

WITHHOLDING TAX UPDATE

Fall 2020



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Welcome to the final Withholding Tax Update newsletter of 2020!

It has been a turbulent year to say the least, but at GlobeTax we remain committed to updating the marketplace with the latest withholding tax trends as we navigate new challenges together.

In this edition, we bring several important updates from the Netherlands, Denmark, Belgium, France, and Norway and revisit which markets are permitting scans over original documentation. We also highlight the newest features of the upgraded version of ESP in an ESP-themed Handy Hints column.

Best,

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Dutch Long Form – Additional Documents Required to Apply for Dutch TINs for Certain Entities

Following updated guidance from the Dutch Tax Authority, US-domiciled Pensions and Charities (not including IRAs) that have not received a Dutch Tax ID (RSIN) will now be required to submit a 6166 that certifies the BO as an eligible US tax-exempt entity. The 6166 must be certified within two years from the time of submission.

Non-US tax-exempt entities are required to submit a certificate of residency and additional documents to prove their comparability to a Dutch tax-exempt entity. Examples of these additional documents may include, but are not limited to, articles of association, trust deeds, annual accounts, and/or pension plans.

These documents must be provided to GlobeTax after completing long form submissions on ESP. Beneficial owners who cannot supply this documentation will not be issued a Dutch RSIN and will therefore be ineligible for a refund of Dutch withholding tax.

Please direct any questions to the Netherlands reclaims team at DutchESP@globetax.com.



Upgraded ESP Is in Full Swing

Since launching in August, the re-engineered ESP has processed millions of claims. Users are enjoying a streamlined submissions process thanks to new features and tools such as bulk upload, a partial submission option, and the reference guide.

Over 100 users participated in webinars in which these new features were demonstrated, simplifying the transition to the new system. Those who did not attend may view recordings of these sessions by submitting a request through the ESP Service Desk [here](#).

In October, the ESP team added a claim cancellation feature, enabling users to cancel claims instead of contacting GlobeTax. Claims may be cancelled by visiting “Manage Submissions” and clicking the “Cancel” button on the far left of the table.

Additionally, claim confirmation emails for Relief at Source and Quick Refund now include suggested CA Web election breakdowns to assist with DTC elections. Spain Debt has also been added as a market option.

As we continue to plan even more system enhancements to improve the user experience, we are actively encouraging feedback. If you would like to make a suggestion or have questions, please contact us via the [ESP Service Desk](#).



Danish Tax Authority Resumes Payments on Novo Nordisk ADRs

The Danish Tax Authority Skattestyrelsen (SKTST) has informed GlobeTax that refund applications will once again be processed for Novo Nordisk ADRs (CUSIP: 670100205) after a four-year hiatus. At present, the resumption of payments is limited to reclaims on the Novo Nordisk ADR program.

No further guidance on the timeline has been provided for the resumption of payments on ADR programs outside of Novo Nordisk.

Please contact DenmarkESP@globetax.com for additional information.



French Statutory Rate to Change to 26.5%

Effective January 1, 2021, the statutory withholding rate for French dividends will be reduced to 26.5% from the current 28%.

Any dividend with a local pay date in 2021, including events that go record at the end of 2020, will fall under the scope of the new statutory rate. The statutory rate of 12.8% for individuals will remain unchanged.

Participants are encouraged to pay special attention to published notices for applicable rates and dividend details.

Please contact FranceESP@GlobeTax.com for questions.

Rate Description	Withholding Rate	Reclaim Rate
Unfavorable	26.50%	0.00%
US and Canadian Legal Entities	15.00%	11.50%
Reduced Statutory Rate for Individuals	12.80%	13.70%
Canadian Pensions	0.00%	26.50%



Belgian Long Form - Reminder to Provide All Documentation for Pensions

To file long form claims for pensions at the exempt rate in Belgium, participants must source additional information which is outside of the scope of ESP.

- Proof of the legal structure of the fund
- Purpose and activities of the fund

If these details are not found within the articles of association, participants must provide supplemental documents.

Please review Belgian Important Notices for more information, or contact BelgiumESP@globetax.com.



IRAs Eligible for Norwegian Tax Relief

IRA accounts are now confirmed eligible to participate in the Relief at Source and Quick Refund processes in Norway. Furthermore, IRAs will be subject to the same marketplace requirements as individuals in Norway.

As such, IRA accounts will need to provide the one-time beneficial owner certification when submitting for either of these processes. The beneficial owner certification is available as an attachment to the important notice.

If the beneficial owner's share position exceeds the threshold outlined in the important notice, then the beneficial owner will need to provide a certificate of residency dated within three years.

Please contact NorwayESP@globetax.com with questions.



The following Handy Hints come from our Product team to guide users through our upgraded ESP system!

Hint #1 –

The [FAQ Page](#) details how to complete common tasks on the new platform, including claim filing, registering and approving new accounts, and linking all DTC participant numbers to your account.

Hint #2 –

The [Reference Guide](#) has replaced Excel dropdowns and helps users populate the Excel templates accurately. TIP: Open the reference guide and click on a particular procedure type, entity type, or country of residence. According to your selection, the dynamic guide will display the mix of valid inputs.

Hint #3 –

The [Claim Sandbox](#) houses the updated Excel templates for all markets in one place. Here, users can see all entity type changes for a market and validate any populated templates to make sure they are aligned with the updated rules.



Markets Continue to Accept Scans Instead of Original Documents

In our April 2020 newsletter, we included a list of markets in which copies of documentation were acceptable in lieu of originals. Given the unpredictable nature of the pandemic and the responses of various governments, we are including an updated list in this edition.

This list outlines which markets accept copies and whether the situation is **temporary** (originals will be required in the future), or **permanent** (no originals will be required). Markets temporarily accepting scans may require original documents in the future to support scan-based submissions, so we strongly advise keeping originals on file.

Notably, Ireland, Portugal, France, and Spain have reverted to requiring original documents. In addition, it is yet to be determined if Switzerland will continue to accept scans for Relief at Source and Quick Refund in 2021.

Please contact the country's specific e-mail address if you have questions related to this list.

Country	Process Type	Scan Acceptance Status
Austria	All Processes	Permanent
Chile	All Processes	Temporary
Czech Republic	All Processes	Temporary
Denmark	Long Form	Permanent
France	Relief at Source	Originals Required
Hungary	All Processes	Permanent
Ireland	Long Form	Originals Required
Korea, Republic of	Relief at Source (for September 2020 record dates)	Temporary
Netherlands	Quick Refund and Long Form only	Permanent, but originals should be on file in case of audit
Norway	All Processes	Permanent
Portugal	All Processes	Originals Required
Russia	All Processes	Permanent
South Africa	All Processes	Permanent
Spain	All Processes	Originals Required
Sweden	Relief at Source and Quick Refund	Permanent
Sweden	Long Form	Temporary
Switzerland	Relief at Source and Quick Refund	TBD for 2021