

RECLAIMABLE WITHHOLDING TAX WTAX PRELIMINARY ASSESSMENT

OPPORTUNITY

WTax have performed a preliminary withholding tax analysis using your custodial records. The analysis highlights the withholding tax suffered on XYZ FUND. We have also provided additional information on who WTax is and how we can assist you in recovering this withholding tax.

RECLAIMABLE WITHHOLDING TAX

Year of analysis	2019
Currency	GBP
Total withholding tax suffered	£ 4,035,697
Total recoverable withholding tax	£ 3,541,528
Total number of jurisdictions in question	20
Available reclaim mechanisms	3
Double Tax Treaties	
Local Exemptions	
European Court of Justice Claims	
Statute of Limitation	3 - 5 years

Data Assumptions:

- No securities lending has taken place
- No tax reclaims have already taken place
- All issuers were present in 2019 and the client received the 2019 dividends for all issuers listed
- Dividend per share value was pulled using public data bases
- Withholding tax rates per territory were pulled using an internal data base

KEY COMPANY FEATURES



WTax is part of the VAT IT Group with 45 wholly-owned offices globally



We service over 4,000 funds ranging from \$10M to \$1T



We deal with over 100 custodians globally



Average recovery yield enhancement per client ranges from 40% to 60%



HOW WE DO THIS

WTax applies the optimal mix of the below reclaim methodologies to recover withholding tax (WHT) according to the funds' legal structure, domicile and investment jurisdictions:



Double tax treaty claims: WTax works in conjunction with the funds' custodian to identify WHT not being reduced to the correct treaty rate, due to the complexity of claims in specific jurisdictions.

BENEFIT: Reducing WHT to the correct treaty rate across all investment jurisdictions, thereby increasing WHT yield, resulting in improved fund performance.



Domestic tax exemptions: Numerous jurisdictions offer a reclaim procedure based on the investment country's domestic tax legislation, which can be applied to receive a partial or full exemption on WHT incurred on foreign investment income.

BENEFIT: Reducing the WHT charge to as little as 0%, thereby increasing WHT yield, resulting in improved fund performance.



Claims based on European Court of Justice legal precedent: This claim methodology cannot be applied by custodians as these are prohibited from providing tax advice. Furthermore, these claims require significant tax expertise. This process differs considerably from the DTT claim process with additional requirements, such as an in-depth analysis and comparison of the investor's fund structure as well as the provision of multiple supporting documents. ECJ claims are available in limited European jurisdictions.

BENEFIT: Reducing the WHT charge to as little as 0%, thereby increasing WHT yield, resulting in improved fund performance.

SERVICE IMPLEMENTATION SUMMARY

After concluding an agreement, we have a simple on-boarding process:

ON-BOARDING AND SET-UP

- Client Information Sheet
- Fund documents

PROCESSING

The following is requested from the various parties:

- LOA's (client)
- Authorised signatory list (client)
- Dividend vouchers (custodian)
- Tax residency certificates (tax office)

REFUNDS & REPORTING

All claims can be tracked from submission to refund using the Client Reporting Portal



CONCLUSION

WTax will reduce your WHT leakage allowing you to fulfil your fiduciary duty while increasing fund performance.

All our services are performed on a **contingency based fee** with no administrative burden on your team resulting in a net-gain position.