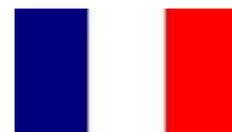


French Negotiable European Commercial Paper (NEU CP)

Regulatory Changes for International Issuers



On June 1, 2016, France introduced changes to the French short-term 'Negotiable Debt Paper' market¹, now called the **French 'Negotiable European Commercial Paper' market (NEU CP)**. The reform² aims to attract a larger number of local and international issuers to the French short-term capital market, as well as broaden its investor base by making the issuance of short-term debt securities easier.

All French commercial paper with a maturity under 1 year will now be classified as NEU CP including:

- Certificate of Deposit (Certificat de Dépôt) issued by credit institutions, and
- Commercial Paper (Billet de Trésorerie) issued by public and private corporations.

Acupay System LLC ("**Acupay**") can provide NEU CP issuers with ready-to-use operating models and web systems to **neutralize the impact of cross border withholding tax on the income distributed to the holders of the NEU CP**³, regardless of the tax regime applicable to the securities.

Acupay can enable cross-border issuers, both corporations and financial institutions, to tap into the French short-term debt market while:

- Identifying NEU CP holders on a daily basis and real-time if required,
- Eliminating all risk of unnecessary withholding for eligible investors,
- Making tax compliance seamless for the issuer or other withholding agents,
- Offering the issuer and its representatives exhaustive investor reporting capabilities,
- Supplying custodians with access to the Acupay System web portal currently used by more than 4,000 financial intermediaries worldwide, where they can electronically upload beneficial owner tax certifications,
- Relying on electronic KYC ('Know Your Client') documentation provided by custodians³ to eliminate investor interaction for tax and regulatory purposes.

Acupay offers tax certification services in some of the **most complex tax jurisdictions** including, but not limited to, Belgium, Israel, Italy, Portugal, Spain and Turkey.

Some other **key regulatory changes** of the NEU CP include:

- Simplification of deal documentation. For example, international issuers will neither have to write their information memorandum or provide a summary in French as long as:
 - The securities are subscribed or acquired for an amount at least equal to EUR 200,000 or the equivalent in a foreign currency,
 - The documentation contains a warning in French inviting investors to translate the financial documentation into French.
- Local accounting standards of countries in the European Economic Area, and accounting standards recognized as equivalent to the International Financial Reporting Standards (IFRS) will be accepted.
- Dealers will have the possibility to obtain real time ISIN codes.
- The use of credit rating agencies for market access will be open to all agencies registered with the European Securities and Markets Authority (ESMA).

1. Or 'Titres de Créances Negotiables' (TCN) in French.

2. As introduced by French decree no. 2016-707 of 05/30/2016 enforced on June 1, 2016.

3. Unless other information and/or documentation is required by local tax laws and/or regulations.

For more information on the Acupay solution for French short-term debt issued by foreign issuers, please contact:

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