



Challenges Faced by Non-Resident Holders of German Shares

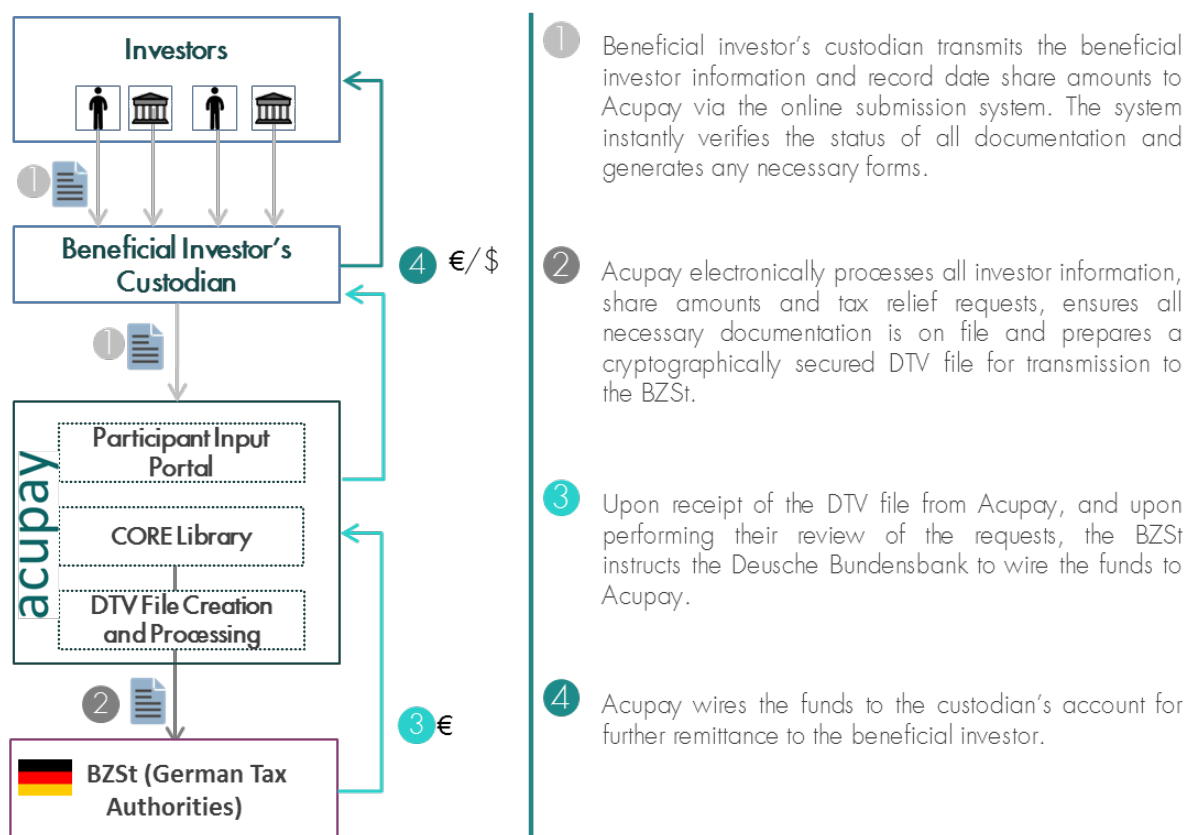
Under new German regulations introduced on January 1, 2018, the relief at source procedure is only available for non-German investment funds. Therefore, dividends paid by German issuers to other non-resident holders of German shares (including American Depositary Shares (“ADSs”)) are subject to 26.375% withholding tax on the dividend payment date.

Acupay DTV Link Solution

Acupay offers a fast and cost-effective tax reclaim service that allows most shareholders residing in countries that have tax treaties with Germany to obtain refunds of excess tax withheld on German shares from the Germany Tax Authorities (“BZSt”). Most investors are usually eligible for a reduction in the effective rate to 15%. Many non-profit organizations and pension funds can obtain a full refund of the 26.375% withheld tax, but **only if the request is filed during the long form reclaim period**. For more details about this, please contact Acupay’s D-Team (dteam@acupay.com).

Acupay’s technology and servicing capability has bridged the BZSt’s proprietary electronic refund procedure (“Datenträgerverfahren” or DTV) by providing an electronic link to allow these reclaims to be filed electronically with minimal paper documentation.

Illustrative German Tax Relief Process Flow





Acupay DTV Link Solution Features

- Requests for tax relief are submitted through a secure online platform, the Acupay System. This is available for submissions **24/7**, up until 5 months and 1 week from the ordinary payment date.
- The **Acupay DTV Wizard**, an online user-friendly tool, guides custodians in preparing the DTV application and related documentation.
- Upon receiving such electronic requests, **immediate feedback** is provided confirming whether the required documentation is on file.
- If beneficial investor documentation is missing, the system notifies the custodian as to which additional documents are required.
- DTV electronic reclaim is **immediately compiled and submitted to the BZSt** so that refunds can be returned to the investor **without unnecessary delays**.
- Tax refund payments are wired directly to the custodian, along with full reporting and notification of payment.

Advantages of the Acupay DTV Link Solution

- The reclaim process is completely transparent and provides the custodian with real-time updates on the reclaim status.
- All documentation filed with Acupay is stored, processed, and cross-checked in a secure fashion in the Acupay dedicated CORE Library.
- Acupay's solution for German securities allows DTV participants to link with the BZSt without needing to develop complicated IT structures.
- Bulk upload permits custodians to submit multiple beneficial investors' datasets in one submission.
- While the BZSt is processing the reclaim, a dedicated Acupay team processes audit requests and liaises with the German tax authorities with minimum involvement of the custodian or the investor.

For more information, please contact the D-Team at dteam@acupay.com.

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