

## Media Release

**Location:** New York & London  
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**Headline:** \$186 Billion in Unrecovered Withholding Tax New Analysis Reveals

In an aggregation survey, the results of which were released today, GlobeTax, the world's largest filer of withholding tax reclaims revealed that there could be \$186 Billion or more, of withholding tax on cross border investment income that is recoverable in 2006/07.

Ross McGill, Director of Marketing said, "Previous surveys probably gave a restricted view of the market, in our opinion, because they were derived from limited data sets. And so, while the results were interesting, they were of questionable value. Therefore, we decided that instead of a bottom up analysis, the top down method would be more relevant and useful. After all, at the end of the day, research is useless unless it can be used to inform a course of action or strategy."

The analysis was conducted in 2006 out of GlobeTax's London and New York offices. The methodology used focused on independent market sources to establish the size of the withholding tax issue, using as the starting point, the size of cross border assets under management at the top global custodians.

Len Lipton VP of Marketing, who assisted in the analysis said, "The research also takes into account "minimizing factors" such as the large proportion of dividend income that is subject to relief at source or RAS and so, while still taxed, the amount the investor receives is correct and there is no over-taxation. Balancing this to some extent were "maximizing factors" such as Statutes of Limitations where investors may have several years in which to claim their entitlement during which time, these entitlements continue to build."

McGill said, "Education and recovery strategies are beginning to work and withholding tax is starting to rise up the agenda of fund managers. Collaborative industry and regulatory efforts to minimize impact such as G30 and Giovannini are also to be applauded, as are initiatives to make the reclaim process itself more efficient such as, the recently launched tax reclaim service bureau on the SWIFT network. But despite these, the analysis still translates into high probabilities that many funds may have significant entitlements that will be lost in this financial year and in the future."

Martin S. Foont, President & CEO of GlobeTax, who commissioned the analysis said of the results, "The message in these numbers is very clear. In order to maximize fund performance and minimize corporate governance concerns, all funds should have a clear and published withholding tax policy and an active, benchmarked and documented implementation of it."

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### FOR MORE INFORMATION PLEASE CONTACT:

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