

Why Many Asset Owners Fail to Recoup All Eligible Withheld Taxes

How organizations can add hundreds of thousands (if not millions) of dollars risk-free to their fund's performance



Discussion

- 01 | What is Withholding Tax
- 02. | Withholding Tax Recovery Landscape
- 03. | Reclaim Mechanisms Explained
- 04. | Case Study
- 05. | Recovery Process Flow
- 06. | Withholding Tax Reporting
- 07. | Final Thoughts / Q&A



What is withholding tax and how can it be reclaimed?

A tax deducted at source by a local government on dividends and interest paid to a non-resident domiciled outside that country.

How can you get relief from and reclaim withholding tax?



Relief at Source



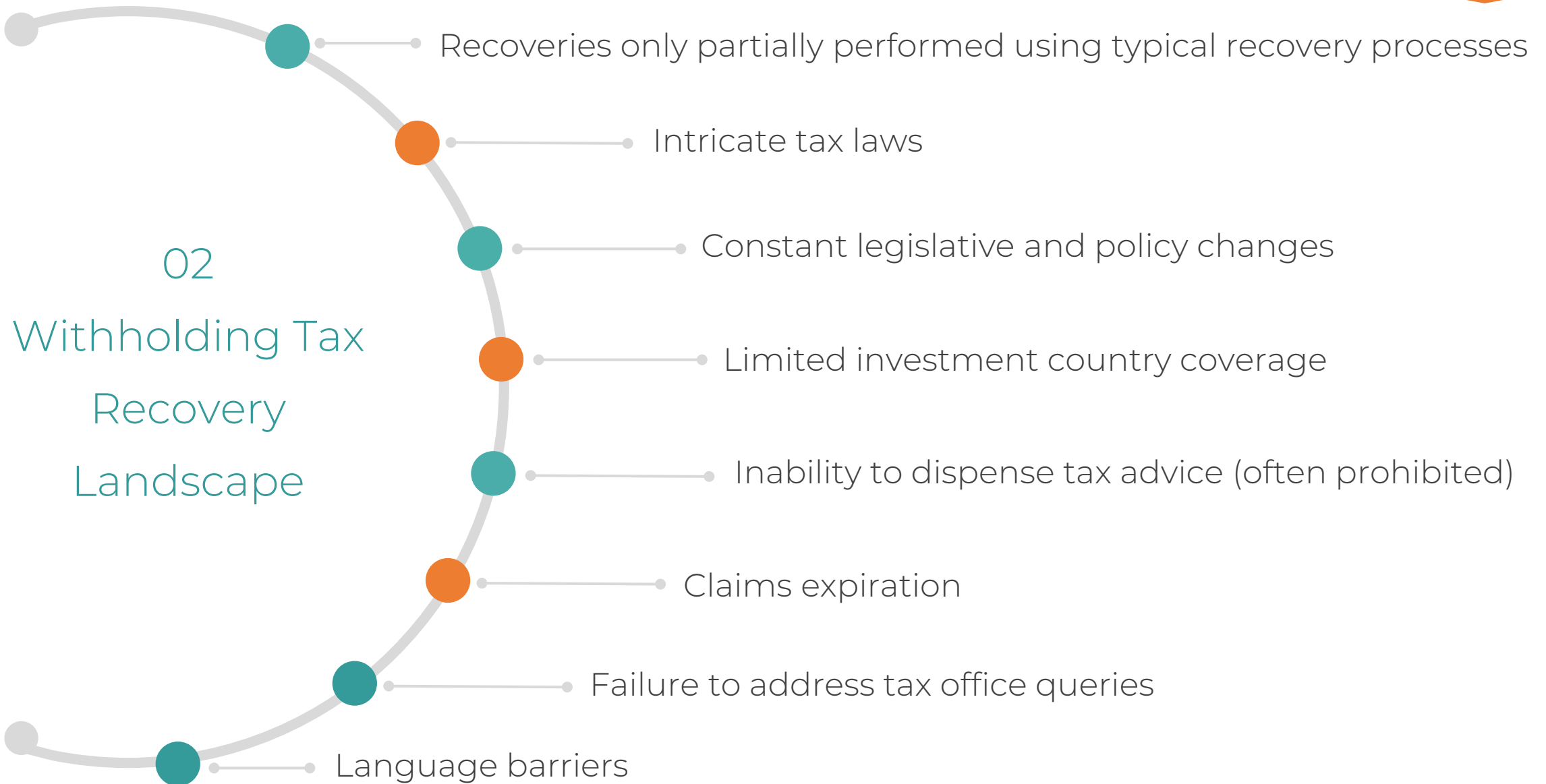
Double Tax Treaties

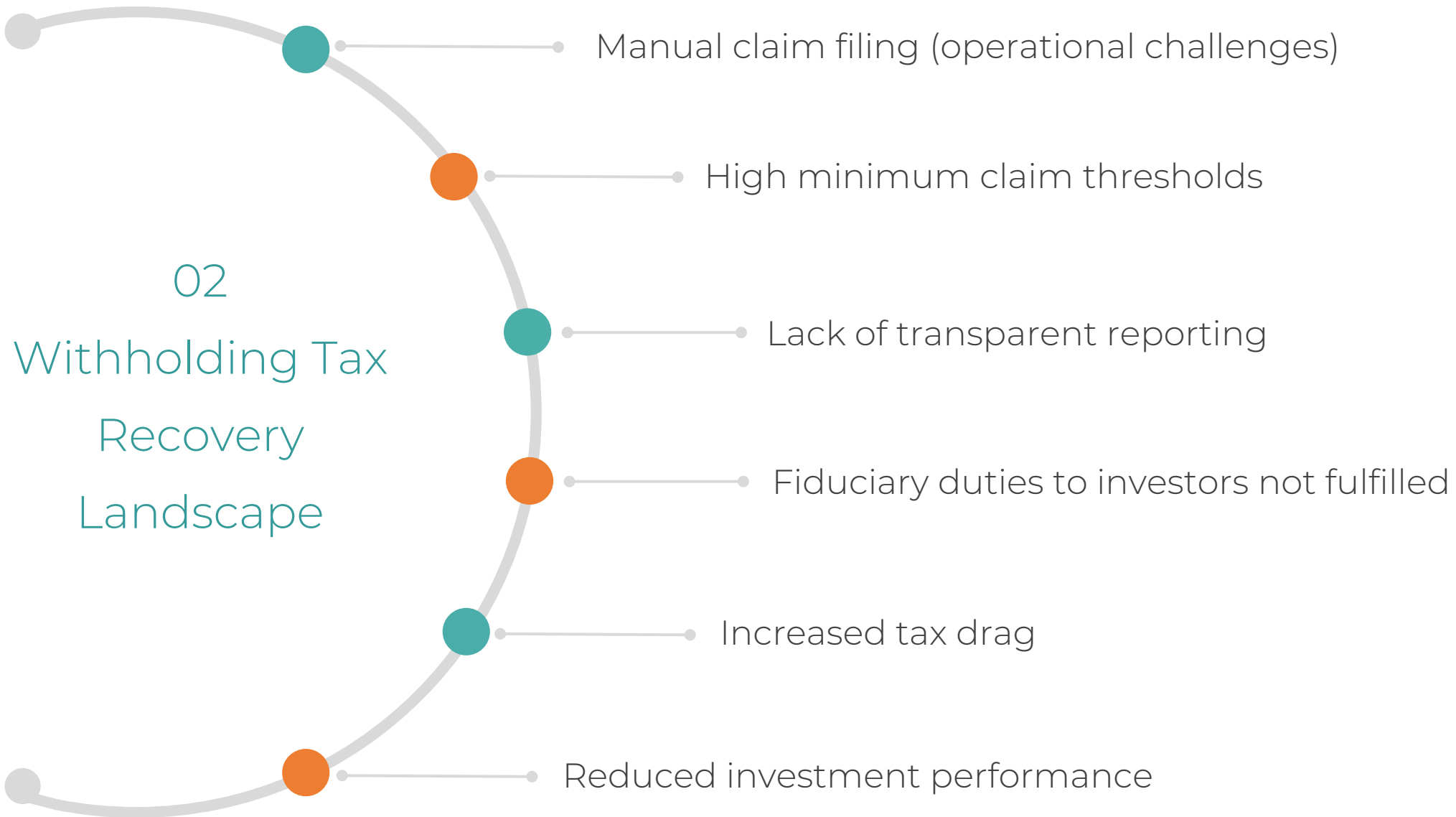


Domestic Tax Legislation



European Court of Justice (ECJ)





MECHANISM 1



Double Tax Treaty Claims

Basis:

Differential between the domestic WHT rate and the DTT WHT rate.

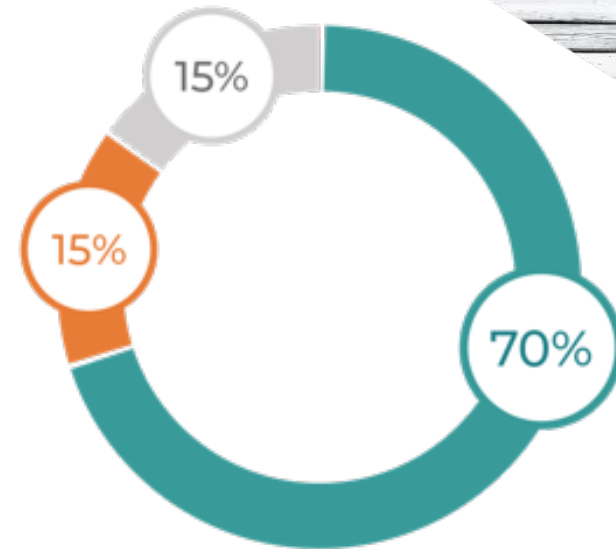
Availability

Specific investors for jurisdictions in which there are DTTs in place.

Opportunity

Investment funds and underlying investors.

WHT incurred but partially recovered through DTT mechanism.



- Dividends & Interest
- DTT
- Withholding Tax

MECHANISM 2



European Court of Justice (ECJ) / Case Law Precedent Claims

Basis:

Legal precedent in favor of anti-discrimination and the free flow of capital within the European.

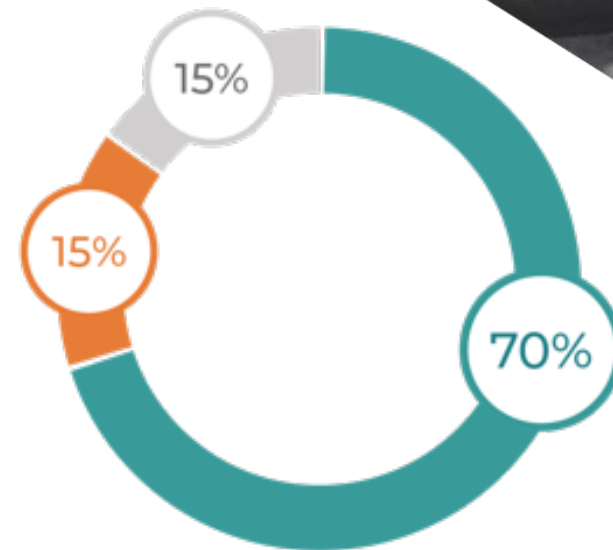
Availability

Specific investors in Limited EU countries

Opportunity

Specific investment funds (EU and Non-EU).

WHT incurred and fully recovered through ECJ mechanism.



- Dividends & Interest
- DTT
- ECJ/Exemption

MECHANISM 3



Domestic Exemptions

Basis:

Domestic legislative exemptions applicable in the foreign investment jurisdiction.

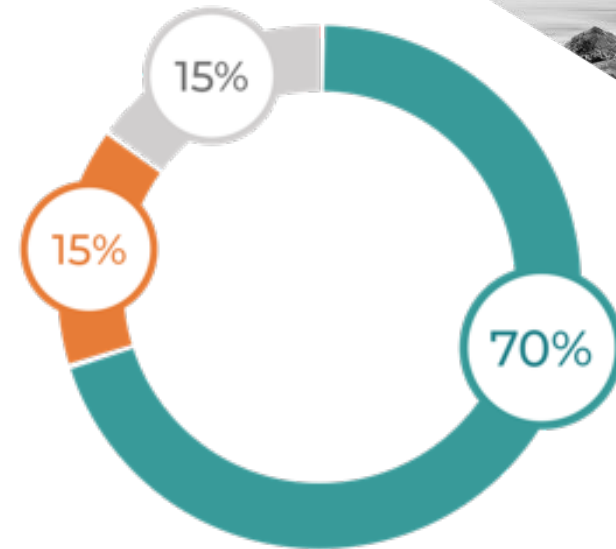
Availability

Specific investors for jurisdictions in which domestic legislation allows for an exemption.

Opportunity

Investment funds and underlying investors.

WHT incurred and fully recovered through Domestic Exemption mechanism.



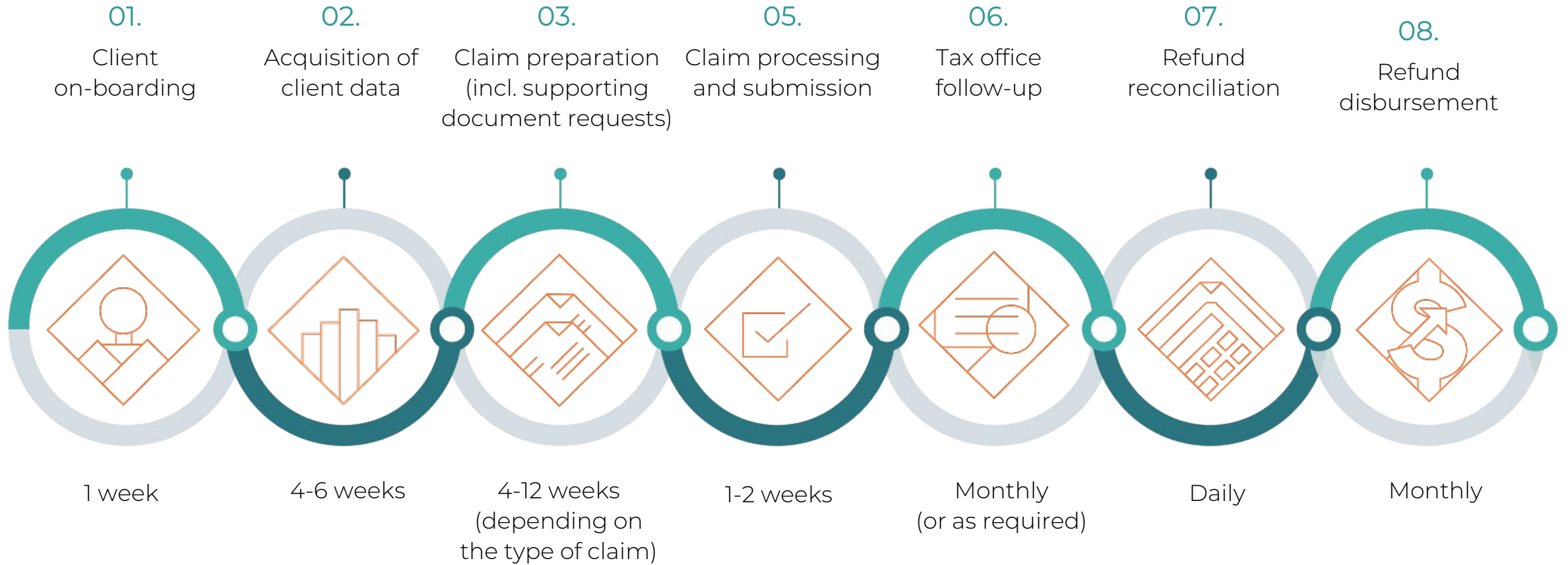
- Dividends & Interest
- DTT
- ECJ/Exemption

CASE STUDY

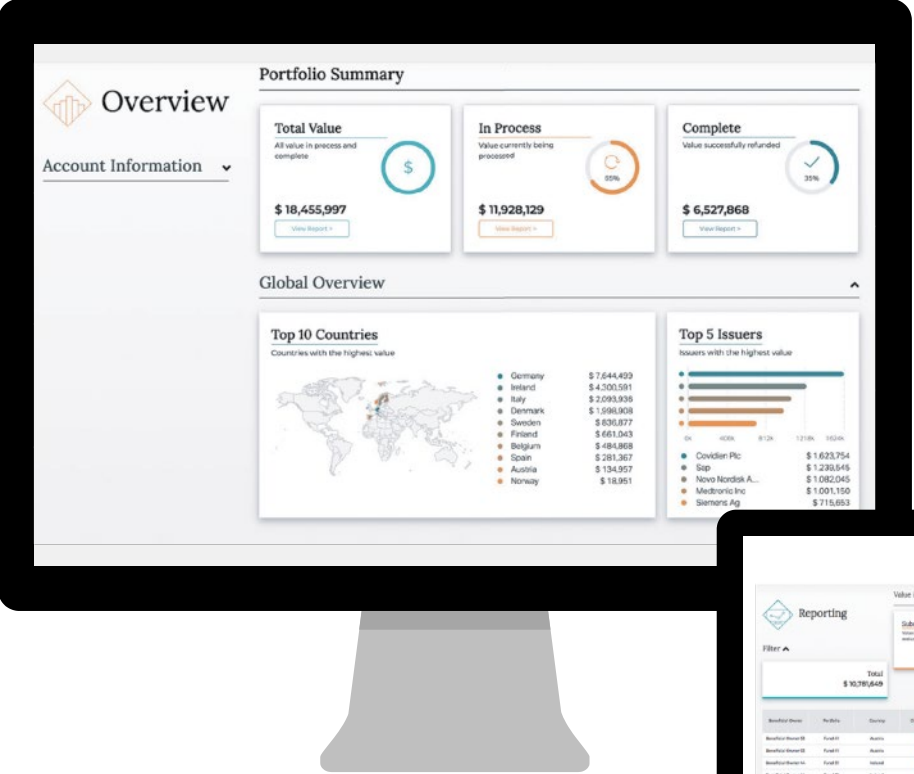
The case study below is an extract from an existing client that WTax is currently working with. The client is a US domiciled pension fund with approximately \$5bn AUM.

		CUSTODIAN			WTAX		
Combined	WTax Identified	Successfully refunded	Submitted to tax office	Pending submission - with custodian	Unsubmitted - awaiting client input	Expired claims – written off	Additional WHT not available via custodian
Combined total	5,443,785	1,976,800	635,693	58,692	1,535,581	325,220	911,798
Percentage	100%	36%	12%	1%	28%	6%	17%
Exemption/DTT	WTax Identified	Successfully refunded	Submitted to tax office	Pending submission - with custodian	Unsubmitted - awaiting client input	Expired claims – written off	Additional WHT not available via custodian
Developed - Europe	3,273,256	1,434,312	413,217	58,692	1,207,540	159,494	-
Emerging - Asia	957,382	73,164	-	-	324,012	146,413	413,793
Emerging Europe	4,687	1,004	-	-	3,325	358	-
Other non-US	710,455	468,320	222,476	-	704	18,955	-
Exemption DTT/Total	4,945,780	1,976,800	635,693	58,692	1,535,581	325,220	413,793
ECJ	WTax Identified	Successfully refunded	Submitted to tax office	Pending submission - with custodian	Unsubmitted - awaiting client input	Expired claims – written off	Additional WHT not available via custodian
Italy	230,774	-	-	-	-	-	230,774
Poland	15,842	-	-	-	-	-	15,842
Spain	251,389	-	-	-	-	-	251,389
ECJ Total	498,005	-	-	-	-	-	498,005
Total	5,443,785	1,976,800	635,693	58,692	1,535,581	325,220	911,798

05. | Recovery Process Flow



06. | Withholding Tax Reporting & Client Oversight – WTax



The 'Reporting' dashboard provides a detailed view of the tax reporting process, including a table of items with their respective statuses and values.

Submitted	Current	Pending Refund	Complete
\$ 4,272,542	\$ 414,643	\$ 320,902	\$ 1,775,543

Issuer Name	Public	Country	Item Status	Item Type	Principal Issue	ISSN	Disputed Item	Item Amount	% Bonded Portfolio	Refund Date	Reported Date
Beaufort Group SP	Fixed ST	Austria	✓	SP - Dividend	Beaufort Group Plc	0000000000	01-01-2015	41,000.00	4.91%	01-10-2015	01-10-2015
Beaufort Group SP	Fixed ST	Austria	✓	SP - Dividend	Beaufort Group Plc	0000000000	01-01-2015	41,000.00	4.91%	01-10-2015	01-10-2015
Beaufort Group SP	Fixed ST	Ireland	✓	Dividend	Beaufort Group Plc	0000000000	01-01-2015	1,519,000.00	18.00%	01-10-2015	01-10-2015
Beaufort Group SP	Fixed ST	Ireland	✓	Dividend	Beaufort Group Plc	0000000000	01-01-2015	47,000.00	0.56%	01-10-2015	01-10-2015
Beaufort Group SP	Fixed ST	Ireland	✓	Dividend	Beaufort Group Plc	0000000000	01-01-2015	1,519,000.00	18.00%	01-10-2015	01-10-2015
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 TRANSPARENT

 ACCURATE

 LIVE

 DETAILED

 USABLE