

Tax Reclaim Service for Beneficial Owners

Powered by GlobeTax



Dividend and interest income from cross-border investments is often over-taxed. Under Double Taxation Treaties, however, investors may be eligible to reclaim some-- or all-- of this tax. To ensure that you secure the highest possible returns on your investments, we have partnered with GlobeTax to help you recover over-withheld tax on your cross-border dividend and interest income.

GlobeTax

We have partnered with GlobeTax to provide you with access to their unique Withholding Tax Reclaim Service.

This is a global service that recovers over-withheld tax from foreign governments and puts it back where it belongs: in your accounts.

What is tax reclamation?

Cross-border investment income (equities or bonds) is typically taxed at a high statutory rate in the source country of the income -- up to 35% in some cases.

You may, however, be entitled to taxation at a lower treaty rate if your domestic tax authority has a Double Tax Treaty ("DTT") with the tax authority of the income source country. Today, over 5,700 DTTs exist that allow you to recover the difference between the statutory withholding rate and the favorable treaty rate.

Unfortunately, many investors never claim their rightful treaty entitlements, as financial institutions often struggle with the complex forms and procedures involved in reclaiming taxes.

Fortunately, GlobeTax specializes in identifying and recovering cross-border withholding tax on behalf of investors.

How do I activate the service?

GlobeTax provides you with access to eDocs, their secure document generation portal. By using eDocs, you can quickly and easily provide GlobeTax with the documents needed to begin claiming your refunds

How much does it cost?

GlobeTax's fees are contingent and only deducted once funds are recovered successfully.

Upon recovery, two fees are levied:

Annual Account Fee

US\$200 per income year per beneficial owner to acquire and manage your documentation. If less than US\$400 is recovered in any income year (net of the GlobeTax fee), this fee is waived.

Transaction Fee

- 20% of the amount recovered if you are the ultimate beneficial owner of the income;
- 35% if you are a partnership, trust or similar "look-through" entity; OR
- 50% in either case, if the claim amount is less than US\$500.

Are there any minimums?

GlobeTax maintains a minimum threshold of **US\$500** per item to lodge a reclaim. The firm has discretion to lodge a claim below that figure. If a previously-filed claim falls below US\$500, the greater of US\$250 or 50% of the reclaim will be taken as a service fee.

What's included in the service?

- Access to eDocs
- Global tax rate research
- Entitlement Identification
- Completion of all tax reclaim forms
- Local residency certification (if required)
- Tax reclaim submissions
- Payment of refunds (minus fees)

What about confidentiality?

Once a month, we will provide an income data file to GlobeTax showing payments made to your accounts. GlobeTax will only share information needed to file claims. That information remains confidential between you and GlobeTax.

GlobeTax protects beneficial owner data carefully, adhering to both U.S.

and EU standards. GlobeTax participates in and adheres to the European Commission and the U.S. Department of Commerce's EU-U.S. Privacy Shield Framework, and the Swiss-U.S. Privacy Shield Framework, as set forth by the U.S. Department of Commerce.

Why should I act?

At present, your rightful money is sitting in the bank accounts of foreign governments. If you don't take action to reclaim it within the statute of limitations, the entitlements are forever surrendered to the foreign tax authorities.

Fortunately, GlobeTax can recover this money, aided only by some data and minimal documentation. Best of all, you only pay fees after GlobeTax has successfully recovered funds. In other words, this service provides completely risk-free portfolio performance.

What do I do next?

Let us know if you want to activate this service and we will send you a link to eDocs.

Follow the instructions in eDocs to register. eDocs will generate all necessary documents. Print, check, sign the forms (and have your signature witnessed if required), and then send the completed forms to GlobeTax.

That's it. GlobeTax does the rest.

Frequently Asked Questions

Q. What types of securities are covered?

A. Common shares purchased on foreign exchanges; fixed income (bond interest) and depositary receipts (ADRs, GDRs, and IDRs).

Q. What types of Beneficial Owners are covered?

A. Corporations, foundations, trusts, funds, individuals, partnerships (simple and complex), omnibus accounts, nominee accounts, sovereign entities, and special purpose vehicles are covered

Q. When will claims be filed?

A. If there are no queries on the data or documents, reclaim applications are prepared and filed on a continuous basis whenever entitlements are identified.

Q. How long will it take for my refund to arrive?

A. Recovery times vary by market. Some markets refund money in a few months and some can take much longer.

Q. How will I know the status of my claims?

A. GlobeTax updates their online reporting system on a quarterly basis. You will receive an email when new reports are available. The reports will show the status of each income item paid to your accounts, the status of outstanding claims, the expected date of payment, and ineligible items

Q. Are there any other fees, apart from GlobeTax's fees?

A. Some markets may require claims to be filed in particular ways, typically through a sub-custodian bank.

These intermediaries sometimes charge a small fee for processing a claim. If any of these fees apply, they will be shown on the online report. They will be deducted from the tax recovered.

Need to know more?

For more information about this service, please contact your Relationship Manager.

Globe Tax Services, Inc. © 2020

GlobeTax does not provide or offer tax, investment or legal advice and nothing provided here is intended to constitute the provision thereof. GlobeTax does not assume any and disclaims all liability that may arise from changes to, errors or omissions herein.