

# acupay Updates

Tuesday, 13 October 2015



## Intesa Sanpaolo S.p.A. - New Issue of U.S. \$1billion 7.70% Additional Tier 1 Notes

Exempt (X) Receipt	Taxable (N) Receipt	P.D.
46115HAU1/ US46115HAU14	46115HAV9/ US46115HAV96	17/03/2016

Intesa Sanpaolo has successfully issued U.S. \$1,000,000,000 Additional Tier 1 Notes (AT1 Notes) under its U.S. \$25,000,000,000 Medium Term Note Program. These notes are represented by receipts issued by Citibank, N.A. London Branch as the Receipt Issuer.

The notes, the first U.S. Dollar denominated Additional Tier 1 Notes from an Italian bank placed in the U.S. and Canadian markets, have characteristics in line with the CRD IV regulation<sup>1</sup>. They are perpetual and, at the discretion of the issuer, may be subject to an early redemption after 10 years from the issue date and every other interest payment date thereafter. Please be aware that interest payments in respect of these notes may also be cancelled or suspended by the issuer at any time.

The AT1 Notes are supported by the same tax compliance procedures that the market has become familiar with since the first Italian Yankee bond issuance in 2010. To receive interest free from Italian substitute tax, each DTC participant must prepare One-Time Self-Certification Forms and KYC documents and report all daily position changes to Acupay, on behalf of its eligible beneficial owners. Non-compliance will result in the related position being subject to a mandatory exchange into an alternate security, called the N Receipt which will be taxed at a 26% withholding rate and chilled from transfer via DTC. Both the transfer chill and the unfavourable tax rate will continue to be applied until the next interest payment date, at which point the DTC participant can complete an N Receipt Transfer Request to move out of the N Receipt. In the event of an interest payment being cancelled or suspended, no transfers from the N Receipt will be permitted until the subsequent payment date.

For more information regarding the tax compliance procedures and the N Receipt Transfer Requests, please consult the [DTC Important Notice](#) or contact Acupay's [A-Team](#).

<sup>1</sup>CRD IV is intended to implement the Basel III agreement in the EU. This includes enhanced requirements for the quality and quantity of capital, a basis for new liquidity and leverage requirements, new rules for counterparty risk and new macro prudential standards including a countercyclical capital buffer and capital buffers for systemically important institutions.



## Italy – Tax Treaty with Hong Kong enters into force

We would like to make you aware that the tax treaty between Italy and Hong Kong, which was signed in January 2013, entered into force on 10 August 2015. As such, for Hong Kong investors investing in Italian securities, the provisions in the treaty will apply from 1 January 2016, whilst for Italian investors investing in Hong Kong securities, the treaty will apply from 1 April 2016. Please note that, until such time as Hong Kong appears on the Italian White List, Hong Kong residents are not entitled to exemption at source or via standard refund under Law Decree 239/1996. The inclusion of Hong Kong on the Italian White List requires further legislation in Italy.

We will keep you updated on any developments on the provisions of this

tax treaty. The latest version of the Italian White List can be found [here](#).



## Application for a U.S. Certificate of Tax Residence - IRS Form 6166

To apply for tax relief, the majority of jurisdictions require that investors provide a certificate of residence as proof of their tax residency status. In the U.S., residency is certified by the U.S. Tax Authorities (IRS) on an IRS Form 6166 (U.S. Certificate of Tax Residence), which is obtained by completing a Form 8802 (Application for U.S. Residency Certification).

The process for submitting Form 8802 is notoriously complex. To assist investors and their custodians in this process, Acupay has developed an innovative online solution called the Acupay [6166 Wizard](#). The Wizard guides investors (or their custodians) to input only the information required for the entity type in question. This means that the submission process should take no longer than 5 minutes per application. Another notable benefit is that once the form has been submitted, Acupay will handle all interaction with the IRS, guaranteeing that each 6166 request is processed in a timely manner by the IRS (historically 4-6 weeks). Acupay is proud of its 99% rate of successfully processed 6166 applications using the 6166 Wizard.

Currently the 6166 Wizard only offers a One-by-One Submission method. However, Acupay also plans to offer a Bulk Upload method by late 2015 which will allow custodians to submit all of their applications for Forms 6166 in one single submission for multiple beneficial investors. Please take note that the IRS will only start to process Forms 6166 for tax year 2016 from 1 December 2015.

For further assistance with the 6166 Wizard, please contact Acupay's [A-Team](#).

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