



<b>B #:</b>	9014-18
<b>Date:</b>	June 28, 2018
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	International Services
<b>Attention:</b>	Operations, Reorg & Dividend Managers, Partners & Cashiers
<b>Subject:</b>	<b><u>Tax Relief</u></b> – Country: RUSSIAN FEDERATION Issue Name: PJSC AEROFLOT RUSSIAN AIRLINES – 144A CUSIP: 69343R101 <b><u>Record Date: July 6, 2018</u></b> <b><u>Payable Date: TBA</u></b> <b><u>CA Web Instruction Deadline : 07/11/2018 8:00 P.M. ET</u></b> <b><u>Quick Refund Deadline: 08/16/2018 8:00 P.M. ET</u></b>

Participants can use DTC’s Corporate Actions Web (CA Web) service to certify all or a portion of their position entitled to the applicable withholding tax rate. Participants are urged to consult TaxInfo respectively before certifying their instructions over the CA Web.

Important: Prior to certifying tax withholding instructions, participants are urged to read, understand and comply with the information in the Legal Conditions category found on TaxInfo on the CA Web.

Questions regarding this Important Notice may be directed to GlobeTax 212-747-9100.

**Important Legal Information:** *The Depository Trust Company (“DTC”) does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages.*

*To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*

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Non-Confidential



**PJSC AEROFLOT RUSSIAN AIRLINES – 144A** has announced a dividend. Deutsche Bank acts as Depository for the company’s Depository Receipt (“DR”) program.

On DR Pay Date, all holders will have the opportunity to receive their full treaty benefits or 15% statutory withholding rate for non-treaty holders. All non-disclosed holders will receive this dividend net 15% statutory rate.

**Effective January 1, 2014** there are new requirements on obtaining withholding tax relief on Russian DRs. These new requirements are standardized and apply to any Russian DR with a record date after January 1, 2014.

In addition to these new requirements there are also **changes to withholding rates** for Depository Receipts with a **Russian payable date after January 1, 2015**.

The punitive withholding rate of 30% that existed on Russian DRs with payable dates from January 1, 2014 – December 31, 2014 was abolished and the new maximum withholding rate is the statutory rate of 15%. Deutsche Bank is required to provide beneficial holder residency disclosure on an aggregate basis. This disclosure includes:


a) Country of tax residence and entity type for a Double Tax Treaty Rate claim,

**OR**

b) Country of tax residence and entity type for the Statutory Rate (15% withholding)

Participants that choose not to disclose the country of tax residence and entity type will receive their dividend less 15% withholding tax as the default rate. At the time this notice went to publication there were no penalties in Russian law for DR holders in the case of non-disclosure.

Participants can use DTC’s Corporate Actions Web (CA Web) instructions tab to certify all or a portion of their position entitled to the applicable withholding tax rate. Use of these instruction methods will permit entitlement amounts to be paid through DTC.

DIVIDEND EVENT DETAILS	
COUNTRY OF ISSUANCE	RUSSIAN FEDERATION
ISSUE	PJSC AEROFLOT RUSSIAN AIRLINES – 144A
CUSIP#	69343R101
UNDERLYING ISIN	RU0009062285
DEPOSITARY	DEUTSCHE BANK
DR RECORD DATE	JULY 06, 2018
DR PAY DATE	TBA
ORD GROSS DIVIDEND RATE	RUB 12.8053
RATIO (DR:ORD)	1:5
STATUTORY WITHHOLDING RATE	15%
	NOT AVAILABLE

**PLEASE NOTE THAT THERE IS POTENTIAL FOR AUDIT ON YOUR DISCLOSED SHARES:**

The Russian tax authorities may audit the beneficial holders claiming through this process for up to three calendar years after dividends payment. At a minimum audits may require an original, apostilled, certificate of residency with specific language regarding tax treaties between Russian and the country of residence. This could be for any individual or entity that elects for the statutory rate, or is eligible and elects for the DTT rate, under the treaty between the country of residence and the Russian Federation. The documents in a foreign language should be translated into Russian and the translation needs to be approved by a public notary. There is a 3 month period to provide audit documentation to the authorities with a possibility for a 3 month extension. Please note the Russian tax authorities maintain the right to request additional information and/or forms at any time and from time to time. Participants and beneficial holders will be responsible and liable for any tax relief, penalties, and for maintenance and provision of all supporting materials.

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### FEES & DEADLINES

FILING METHOD	BATCH	PAYMENT METHOD	DSC FEE	FINAL SUBMISSION DEADLINE (ESP)
<b>RELIEF AT SOURCE</b>	PAYMENT ON PAY DATE	VIA DTC	UP TO \$0.00625 PER DR	07/11/2018 8:00 P.M. EST
<b>QUICK REFUND</b>	IMMEDIATELY FOLLOWING DR PAY DATE	VIA DTC	UP TO \$0.00625 PER DR	08/16/2018 8:00 P.M. EST

**NOTE: ALL DOCUMENTATION MUST BE SUBMITTED TO GLOBETAX BY THE DEADLINE EXPRESSED ABOVE. SUBMISSIONS WITHOUT SIGNED DOCUMENTATION WILL NOT BE PROCESSED.**

## ELIGIBILITY MATRIX – RELIEF AT SOURCE/QUICK REFUND

RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS		DOCUMENTATION REQUIRED
<b>EXEMPT – 0%</b>	15%	<p style="text-align: center;">RUSSIAN UNIT INVESTMENT TRUSTS</p> <p style="text-align: center;">SUPRANATIONAL / WORLD EXEMPT ENTITY</p> <p style="text-align: center;">SOVEREIGN / GOVERNMENT ENTITY</p> <p style="text-align: center;">NOTE: SOVEREIGN AND / OR SUPRANATIONAL ENTITIES ARE GRANTED EXEMPTION ON A CASE BY CASE BASIS AT THE DISCRETION OF THE RUSSIAN CUSTODIAN BANK OR ISSUER. ACCORDINGLY, NEITHER GLOBETAX NOR THE DEPOSITARY CAN ENSURE EXEMPTION WILL BE GRANTED. THESE ENTITIES MUST BE DISCLOSED AT THE BENEFICIAL OWNER LEVEL.</p>		<ol style="list-style-type: none"> <li>1. <a href="#">COVER LETTER</a></li> <li>2. <a href="#">SUMMARY</a></li> <li>3. EXHIBIT C – CONDITIONAL RATES REQUEST</li> </ol>
<b>DTT - 5%</b>	10%	DISCLOSED AND APPLYING FOR THE DTT RATE OF:	KUWAIT, QATAR, SAUDI ARABIA	<ol style="list-style-type: none"> <li>1. <a href="#">COVER LETTER</a></li> <li>2. <a href="#">SUMMARY</a></li> </ol>
<b>DTT - 10%</b>	5%	DISCLOSED AND APPLYING FOR THE DTT RATE OF:	<p style="text-align: center;">ALBANIA, ARMENIA, AZERBAIJAN, BELGIUM, BOSTWANA, CHILE, CHINA, CROATIA, CYPRUS, CZECHIA, DENMARK, EGYPT, GREECE, HONG KONG, HUNGARY, INDIA, IRAN, IRELAND, ISRAEL, ITALY, KAZAKHSTAN, DEMOCRATIC PEOPLE’S REPUBLIC OF KOREA, REPUBLIC OF KOREA (SOUTH KOREA), KYRGYZSTAN, LATVIA, LEBANON, LITHUANIA, MACEDONIA, MALTA, MEXICO, MOLDOVA, MONGOLIA, MOROCCO, NAMIBIA, NORWAY, POLAND, SINGAPORE, SLOVAKIA, SLOVENIA, TAJIKISTAN, TURKEY, TURKMENISTAN, UNITED KINGDOM, UNITED STATES OF AMERICA, UZBEKISTAN</p>	<ol style="list-style-type: none"> <li>1. <a href="#">COVER LETTER</a></li> <li>2. <a href="#">SUMMARY</a></li> </ol>
<b>DTT- 12%</b>	3%	DISCLOSED AND APPLYING FOR THE DTT RATE OF:	FINLAND	<ol style="list-style-type: none"> <li>1. <a href="#">COVER LETTER</a></li> <li>2. <a href="#">SUMMARY</a></li> </ol>
<b>RUSSIAN TAX RATE - 13%</b>	2%	DISCLOSED AND APPLYING FOR THE TAX RATE OF:	RUSSIAN FEDERATION	<ol style="list-style-type: none"> <li>1. <a href="#">COVER LETTER</a></li> <li>2. <a href="#">SUMMARY</a></li> </ol>
<b>DISCLOSED STATUTORY WITHHOLDING RATE - 15%</b>	0%	<p style="text-align: center;">DISCLOSED HOLDERS OF DTT COUNTRIES NOT APPLYING FOR DTT RATES</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">DISCLOSED HOLDERS OF NON DTT COUNTRIES</p>		<ol style="list-style-type: none"> <li>1. <a href="#">COVER LETTER</a></li> <li>2. <a href="#">SUMMARY</a></li> </ol>

<b>NON-DISCLOSURE/ STATUTORY WITHHOLDING RATE- 15%</b>	0%	NON-DISCLOSED HOLDERS	NONE
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\*Note: All documents listed in **BLUE font** are generated by GlobeTax's ESP website after submission of beneficial owner data.

**Note: There are some countries with double taxation treaties with the Russian Federation that have multiple withholding rates. The lower reclaim rate applies to the Relief at source and quick refund process. The higher reclaim rates generally apply to conditional situations (i.e. holding a minimum amount of outstanding shares or a special entity type). For more information please contact GlobeTax.**

<b>DESCRIPTION OF VARIOUS DOCUMENTATION</b>			
<b>DOCUMENT NAME</b>	<b>DESCRIPTION</b>	<b>ORIGINAL/COPY</b>	<b>SIGNATURE REQUIREMENT</b>
<b>COVER LETTER</b>	AGREEMENT TO DISCLOSE INFORMATION TO DEUTSCHE BANK/GLOBETAX FOR RELEVANT SECURITY	ORIGINAL	PARTICIPANT
<b>DISCLOSURE SUMMARY</b>	SUMMARY OF SHARES HELD BY COUNTRY OF RESIDENCE AND HELD BY ENTITY TYPE. FORM IS TO BE POPULATED WITH DR AMOUNTS	ORIGINAL	NONE

<b>CONTACT DETAILS</b>	
<b>PRIMARY CONTACT</b>	NICOLE BRODIE
<b>DOMESTIC PHONE (U.S.)</b>	1-800-876-0959
<b>DOMESTIC FAX (U.S.)</b>	1-866-888-1120
<b>INTERNATIONAL PHONE</b>	1-212-747-9100
<b>INTERNATIONAL FAX</b>	1-212-747-0029
<b>GROUP EMAIL</b>	<a href="mailto:RUSSIAESP@GLOBETAX.COM">RUSSIAESP@GLOBETAX.COM</a>
<b>COMPANY</b>	GLOBETAX SERVICES INC.
<b>STREET ADDRESS</b>	ONE NEW YORK PLAZA, 34 <sup>TH</sup> FLOOR
<b>CITY/STATE/ZIP</b>	NEW YORK, NY 10004
<b>ADDITIONAL CONTACTS</b>	DIANA CAMEJO

## FREQUENTLY ASKED QUESTIONS (FAQs)

<p><b>Do I need to provide a certificate of residency (“COR”)?</b></p>	<p>For relief at source and quick refund processes, the ESP generated forms will be required at the time of election. However, CORs will be required in the event of an audit for those disclosing for treaty benefits and you will be liable to maintain and provide these in that event. It is expected that CORs must be translated into Russian and apostilled, legalized or notarized and that they must be issued as of the calendar year.</p>
<p><b>Is it required to use ESP to disclose?</b></p>	<p>If you are not able to utilize the ESP system please contact GlobeTax to obtain copies of the ESP forms to submit manually.</p>
<p><b>What happens if I cannot complete my disclosure by the relief at source deadline?</b></p>	<p>There is an opportunity for quick refund submission immediately following the DR pay date.</p>
<p><b>Is there a difference between the relief at source and quick refund?</b></p>	<p>The process steps are the same for both processes. However, the relief at source period is shorter and involves payment of your dividend with tax relief on pay date. The quick refund is a longer period for submission and will involve payment of your tax relief after pay date. Both payments are electronic.</p>
<p><b>Is there opportunity for standard refund?</b></p>	<p>At this time there is no defined standard refund. Please contact GlobeTax for additional information.</p>
<p><b>Is it possible for me to disclose ownership of the DRs for 15% withholding even if the country of tax residence has a DTT?</b></p>	<p>Yes. You may indicate the shares by country of residence to disclose ownership residency but not obtain treaty benefits.</p>
<p><b>Is it possible to disclose shares for an exempt rate, a rate of 0% withholding?</b></p>	<p>A participant may submit for a qualifying exempt entity but Deutsche Bank/GlobeTax Services cannot guarantee the payment of said exemption. For additional information, potential reclaim, and submission requirements please contact GlobeTax.</p>
<p><b>Can residents of a DTT country with an entity type considered transparent disclose their DRs to receive the dividend at the double tax treaty rate?</b></p>	<p>The DRs of transparent entities should be disclosed at the underlying beneficial holder level. Always check the specifics of the relevant tax treaty to ensure you are properly disclosing the DRs of the entity and country of tax residence with respect to the Russian Federation.</p>
<p><b>Will Deutsche Bank/GlobeTax accept claims filed directly to them by beneficial owners?</b></p>	<p>Deutsche Bank/GlobeTax only accepts claims filed by the DTC Participant who held the securities through DTC and only to the extent that the DTC has reported these holdings to us as valid.</p>

**All tax information contained in this Important Notice is based on a good faith compilation of information obtained from multiple sources. The information is subject to change. In the event that local market rules, whether implemented by a local agent or a Tax Authority, conflict with the information provided in the Important Notice, either prior to or after publication, the local market rules will prevail.**

## PROCESS STEPS

- Go to <https://esp.globetax.com/> and disclose your ultimate beneficial owners by
  - Country of Tax Residence
  - Entity Type (either legal entity or individual)
- Sign the ESP generated cover letter and summary and mail to GlobeTax
- Mail signed originals into GlobeTax (**PDF copies must be received by deadline date with originals in route at the time of deadline**)
- Use the ESP generated share summary at applicable rate as per treaty to complete your withholding rate certification at DTC's CA Web

**IMPORTANT: TO RECEIVE YOUR DIVIDEND WITH APPLICABLE RATE AS PER TREATY YOU MUST BOTH COMPLETE THE DISCLOSURE TO GLOBETAX AND A CORRESPONDING CA WEB CERTIFICATION AT DTC.**

# ESP

powered by **GLOBETAX**

Deutsche Bank offers ESP powered by GlobeTax, an electronic withholding tax submission system. This system allows for the secure and simplified transfer of beneficial owner level data from the Participant to Deutsche Bank and creates applicable documentation on the Participants behalf.

Submit the data online through the web site below, print out the document on letterhead, sign, and mail to Deutsche Bank / GlobeTax.

These claims should be submitted through the following web site. (Requires a one-time registration)

<https://ESP.GlobeTax.com>

Please contact [support@globetax.com](mailto:support@globetax.com) at 212-747-9100 if you have any questions about this process.

## FORMS AND ATTACHMENTS

*\*Double click on respective icon to view attachment.*

### COVER LETTER

*\*\*For Non-ESP users ONLY*



DB Cover Letter

### COVER LETTER EXCEL BREAKDOWN

*\*\*For Non-ESP users ONLY*



Exhibit B

### EXHIBIT C



Exhibit C