

# WITHHOLDING TAX UPDATE



Spring 2021

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Welcome to the Spring 2021 edition of the *Withholding Tax Update* Newsletter!

This edition covers important updates including major changes to Danish reclaims, procedure reminders for Ireland and Luxembourg, an update to the Russian tax relief process, and more.

Finally, in the latest episode of our *Withholding Tax Update Podcast*, I sat down with GlobeTax's outgoing Managing Director Michael Finck to gather his thoughts ahead of his much-deserved retirement. In the episode, he shares wisdom from his long and accomplished career, discussing how the ADR/tax reclaim space changed during his tenure and speculating what might come next for the industry. [Click here](#) to listen to this very special episode!

Best,

Joe Hands  
Editor in Chief  
Withholding Tax Update



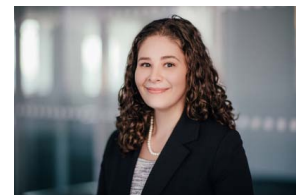
## Stay in touch with the GlobeTax Depository, CSD, & Issuer Services team



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# GLOBETAX



## Danish Tax Agency Clarifies ADR Beneficial Ownership Reclaim Eligibility

The Danish Tax Agency (DTA), Skattestyrelsen, has issued guidance that, for ADR programs meeting certain ownership, ratio, and voting rights criteria, the depository bank rather than the ADR shareholder is the true beneficial owner. The ADR programs meeting the DTA criteria are listed below.

SECURITY	CUSIP
CARLSBERG	142795202
PANDORA	698341203
DANSKE BANK	236363206
FLSMIDTH AND CO A/S	343793105
A.P/ MOLLER - MAERSK	00202F102
H LUNDBECK A/S	40422M206
NOVOZYMES	670108109
COLOPLAST	19624Y200
CHR. HANSEN	12545M207
JYSKE BANK A/S	482229101

As a result, the applicable sub-custodians are rejecting claims based on those ADRs and claims which have been already filed are subject to rejection.

GlobeTax has requested additional guidance from the DTA and efforts are underway to see if the DTA will reverse its position. More information on this story will be shared once updates are available.

For more information, please contact [DenmarkESP@GlobeTax.com](mailto:DenmarkESP@GlobeTax.com).



## GlobeTax Supports Logitech S.A. Tax Reclaim Process

As a reminder, GlobeTax offers a Swiss long form reclaim process for the Logitech S.A. (CUSIP H50430232) program.

Each long form claim will incur a tax relief fee of \$0.01 per share with a \$25 minimum per beneficial owner.

Users can submit claims through the ESP portal and must provide the complete, original set of the required documentation.



## Eligibility Changes for Russian Individuals on Russian Dividend Events

Russian individuals are now only eligible for the 15% statutory rate due to a change in the Russian tax code. Previously, Russian individuals were entitled to a favorable 13% withholding rate by providing standard aggregate disclosure of country and entity type.

Despite this change, ESP users are still encouraged to disclose holders on the aggregate level for the 15% statutory rate.

There is no change to Russian legal entities who remain eligible for the 13% favorable rate.

Please refer to Russian Important Notices listed on the DTCC website and on the ESP portal for additional information on updated guidance for Russian individuals or contact [RussiaESP@GlobeTax.com](mailto:RussiaESP@GlobeTax.com).



## Spain Signs New Double Taxation Treaties with Japan and China

Spain has signed a new Double Taxation Treaty (DTT) with Japan that will enter into force on January 1, 2022. The new withholding rate will be 5% for dividends, rather than the previous 15% treaty rate. Pensions will be entitled to full exemption (0% withholding).

Spain has also signed a new Double Taxation Treaty (DTT) with China that will enter into force on May 2, 2021. Spanish residents will continue to be withheld at 10% on Chinese dividend payments, while Chinese residents are eligible for a 10% treaty rate on Spanish dividend payments. Government entities will be entitled to full exemption (0% withholding).

For more information, please contact [SpainESP@GlobeTax.com](mailto:SpainESP@GlobeTax.com).



## Updated Long Form Requirements in Ireland for Trusts and Partnerships

Irish Revenue has confirmed the documentation requirements for long form claims submitted on behalf of a partnership or trust (that is not taxable at the entity level).

Long form reclaims must include the following documentation:

- Consent from the underlying partner (POA)
- Partnership breakdown, which specifies the address and percent holding per underlying partner
- Credit advice per partner from the upper-level partnership or trust
- DWT reclaim form and V2/V3 form required for non-US underlying partners

For more information, please contact [IrelandESP@GlobeTax.com](mailto:IrelandESP@GlobeTax.com).



# GlobeTax Supports Luxembourg Long Form Reclaim Process

As a reminder, GlobeTax now offers a long form reclaim process for the following Luxembourg dividend events:

Security	CUSIP	Record Date ADR	Pay Date ADR
B AND M EUROPEAN VALUE RETAIL SA	05590Y100	11/23/2020	12/18/2020
APERAM	03754H104	11/13/2020	12/9/2020
O'KEY GROUP - 144A	670866102	11/4/2020	11/12/2020
O'KEY GROUP - REG. S	670866201	11/4/2020	11/12/2020
L'OCCITANE INTERNATIONAL	50212N108	10/15/2020	11/6/2020
B AND M EUROPEAN VALUE RETAIL SA	05590Y100	8/21/2020	10/13/2020
APERAM	0375H104	8/17/2020	9/11/2020
GRAND CITY PROPERTIES	38528P107	6/26/2020	7/29/2020
APERAM	03754H104	5/18/2020	6/12/2020
B AND M EUROPEAN VALUE RETAIL SA	05590Y100	3/20/2020	5/1/2020

If you wish to participate in this long form service, please send all documentation to GlobeTax by December 1, 2021, as the statute of limitations for these events will expire at the end of 2021.

Luxembourg events are not available on ESP, and users are encouraged to send scans of the required documentation to the GlobeTax Luxembourg team for review prior to submission.

For more information, please contact [LuxembourgESP@GlobeTax.com](mailto:LuxembourgESP@GlobeTax.com).



# The Philippines Change Statutory Rate

As of January 1, 2021, the statutory withholding rate for Philippine dividends has been reduced to 25% from 30%.

In addition to the statutory rate change, there has been a change to the required documents necessary for Tax Treaty, Tax Sparing and Exempt rate filers. Going forward, CORTT forms will no longer be accepted.

GlobeTax will provide further guidance on the new documentation requirements as we confirm the remaining changes. Participants are encouraged to review published notices for applicable rates and dividend details.

For more information, please contact [PhilippinesESP@GlobeTax.com](mailto:PhilippinesESP@GlobeTax.com).



## Helpful ESP User Tips

Our upgraded ESP system includes several new features. See the following tips to help expedite your processing:

- The DTC participant User Manager can upload and update your company's letterhead. Documents requiring a company letterhead are automatically generated with the most recent version provided by the User Manager. Access this feature using the main dropdown menu on the top right of the ESP website, and update when necessary.
- Because all Payments Reports exclude At Source claims from the search results by default, be sure to modify the default search criteria to include At Source claims in the results using the "Payment Types" option within the "Payments Report Filters." You can access this option by going to Payment Report Filters --> Payment Types.
- The "FX Rate" filter under "Payments Reports" displays the FX rate directly on screen and within the Payment Enclosure file.
- The "Bulk Download - Payments Enclosures" feature within "Payment Reports" lets you download multiple Payment Enclosures at once in a single .zip file.
- Some helpful shortcuts include:
  - » "Ctrl + Click" to select items
  - » "Shift + Click" to select a range
  - » "Ctrl + A" to select all



### Hint #1 - Use paperclips instead of staples!

Use paperclips rather than staples when submitting physical documents. It helps GlobeTax process faster, and also eliminates the risk of inadvertently damaging physical paperwork by sending staples through the scanner.

### Hint #2 - Ensure documentation is delivered correctly using labels.

Labeling packages with the relevant countries for your claims ensures that claims get to the correct team and minimizes the risk of losing paperwork. For instance, if a package includes documents for Germany and Ireland, include a reference like this: (REF - DCI - Germany / Ireland).