

Release: September 26, 2007  
London

**Headline: GlobeTax launches Eurobond Long Form Market Protocol**

Amid growing concerns among market participants about the tax treatment of Eurobonds, GlobeTax has launched a Long Form Market Protocol to complement and support the relief at source and quick refund processes already available in the market.

Ross McGill, Director of Marketing of GlobeTax explains, "Historically Eurobonds have been deemed tax exempt. Recently however, some European governments have changed their position, notably Spain and Portugal so far. The effective position however still remains that the holders of Eurobonds may be entitled to an exemption or application of treaty rate tax on Eurobond coupon payments, but they will have to demonstrate entitlement as holders of other securities must do in order to be treated at the 'favorable rate' by the country of issue."

"Approximately 10,000 (5%) of Eurobond coupon distributions are currently taxable, notes McGill. The ICSDs already provide the market with a "Global Tax Procedure" under which relief at source or quick refunds can be obtained in many cases but," as McGill points out, "there will still be 'misses' in the market where Eurobond holders are unable to provide the required documentation either, within the time frames provided by the procedure, or because the chain of ownership makes it impossible." "In those cases," continues McGill, "the holder may still have an entitlement to recover tax using a long form process."

"The Protocol we have designed is V-STP and leverages our SWIFT based Tax Reclaim Service Bureau (TRSB) to receive all data and documentation electronically. Any of the players in the market, depending on their needs, can subscribe to the Protocol. Paying Agents and their customers - the Issuers, can now react to concerns that their ability to raise capital may be impacted, by ensuring that they have a front to back process fully defined to optimize the tax position of holders. ICSDs can similarly subscribe to create a complete process for their customers the custodians. If by any chance, coupon payments reach Eurobond holders net of statutory tax, the custodians themselves can also subscribe directly."

Martin S. Foont, GlobeTax's President and CEO said, "Our aim in implementing this protocol is to address the market need. We've created a complementary service to existing processes that will ensure that investors always have the opportunity via their intermediaries, to optimize their tax position."

### **About GlobeTax**

GlobeTax is the world's pre-eminent provider of withholding tax services to the financial services community and investors. The firm processes more than a million reclaims a year for all types beneficial owner in all applicable markets. GlobeTax also provides withholding tax based market reference data products covering over 230 markets. SWIFT based products include TRSB, the Tax Reclaim Service Bureau and Market Reference Data Distribution.

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#### **FOR MORE INFORMATION PLEASE CONTACT**

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