

# WITHHOLDING TAX BEFORE DRINKS & SNACKS

16 NOV 2022

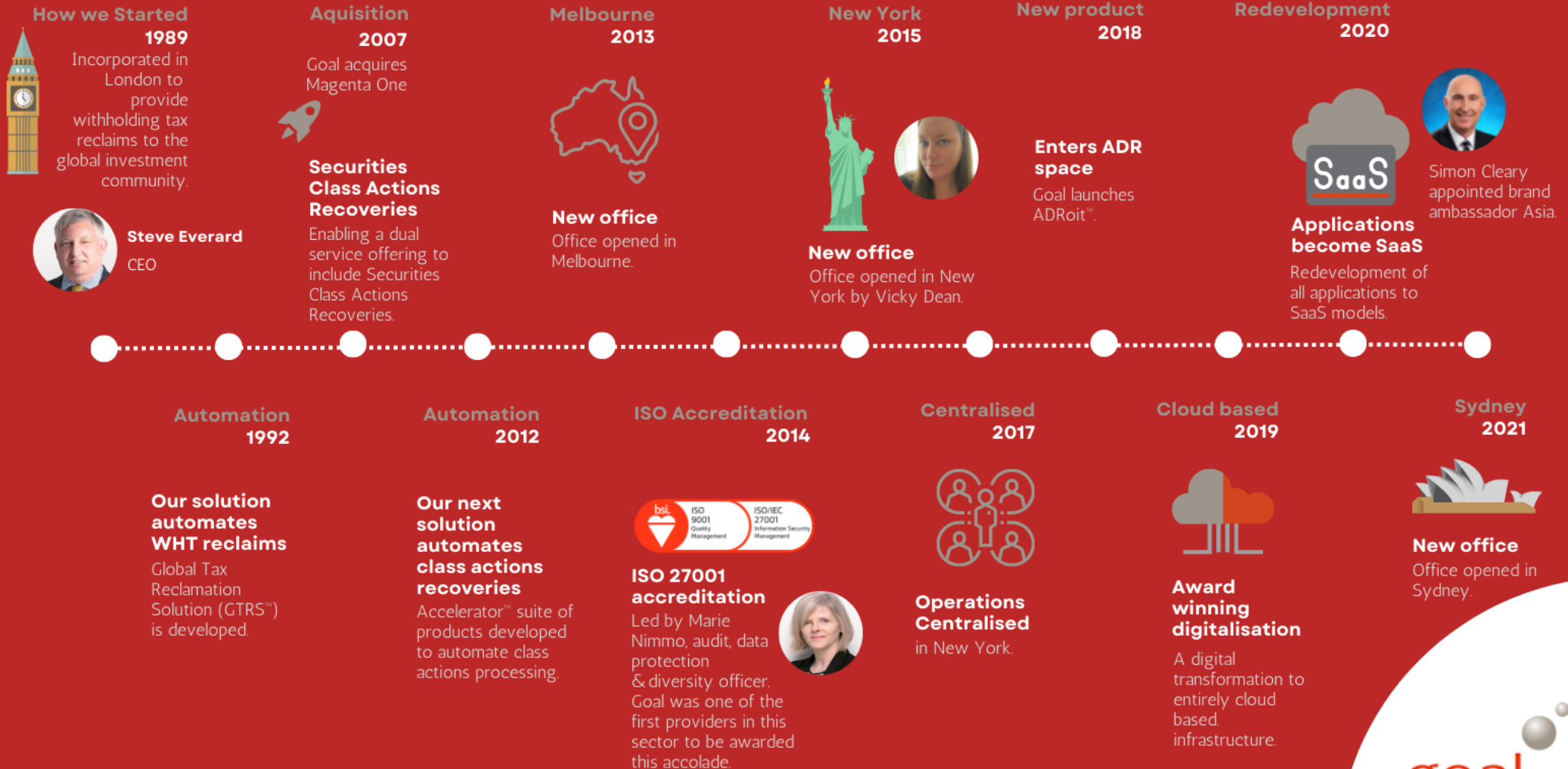
**Withholding Tax**  
RECLAIMS

**Securities Class Actions**  
RECOVERIES

**Outstanding**  
RESULTS

# Our history

EST.1989



## Serving clients for 30 years



# Award winning products

Awards we have won in 2022

**BREAKING NEWS**

## GOAL CEO WINS LIFETIME ACHIEVEMENT AWARD



**Goal Group**

Cloud-Based Asset Servicing Software Developer of the Year 2022



**GOAL GROUP**

MOST INNOVATIVE GLOBAL ASSET SERVICING FIRM 2022

## Gamechangers 2022 GLOBAL AWARDS

INTERNATIONAL - CLASS ACTIONS RECOVERY FIRM OF THE YEAR, GOAL GROUP OF COMPANIES

INTERNATIONAL - TAX RECLAMATION SERVICES FIRM OF THE YEAR, GOAL GROUP OF COMPANIES

INTERNATIONAL - INSPIRATIONAL LEADER OF THE YEAR STEPHEN EVERARD, GOAL GROUP OF COMPANIES



RECOGNISED FOR INCLUSIVITY AND DIVERSITY GOAL GROUP OF COMPANIES





# Definition: Withholding tax

What are we talking about?

Withholding tax is a levy deducted at source from income, specifically dividends, paid to non-residents of a country.

It may be reclaimed if there is a “double-taxation treaty” (DTT) in place between the investor's country of residence and the country where the income is paid.

Investors can qualify for relief at source (RAS), quick refund and long form reclaims (based on their entity type, investment market) and file the required documentation, based on the market requirements (which vary).



# So, why is this important?

Why am I talking about it?

At least **20%** of all WHT lies unclaimed by investors.

This equates to **15.37bn** USD.

Investors in Asia Pacific are forfeiting **3.08bn** USD.

Those that perform withholding tax reclaims can expect to add 18 to 56 basis points to their annual portfolio performance.



# So, why is this important?

The importance of tax reclaims

Maximising shareholder returns.

Getting the most from your investments.

Understanding your eligibility based on:

- The market of investment (where the stocks are registered)
- The domicile of the claimant (country of residence)
- The entity type (individual, pension fund, LLC etc.)

Based on the DTT's available, relief may be claimed via RAS, Quick refund or long form reclaims.





# Tax matrix - Singapore domicile

Current active long form reclaim markets

COUNTRY	FULL WHT %	TREATY %	RECLAIM %	WITH WHOM TO FILE	INDICATIVE RECLAIM TIMEFRAME	STATUTE OF LIMITATION
Australia	30	15	15	Tax Authority	1-2 months	5 years from payment date
Austria	27.5	10	17.5	Tax Authority	1 year	5 years from 31 <sup>st</sup> December after payment date
Belgium	30	15	15	Tax Authority	18-24 months	5 years as from 1 <sup>st</sup> January of year of payment date
Canada	25	15	10	Tax Authority <sup>[1]</sup>	24-28 months	2 years from 31 <sup>st</sup> December after payment date
Czech Republic	35	5	30	Agent	No timeframe	2 years from payment date
Denmark	27	10	17	Tax Authority	24 months	3 years from announcement of dividend
Finland	20/30	10	10/20	Tax Authority <sup>[2]</sup>	6 months or more	3 years from 31 <sup>st</sup> December after payment date
France	25	15	10	Agent	4-18 months	2 years from 31 <sup>st</sup> December after payment date
Germany	26.375	10	16.375	Tax Authority	12 months	4 years from 31 <sup>st</sup> December after payment date
Ireland	25	0	25	Tax Authority	1-6 months	4 years from 31 <sup>st</sup> December after payment date
Italy	26	10	16	Agent	10 years	4 years from payment date
Japan	15.315	15	0.315	Agent	1 month	5 years from payment date
Korea	22	15	7	Agent	2-6 months	5 years from the date of statutory filing due date
New Zealand	30	15	15	Agent	1-2 months but up to 4 years	4 years from 31 <sup>st</sup> December after payment date
Norway	25	15	10	Tax Authority	12-18 months	5 years from 31 <sup>st</sup> December after payment date
Philippines	25	25	0	Tax Authority	1 year but up to 4 years	2 years from payment date
Poland	19	10	9	Tax Authority	2-6 months	5 years from 31 <sup>st</sup> December after payment date
South Africa	20	10	10	Agent	No timeframe	3 years from payment date
Spain	19	5	14	Agent	6 months	4 years from payment date
Sweden	30	15	15	Tax Authority <sup>[3]</sup>	6-12 months	5 years from 31 <sup>st</sup> December after payment date
Switzerland	35	15	20	Tax Authority	6-18 months	3 years from 31 <sup>st</sup> December after payment date
Taiwan	21	21	0	Tax Authority	No timeframe	5 years from payment date

<sup>[1]</sup> A non-resident can notify the agent or nominee and request a refund of any excess withholding tax. This refund procedure can only occur if the refund is requested in the same calendar year as the overpayment, and if the agent or nominee has not yet issued the required annual information returns to the non-resident or to the Canadian Revenue Agency (CRA). The agent or nominee recovers the excess withholding tax refund payment made to the non-resident by reducing the amount of the next withholding tax payment due to CRA accordingly.

<sup>[2]</sup> A quick refund/reclaim is possible through a non-resident's authorized intermediary (AI) if the tax withheld is higher than required under a domestic law exemption or a treaty and the AI offers this service. To apply for a quick reclaim, documentation requirements should be confirmed with the respective AI. The quick refund must be applied by the AI by December 31 of the payment year.

<sup>[3]</sup> No legal procedure exists for filing a refund claim with a withholding agent. However, because a withholding agent is not required to account for the tax withheld to the authorities until four months after the record day, it may be possible for a refund from the withholding agent. Ultimately this is up to the agent and is decided on a case-by-case basis.

goal

THE NETWORK FORUM  
Connecting Financial Institutions Worldwide

# Who can benefit?

Eligible entity types

- Corporates
- Partnerships
- Pension Funds
- Limited Liability Companies (LLC)
- Individuals
- Trusts
- Charities
- Banks
- Collective Investment Vehicles (CIV)
- Foundations
- Governments
- Insurance Companies
- Trust World Exempt

goal

 THE  
NETWORK  
FORUM  
Connecting Financial Institutions Worldwide



# Available mechanisms for relief

Based on the most common reclaim markets

- Relief at Source:  
Finland, France, Ireland, Italy, Japan, New Zealand, Norway,  
South Africa, Taiwan
- Quick Refund:  
Netherlands, Portugal, Spain, Canada, Belgium
- Long Form Reclaim:  
Austria, Denmark, Germany, Switzerland

\*Note: Some countries support multiple mechanisms, others may only support one.

How do you know what to do?



# Challenges associated with reclaims

Documentation

- Hard-copies are usually required (not always)
- Shipping & tracking
- Storage & management
- Translation/notarisation
- Associated transactional data submission requirements
- Varying documentation requirements per country, which frequently change
- Certification of Residence – per claim or per year/separate document of stamped reclaim form
- Varying expiry dates of documentation
- Varying evidence of entitlement required by country



# Challenges associated with reclaims

Processes

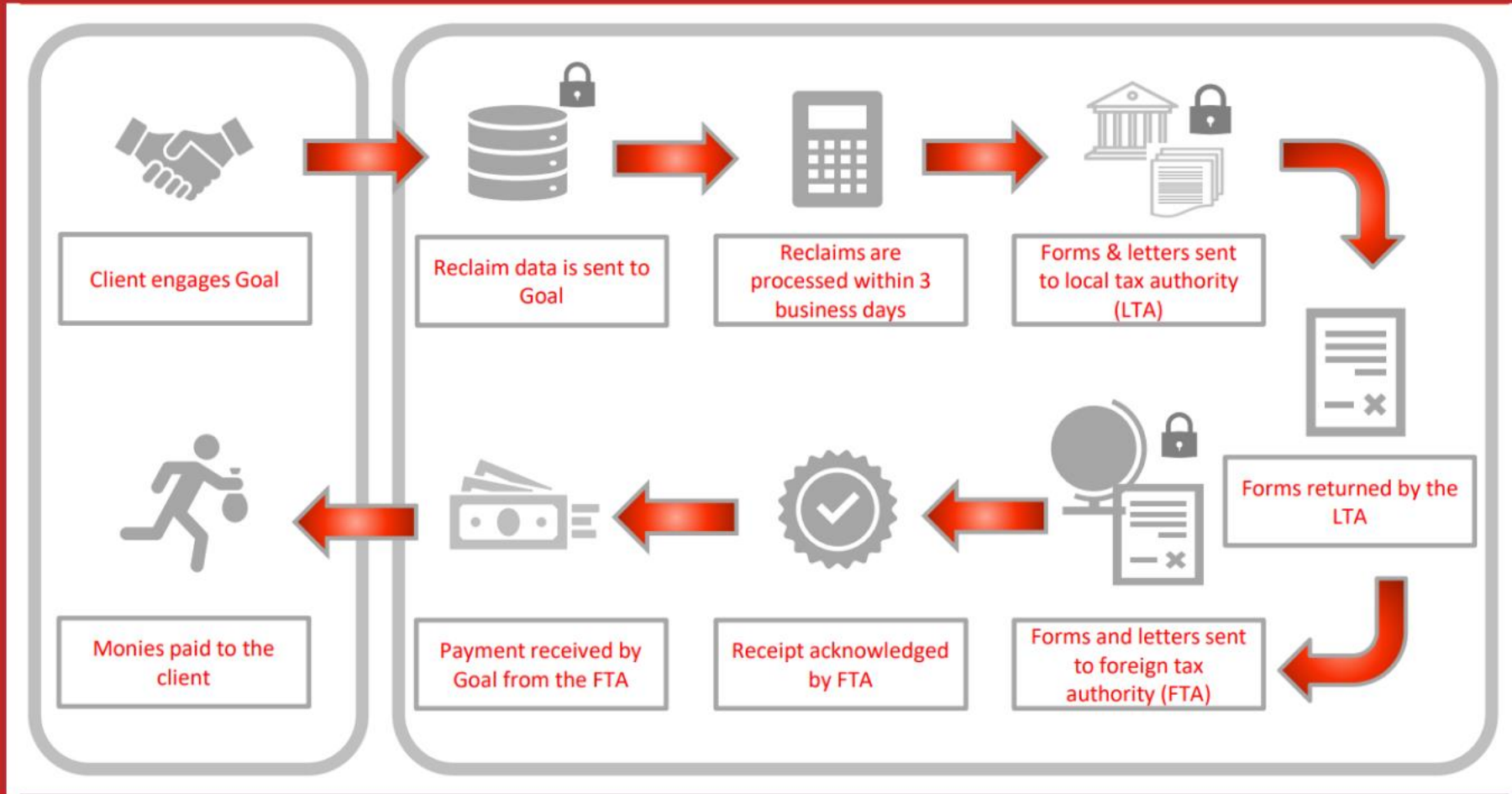
- RAS vs. Quick Refund vs Long Form (which mechanism?)
- Requirements and eligibility often vary by market; by investor-type, domicile etc.
- Tax reporting requirements (to tax authorities) differ and change
- Statute of limitations vary
- Available reporting from tax authorities differs
- Processes are generally highly manual – even where submissions are digital, submission requirements differ by market
- End-investor participation required (data collection, signing etc.)





# Process flow

The journey of WHT reclaims



# Pain points

Challenges faced by investors

- Complex, manual form filling impacts appetite to invest cross-border or pursue reclaims
- Documentation management is laborious
- Reduced investment returns/performance drag
- Smaller investors tend to miss out – disproportionate cost vs effort



# Pain points

Challenges faced by custodians

- High cost of processing and ongoing research required for little/no tangible return
- Risk of errors in submissions
- Highly specialized staff (SME) required for processing, oversight and knowledge
- Legacy infrastructure and not having a single source of information





# Industry Recognised Working Groups

Goal is a member of various industry working groups, globally

The logo for ISSA (Institutional Shareholders' Association) features the letters 'ISSA' in a bold, blue, sans-serif font. A blue swoosh underline is positioned beneath the letters.The logo for the Pensions and Lifetime Savings Association consists of the text 'PENSIONS AND LIFETIME SAVINGS ASSOCIATION' in white, uppercase, sans-serif font, centered within a solid purple rectangular box.The logo for SIFMA (Securities Industry Financial Markets Association) features the word 'sifma' in a lowercase, black, serif font. A green swoosh underline is positioned beneath the letters.The logo for ISITC (International Securities Investor Trade Council) features a blue globe with white latitude and longitude lines. The letters 'ISITC' are written in a bold, blue, sans-serif font across the center of the globe.The logo for BDUG (Bank Depository User Group) features the letters 'BDUG' in a bold, white, serif font, stacked vertically. To the right of this, the text 'BANK DEPOSITORY USER GROUP' is written in a smaller, black, sans-serif font.

This allows us to meet with SMEs to discuss the roadmap of tax reclaims, specifically focusing on future developments/suggestions, which include:

- A single, consistent form of Country of Tax Residence evidence
- Document simplification and standardization
- Alternative, potentially lighter, evidencing requirements for small scale investments
- Ease and consistency of interactions with tax authorities
- Relief at Source as standard
- 8802/6166 process

**But don't expect any immediate solutions!**

The logo for 'goal' features the word 'goal' in a lowercase, orange, sans-serif font. To the right of the text is a graphic of three grey spheres of varying sizes, arranged in a vertical line.The logo for 'THE NETWORK FORUM' features a blue graphic of three interlocking circles. To the right of this graphic, the text 'THE NETWORK FORUM' is written in a blue, sans-serif font. Below this, the tagline 'Connecting Financial Institutions Worldwide' is written in a smaller, black, sans-serif font.

# Options

What can you do?

1. **Do nothing** – Accept performance drag, receive harsh taxation.
2. **Check Custodian Provision** – Ask your custodian what is included as part of your custody package to ensure maximum return on investments.
3. **Outsource** – to a third party dedicated service provider, such as Goal.
4. **Do it yourself** – Painful; almost impossible for investors to keep track of all requirements, including documentation, events and timelines, without significant dedicated teams (not recommended).
5. **Hybrid** – Custodian work with third party service providers to offer optimal solutions to underlying clients/investors (increasingly being seen) with division of responsibilities depending on the mechanisms available in each market.



# Questions and Takeaways...



**Simon Cleary**  
Brand Ambassador, Asia

[scleary@goalgroup.com](mailto:scleary@goalgroup.com)

+65 9656 6086

Document Control  
CONFIDENTIAL

Reference: Goal -TNF Asia Tax Deck Nov 22  
Issue Date: 04/11/2022

