

Withholding Tax Update



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Welcome to the latest edition of GlobeTax's Withholding Tax Update Newsletter!

In this edition, we introduce enhancements to our ESP+ platform, designed to streamline and automate tax relief processes for DTCC participants. We also highlight GlobeTax's appointment as JPMorgan's new withholding tax agent, followed by key treaty and procedure updates across multiple markets. Finally, we provide important reminders for brokers to ensure smooth processing and compliance.

We are also excited to announce the addition of Kelly Molina as Assistant Editor-in-Chief. Kelly brings her market experience, excellent writing skills, and a shared love of baking to our Newsletter team.

Read on for the latest developments and insights to help maximize your tax recovery efficiency.

Best,

Danette Moore

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ESP+ Automating Tax Relief for DTCC Participants

ESP+ is a premium add-on to GlobeTax's ESP withholding tax processing platform. The service reduces expenses and risks for DTCC Participants by automating most of the manual steps involved in filing DR tax relief and reclaims and managing Canadian Tax Relief for DTCC-held securities. And thanks to APIs or SFTP integration, ESP+ can be implemented quickly and cost-effectively.

Through ESP+, DTCC Participants can:

- Digitally receive dividend announcements and eligibility matrices, automating investor identification for each event.
- Automatically send claims to GlobeTax, eliminating the need for manual data entry and uploads.
- Automate CA Web elections via ISO 20022 messaging, removing the need for most manual elections.
- Automate payment and reconciliation, mapping payments directly to both claims and DTCC distributions.
- Receive real-time status updates for outstanding claims via ad hoc or standard reporting.

A growing number of DTCC Participants are already set to onboard this year. Interested parties should contact [Frank Froio](#) or [Greggory Lewis](#) to arrange a demo and learn more.



GlobeTax Appointed Agent for Depository JPMorgan

Effective October 31 2024, JPMorgan, as Depository, has appointed GlobeTax as their agent for DR withholding tax. This change has several implications for the marketplace.

1. Withholding Tax Agent Role

- GlobeTax will serve as the withholding tax agent and publish Important Notices for events in Denmark, France, Japan, Norway, South Africa, Sweden, and Switzerland.
- All long form claims on historic events for Denmark, France, Japan, Norway, South Africa, Sweden, and Switzerland should now be filed through ESP if they have not been submitted previously.

2. Transition of Unfiled Claims

- GlobeTax will assume responsibility for any claims that have not yet been filed by Goal Group.
- Users can view transitioned claims by logging into ESP, selecting "View Reports," and searching under the "Claims" section. Note that historic payments for these events may not be available through ESP.

3. Review & Submission Requirements

- GlobeTax will review transitioning claims for completeness. Neither an ESP submission nor new cover letter will be required. Inaccurate claim documentation, including cover letters must be corrected before filing.









4. Claims Previously Filed by Goal Group

- GlobeTax will begin integrating historic Goal Group data on ESP.
- GlobeTax will process refunds for outstanding claims filed by Goal Group and issue payments accordingly.



Treaty Changes Effective January 1, 2025

The following (non-exhaustive) list overviews double taxation treaty changes that took effect January 1, 2025.

Treaty Country 1	Treaty Country 2	Treaty Withholding Tax Rate	Notes
Austria 	China 	10%	5% rate applies for Government Entities (Protocol)
Denmark 	Greenland 	15%	0% rate applies for Pension Entities (Protocol)
France 	Moldova 	10%	(Treaty)
Ireland 	Oman 	10%	0% rate applies for Pension Entities & Government Entities (Treaty)
Japan 	Greece 	10%	(Treaty)
Japan 	Algeria 	10%	(Treaty)
South Korea 	Rwanda 	10%	(Treaty)
South Korea 	Turkey 	15%	(Treaty)
Netherlands 	Andorra 	15%	0% rate applies for Pension Entities (Treaty)
Norway 	Brazil 	15%	0% rate applies for Government Entities (Treaty)
Spain 	Paraguay 	10%	0% rate applies for Pension Entities (Treaty)
Switzerland 	Kuwait 	15%	(Protocol)



Belgium: New Documentation Requirements for Belgian Long Form

Effective January 1, 2025, the Belgian Tax Authorities have updated their long form documentation requirements for both Natural Persons and Legal Entities. The updated requirements include:

- Natural Persons: Copy of identity card.
- Legal Entities
 - Authorized Signatory List: This document proves that the person who signed the tax form or POA can also actually legally represent the company (e.g. a mandate or the articles of association).
 - VAT number of the beneficial owner. In the absence of a VAT number, the LEI (Legal Entity Identifier) number of the beneficial owner can be submitted. Whichever is submitted must be on a standalone document.
 - Extract of business registrar from beneficial owners' country or local state of residence.

ESP upload templates have been updated to reflect the new VAT/LEI requirement. Please direct questions regarding this change to BelgiumESP@GlobeTax.com.



Ireland: Exemption Sub-Categories Effective January 15, 2025

Effective January 15, 2025, DTCC has consolidated election options for Ireland exemption sub-categories. This change requires participants to adjust how they classify exempt shares for redomiciled and grace period events.

- For redomiciled events, participants must elect all US and non-US exempt shares into a single category. Any shares elected for exemption that lack disclosure will be assumed to be for US beneficiaries (and will need to be substantiated in the event of an audit).
- For grace period events, exempt shares must be categorized as follows:
 - US and non-US exempt shares requiring documentation must be elected to the exempt category.
 - Non-US exempt shares that do not require documentation must be elected under "Resident of Relevant Territory (non-US) Before" exempt category.

Note there is no change to ADR programs. Participants should review the updated eligibility matrices to ensure proper documentation and disclosures are provided. Please direct questions regarding this change to IrelandESP@globetax.com.



Italy: New Documentation Requirement for Quick Refund

Effective January 1, 2025, two key updates will impact tax reclaim processing:

- BNP Paribas Quick Refund Claims: For claims filed through custodian BNP Paribas, a copy of a photo ID (ID card, passport, etc.) is now required from the final beneficiary signing the tax form(s). If the final beneficiary is a non-individual entity, a copy of an ID for the legal representative signing the forms must be provided instead.
- Citi Milan Tax Form Update: Citi Milan has updated its tax form from CBDIV24 to CBDIV25.

Please direct questions regarding these changes to ItalyESP@globetax.com.



Spain: LEI Code Now Mandatory for Spanish Equity Market Withholding Tax Reclaims

The Spanish equity market is requiring all legal entities to provide a Legal Entity Identifier (LEI) code when submitting tax reclaims. This applies across all available processes – Relief at Source, Quick Refund, and Long Form – for dividend pay dates from January 1, 2024 onward.

The LEI is a 20-character alphanumeric reference code used globally to uniquely identify legally distinct entities engaging in financial transactions. DTC Participants are responsible for obtaining, verifying, and providing LEI codes retroactively for any filed or paid reclaims within scope. Failure to comply with these requirements may result in rejections or clawbacks from the Spanish Tax Authority.

ESP has been updated to reflect this new requirement; the upload template now has a mandatory field for legal entity beneficial owners to include the LEI.

For general information on LEI codes, visit [GLEIF](https://www.gleif.com). For questions regarding this change, please contact SpainESP@GlobeTax.com.



Switzerland: 2025 Market Updates

The Swiss Federal Tax Authority has revised their withholding tax reclaim documentation requirements for Relief At Source, Quick Refund, and Long Form following the global refund procedure. The following changes are effective as of January 1, 2025:

- Participants now need to include the Pension Code as part of the 81-100 Attestation for group trusts.
- Additional documentation is required for all claims with a reclaim amount of CHF 100,000 or more
 - For RIC/INF claims over the threshold, the full disclosure of direct and indirect shareholders is required. The direct shareholders' name, address, TIN, percentage of ownership, and account number must be provided. If providing a Broadridge report, it must be an original copy of the data, as recent to the tax year as possible.
 - For any claimant that is over the threshold, the questionnaire on the back of the tax form must be completed. Note that the questionnaire is entity-type specific.
- When providing a 6166 or 81-100 participant list, it must be for the current or previous tax year.
- If a claim is an LLP, LLC, LP, trust, investment fund, or similar, the SFTA encourages providing a 6166 even if the claim is not over the threshold.
- A transparent entity name may not also be submitted as the underlying holder of a trust. The underlying holder must name(s) the ultimate beneficiary.

Please direct questions or requests for form templates to SwitzerlandESP@GlobeTax.com.



Maximizing Recoveries with ESP Canada





While the Canadian market is generally efficient at providing Relief at Source, many investors miss out on this expedited channel. Instead, to secure Long Form entitlements for some entities, DTCC Participants have historically needed to file claims with the Canadian Tax Authority directly – an arduous and time-consuming process.

To address this issue, GlobeTax launched ESP Canada to provide DTC Participants with a streamlined connection to the Canadian Revenue Agency. With the offering, Participants can leverage the familiar ESP system to submit postpayable reclaims on Canadian Ordinary Shares. Since receiving our first claim through ESP Canada in March 2024 GlobeTax has pursued more than \$3 million in Canadian withholding tax for investors. To date, several of the largest DTC Participants have used the service to file 300 claims on 130 million+ shares of Canadian companies.

Continue to check ESP, as the DCI team continues to add eligible Canadian event or contact CanadaESP@globetax.com.



The "Moore" You Know Helpful Tips to Ensure Efficient Processing

<p>South Africa</p> 	<p>Ensure DTD forms are completed in their entirety. Manual Fields to be completed by brokers:</p> <ul style="list-style-type: none"> • Under the Declaration Box on DTD forms: All signature fields & Withholding Rate • Capacity of Signatory
<p>Switzerland</p> 	<p>A reminder that no PO Boxes or C/O addresses are allowed. Inclusion will result in immediate rejection.</p>
<p>France</p> 	<ul style="list-style-type: none"> • Ensure you're using the most current forms: Version Cerfa 4 (Form 5000) and Cerfa 6 (Form 5001), directed to the French Tax Authorities in the upper left hand corner. • Certified documentation must be originals. • Understand documentation requirements by entity Type: please cross-reference the entity type on the Form 6166 and Form 8802 to the one you submit on ESP. Also reference the eligibility matrix to ensure correct documentation is being submitted with the reclaim.
<p>Netherlands</p> 	<p>A Dutch Tax ID (RSIN) is required to participate in the Netherlands reclaim process. GlobeTax will apply for a Dutch Tax ID directly from the Dutch Tax Authority on behalf of all beneficial owners. To expedite the request process, GlobeTax recommends maintaining a current tax year certificate of residency for U.S. Pension funds, Charities, and non-tax exempt entities, as well as the articles of association and annual accounts for non-U.S. tax-exempt entities for each beneficial owner.</p>