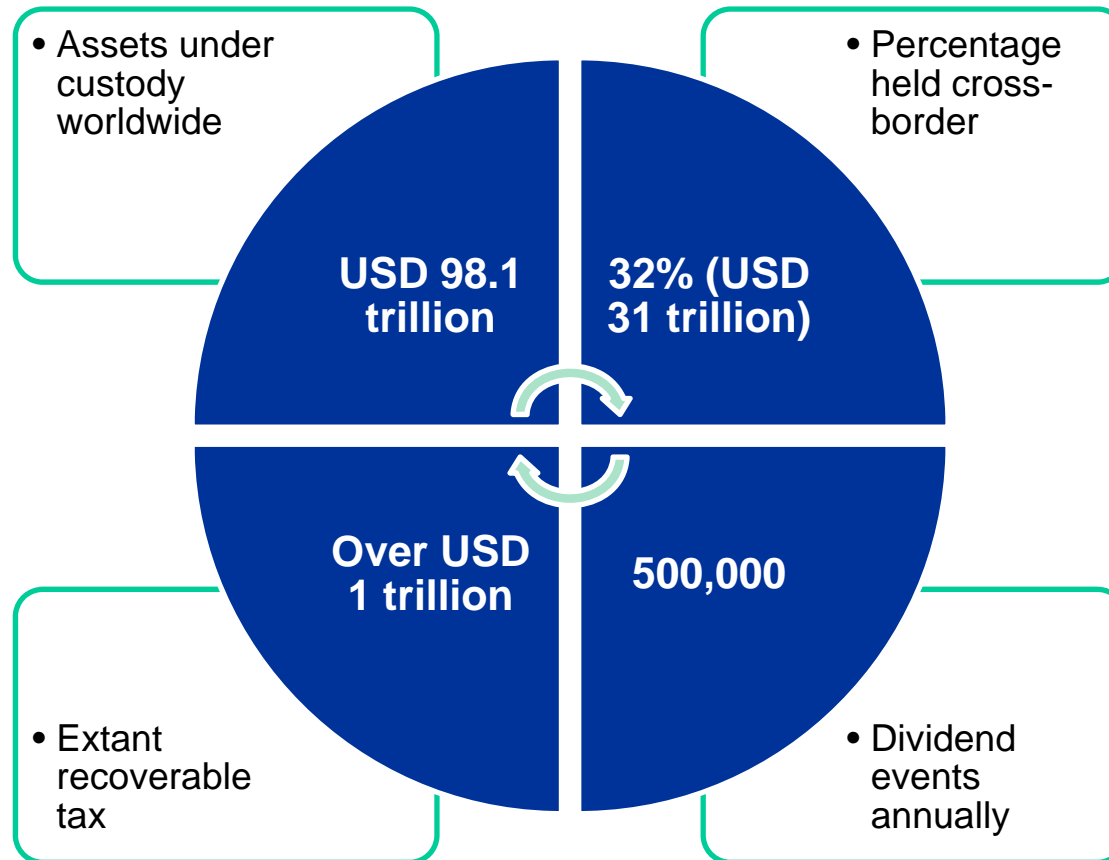
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Objective: Education

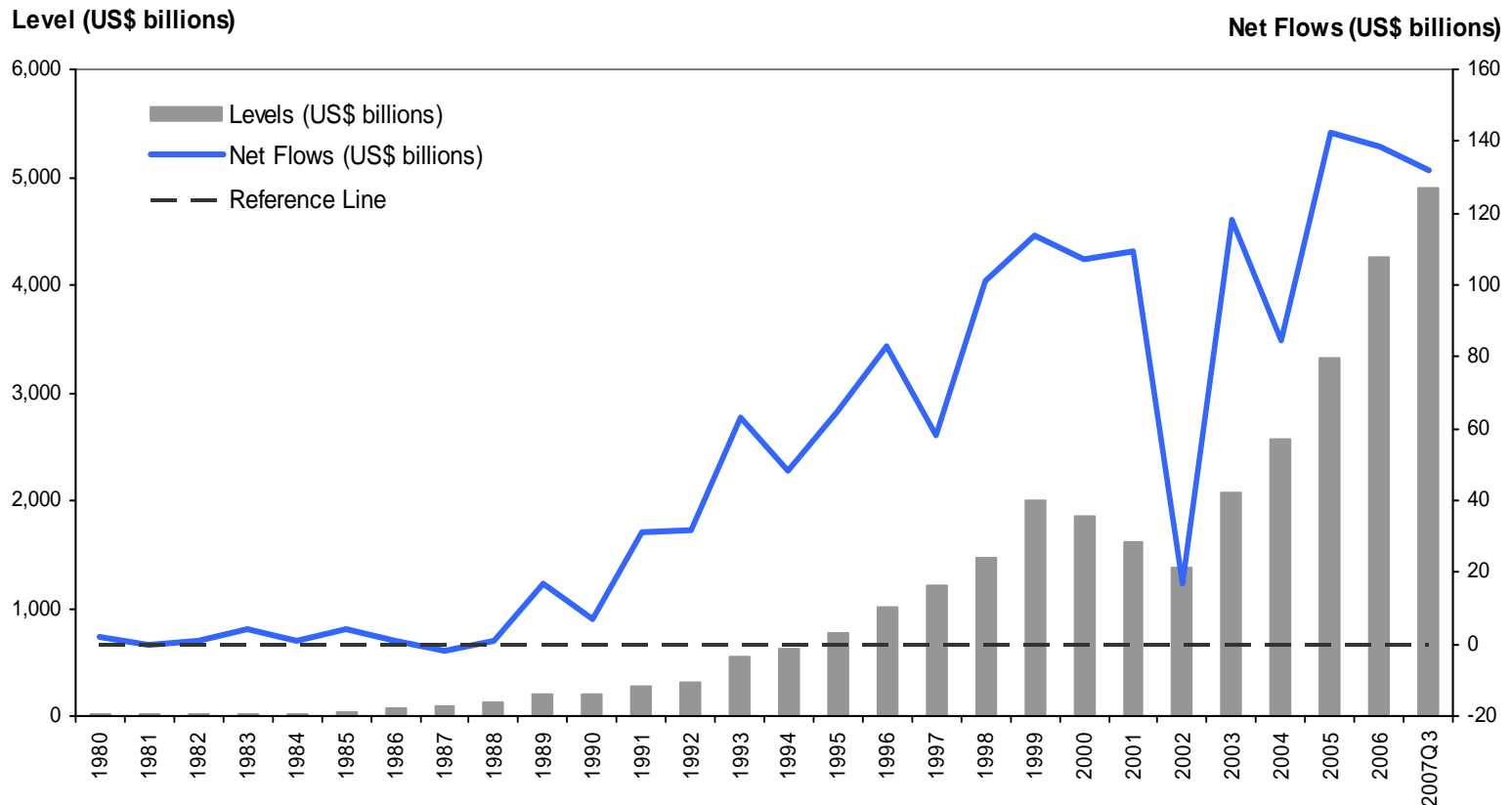
- Cross-Border Investment
- Links in the Chain
- The Challenge
- The Opportunity
- The Solution
- About GlobeTax

Cross-Border Investments

Key Data



US Investment in Non-US Equities



- Total investment levels have risen from \$279 billion in 1991 to a record \$4.9 trillion in 3Q2007
- U.S. investor inflows to non-U.S. equities have been positive in every year since 1980, with the sole exception of 1987, despite declines in asset values from 2000 - 2002.

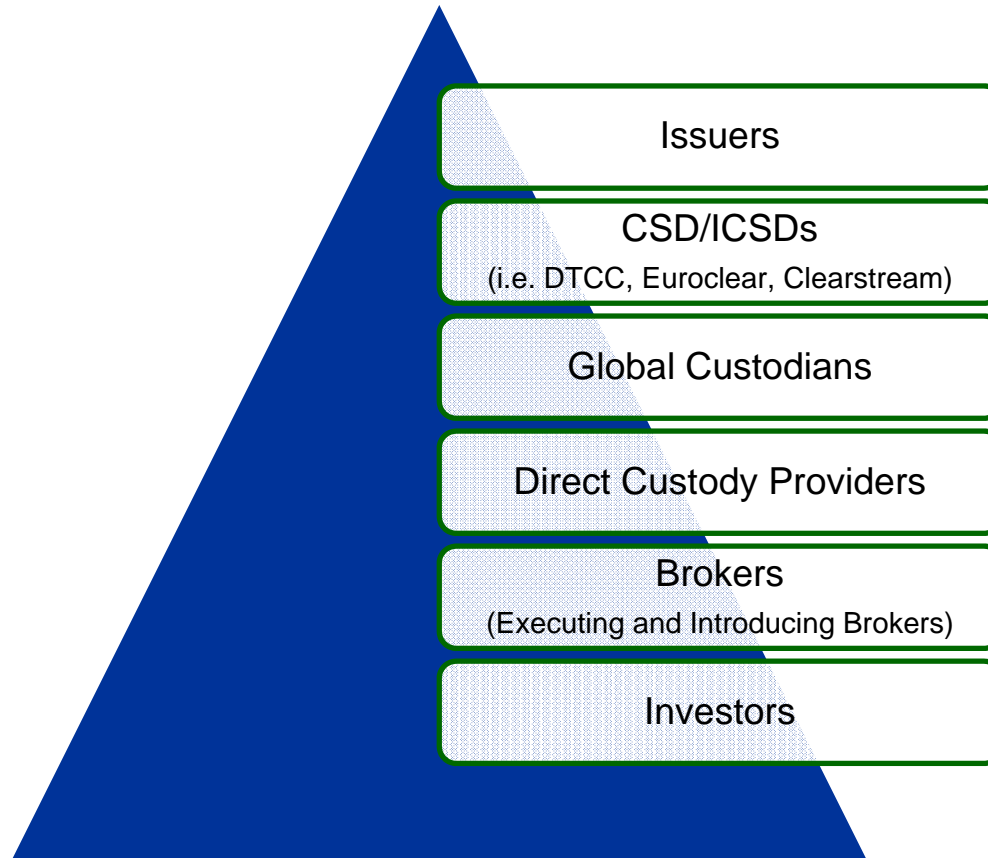
Source: The Federal Reserve, Flow of Fund Accounts of the United States, December 2007

An Increasing Issue

- Cross border investment is increasing by 16% per year
- Funds historically hold 25%-35% of assets cross border
- Increasingly, funds now being advised to invest up to 50% cross border
- Double Tax Treaties (DTTs) establish possible entitlements to a lower “treaty” rate of taxation
- If not optimized, cross border income may be taxed twice
- Optimization methods dependent on jurisdiction
 - Relief at Source
 - Quick Refund
 - Remedial (Long form) Reclaim
 - Combinations

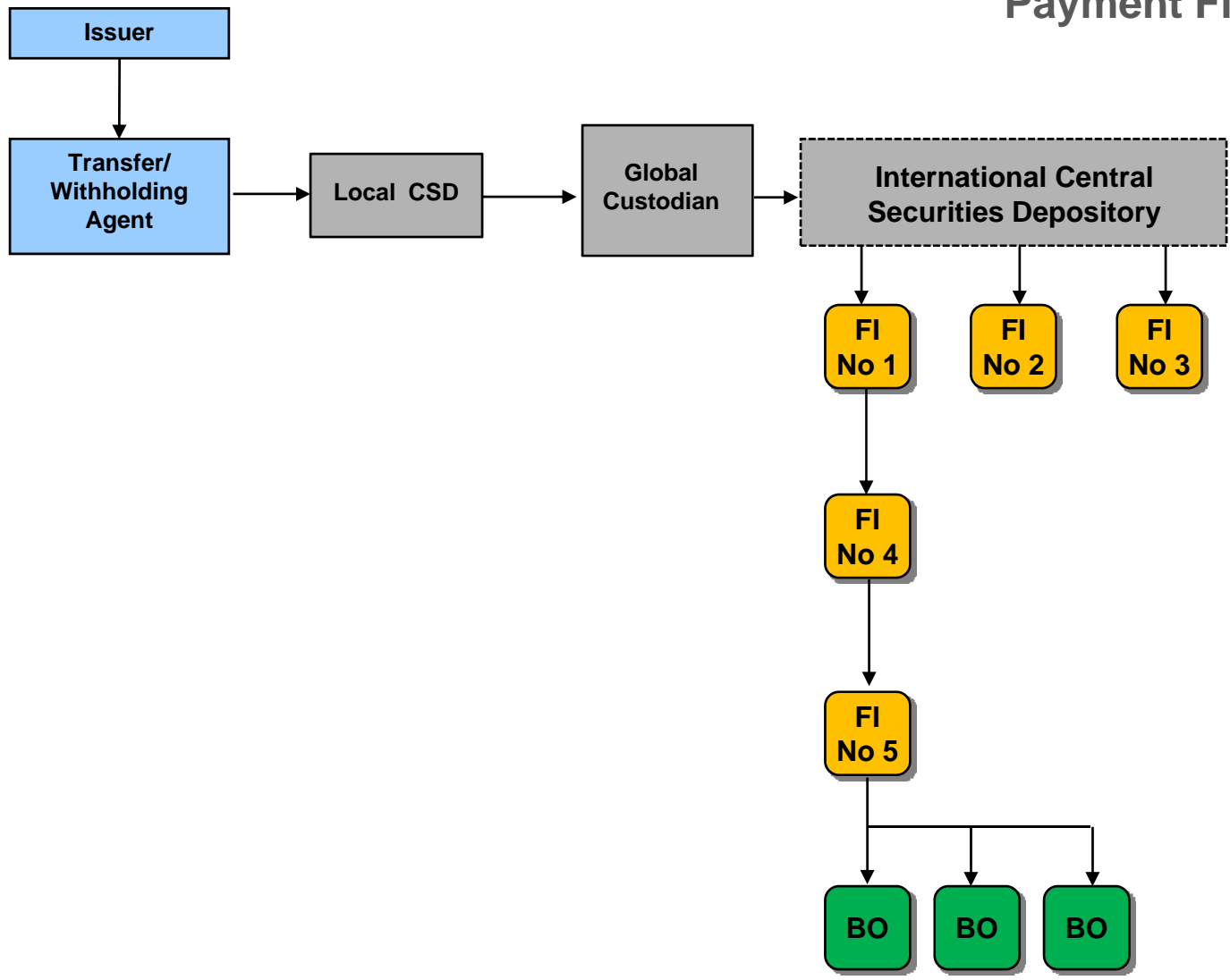
Links in the Chain

Follow the Money



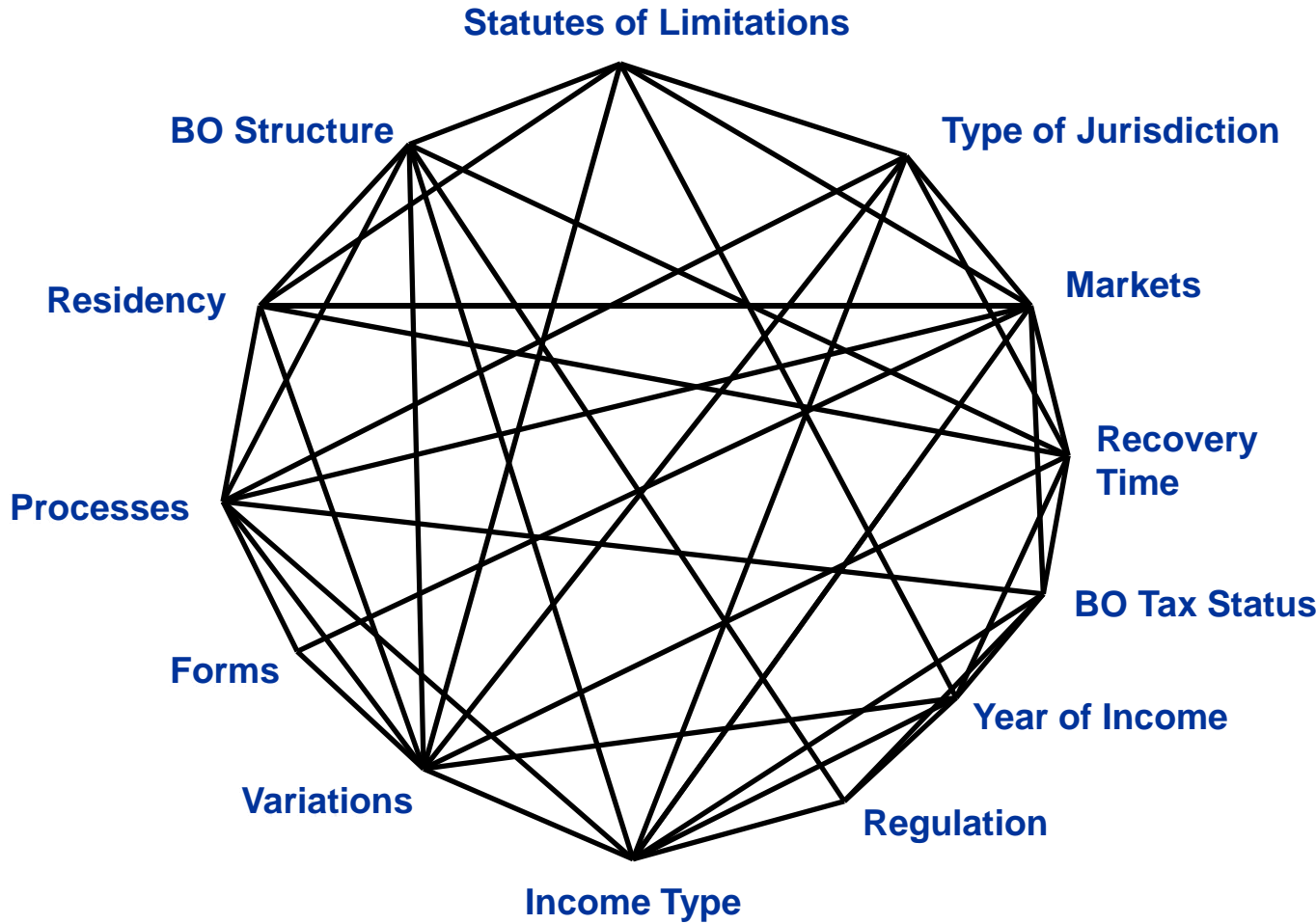
The Map

Payment Flows



Complex Process

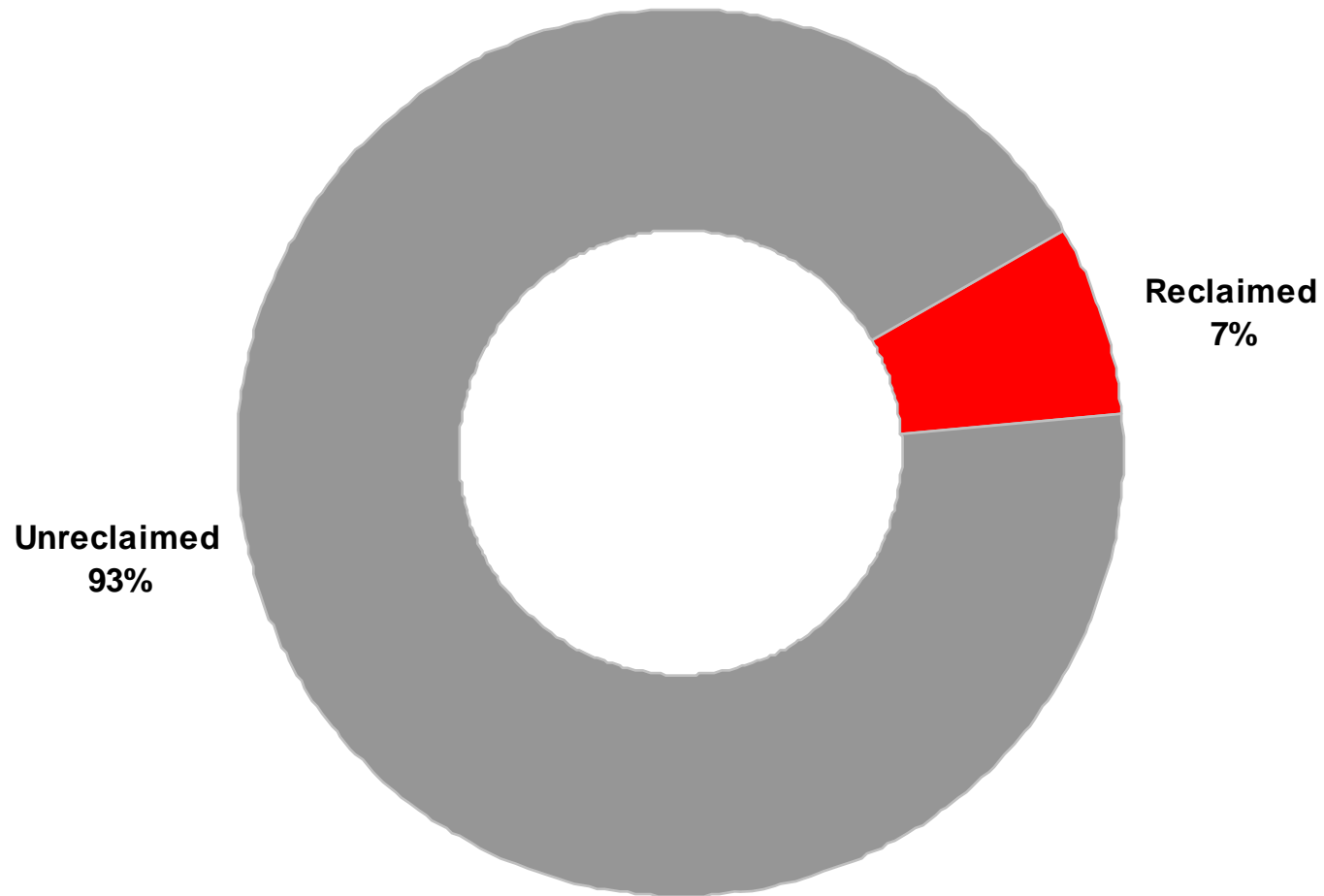
Moving Parts



The Challenge

- Multi-level – Multi-connection Web
- Complicated by:
 - Omnibus Accounts
 - Often multi-layered
 - Moving Parts
 - Varied elements
 - Beneficiary status
 - Timing of claims
 - Filing procedures...
- Opportunity or Risk?

Recovery Opportunity

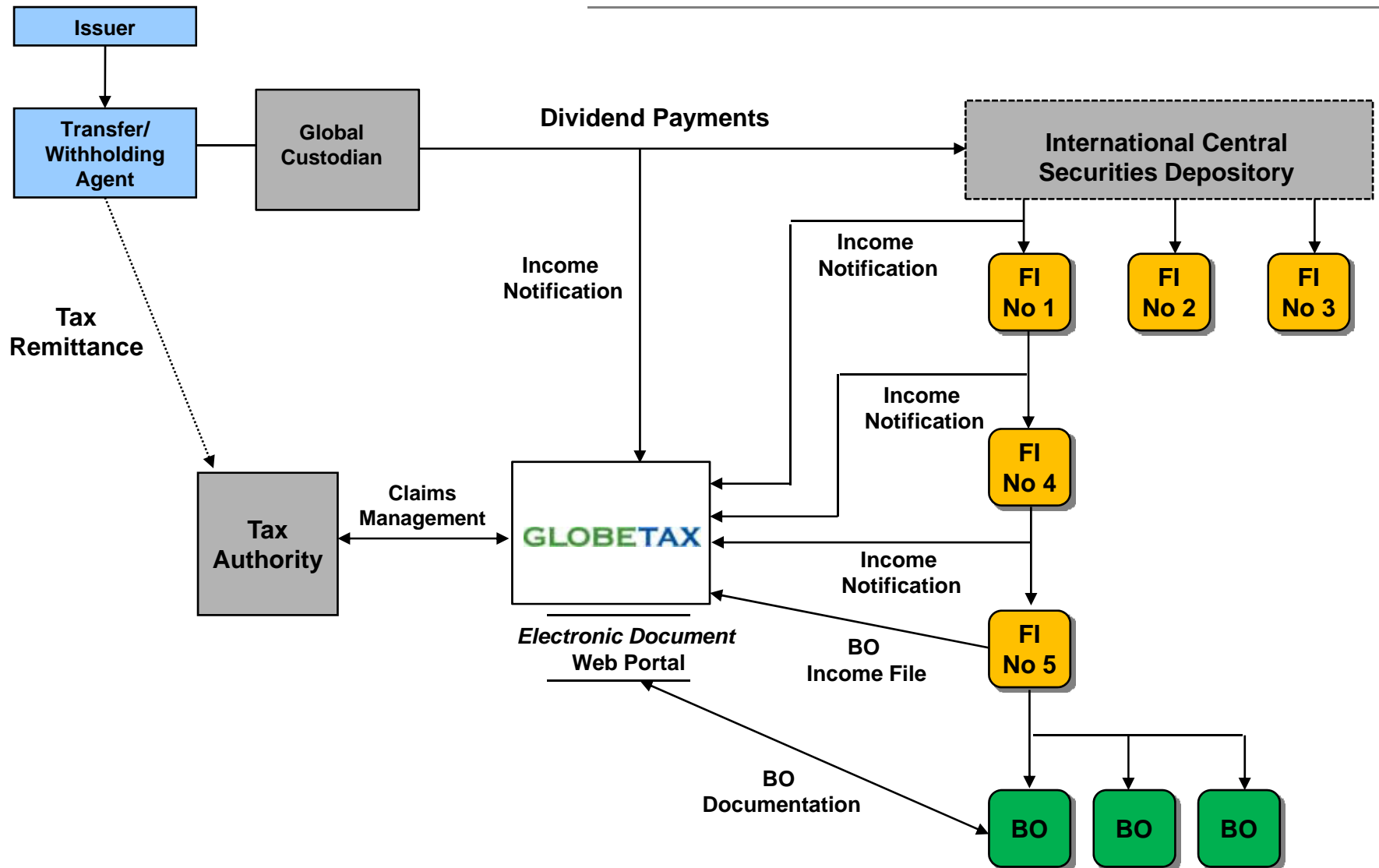


Stimulating a Solution

Motivating Factors

- Obligations
 - Contractual
 - Fiduciary
 - Moral
- Pressure
 - Investors
 - Issuers
 - Regulators
 - Tax Authorities
 - Industry Initiatives (e.g. Giovannini, FISCO, G30, MiFiD, TS2)
- Controls
 - Cost
 - Risk
 - Liability

The Solution



About GlobeTax

- Founded: 1992
- Clients resident in 38 countries
- Offices: New York, London, Milan
- Filing Capabilities: For ADRs, NY Registry Shares (NYRSs), ordinary shares in all markets with EDS / reclaim processes in place
- Outsource service provider for all DR Depositories: JPMorgan Chase, BNY Mellon, Citi and Deutsche Bank
- Process reclaims for all DTCC participants filing claims for ADRs and NYRSs
- Research: 230+ Jurisdictions
- Volumes Processed: 1,700,000+ reclaims per year

Q&A

Question: Does GlobeTax serve many omnibus accounts?

Answer: Yes, we service many omnibus accounts for Global Custodians that we provide full tax reclaim services for. We also work with other Global Custodians, who due to the complexity of filing tax reclaims for omnibus accounts have asked GlobeTax to service those accounts.

Questions: What if an FI is not connected to SWIFT?

Answer: SWIFT messaging is a conduit, it is not necessary to perform tax reclamation. Income notifications can be transmitted in other forms. SWIFT messaging is only one way in which we receive income transaction data (i.e. data feeds, clients statements).

Question: What are GlobeTax's fees?

Answer: All of our fees are **contingent**. We do not charge our clients until we have recovered money for them.

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