

Iceland: Withholding tax on interest for non-resident beneficial owners

Effective

1 September 2009

non-resident investors will no longer be able to benefit from an automatic exemption from Icelandic withholding tax on interest payments but will be liable for the standard withholding tax rate of 15%.

Note: This will not apply to payments made by the Central Bank of Iceland; such payments will not be subject to withholding tax.

Non-resident beneficial owners may be eligible for a reduced rate according to the Double Taxation Treaty (DTT) rate currently in place between their country of residence and Iceland.

Foreign governments, international organisations and other public entities that are tax-exempt in their country of residence will be exempt from Icelandic withholding tax.

It is not yet known whether relief at source will be available.

We will keep you informed of any new developments on the market.

Further information

For further information, please contact our Tax Help Desk:

	Luxembourg	Frankfurt
Email:	tax@clearstream.com	tax@clearstream.com
Telephone:	+352-243-32835	+49-(0) 69-2 11-1 3821
Fax:	+352-243-632835	+49-(0) 69-2 11-61 3821

or Clearstream Banking Customer Service or your Relationship Officer.

For more general information regarding our products and services, please visit www.clearstream.com.

Iceland: Important information regarding withholding and capital gains tax

Further to our Announcement A09112, dated 19 August 2009, effective

immediately

15% tax is applied on interest payments and on capital gains realised on domestic Icelandic securities from 1 September 2009.

As a consequence, you must include the Deal Price in your settlement instructions for both internal and external transactions. Without this information, the trade will not settle.

Further information will be provided in due course.

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For more general information regarding our products and services, please visit www.clearstream.com.

Iceland: Guidelines for the cut-over

Further to Announcement A10003, dated 11 January 2010, concerning possible changes to the access to the Icelandic market and impact on the customers' activity, Clearstream Banking hereby confirms that effective

1 February 2010

Clearstream Banking will become an account operator at the Icelandic Central Securities Depository (ISD) and will replace its current depository for Icelandic domestic securities, Danske Bank.

New domestic depository details

Verðbréfasráningar Íslands (VS)
Icelandic Securities Depository, ISD
Laugavegur 182
105 Reykjavík

Depository Code: 11

Clearstream Banking's participant code at ISD: CBL

Nominee account (NIN): 451109-0570

Settlement times and instruction deadlines

OTC instructions via off market method

Instruction		Provisioning				Deadline for receipt of valid instruction		Expected settlement results		
		start		end				from	to	value
AP=Against payment FOP=Free of payment SD=Settlement date (rtp)=Real-time processing										
Receipts	FOP			16:00	SD-1	16:00	SD-1	10:00 SD	20:00 SD	SD
Deliveries	FOP	21:00	SD-2	16:00	SD-1	16:00	SD-1	10:00 SD	20:00 SD	SD

OTC instructions via ISD, TRS matching system

Instruction		Provisioning				Deadline for receipt of valid instruction		Expected settlement results		
		start		end				from	to	value
AP=Against payment FOP=Free of payment SD=Settlement date (rtp)=Real-time processing										
Receipts	AP			16:00	SD-1	16:00	SD-1	13:30 SD	15:30 SD	SD
Deliveries	AP	21:00	SD-2	16:00	SD-1	16:00	SD-1	13:30 SD	15:30 SD	SD

Specific settlement rules / settlement restrictions

Settlement with Bridge counterparties is not possible; only internal and external domestic instructions are allowed.

Instructions with a settlement day in the past are not permitted and will be cancelled by CBL.

New instruction specification formats

For details of the new instruction specification formats please refer to [“Instruction specifications”](#) on page 4.

Allowed countervalue difference

A countervalue difference of ISK100 is allowed for against payment transactions with domestic counterparties. In case of discrepancy the delivering party's amount will prevail.

Management of failed instructions

In accordance with standard market procedures, unmatched instructions are automatically cancelled at the end of the instruction period, that is, after 17:00 GMT on the day before the requested settlement date (SD-1).

Taxation

The tax procedure that will be applicable following the portfolio transfer will be published separately.

Customer guidelines for the cut-over

Settlement instructions with requested settlement date **before** Tuesday 2 February 2010 will be handled as follows:

- All settlement instructions will be settled by Danske Bank.
- The settlement deadline for instructions with a requested settlement date of 1 February 2010 moves from 13:55 SD-1 to **10:30 SD-1**. Any instructions received after this deadline will be cancelled by Clearstream. You will have to re-instruct using the new [“Instruction specifications”](#) on page 4.
- All instructions with requested settlement date up to and including 1 February 2010 that remain pending after the end of the domestic settlement processing on Monday 1 February 2010 will be cancelled by Danske Bank and Clearstream. You will have to re-instruct using the new [“Instruction specifications”](#) on page 4 and advise your counterparty to re-instruct with the appropriate ISD account and new value date.

Settlement instructions with requested settlement date **on or after** Tuesday 2 February 2010 will be handled as follows:

- All settlement instructions will be settled via Clearstream's direct account at ISD.
- Settlement instructions entered before 1 February 2010 with a requested settlement date on or after 2 February 2010 will be cancelled by Clearstream. You will have to re-instruct with the new formats on 1 February 2010.
- The “immediate release” functionality must not be used from 29 January to 1 February inclusive for requested settlement date 2 February 2010.

Procedures for domestic counterparties

Customers must advise their domestic counterparties to instruct correctly for timely settlement and, from value date 2 February 2010, to specify Clearstream participant code CBL at ISD for transactions in the above mentioned instruments.

	Procedure for the domestic counterparty	Deadline
All eligible instruments	Deliver to / Receive from: Icelandic Securities Depository, ISD For the account of: Clearstream Banking, Luxembourg Participant code: CBL Nominee account 451109-0570	Market deadline

Further information

The Creation Link Guide (Iceland) will be available on Clearstream Banking's web site on 1 February 2010.

For further specific information, please visit www.clearstream.com or contact Clearstream Banking Customer Service or your Relationship Officer.

For more general information regarding our products and services, please visit www.clearstream.com

As a registered customer, [subscribe](#) to our free email alerts service to receive immediate, daily and/or weekly notification of the latest customer publications on our web site. Unsubscribe at any time; we respect your email privacy.

Appendix 1. Instruction specifications

CreationOnline

Counterparty is a direct ISD member

Receive Free ^a

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Delivering Agent	Name and Address
	Party	Counterparty's SSN or ISD participant code
or	Delivering Agent	BIC ^c
	Party	Counterparty's BIC
M	Seller	Name and Address
	Party	Ordering party's SSN or ISD participant code
or	Seller	BIC (if SSN or ISD code unknown)
	Party	Ordering party's BIC
	Account	Ordering party's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^e /DP/dirty price ^f

Receive Against Payment

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Delivering Agent	Name and Address
	Party	Counterparty's SSN or ISD participant code
or	Delivering Agent	BIC
	Party	Counterparty's BIC
M	Seller	BIC ^d
	Party	Ordering party's BIC
or	Seller	Name and Address
	Party	Ordering Party's SSN
	Account	Ordering party's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^e /DP/dirty price ^f

Deliver Free ^a

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Receiving Agent	Name and Address
	Party	Counterparty's SSN or ISD participant code
or	Receiving Agent	BIC ^c
	Party	Counterparty's BIC
M	Buyer	Name and Address
	Party	Counterparty's SSN or ISD participant code
or	Buyer	BIC (if SSN or ISD code unknown)
	Party	Beneficiary's BIC
	Account	Beneficiary's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^e /DP/dirty price ^f

Deliver Against Payment

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Receiving Agent	Name and Address
	Party	Counterparty's SSN or ISD participant code
or	Receiving Agent	BIC
	Party	Counterparty's BIC
M	Buyer	BIC ^d
	Party	Beneficiary's BIC
or	Buyer	Name and Address
	Party	Beneficiary's ISD code, SSN or name (if BIC does not exist)
	Account	Beneficiary's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^e /DP/dirty price ^f

- It is mandatory for customers to pre-advise free of payment receipts of Icelandic debt securities using a free of payment instruction. CBL will refuse all free of payment receipts that have not been pre-advised by the customer.
- Must be the clean price in ISK.
- Delivering/Receiving agent field must be populated but it is not validated for FOP instruction, therefore the information must be included in the Seller/Buyer Party field.
- If Seller/Buyer party is the same as the Delivering/Receiving agent then ISD code or SSN must be included. If different, and no BIC available, input the SSN of the ordering party or beneficiary.
- This is mandatory in the first line of the narrative. It must be one of the TINs specified in the documentation received from the customer concerned and the exact format must be input. For Icelandic TINs the SSN/TIN format is: nnnnnn-nnnn.
- For fixed income securities only, the second line of the narrative is mandatory, with the dirty price expressed as a percentage of the face value.

Counterparty is an Icelandic investor and not a direct ISD member

Receive Free ^a

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Delivering Agent	BIC ^c
	Party	Counterparty's BIC
or	Delivering Agent	Name and Address
	Party	Counterparty's SSN
M	Seller	Name and Address
	Party	Ordering party's SSN ^e
O	Account	Ordering party's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^f /DP/dirty price ^g

Receive Against Payment

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Delivering Agent	Name and Address
	Party	Counterparty's SSN or ISD participant code
or	Delivering Agent	BIC
	Party	Counterparty's BIC
M	Seller	BIC ^d
	Party	Ordering party's BIC
	Seller	Name and Address
or	Party	Ordering Party's SSN
	Account	Ordering party's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^f /DP/dirty price ^g

Deliver Free ^a

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Receiving Agent	BIC ^c
	Party	Counterparty's BIC
or	Receiving Agent	Name and Address
	Party	Counterparty's SSN
M	Buyer	Name and Address
	Party	Counterparty's SSN ^e
	Account	Beneficiary's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^f /DP/dirty price ^g

Deliver Against Payment

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Receiving Agent	Counterparty's SSN or ISD participant code
	Party	Counterparty's name
or	Receiving Agent	BIC
	Party	Counterparty's BIC
M	Buyer	BIC ^d
	Party	Beneficiary's BIC
or	Buyer	Name and Address
	Party	Beneficiary's ISD code, SSN or name (if BIC does not exist)
	Account	Beneficiary's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^f /DP/dirty price ^g

- It is mandatory for customers to pre-advise free of payment receipts of Icelandic debt securities using a free of payment instruction. CBL will refuse all free of payment receipts that have not been pre-adviced by the customer.
- Must be the clean price in ISK.
- Delivering/Receiving agent field must be populated but it is not validated for FOP instruction, therefore the information must be included in the Seller/Buyer Party field.
- If Seller/Buyer party is the same as the Delivering/Receiving agent then ISD code or SSN must be included. If different, and no BIC available, input the SSN of the ordering party or beneficiary.
- Only the SSN of the beneficiary/ordering party is possible in this field unless using a nominee account when the nominee account number (NIN) must be included.
- This is mandatory in the first line of the narrative. It must be one of the TINs specified in the documentation received from the customer concerned and the exact format must be input. For Icelandic TINs the SSN/TIN format is: nnnnnn-nnnn.
- For fixed income securities only, the second line of the narrative is mandatory, with the dirty price expressed as a percentage of the face value.

Counterparty is a foreign Icelandic investor and not a direct ISD member

Receive Free ^a

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Delivering Agent	BIC ^c
	Party	Counterparty's BIC
or	Delivering Agent	Name and Address
	Party	Counterparty's SSN
M	Seller	Ordering party's SSN or NIN ^d
	Party	Ordering party's name
O	Account	Ordering party's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^f /DP/dirty price ^g

Receive Against Payment

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Delivering Agent	Name and Address
	Party	Counterparty's SSN or ISD participant code
or	Delivering Agent	BIC
	Party	Counterparty's BIC
M	Seller	BIC ^e
	Party	Ordering party's BIC
	Seller	Name and Address
or	Party	Ordering Party's SSN
	Account	Ordering party's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^f /DP/dirty price ^g

Deliver Free ^a

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Receiving Agent	BIC ^c
	Party	Counterparty's BIC
or	Receiving Agent	Name and Address
	Party	Counterparty's SSN
M	Buyer	Name and Address
	Party	Counterparty's SSN or NIN ^d
	Account	Beneficiary's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^f /DP/dirty price ^g

Deliver Against Payment

M	Trade Date	
M	Deal Price	^b
M	Place of Settlement	BIC
	Party	ICSDISR1XXX
M	Receiving Agent	Name and Address
	Party	Counterparty's SSN or ISD participant code
or	Receiving Agent	BIC
	Party	Counterparty's BIC
M	Buyer	BIC ^e
	Party	Beneficiary's BIC
or	Buyer	Name and Address
	Party	Beneficiary's ISD code, SSN or name (if BIC does not exist)
	Account	Beneficiary's account
M	Settlement Processing Narrative	/TAX/Tax identification number ^f /DP/dirty price ^g

- It is mandatory for customers to pre-advise free of payment receipts of Icelandic debt securities using a free of payment instruction. CBL will refuse all free of payment receipts that have not been pre-advised by the customer.
- Must be the clean price in ISK.
- Delivering/Receiving agent field must be populated but it is not validated for FOP instruction, therefore the information must be included in the Seller/Buyer Party field.
- If the counterparty does not have or does not use their own SSN but goes through the account of a local custodian, then the Seller/Buyer party field must contain the SSN of that nominee account (NIN). Please note that this is not the same SSN as the SSN of the counterparty's custodian.
- If Seller/Buyer party is the same as the Delivering/Receiving agent then ISD code or SSN must be included. If different, and no BIC available, input the SSN of the ordering party or beneficiary.
- This is mandatory in the first line of the narrative. It must be one of the TINs specified in the documentation received from the customer concerned and the exact format must be input. For Icelandic TINs the SSN/TIN format is: nnnnnn-nnnn.
- For fixed income securities only, the second line of the narrative is mandatory, with the dirty price expressed as a percentage of the face value.

Creation via SWIFT and CreationDirect

Counterparty is a direct ISD member

MT540	Receive Free ^a	Seq	MT541	Receive Against Payment
M : 98a : :TRAD	//Trade date/time	B	M : 98a : :TRAD	//Trade date/time
M : 90a : :DEAL	//Deal price ^b		M : 90a : :DEAL	//Deal price ^b
M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d	E1	M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d
M : 95P : :PSET	//ICSDISR1XXX		M : 95P : :PSET	//ICSDISR1XXX
M : 95Q : :DEAG	//Counterparty's SSN or ISD participant code		M : 95Q : :DEAG	//Counterparty's SSN or ISD participant code
or : 95P : :DEAG	//Counterparty's BIC ^e		or : 95P : :DEAG	//Counterparty's BIC (if ISD code or SSN unknown)
M : 95Q : :SELL	//Ordering party's SSN or ISD participant code ^f		M : 95P : :SELL	//Ordering party's BIC ^g
or : 95P : :SELL	//Ordering party's BIC (if SSN unknown)		or : 95Q : :SELL	//Ordering party's SSN
O : 97A : :SAFE	//Ordering party's account		O : 97A : :SAFE	//Ordering party's account
MT542	Deliver Free ^a		MT543	Deliver Against Payment
M : 98a : :TRAD	//Trade date/time	B	M : 98a : :TRAD	//Trade date/time
M : 90a : :DEAL	//Deal price ^b		M : 90a : :DEAL	//Deal price
M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d	E1	M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d
M : 95P : :PSET	//ICSDISR1XXX		M : 95P : :PSET	//ICSDISR1XXX
M : 95Q : :REAG	//Counterparty's SSN or ISD participant code		M : 95Q : :REAG	//Counterparty's SSN or ISD participant code
or : 95P : :REAG	//Counterparty's BIC ^e		or : 95P : :REAG	//Counterparty's BIC (if ISD code or SSN unknown)
M : 95Q : :BUYR	//Beneficiary's SSN or ISD participant code ^f		M : 95P : :BUYR	//Beneficiary's BIC ^g
or : 95P : :BUYR	//Beneficiary's BIC (if SSN unknown)		or : 95Q : :BUYR	//Beneficiary's BIC (if SSN unknown)
O : 97A : :SAFE	//Beneficiary's account		O : 97A : :SAFE	//Beneficiary's account

- It is mandatory for customers to pre-advise free of payment receipts of Icelandic debt securities using a free of payment instruction. CBL will refuse all free of payment receipts that have not been pre-adviced by the customer.
- Must be the clean price in ISK.
- This is mandatory in the first line of the narrative. It must be one of the TINs specified in the documentation received from the customer concerned and the exact format must be input. For Icelandic TINs the SSN/TIN format is: nnnnnn-nnnn.
- For fixed income securities only, the second line of the narrative is mandatory, with the dirty price expressed as a percentage of the face value.
- DEAG /REAG must be populated but it is not validated for FOP instructions, therefore the information must be included in the BUYR/SELL field.
- Preferred option is to use the SSN or ISD code whenever possible. Note that not all ISD members have a BIC.
- If BUYR/SELL is the same as the REAG/DEAG then ISD code or SSN is to be included. If different, and no BIC available, input the SSN of the ordering party or beneficiary.

Counterparty is an Icelandic investor and not a direct ISD member

MT540	Receive Free ^a	Seq	MT541	Receive Against Payment
M : 98a : :TRAD	//Trade date/time	B	M : 98a : :TRAD	//Trade date/time
M : 90a : :DEAL	//Deal price ^b		M : 90a : :DEAL	//Deal price ^b
M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d		M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d
M : 95P : :PSET	//ICSDISR1XXX	E1	M : 95P : :PSET	//ICSDISR1XXX
M : 95P : :DEAG	//Counterparty's BIC ^e		M : 95Q : :DEAG	//Counterparty's SSN or ISD participant code
or : 95Q : :DEAG	//Counterparty's SSN		or : 95P : :DEAG	//Counterparty's BIC (if ISD code or SSN unknown)
M : 95Q : :SELL	//Ordering party's SSN ^f		M : 95P : :SELL	//Ordering party's BIC ^g
			or : 95Q : :SELL	//Ordering party's SSN
O : 97A : :SAFE	//Ordering party's account		O : 97A : :SAFE	//Ordering party's account
MT542	Deliver Free ^a		MT543	Deliver Against Payment
M : 98a : :TRAD	//Trade date/time	B	M : 98a : :TRAD	//Trade date/time
M : 90a : :DEAL	//Deal price ^b		M : 90a : :DEAL	//Deal price ^b
M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d		M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d
M : 95P : :PSET	//ICSDISR1XXX	E1	M : 95P : :PSET	//ICSDISR1XXX
M : 95P : :REAG	//Counterparty's BIC ^e		M : 95Q : :REAG	//Counterparty's SSN or ISD participant code
or : 95Q : :REAG	//Counterparty's SSN		or : 95P : :REAG	//Counterparty's BIC (if ISD code or SSN unknown)
M : 95Q : :BUYR	//Beneficiary's SSN ^f		M : 95P : :BUYR	//Beneficiary's BIC ^g
			or : 95Q : :BUYR	//Beneficiary's BIC (if SSN unknown)
O : 97A : :SAFE	//Beneficiary's account		O : 97A : :SAFE	//Beneficiary's account

- It is mandatory for customers to pre-advise free of payment receipts of Icelandic debt securities using a free of payment instruction. CBL will refuse all free of payment receipts that have not been pre-advised by the customer.
- Must be the clean price in ISK.
- This is mandatory in the first line of the narrative. It must be one of the TINs specified in the documentation received from the customer concerned and the exact format must be input. For Icelandic TINs the SSN/TIN format is: nnnnnn-nnnn.
- For fixed income securities only, the second line of the narrative is mandatory, with the dirty price expressed as a percentage of the face value.
- DEAG /REAG must be populated but it is not validated for FOP instructions, therefore the information must be included in the BUYR/SELL field.
- Only the SSN of the beneficiary/ordering party is possible in this field unless using a nominee account when the nominee account number (NIN) must be included.
- If BUYR/SELL is the same as the REAG/DEAG then ISD code or SSN is to be included. If different, and no BIC available, input the SSN of the ordering party or beneficiary.

Counterparty is a foreign Icelandic investor and not a direct ISD member

MT540	Receive Free ^a	Seq	MT541	Receive Against Payment
M : 98a : :TRAD	//Trade date/time	B	M : 98a : :TRAD	//Trade date/time
M : 90a : :DEAL	//Deal price ^b		M : 90a : :DEAL	//Deal price ^b
M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d		M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d
M : 95P : :PSET	//ICSDISR1XXX	E1	M : 95P : :PSET	//ICSDISR1XXX
M : 95P : :DEAG	//Counterparty's BIC ^e		M : 95Q : :DEAG	//Counterparty's SSN or ISD participant code
or : 95Q : :DEAG	//Counterparty's SSN		or : 95P : :DEAG	//Counterparty's BIC (if ISD code or SSN unknown)
M : 95Q : :SELL	//Ordering party's SSN or NIN ^f		M : 95P : :SELL	//Ordering party's BIC ^g
			or : 95Q : :SELL	//Ordering party's SSN
O : 97A : :SAFE	//Ordering party's account		O : 97A : :SAFE	//Ordering party's account
MT542	Deliver Free ^a		MT543	Deliver Against Payment
M : 98a : :TRAD	//Trade date/time	B	M : 98a : :TRAD	//Trade date/time
M : 90a : :DEAL	//Deal price ^b		M : 90a : :DEAL	//Deal price ^b
M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d		M : 70E : :SPRO	///TAX/Tax identification number ^c /DP/dirty price ^d
M : 95P : :PSET	//ICSDISR1XXX	E1	M : 95P : :PSET	//ICSDISR1XXX
M : 95Q : :REAG	//Counterparty's BIC ^e		M : 95Q : :REAG	//Counterparty's SSN or ISD participant code
or : 95P : :REAG	//Counterparty's SSN		or : 95P : :REAG	//Counterparty's BIC (if ISD code or SSN unknown)
M : 95Q : :BUYR	//Beneficiary's SSN or NIN ^f		M : 95P : :BUYR	//Beneficiary's BIC ^g
			or : 95Q : :BUYR	//Beneficiary's BIC (if SSN unknown)
O : 97A : :SAFE	//Beneficiary's account		O : 97A : :SAFE	//Beneficiary's account

- It is mandatory for customers to pre-advise free of payment receipts of Icelandic debt securities using a free of payment instruction. CBL will refuse all free of payment receipts that have not been pre-adviced by the customer.
- Must be the clean price in ISK.
- This is mandatory in the first line of the narrative. It must be one of the TINs specified in the documentation received from the customer concerned and the exact format must be input. For Icelandic TINs the SSN/TIN format is: nnnnnn-nnnn.
- For fixed income securities only, the second line of the narrative is mandatory, with the dirty price expressed as a percentage of the face value.
- DEAG /REAG must be populated but it is not validated for FOP instructions, therefore the information must be included in the BUYR/SELL field.
- If the counterparty does not have or does not use their own SSN but goes through the account of a local custodian, then the Seller/Buyer party field must contain the SSN of that nominee account (NIN). Please note that this is not the same SSN as the SSN of the counterparty's custodian.
- If BUYR/SELL is the same as the REAG/DEAG then ISD code or SSN is to be included. If different, and no BIC available, input the SSN of the ordering party or beneficiary.

Usage of SSN and ISD member code

If using the Icelandic SSN, the first line must contain the 10-digit SSN only.

Example via SWIFT MT540:

```
:95Q: :SELL//5810080150  
Kaupthing Bank
```

The same rule applies when sending ISD member code which has three to five letters. The first line must be the member code and the other three lines are free text.

Example via MT540:

```
:95Q: :DEAG//CBL  
CLEARSTREAM BANKING S.A.
```

Example of a delivery free of payment to a direct participant at the ISD

ABC Bank is a customer of CBL and needs to deliver securities to Kaupthing which is an ISD member. There are three options for the buyer field. (Options shown below)

```
...  
:95Q: :BUYR//5810080150 SSN of Kaupthing  
:95Q: :BUYR//KAU ISD member code of Kaupthing  
:95P: :BUYR//ESJAISRE BIC of Kaupthing  
...  
:95P: :REAG//ESJAISRE BIC of Kaupthing  
...
```

The system will look at the BUYR field and attempt to resolve it to an SSN. It will then take the securities out of CBL's nominee account and deliver them to the neutral zone under the SSN of Kaupthing. Kaupthing is responsible for retrieving the securities from the neutral zone and place them into their own account in their own zone.

Example of a delivery free of payment to an Icelandic investor

ABC Bank is a customer of CBL and needs to deliver securities to an Icelandic investor, DEF Bank, who is a customer of Kaupthing.

```
...  
:95Q: :BUYR//0107714639 Buyer's Icelandic SSN  
DEF Bank Name can be included  
...  
:95P: :REAG//ESJAISRE BIC of Kaupthing  
...
```

The system will take the securities out of CBL's nominee account and deliver them to the neutral zone under the SSN of DEF Bank, who is the actual buyer. Kaupthing is responsible for retrieving the securities from the neutral zone and place them into DEF's bank account in Kaupthing's zone.

Example of a delivery free of payment to a foreign Icelandic investor

ABC Bank is a customer of CBL and needs to deliver securities to a foreign investor which doesn't have an Icelandic SSN but instead uses Arion as a custodian.

```
...  
:95Q: :BUYR//5308061230 SSN of Arion's nominee account  
...  
:95P: :REAG//ARIOISRE BIC of Arion  
...
```

The system will take the securities out of CBL's nominee account and deliver them to the neutral zone under the SSN of Arion's nominee account. Arion is responsible for retrieving the securities from the neutral zone and place them into their nominee account in Arion's zone.

Example of a delivery versus payment

ABC Bank is a customer of CBL and sells securities to Kaupthing. The counter party for the trade is found in the receiving agent field. The counterparty can be identified in three different ways (Options shown below)

```
. . .  
:95P::BUYR//ESJAISRE    BIC of Kaupthing  
. . .  
:95Q::REAG//KAU         ISD member code of Kaupthing  
:95P::REAG//ESJAISRE    BIC of Kaupthing  
:95Q::REAG//5810080150  SSN of Kaupthing  
. . .
```

Iceland: New withholding tax procedure

Note: This revised version supersedes the version published on 28 January 2010 and presents a clarified version of the Certificate of Residence in [Appendix 7](#) on page 16.

Effective

1 February 2010

new relief at source and standard refund withholding tax procedures will apply in Clearstream Banking for Icelandic securities.

The new procedures follow the introduction, on 1 September 2009, of withholding tax on Icelandic debt securities for non-resident beneficial owners; and the portfolio transfer to the Icelandic CSD and the possibility to settle Icelandic equities in Clearstream Banking from 1 February 2010.

Background

On 20 July 2009, the Icelandic Parliament approved legislation that introduced a withholding tax on all non-resident beneficial owners investing in Icelandic securities. The tax is applicable to all domestic securities¹ and all income types (hereafter referred to as "taxable events"):

- Interest payments (including accrued interest);
- Redemptions;
- Dividends; and
- Capital gains realised on the sale of securities.

Note: Any gains realised on debt securities are considered as interest payments for tax purposes.

Standard withholding tax rates as of 1 January 2010

Since the new law entered into force on 1 September 2009², the standard withholding tax rates were (in most cases) increased on 1 January 2010, as follows:

Eligible beneficial owners	Interest payments		Dividend payments		Capital gains	
	From 1 September 2009	From 1 January 2010	From 1 September 2009	From 1 January 2010	From 1 September 2009	From 1 January 2010
Foreign individuals	15%	18%	15%	18%	15%	18%
Foreign legal entities	15% ^a	15%	10%	15%	10%	15%
Foreign limited partnerships	23.5% ^b	N/A	N/A	N/A	N/A	N/A
Resident individuals	15%	18%	15%	18%	0% ^c	0% ^c
Resident legal entities ^d	15%	18%	15%	18%	0%	0%

- a. This rate applies to all foreign legal entities except foreign limited partnerships (OECD code 03).
b. After 1 January 2010, foreign limited partnerships (OECD code 03) are taxed at the same rate as other foreign legal entities.
c. These rates are 15% & 18% if the resident individual files a tax return. This additional taxation is not applied by Clearstream Banking.
d. All rates are 23.5% & 32.7% if the beneficial owner is a resident limited partnership and files a tax return. This additional taxation is not applied by Clearstream Banking.

In the absence of certification to prove that a beneficial owner is eligible to a reduced tax rate at source, the standard withholding tax rate of 18% will be applied to all taxable events.

Relief at source is available for withholding tax on interest payments and any gains realised on the sale of any Icelandic securities (see ["Relief at source"](#) below).

1. Debt securities issued by the central bank in the name of the central bank are not taxable.
2. With effective date 1 July 2009 for resident beneficial owners and 1 September 2009 for non-resident beneficial owners.

Pre-requisite registration process

In order to ensure the accurate calculation of capital gains tax, you are requested to provide us with certain information. As further explained in Announcement A10013 dated 22 January 2010, the following information must be mentioned in the settlement instruction:

- The Tax Identification Number of the beneficial owner; and
- The trade price (clean price and dirty price for debt securities¹).

Please refer to [Announcement A10013](#) for information about how to format the settlement instruction.

If the beneficial owners are not identified on the sale or redemption of the securities, tax will be calculated and applied at the account level. If the trade price (or respective clean price and dirty price¹) is missing, the market closing price of the day before the trade date (or, if this is not available, the latest available price before the trade date - source: Nasdaq OMX) will be used for the calculation.

Note: In Iceland, the First-in First-out method is used. For an explanation and illustration of how the taxation differs if it is calculated at the account level or at the beneficial owner level, please refer to [Appendix 11](#) on page 29.

For information on how the tax is calculated on redemptions and the sale of debt securities and equities, please refer to [Appendix 2](#) on page 6.

N.B.: The currency of tax debits is Icelandic Krona (ISK) regardless of the trade currency. In the case of non-ISK transactions, the official market exchange rate of the trade execution date is used to calculate the tax amount, which will be debited to your account shortly after settlement date.

When a new trade is made

Before the Icelandic securities are first delivered to us, you are requested to have already identified the beneficial owners. Therefore, before the trading of Icelandic securities begins, customers should certify their account and register their beneficial owners with us by submitting the following documentation:

- A One-Time Certificate for Icelandic Securities (see [Appendix 3](#) on page 10); and
- A Registration of Beneficial Owner Information for Icelandic Tax Purposes (see [Appendix 4](#) on page 12).

Note: If an Icelandic Tax Identification Number is available, this should be used. If not available, please register the beneficial owner's Tax Identification Number or social security number.

When a customer settles securities in their own books

If Icelandic securities held in your account were transferred from one beneficial owner to another without a settlement instruction being forwarded to us, you are requested to submit to us, on the effective settlement date of the transfer, the following documentation:

- A Report of Internal Transfers of Beneficial Ownership (see [Appendix 6](#) on page 15).

Customers with a current portfolio

Customers with a current portfolio of Icelandic securities will be requested to do the following **before 22 February 2010**:

- Register all the beneficial owners (with the certification mentioned above); and
- Send a SWIFT MT599 message to us, for the attention of our Tax Department, listing all Icelandic securities in the portfolio. Beneficial owner and trade details (such as trade price (clean price and dirty price for debt securities¹), purchase date and transaction reference) should be included.

If registration is made after 22 February 2010 but before the sale or redemption of the securities, tax will be calculated and applied at the beneficial owner level. If the beneficial owner is entitled to a reduced Double Taxation Treaty (DTT) rate and provides the relevant certification before the deadline, the reduced rate can be applied at source (see ["Relief at source"](#) below).

1. The clean price is the price of a debt security not including any accrued interest. The clean price is the discounted future cash flows, not including any interest accruing on the next coupon payment date. The dirty price is the price of a coupon bond that includes the present value of all future cash flows, including interest accruing on the next coupon payment. (Source: www.investopedia.com.)

Relief at source

The beneficial owner may be eligible for all or some of the taxable events at a reduced tax rate. Iceland has signed a number of DTTs that provide for full tax exemption or partial tax relief. The DTTs and the respective rates for interest, dividends and capital gains are listed in [Appendix 1](#) on page 5.

You can obtain, through us, relief at source on interest and/or redemption payments and on any capital gains realised from the sale of domestic Icelandic securities. There is no relief at source on dividends.

Documentation requirements

The following documents must be submitted to us, before the respective deadlines (as detailed in [“Deadline for receipt of documents”](#) below), for all taxable events except dividend payments:

- A One-Time Certificate for Icelandic Securities (see [Appendix 3](#) on page 10), if not already provided;
- A Registration of Beneficial Owner Information for Icelandic Tax Purposes (see [Appendix 4](#) on page 12), if not already provided;
- A Report of Beneficial Ownership for Coupon or Redemption (see [Appendix 5](#) on page 14), in the case of an interest payment or redemption, to check against the information received with the initial settlement instruction; and
- One of the following, as appropriate:
 - A Certificate of Residence (see [Appendix 7](#) on page 16), issued by the beneficial owner’s local tax authority¹; or
 - In the case of international organisations, a letter from the Icelandic Tax Authorities confirming the exempt status of the entity; or
 - In the case of foreign states and other official or public entities claiming exemption from Icelandic tax, a certificate from the respective tax authorities confirming that the beneficial owner is exempt from tax in its country of residence.

Note: The Certificate of Residence must mention that the beneficial owner is considered resident for the purposes of the DTT between its country of residence and Iceland. The Certificate of Residence will be entered in our system and remain valid for five years. If, in this period, the beneficial owner’s circumstances change, the Certificate of Residence must be replaced accordingly.

Deadline for receipt of documents

The deadlines for receipt of the required documentation vary according to taxable event, as follows:

Taxable event	Deadline for receipt at Clearstream Banking
Interest payments	Payment date -2 at 10:00 CET
Redemption	Redemption date -2 at 10:00 CET
Sale of the securities	On the date of the sale

Any original certification received after the above deadlines cannot be applied to reduce the tax amount; in such cases, you will be requested to apply for a standard refund through us as described below.

Standard refund

Beneficial owners who are eligible to receive Icelandic payments at a reduced tax rate but for whom the documentation required to obtain relief at source was not submitted to us before the deadline for the taxable event can apply for a standard refund.

1. Beneficial owners resident in the U.S.A. would provide an Internal Revenue Service Form 6166 instead of a Certificate of Residence.

To obtain a standard refund, customers must send the following documentation to us:

- Form RSK 5.42 Application under Double Taxation Conventions for an Exemption from Icelandic Taxation, available on the web site of the Icelandic Tax Authorities:

www.rsk.is/ws/cm/file/rsk_0542.en.pdf

To ensure that we remain in the process flow, please enter our designated email address (IcelandicTaxation@clearstream.com) in field 7 and tick “e-mail” in field 19. We will then be notified of the acceptance of the treaty rate and inform you accordingly.

A version of this form is provided in [Appendix 8](#) on page 17 for information purposes only. If the refund is granted, the Form RSK 5.42 is valid for five years, during which period it does not have to be included with any further reclaim application.

- Form RSK 5.43 Application under Double Taxation Conventions for a Refund of Taxes Paid, available on web site of the Icelandic Tax Authorities:

www.rsk.is/ws/cm/file/rsk_0543.en.pdf

To ensure that we remain in the process flow, please enter our designated email address (IcelandicTaxation@clearstream.com) in field 5 and tick “e-mail” in field 24. We will then be notified of the acceptance of the reclaim application and inform you accordingly.

In addition, please leave blank the payment details in fields 14 to 18: we will enter our details so that payment will be forwarded to you through us (as is customary for refunds in other markets).

A version of this form is provided in [Appendix 9](#) on page 22 for information purposes only.

- Power of Attorney, if the reclaim forms are completed by a third party on behalf of the beneficial owner.
- Credit Advice.
- Letter of Request to Clearstream Banking for Refund of Icelandic Withholding Tax (see [Appendix 10](#) on page 27).

Statutory deadline

The statutory deadline for reclaiming withholding tax is four years after the date on which the tax was withheld.

The deadline by which Clearstream Banking must receive the documentation at least two months before the statutory deadline. All standard refund applications received after this deadline will be processed by Clearstream Banking on a “best-efforts” basis. However, in such cases, Clearstream Banking will apply an extra charge and accepts no responsibility for forms that have not reached the Icelandic tax authorities by the date considered as being the statute of limitations deadline.

Reclaims of tax applied on payments between 1 September 2009 and 1 February 2010 will be forwarded to the Icelandic Tax Authorities, but no guarantees can be given that the application will be accepted.

Further information

For further information, please contact the Clearstream Banking Tax Help Desk on:

	Luxembourg	Frankfurt
Email:	tax@clearstream.com	tax@clearstream.com
Telephone:	+352-243-32835	+49-(0) 69-2 11-1 3821
Fax:	+352-243-632835	+49-(0) 69-2 11-61 3821

or Clearstream Banking Customer Service or your Relationship Officer.

For more general information regarding our products and services, please visit www.clearstream.com.

As a registered customer, [subscribe](#) to our free email alerts service to receive immediate, daily and/or weekly notification of the latest customer publications on our web site. Unsubscribe at any time; we respect your email privacy.

Appendices

- [Appendix 1. Double Taxation Treaties concluded by Iceland and currently in force](#) below
- [Appendix 2. Tax calculations](#) on page 6
- [Appendix 3. One-Time Certificate for Icelandic Securities](#) on page 10
- [Appendix 4. Registration of Beneficial Owner Information for Icelandic Tax Purposes](#) on page 12
- [Appendix 5. Report of Beneficial Ownership for Coupon or Redemption](#) on page 14
- [Appendix 6. Report of Internal Transfers of Beneficial Ownership](#) on page 15
- [Appendix 7. Certificate of Residence - Example](#) on page 16
- [Appendix 8. Form RSK 5.42](#) on page 17
- [Appendix 9. Form RSK 5.43](#) on page 22
- [Appendix 10. Letter of Request to Clearstream Banking for Refund of Icelandic Withholding Tax](#) on page 27
- [Appendix 11. First-in First-out \(FIFO\) method of tax calculation](#) on page 29

Appendix 1. Double Taxation Treaties concluded by Iceland and currently in force

Clearstream Banking provides these rates for information purposes only and does not guarantee that this information is correct, complete and accurate. Clearstream Banking does not assume liability for any damages, direct or indirect, that may arise from the reliance on or the use of this information.

Country	Rate prescribed by the DTT – Interest (%)	Rate prescribed by the DTT – Dividends (%)	Country	Rate prescribed by the DTT – Interest (%)	Rate prescribed by the DTT – Dividends (%)
The standard rate of withholding tax on interest, dividend or capital gains income is 18% before any relief.					
Belgium	10	15	Luxembourg	0	15
Canada	10	15	Malta	0	15
China	10	10	Mexico	10	15
Czech Republic	0	15	Netherlands	0	15
Denmark	0	15	Norway	0	15
Estonia	10	15	Poland	10	15
Faroe Islands	0	15	Portugal	10	15
Finland	0	15	Romania	3	10
France	0	15	Russia	0	15
Germany	0	15	Slovak Republic	0	10
Greece	8	15	South Korea	10	15
Greenland	0	15	Spain	5	15
Hungary	0	10	Sweden	0	15
India	10	10	Switzerland	0	15
Ireland	0	15	Ukraine	10	15
Italy	0	15	United Kingdom	0	15
Latvia	10	15	United States of America	0	15
Lithuania	10	15	Vietnam	10	15

Appendix 2. Tax calculations

Debt securities

The main rules in calculating tax are as follows:

- The tax is calculated on a trade-by-trade basis.
- The calculation is based on the actual trading prices.
- The First-In First-Out (FIFO) method applies.
- Gains from the sale of a bond are considered as interest.
- Gains from the sale of shares are capital gains.
- There is no offset of losses against gains.

The methodology

In the example below, a number of purchases are listed on the left hand side; on the right there are three sales, a coupon payment and the final redemption.

						Sales / Coupons / Redemptions					
							1	2	Coupon	3	Redemption
						Trano					
						Inx Type					
						Date	22/09/2009	26/09/2009	01/10/2009	05/10/2009	15/12/2009
						Clean Price	97.600000	97.670000		97.900000	100.000000
						Dirty Price	97.860000	98.878330		97.955560	101.041670
Date	Accrual Start date	Clean Price	Dirty Price	Qty	Remaining holding	Qty	50,000.00	1,100,000.00	1,835,000.00	750,000.00	1,610,000.00
15/08/2009	15/08/2009	97.000000	97.860000	1,000,000.00	0.00		50,000.00	950,000.00			
21/09/2009	21/09/2009	97.500000	98.640000	500,000.00	0.00			150,000.00	350,000.00		
25/09/2009	25/09/2009	97.650000	98.870000	250,000.00	0.00				250,000.00		
30/09/2009	30/09/2009	97.770000	98.900000	1,235,000.00	0.00				1,235,000.00		
21/09/2009	01/10/2009	97.500000		350,000.00	0.00					350,000.00	
25/09/2009	01/10/2009	97.650000		250,000.00	0.00					250,000.00	
30/09/2009	01/10/2009	97.770000		1,235,000.00	0.00						1,085,000.00
22/10/2009	22/10/2009	98.020000	98.310000	525,000.00	0.00						525,000.00
					0.00						
Trade allocation qty:						0.00	0.00	0.00	0.00	0.00	0.00

All purchases are registered with the trade date and the clean and dirty purchase prices (the dirty purchase price includes the accrued interest).

On 15 August 2009, the beneficial owner bought a quantity of 1,000,000. He paid the dirty price of 97.86%.

Interest accrues every day. If a sale takes place between two coupon payments, the seller is entitled to receive the interest accrued from the last coupon payment to the sale of the securities. This accrued interest is added to the clean price of the bond and gives the dirty price. As in the example above, the closer to the next coupon payment the trade takes place, the higher the dirty price becomes (because more interest has been accrued).

On 21 September 2009, the beneficial owner purchases another 500,000 for a dirty price of 98.64%.

A day later, the beneficial owner sells a nominal of 50,000 for a dirty price of 97.86%. According to the FIFO method (see [Appendix 11](#) on page 29), the first securities to be sold are those that entered the account first, that is, those that were purchased on 15 August 2009. The clean and dirty prices are compared and tax is calculated accordingly. The formula is further described below.

The beneficial owner buys additional bonds on 25 September 2009 and sells a nominal of 1,100,000 on 26 September 2009, leaving 950,000 remaining from his first purchase. The remaining position of 150,000 is taken from his second purchase. The actual clean and dirty prices of these two purchases are compared with the clean and dirty price of the sale.

On the coupon payment date, the beneficial owner has a total holding of 1,835,000. This holding comes from different purchases with different purchase dates and different clean and dirty prices.

The tax applied on the coupon will take into account the number of days that the beneficial owner has had the securities in the portfolio. The holding is therefore split between the different purchases and the corresponding accrued interest between the respective purchase dates and the coupon date; the tax is calculated accordingly.

After the coupon payment, the dirty price of the actual purchase is no longer applicable. Instead, the clean price is considered in any further tax calculations because the beneficial owner will have paid the tax on the interest accrued from the purchase to the coupon on the coupon date. On the coupon date, the clean price equals the dirty price. The new interest accrual starts on the coupon date.

After the coupon payment, the beneficial owner sells a nominal of 750,000. For the tax calculation, only the clean purchase price is considered (not the dirty price) as the interest accrued between the purchase date and the previous coupon payment have been taxed already (at the coupon payment date).

On the redemption, the same methodology is employed as for sales with a clean price at 100%.

The actual tax calculation

In this table, the actual tax calculation is demonstrated. The indexation ratio and the total interest periods 1-3 are discussed under the change of tax rates below. The trades are those reviewed under the methodology above.

Tax computation																	
Trade	Qty	Purchase date	Sale date	Accrual start date	Accrual end date	Indexation ratio on purchase date	Indexation ratio on sale date	Purchase clean price	Purchase dirty price	Sale clean price	Sale dirty price	Capital Gain	Accrued interest	Total interest period 1	Total interest period 2	Total interest period 3	Tax¹
1	50,000.00	15/08/2009	22/09/2009	15/08/2009	22/09/2009	100.00%	100.00%	97.000000	97.860000	97.600000	98.752780	0.600000	0.292780	199.70	246.69	0.00	37.00
2	950,000.00	15/08/2009	26/09/2009	15/08/2009	26/09/2009	100.00%	100.00%	97.000000	97.860000	97.670000	98.878330	0.670000	0.348330	3,915.72	5,758.41	0.00	863.76
	150,000.00	21/09/2009	26/09/2009	21/09/2009	26/09/2009	100.00%	100.00%	97.500000	98.640000	97.670000	98.878330	0.170000	0.068330	0.00	357.50	0.00	53.62
	350,000.00	21/09/2009	01/10/2009	21/09/2009	01/10/2009	100.00%	100.00%					0.000000	0.138990	0.00	486.12	0.00	72.92
Coupon	250,000.00	25/09/2009	01/10/2009	25/09/2009	01/10/2009	100.00%	100.00%					0.000000	0.083330	0.00	268.33	0.00	31.25
	1,235,000.00	30/09/2009	01/10/2009	30/09/2009	01/10/2009	100.00%	100.00%					0.000000	0.013890	0.00	171.54	0.00	25.73
	350,000.00	21/09/2009	05/10/2009	01/10/2009	05/10/2009	100.00%	100.00%	97.500000	97.500000	97.900000	97.955560	0.400000	0.055560	0.00	1,594.46	0.00	239.17
3	250,000.00	25/09/2009	05/10/2009	01/10/2009	05/10/2009	100.00%	100.00%	97.650000	97.650000	97.900000	97.955560	0.250000	0.055560	0.00	763.90	0.00	114.59
	150,000.00	30/09/2009	05/10/2009	01/10/2009	05/10/2009	100.00%	100.00%	97.770000	97.770000	97.900000	97.955560	0.130000	0.055560	0.00	278.34	0.00	41.75
Redemption	1,085,000.00	30/09/2009	15/12/2009	01/10/2009	15/12/2009	100.00%	100.00%	97.770000	97.770000	100.000000	102.739760	2.230000	2.739760	0.00	53,821.25	0.00	8,088.19
	525,000.00	22/10/2009	15/12/2009	01/10/2009	15/12/2009	100.00%	100.00%	98.020000	98.310000	100.000000	102.739760	1.960000	2.449700	0.00	23,255.92	0.00	3,488.39
																	Total tax: 13,056.37

The tax is applied on the sale, coupon and redemption and the following formulae are used:

Sale transaction

Discount (Capital gain interest) = Clean sale price - Clean purchase price

Accrued interest = Dirty sale price - Dirty purchase price - Discount

Tax on discount = (discount * trade quantity / 100) * tax rate

Tax on accrued interest = (accrued interest * trade quantity / 100) * tax rate

Example:

On the first sale (on 22 September 2009), the beneficial owner sold a nominal of 50,000. The purchase took place on 15 August 2009 for a dirty purchase price of 97.86%. The clean purchase price was 97.00%. The dirty sales price was 98.752780% and the clean sales price was 97.60%.

Discount (Capital gain interest) = Clean sales price - Clean purchase price:

$$= 97.60\% - 97.00\% = \mathbf{0.60\%}$$

Accrued interest = Dirty sales price - Dirty purchase price - Discount:

$$= 98.752780\% - 97.86 - 0.60\% = \mathbf{0.29278\%}$$

The tax on discount and on accrued interest will also take into account the rates applicable at the time. A non-resident was not subject to any tax on accrued interest until 1 September 2009. The interest accrued between the purchase date (15 August 2009) and the 1 September 2009 is therefore not included in the tax calculations. This is further discussed below.

Coupon payment

Accrued interest = (coupon date - purchase date) / DCF¹ * 100 * Interest rate * trade quantity
Tax on accrued interest = accrued interest * tax rate

Example:

The holding is split according to the purchase dates of the securities in the portfolio. To calculate the tax on the first part of the holding (for the nominal of 350,000), you calculate how many days there are between the purchase date and the coupon date. In this case, the purchase date was on 21 September 2009 and the coupon was paid on 1 October 2009: 10 days. The DCF used in the example was ACT/ACT and the interest rate of the bond was 5%.

Redemption

Discount (Capital gain interest) = 100 - Clean purchase price
Tax on discount = (discount * trade quantity / 100) * tax rate

Example:

Discount (Capital gain interest) = 100 - Clean purchase price:

$$100\% - 97.77\% = \mathbf{2.23\%}$$

The accrued interest (that is, the difference between the dirty sale price and the clean sale price - 2.7397%) is added to the tax base. This represents the interest accrued either from the last coupon payment and the redemption date (in the first case) or the interest accrued from the purchase date and the redemption (in the second case).

The change of tax rates

For taxable transactions with a purchase date before 1 January 2010, the interest and discount must be allocated pro-rata temporis for the period of holding of each of the below periods and the tax rates must be applied according to the successive laws:

- Period 1: before 1 September 2009²- Tax rate: 0%
- Period 2: between 1 September 2009 and 1 January 2010- Tax rate: 15%
- Period 3: as of 1 January 2010- Tax rate: 18%

At the end of the table in the tax calculation above, three columns showed Periods 1 to 3:

Total interest period 1	Total interest period 2	Total interest period 3
199.70	246.69	0.00
3,915.72	5,758.41	0.00
0.00	357.50	0.00
0.00	486.12	0.00
0.00	208.33	0.00
0.00	171.54	0.00
0.00	1,594.46	0.00
0.00	763.90	0.00
0.00	278.34	0.00
0.00	35,497.62	0.00
0.00	14,341.27	0.00

As shown above, for the first sale, the beneficial owner had realised a gain of 0.60% and had received accrued interest of 0.29278%, yielding a Total tax base of **0.89278%**.

1. DCF = Day Count Fraction (that is, 30/360, Actual/365 etc.).
2. Resident investors were subject to tax before 1 September 2009 but, as there was a holding restriction preventing Icelandic resident investors from holding debt securities with Clearstream Banking, the resident rate before 1 September 2009 is not applicable.

The purchase took place on 15 August 2009 and the sale was made on 22 September 2009, meaning that the beneficial owner held the securities for 38 days: 17 days during period 1 (0% tax) and 21 days during period 2 (15% tax).

To calculate the capital gains and accrued interest under the different periods:

Total tax base * number of days in the period / total number of days held * quantity / 100

In period 1 (0% tax):

$$0.89278 * 17 / 38 * 50,000 / 100 = 199.70$$

No tax is applied.

In period 2 (15% tax):

$$0.89278 * 21 / 38 * 50,000 / 100 = 246.67$$

15% tax is applied:

$$246.67 * 15 / 100 = \text{ISK } 37$$

This amount is mentioned in the last column of the actual tax calculation table above.

Indexation notes

Some notes are so-called index linked bonds. The indexation ratios must be computed on the purchase date and on the sales date. For more information on how the indexation affects the bonds and an example of indexation computation, please refer to:

http://www.lanasysla.is/assets/nyrlanasysla/2005_4_12_formulaens.pdf

Equities

Sale transaction

The same computation applies as for the discount on debt securities, except that the trade price is used instead of the clean price and dirty price.

Dividend payment

The full dividend distribution is taxed at the standard withholding tax rate.

Appendix 3. One-Time Certificate for Icelandic Securities

Clearstream Banking
Attn: OTL -Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Date: _____

Clearstream Banking account number(s): _____ (the "Account")

The undersigned customer of Clearstream Banking may hold from time to time in its Account securities issued by entities organised under the laws of the Republic of Iceland (the "Securities").

Certification for Icelandic Tax Purposes

We hereby certify that:

- We will register all beneficial owners holding Securities on our Account by submitting a "Registration of Beneficial Owner Information for Icelandic Tax Purposes" per beneficial owner. The Tax Identification Number mentioned on the registration form will be included in all receipt instructions as well as the trade price (or the clean and dirty price in the case of debt securities).

OR

- We understand that tax will be calculated at the account level. No relief at source will be available to the beneficial owner.

We acknowledge that the currency of all tax debits will be in Icelandic Krona (ISK), regardless of the currency of the trade. In the case of non-ISK transactions, the exchange rate of the trade execution date will be used to calculate the tax amount.

In the event that the beneficial owner(s) is (are) entitled to a reduced tax rate at source, and provided that we have included the beneficial owner's Tax Identification Number in the settlement instruction, we will provide Clearstream Banking with a Certificate of Residence before the Clearstream Banking certification deadline.

We agree irrevocably that we shall indemnify Clearstream Banking for any loss, claim, liability or expense including penalties, tax and interest thereon (and reasonable expenses of counsel) incurred by Clearstream Banking as a result of having relied on this "One-Time Certification for Icelandic Securities" and Clearstream Banking may charge our account or otherwise reclaim from us and we will pay Clearstream Banking on demand the amount of such charge or loss and any other expenses incurred by Clearstream Banking in pursuing its claim.

We hereby appoint Clearstream Banking with authority to collect and forward this certificate and any information or documents related hereto to the Icelandic authorities or other persons, to the extent required by Icelandic law or regulations.

We hereby certify that the above information is true, correct and complete and that we are authorised representatives of the Clearstream Banking customer named below.

For and on behalf of:

Name of Clearstream Banking customer: _____

Address: _____

Appendix 3 (cont). One-Time Certificate for Icelandic Securities

By (authorised signature/s):

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Appendix 4. Registration of Beneficial Owner Information for Icelandic Tax Purposes

Clearstream Banking
Attn: OTL -Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Date: _____

Clearstream Banking account number(s): _____ (the "Account")

We herewith request Clearstream Banking to register the following beneficial owner on our Account:

Name: _____

Address (Street): _____

State or Province: _____

Post Code and City: _____

Country of residence (fiscal): _____

Tax Identification Number (TIN): _____, which is *(please tick **one** box)*:

- | | | |
|--|------------------------------------|---|
| ☐ Icelandic TIN | ☐ Local TIN | ☐ Social Security Number |
| ☐ Other <i>(please specify)</i> | | |

OECD code *(please tick **one** box)*:

- | | |
|---|--|
| ☐ 01 - Individual | ☐ 04 - Business organisation other than corporation and partnership |
| ☐ 02 - Corporation | ☐ 05 - Government or international organisation |
| ☐ 03 - Partnership | ☐ 06 - Other ☐ 07 - Unknown |

We herewith confirm that the beneficial owner's Tax Identification Number will be included in the settlement instructions together with the clean and dirty price (for debt securities) and the trade price (for equities).

If the beneficial owner is eligible for a reduced Double Taxation Treaty rate, we acknowledge that Clearstream Banking must receive, at the latest two business days before the first income payment date, sale or redemption:

- An original Certificate of Residence issued by the beneficial owner's tax authority;
- In the case of a foreign state or other official or public entity claiming an exemption from Icelandic tax, a letter from the local tax authorities confirming that the beneficial owner is exempt from tax in its country of residence; or
- In the case of international organisations, a letter from the Icelandic tax authorities, confirming the exempt status of the entity.

The Certificate of Residence must be renewed every five years, unless the beneficial owner's circumstances change.

Appendix 4 (cont). Registration of Beneficial Owner Information for Icelandic Tax Purposes

For and on behalf of:

Name of Clearstream Banking customer: _____

Address: _____

Contact telephone or email address in case of queries: _____

By (authorised signature/s):

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Appendix 5. Report of Beneficial Ownership for Coupon or Redemption

(This document must be sent by any authenticated means of communication or original mail.)

To: Clearstream Banking
Attn: OTL - Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Date: _____

Account: _____

We hereby certify that the breakdown per beneficial owner of the total holding of the security indicated below on our account indicated above as of record date was the following:

Security ISIN/Common code:	
Record Date of Income Payment:	
Beneficial Owner's Tax Identification Number	Nominal Value of Securities beneficially owned as of Record Date
Total	

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Appendix 6. Report of Internal Transfers of Beneficial Ownership

(This document must be sent by any authenticated means of communication or original mail.)

To: Clearstream Banking
Attn: OTL - Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Date: _____

Account: _____

We hereby certify that all the transfers of Icelandic securities held in the exempt omnibus account indicated above from one beneficial owner to another that settled on the date(s) indicated below without settlement instructions being forwarded to Clearstream Banking were the following:

Security ISIN/ Common code	Nominal value of securities	Effective settlement date	Deliverer's Tax Identification Number	Receiver's Tax Identification Number	Equities:	Debt securities:	
					Trade Price	Clean Price	Dirty Price

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Appendix 7. Certificate of Residence - Example

(Letterhead of the beneficial owner's tax authorities)

Date: _____

Attention: _____

Dear Sir/Madam,

We confirm that _____, Tax ID number _____ is resident in _____ for the purpose of the Double Taxation Treaty between Iceland and _____ and that, to the best of our knowledge and information, the above information is correct.

Accordingly, _____ qualifies for benefit from the Double Taxation Treaty between Iceland and _____.

Yours faithfully,

Tax authorities date and stamp

Appendix 8. Form RSK 5.42

RSK

Application under Double Taxation Conventions for an Exemption from Icelandic Taxation

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights or interests, sales profits /capital gains or dividend payments

I Applicant

1 Applicant's name / beneficial owner		
2 Address (Street)		
3 State or province	4 Postcode - postoffice/city	
5 Country of residence (fiscal)	6 Tax identification number	
7 E-mail address	8 Telephone number	9 Fax number
10 Icelandic identification number	11 OECD code	

II The exempted activity, services, rights and/or payments

12 Tax exemption concerning:	☐ Dividend payment	☐ Interests	☐ Sales profits/capital gains
	☐ Use of property rights, (usufruct)	☐ Lease of movables	☐ Individual personal services ☐ Other service or activities
13 Details regarding the mark made in box 12			
14 Articles in relevant double taxation convention covering activities, services, property rights or interests, sales profits/capital gains or dividend payments			
15 Payer of the service, property rights, dividends, interests etc.			

III Declaration and signature of the applicant

16 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially exempted from the taxation of particular items. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the Republic of Iceland and (contracting country concerned). The undersigned further declares the following: • The applicant is the beneficial owner of the income. • The payments or income do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention. • The payments or income are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability. • All information provided in this application is correct. • The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted.	
17 Application date	18 Signature of the applicant/applicant's representative according to a valid power of attorney
19 The applicant requests that the Directorate of Internal Revenue send its decision by: ☐ e-mail ☐ mail ☐ fax	

IV Confirmation of authorities

20 Confirmation of the Icelandic tax authorities ☐ Application approved ☐ Application denied Certificate No. _____ Validity period of exemption _____ Date _____ Signature and stamp of the tax authorities _____	21 Confirmation of the tax authorities in the applicant's country of residence We hereby confirm that the applicant bears full and unlimited tax liability in the country specified in box 14 of this form, and has permanent residence there with regard to the double taxation convention concerned. Date _____ Signature and stamp of the tax authorities _____
--	--

See directions and explanatory notes for particular boxes on the back side of the last duplicate

RSK 5.42 0908

Original copy - for the Icelandic tax authorities

Appendix 8 (cont). Form RSK 5.42

RSK

Application under Double Taxation Conventions for an Exemption from Icelandic Taxation

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights or interests, sales profits /capital gains or dividend payments

I Applicant

1 Applicant's name / beneficial owner		
2 Address (Street)		
3 State or province	4 Postcode - postoffice/city	
5 Country of residence (fiscal)	6 Tax identification number	
7 E-mail address	8 Telephone number	9 Fax number
10 Icelandic identification number	11 OECD code	

II The exempted activity, services, rights and/or payments

12 Tax exemption concerning:	☐ Dividend payment	☐ Interests	☐ Sales profits/capital gains
	☐ Use of property rights, (usufruct)	☐ Lease of movables	☐ Individual personal services ☐ Other service or activities
13 Details regarding the mark made in box 12			
14 Articles in relevant double taxation convention covering activities, services, property rights or interests, sales profits/capital gains or dividend payments			
15 Payer of the service, property rights, dividends, interests etc.			

III Declaration and signature of the applicant

16 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially exempted from the taxation of particular items. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the Republic of Iceland and..... (contracting country concerned).	
The undersigned further declares the following:	
• The applicant is the beneficial owner of the income. • The payments or income do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention. • The payments or income are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability. • All information provided in this application is correct. • The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted.	
17 Application date	18 Signature of the applicant/applicant's representative according to a valid power of attorney
19 The applicant requests that the Directorate of Internal Revenue send its decision by:	
☐ e-mail ☐ mail ☐ fax	

IV Confirmation of authorities

20 Confirmation of the Icelandic tax authorities	21 Confirmation of the tax authorities in the applicant's country of residence
☐ Application approved ☐ Application denied Certificate No. _____ Validity period of exemption _____	We hereby confirm that the applicant bears full and unlimited tax liability in the country specified in box 14 of this form, and has permanent residence there with regard to the double taxation convention concerned.
Date _____ Signature and stamp of the tax authorities _____	Date _____ Signature and stamp of the tax authorities _____

See directions and explanatory notes for particular boxes on the back side of the last duplicate

RSK 5.42 0908

Duplicate 1 - for the tax authority in the applicant's country of residence

RSK**Application under Double Taxation Conventions
for an Exemption from Icelandic Taxation**concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights or interests, sales profits/capital gains or dividend payments**I Applicant**

1 Applicant's name / beneficial owner		
2 Address (Street)		
3 State or province	4 Postcode - postoffice/city	
5 Country of residence (fiscal)	6 Tax identification number	
7 E-mail address	8 Telephone number	9 Fax number
10 Icelandic identification number	11 OECD code	

II The exempted activity, services, rights and/or payments

12 Tax exemption concerning:	☐ Dividend payment	☐ Interests	☐ Sales profits/capital gains
	☐ Use of property rights, (usufruct)	☐ Lease of movables	☐ Individual personal services ☐ Other service or activities
13 Details regarding the mark made in box 12			
14 Articles in relevant double taxation convention covering activities, services, property rights or interests, sales profits/capital gains or dividend payments			
15 Payer of the service, property rights, dividends, interests etc.			

III Declaration and signature of the applicant

16 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially exempted from the taxation of particular items. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the Republic of Iceland and..... (contracting country concerned). The undersigned further declares the following: • The applicant is the beneficial owner of the income. • The payments or income do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention. • The payments or income are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability. • All information provided in this application is correct. • The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted.	
17 Application date	18 Signature of the applicant/applicant's representative according to a valid power of attorney
19 The applicant requests that the Directorate of Internal Revenue send its decision by: ☐ e-mail ☐ mail ☐ fax	

IV Confirmation of authorities

20 Confirmation of the Icelandic tax authorities ☐ Application approved ☐ Application denied Certificate No. Validity period of exemption	21 Confirmation of the tax authorities in the applicant's country of residence We hereby confirm that the applicant bears full and unlimited tax liability in the country specified in box 14 of this form, and has permanent residence there with regard to the double taxation convention concerned.
Date	Date
Signature and stamp of the tax authorities	Signature and stamp of the tax authorities

See directions and explanatory notes for particular boxes on the back side of the last duplicate

RSK 5.42 0908

Duplicate 2 - for the applicant

Appendix 8 (cont). Form RSK 5.42

Directions and explanatory notes for particular boxes

This application shall be completed by those with limited tax liability in Iceland, under paragraph 3, 6 and 7 of Article 3 of Act No. 90/2003 on income tax, to request exemption from taxation under the provisions of a double taxation convention concluded by Iceland and the state specified in the application. A tax exemption and tax refund may be applied for simultaneously. An application for a tax refund is made on form RSK 5.43, which can be printed from the Directorate of Internal Revenue's website, www.rsk.is.

Handwritten applications shall be completed in BLOCK CAPITALS.

The relevant foreign tax authorities under the double taxation convention shall certify the accuracy of specific information provided by the applicant. The application shall be sent to the Directorate of Internal Revenue at the following address:

**Ríkisskattstjóri
Laugavegi 166
150 Reykjavík
Iceland**

To expedite processing of the application, foreign tax authorities can send the Directorate of Internal Revenue the certified application by fax to +354 562 4440, or as a PDF document to rsk@rsk.is.

The Directorate of Internal Revenue will send its decision to the applicant and the foreign tax authorities when one has been reached.

Notes on particular boxes on the form

Box 1 Enter the name of the company or the individual. Only beneficial owners may apply for exemption from taxes of paid interests, dividends, royalties or capital gain.*

Boxes 2-4 Address of the applicant.

Box 5 In the shaded section, please enter the country code for the country where the recipient of the payment has a permanent fiscal residence. The country code shall be in accordance with ISO 3166 (two letters), e.g., DK for Denmark. Country codes can be found on the Directorate of Internal Revenue's web site, www.rsk.is.

In the non-shaded section, please enter the name of the country covered under the double taxation convention, specified in box 16.

Box 6 Enter here the applicant's tax identification number (TIN) assigned under the laws and regulations of the country where the applicant has a permanent fiscal residence and unlimited tax liability. If a TIN is not available, then enter the applicant's ID No. (Social Security Number or comparable) used for tax purposes by the foreign tax authorities in the applicant's country of residence.

In the shaded section, enter the letter T if a TIN is used or the letter A if a TIN is not available and another foreign ID number is used. If neither a TIN nor an ID number is used in the relevant country for tax purposes, please indicate this by entering the letter X in the shaded section.

Box 10 Please enter the applicant's Icelandic identification number if one has been assigned. However, box 6 should always be filled out, regardless of whether the applicant has an Icelandic identification number or not.

Box 11 In the shaded section of this box, please enter the relevant OECD code for the applicant's legal form as specified below.

- 01 Individual
- 02 Corporation
- 03 Partnership
- 04 Business organisation other than corporation and partnership
- 05 Government or international organisation
- 06 Other
- 07 Unknown

Box 13 The applicant should provide further explanations regarding the mark made in box 12.

- If the use of property rights (usufruct), is relevant, such as for patents, trademarks, manufacturing licences or rights to utilise industrial, commercial or scientific equipment, the type of property rights shall be specified, including patent numbers and the country of registration. If copyright is relevant, the type of property rights and name of the work(s) shall be specified. Also, the owner's (author's) name, address and country of residence shall be stated, as well as whether the owner or another party is the applicant.
- For use of movables, the type of lease payment shall be specified.
- For individual personal services (freelance) details shall be provided on the kind of activities and services provided.
- In the same fashion, details on services rendered or activities other than those specified above that can be subject to provisions of the relevant double taxation convention should be entered.
- If the sale of usufruct or movables is involved, one should specify what is sold and to whom as well as the name and the address of the buyer. The sales price and the sales proceeds are also relevant.*
- Regarding interests specify the accounts and transactions. An approved exemption regarding interests is applicable for the beneficial owner of the interests until further notice.
- Only the beneficial owner* of the dividends/capital gains (i.e. the one who is entitled to the dividends/capital gains) can apply for an exemption from Icelandic, dividend tax and/or capital gains tax.

* According to the Director of Internal Revenue the **real beneficial owner** is an entity who enjoys the benefits of owning a security or property, regardless of whose name the title is in. This implies that only the real beneficial owner himself can apply for an exemption/refund, enclosing documentation issued accordingly. An entity that is in fact acting on behalf of someone else as either trustee or investment manager, and is as such the registered or indirect owner of the dividends, is not entitled to an exemption/refund. Neither is an entity that receives the dividend payments and passes them directly on to other entities/persons entitled to an exemption/ refund.

If contract is available a copy shall be filed with the application.

Box 16 Enter here the name of the country with which Iceland has concluded a double taxation convention relevant to this application.

Appendix 8 (cont). Form RSK 5.42

English country names and code elements

This list states country names in alphabetical order as given in ISO 3166-1 and the corresponding ISO 3166-1-alpha-2 code elements.

AFGHANISTAN	AF	GIBRALTAR	GI	PAKISTAN	PK
ÅLAND ISLANDS	AX	GREECE	GR	PALAU	PW
ALBANIA	AL	GREENLAND	GL	PALESTINIAN TERRITORY, OCCUPIED	PS
ALGERIA	DZ	GRENADA	GD	PANAMA	PA
AMERICAN SAMOA	AS	GUADELOUPE	GP	PAPUA NEW GUINEA	PG
ANDORRA	AD	GUAM	GU	PARAGUAY	PY
ANGOLA	AO	GUATEMALA	GT	PERU	PE
ANGUILLA	AI	GUINEA	GN	PHILIPPINES	PH
ANTARCTICA	AQ	GUINEA-BISSAU	GW	PITCAIRN	PN
ANTIGUA AND BARBUDA	AG	GUYANA	GY	POLAND	PL
ARGENTINA	AR	HAITI	HT	PORTUGAL	PT
ARMENIA	AM	HEARD ISLAND AND		PUERTO RICO	PR
ARUBA	AW	MCDONALD ISLANDS	HM	QATAR	QA
AUSTRALIA	AU	HOLY SEE (VATICAN CITY STATE)	VA	RÉUNION	RE
AUSTRIA	AT	HONDURAS	HN	ROMANIA	RO
AZERBAIJAN	AZ	HONG KONG	HK	RUSSIAN FEDERATION	RU
BAHAMAS	BS	HUNGARY	HU	RWANDA	RW
BAHRAIN	BH	ICELAND	IS	SAINT HELENA	SH
BANGLADESH	BD	INDIA	IN	SAINT KITTS AND NEVIS	KN
BARBADOS	BB	INDONESIA	ID	SAINT LUCIA	LC
BELARUS	BY	IRAN, ISLAMIC REPUBLIC OF	IR	SAINT PIERRE AND MIQUELON	PM
BELGIUM	BE	IRAQ	IQ	SAINT VINCENT AND THE GRENADINES	VC
BELIZE	BZ	IRELAND	IE	SAMOA	WS
BENIN	BJ	ISRAEL	IL	SAN MARINO	SM
BERMUDA	BM	ITALY	IT	SAO TOME AND PRINCIPE	ST
BHUTAN	BT	JAMAICA	JM	SAUDI ARABIA	SA
BOLIVIA	BO	JAPAN	JP	SENEGAL	SN
BOSNIA AND HERZEGOVINA	BA	JORDAN	JO	SERBIA AND MONTENEGRO	CS
BOTSWANA	BW	KAZAKHSTAN	KZ	SEYCHELLES	SC
BOUVET ISLAND	BV	KENYA	KE	SIERRA LEONE	SL
BRAZIL	BR	KIRIBATI	KI	SINGAPORE	SG
BRITISH INDIAN OCEAN TERRITORY	IO	KOREA,		SLOVAKIA	SK
BRUNEI DARUSSALAM	BN	DEMOCRATIC PEOPLE'S REPUBLIC OF	KP	SLOVENIA	SI
BULGARIA	BG	KOREA, REPUBLIC OF	KR	SOLOMON ISLANDS	SB
BURKINA FASO	BF	KUWAIT	KW	SOMALIA	SO
BURUNDI	BI	KYRGYZSTAN	KG	SOUTH AFRICA	ZA
CAMBODIA	KH	LAO PEOPLE'S DEMOCRATIC REPUBLIC	LA	SOUTH GEORGIA AND THE SOUTH SANDWICH	
CAMEROON	CM	LATVIA	LV	ISLANDS	GS
CANADA	CA	LEBANON	LB	SPAIN	ES
CAPE VERDE	CV	LESOTHO	LS	SRI LANKA	LK
CAYMAN ISLANDS	KY	LIBERIA	LR	SUDAN	SD
CENTRAL AFRICAN REPUBLIC	CF	LIBYAN ARAB JAMAHIRIYA	LY	SURINAME	SR
CHAD	TD	LIECHTENSTEIN	LI	SVALBARD AND JAN MAYEN	SJ
CHILE	CL	LITHUANIA	LT	SWAZILAND	SZ
CHINA	CN	LUXEMBOURG	LU	SWEDEN	SE
CHRISTMAS ISLAND	CX	MACAO	MO	SWITZERLAND	CH
COCOS (KEELING) ISLANDS	CC	MACEDONIA, THE FORMER		SYRIAN ARAB REPUBLIC	SY
COLOMBIA	CO	YUGOSLAV REPUBLIC OF	MK	TAIWAN, PROVINCE OF CHINA	TW
COMOROS	KM	MADAGASCAR	MG	TAJIKISTAN	TJ
CONGO	CG	MALAWI	MW	TANZANIA, UNITED REPUBLIC OF	TZ
CONGO,		MALAYSIA	MY	THAILAND	TH
THE DEMOCRATIC REPUBLIC OF THE	CD	MALDIVES	MV	TIMOR-LESTE	TL
COOK ISLANDS	CK	MALI	ML	TOGO	TG
COSTA RICA	CR	MALTA	MT	TOKELAU	TK
CÔTE D'IVOIRE	CI	MARSHALL ISLANDS	MH	TONGA	TO
CROATIA	HR	MARTINIQUE	MO	TRINIDAD AND TOBAGO	TT
CUBA	CJ	MAURITANIA	MR	TUNISIA	TN
CYPRUS	CY	MAURITIUS	MU	TURKEY	TR
CZECH REPUBLIC	CZ	MAYOTTE	YT	TURKMENISTAN	TM
DENMARK	DK	MEXICO	MX	TURKS AND CAICOS ISLANDS	TC
DJIBOUTI	DJ	MICRONESIA, FEDERATED STATES OF	FM	TUVALU	TV
DOMINICA	DM	MOLDOVA, REPUBLIC OF	MD	UGANDA	UG
DOMINICAN REPUBLIC	DO	MONACO	MC	UKRAINE	UA
ECUADOR	EC	MONGOLIA	MN	UNITED ARAB EMIRATES	AE
EGYPT	EG	MONTserrat	MS	UNITED KINGDOM	GB
EL SALVADOR	SV	MOROCCO	MA	UNITED STATES	US
EQUATORIAL GUINEA	GQ	MOZAMBIQUE	MZ	UNITED STATES MINOR OUTLYING ISLANDS	UM
ERITREA	ER	MYANMAR	MM	URUGUAY	UY
ESTONIA	EE	NAMIBIA	NA	UZBEKISTAN	UZ
ETHIOPIA	ET	NAURU	NR	VANUATU	VU
FALKLAND ISLANDS (MALVINAS)	FK	NEPAL	NP	Vatican City State see HOLY SEE	
FAROE ISLANDS	FO	NETHERLANDS	NL	VENEZUELA	VE
FIJI	FJ	NETHERLANDS ANTILLES	AN	VIET NAM	VN
FINLAND	FI	NEW CALEDONIA	NC	VIRGIN ISLANDS, BRITISH	VG
FRANCE	FR	NEW ZEALAND	NZ	VIRGIN ISLANDS, U.S.	VI
FRENCH GUIANA	GF	NICARAGUA	NI	WALLIS AND FUTUNA	WF
FRENCH POLYNESIA	PF	NIGER	NE	WESTERN SAHARA	EH
FRENCH SOUTHERN TERRITORIES	TF	NIGERIA	NG	YEMEN	YE
GABON	GA	NIUE	NU	Zaire see CONGO, THE DEMOCRATIC REPUBLIC	
GAMBIA	GM	NORFOLK ISLAND	NF	OF THE	
GEORGIA	GE	NORTHERN MARIANA ISLANDS	MP	ZAMBIA	ZM
GERMANY	DE	NORWAY	NO	ZIMBABWE	ZW
GHANA	GH	OMAN	OM		

Appendix 9 (cont). Form RSK 5.43

RSK

Application under Double Taxation Conventions for a Refund of Taxes Paid

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights, or dividend payments

I Applicant

1 Applicant's name		
2 Address (Street, City, State, Postcode)		
3 Country of residence (fiscal)	4 Tax identification number	
5 E-mail address	6 Telephone number	7 Fax number
8 Icelandic identification number	9 OECD code	

II Application for refund

10 Period of payment	11 Total amount of payment ISK	12 Total amount of taxes ISK	13 Amount to be refunded ISK
14 Account No. (IBAN Code)		15 Bank ID No. (BIC No. (SWIFT No.))	
16 Name of the bank/credit institution			
17 Bank's address			18 Bank's country of residence
19 Purchaser of the service or payer of the dividend payment in Iceland			
20 Number of receipts enclosed with the application			

III Declaration and signature of the applicant

21 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially refunded the taxation of particular items for which an exemption has been applied on form 5.42. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the

Republic of Iceland and (Contracting country concerned).

The undersigned further declares the following:

- The exempted payments or income to be refunded do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention.
- The exempted payments or income to be refunded are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability.
- All information provided in this application is correct.
- The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted for the amount to be refunded.

22 Application date	23 Signature of the applicant/applicant's representative with a valid power of attorney
---------------------	---

24 The applicant requests that the Directorate of Internal Revenue send its decision:

☐ by e-mail ☐ by mail ☐ by fax

IV Confirmation of authorities

25 Confirmation of the Icelandic tax authorities ☐ Application approved ☐ Application denied Certificate No. _____ Validity period of exemption _____	Date _____ Signature and stamp of the tax authorities _____
--	---

See Directions and explanatory notes for particular boxes on backside of last duplicate

RSK 5.43 0809

Duplicate 1 - for the tax authority in the applicant's country of residence

Appendix 9 (cont). Form RSK 5.43

RSK

Application under Double Taxation Conventions for a Refund of Taxes Paid

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights, or dividend payments

I Applicant

1 Applicant's name		
2 Address (Street, City, State, Postcode)		
3 Country of residence (fiscal)	4 Tax identification number	
5 E-mail address	6 Telephone number	7 Fax number
8 Icelandic identification number	9 OECD code	

II Application for refund

10 Period of payment	11 Total amount of payment ISK	12 Total amount of taxes ISK	13 Amount to be refunded ISK
14 Account No. (IBAN Code)		15 Bank ID No. (BIC No. (SWIFT No.))	
16 Name of the bank/credit institution			
17 Bank's address			18 Bank's country of residence
19 Purchaser of the service or payer of the dividend payment in Iceland			
20 Number of receipts enclosed with the application			

III Declaration and signature of the applicant

21 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially refunded the taxation of particular items for which an exemption has been applied on form 5.42. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the
Republic of Iceland and..... (Contracting country concerned).

The undersigned further declares the following:

- The exempted payments or income to be refunded do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention.
- The exempted payments or income to be refunded are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability.
- All information provided in this application is correct.
- The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted for the amount to be refunded.

22 Application date	23 Signature of the applicant/applicant's representative with a valid power of attorney
24 The applicant requests that the Directorate of Internal Revenue send its decision: ☐ by e-mail ☐ by mail ☐ by fax	

IV Confirmation of authorities

25 Confirmation of the Icelandic tax authorities	
☐ Application approved ☐ Application denied	
Certificate No. _____ Validity period of exemption _____	
Date	Signature and stamp of the tax authorities

See Directions and explanatory notes for particular boxes on backside of last duplicate

RSK 5.43 0809

Duplicate 2 - for the applicant

Directions and explanatory notes for particular boxes

This application shall be completed by those with limited tax liability in Iceland, under paragraph 3, 6 and 7 of Article 3 of Act No. 90/2003 on income tax, to request a tax refund to which they are entitled under the provisions of a double taxation convention concluded by Iceland and the state specified in the application. A provision for refund is an approved exemption from Icelandic taxation based on double taxation conventions to be applied for separately on form 5.42, which can be printed from the Directorate of Internal Revenue's website, www.rsk.is.

Handwritten applications shall be completed in BLOCK CAPITALS.

Provision for refund

The relevant foreign tax authorities under the Double Taxation Convention shall certify the accuracy of the information provided by the applicant on the application for exemption from Icelandic taxation. The application (original and two duplicates) shall be sent to the Directorate of Internal Revenue at the following address:

**Ríkisskattstjóri
Laugavegi 166
150 Reykjavík
Iceland**

To expedite processing of the application, foreign tax authorities can send the Directorate of Internal Revenue the certified application by fax to +354 562 4440, or as a PDF document to rsk@rsk.is. The Directorate of Internal Revenue will send its decision to the applicant and the foreign tax authorities when one has been reached.

Notes on particular boxes on the form

Box 1 Enter the name of the company or the individual.

Box 2 The following (in the order given) shall be entered in this box: (1) Street name and house number, (2) City; (3) State or province (if relevant); (4) Postcode. Please ensure enough space between each item in the address.

Box 3 In the shaded section, please enter the country code for the country where the recipient of the payment has a permanent fiscal residence. The country code shall be in accordance with ISO 3166 (two letters), e.g., DK for Denmark. Country codes can be found on the Directorate of Internal Revenue's web site, www.rsk.is. In the non-shaded section, please enter the name of the country covered under the double taxation convention, specified in box 21.

Box 4 Enter here the applicant's tax identification number (TIN) assigned under the laws and regulations of the country where the applicant has a permanent fiscal residence and unlimited tax liability. If a TIN is not available, then enter the applicant's ID No. (Social Security Number or comparable) used for tax purposes by the foreign tax authorities in the applicant's country of residence.

In the shaded section, enter the letter T if a TIN is used or the letter A if a TIN is not available and another foreign ID number is used. If neither a TIN nor an ID number is used in the relevant country for tax purposes, please indicate this by entering the letter X in the shaded section.

Box 8 Please enter the applicant's Icelandic identification number if one has been assigned. However, box 4 should always be filled out, regardless of whether the applicant has an Icelandic identification number or not.

Box 9 In the shaded section of this box, please enter the relevant OECD code for the applicant's legal form as specified below.

- 01 Individual
- 02 Corporation
- 03 Partnership
- 04 Business organisation other than corporation and partnership
- 05 Government or international organisation
- 06 Other

Box 10 Enter here the period in which the withheld tax payment was paid (month and year).

Box 11 Please specify the total amount received from the Icelandic entity.

Box 12 Please specify the total tax paid in Iceland with regard to the amount entered in box 11.

Box 13 Please specify the amount of tax refund to which the applicant considers him/herself to be entitled under the double taxation convention between his country of residence and Iceland. Refund amount less cost of Icelandic tax authorities will be deposited.

Where tax withholding covers two or more periods, the total amount of payments for services rendered, other activities or property rights shall be specified as well as the total amount of tax and tax refund.

Box 14 If the applicant wishes the refund to be deposited to a bank account, please specify here the International Bank Account Number (IBAN) according to ISO standard 13616.

If the applicant does not wish for the refund to be put in a bank account, the Directorate of Customs in Reykjavik will send a cheque made out to the applicant to refund the withheld taxes. Costs incurred because of foreign exchange will be subtracted from the amount of the refund.

Box 15 Specify here the international bank number (BIC or SWIFT number).

Box 16 Please write out the full name of the applicable bank or credit institution.

Box 17 Enter here the address of the bank branch at which the respective account is located.

Box 18 In the shaded section, please enter the country code for the country where the bank is located. The country code shall be in accordance with ISO 3166 (two letters), e.g., DK for Denmark. Country codes can be found on the Directorate of Internal Revenue's web site, www.rsk.is.

In the non-shaded section, please write out the name of the country where the respective bank is located.

Box 19 Specify here the name and address of the entity in Iceland from which the payment in box 11 was received.

Box 20 Write, both in numerals and letters, the number of receipts enclosed with the application.

Receipts from the tax collectors of the Treasury shall accompany a tax refund application as confirmation of the amount of refund due, or proof shall be provided in another manner that the one paying for the taxable service, other activities or utilisation of property rights has withheld taxes. An application shall be submitted within four years after payment of taxes was made, cf. Article 4 of Act No. 29/1995 on repayment of excessive tax collections.

Box 21 The name of the relevant state with which Iceland has concluded a Double Taxation Convention relevant to this application shall be entered in this box.

Box 25 There is no need to request certification by the tax authorities in the applicant's state of residence if the Icelandic tax authorities have already issued a certificate of exemption (filed for on form 5.42), in which case the applicant shall enter the number of the certificate of exemption in the relevant box here. If an exemption has not been approved (yet), certification by the tax authorities in the applicant's state of residence must be obtained. A refund will not be made without an approved exemption.

Appendix 9 (cont). Form RSK 5.43

English country names and code elements

This list states country names in alphabetical order as given in ISO 3166-1 and the corresponding ISO 3166-1-alpha-2 code elements.

AFGHANISTAN	AF	GIBRALTAR	GI	PAKISTAN	PK
ÅLAND ISLANDS	AX	GREECE	GR	PALAU	PW
ALBANIA	AL	GREENLAND	GL	PALESTINIAN TERRITORY, OCCUPIED	PS
ALGERIA	DZ	GRENADA	GD	PANAMA	PA
AMERICAN SAMOA	AS	GUADELOUPE	GP	PAPUA NEW GUINEA	PG
ANDORRA	AD	GUAM	GU	PARAGUAY	PY
ANGOLA	AO	GUATEMALA	GT	PERU	PE
ANGUILLA	AI	GUINEA	GN	PHILIPPINES	PH
ANTARCTICA	AQ	GUINEA-BISSAU	GW	PITCAIRN	PN
ANTIGUA AND BARBUDA	AG	GUYANA	GY	POLAND	PL
ARGENTINA	AR	HAITI	HT	PORTUGAL	PT
ARMENIA	AM	HEARD ISLAND AND		PUERTO RICO	PR
ARUBA	AW	MCDONALD ISLANDS	HM	QATAR	QA
AUSTRALIA	AU	HOLY SEE (VATICAN CITY STATE)	VA	RÉUNION	RE
AUSTRIA	AT	HONDURAS	HN	ROMANIA	RO
AZERBAIJAN	AZ	HONG KONG	HK	RUSSIAN FEDERATION	RU
BAHAMAS	BS	HUNGARY	HU	RWANDA	RW
BAHRAIN	BH	ICELAND	IS	SAINT HELENA	SH
BANGLADESH	BD	INDIA	IN	SAINT KITTS AND NEVIS	KN
BARBADOS	BB	INDONESIA	ID	SAINT LUCIA	LC
BELARUS	BY	IRAN, ISLAMIC REPUBLIC OF	IR	SAINT PIERRE AND MIQUELON	PM
BELGIUM	BE	IRAQ	IQ	SAINT VINCENT AND THE GRENADINES	VC
BELIZE	BZ	IRELAND	IE	SAMOA	WS
BENIN	BJ	ISRAEL	IL	SAN MARINO	SM
BERMUDA	BM	ITALY	IT	SAO TOME AND PRINCIPE	ST
BHUTAN	BT	JAMAICA	JM	SAUDI ARABIA	SA
BOLIVIA	BO	JAPAN	JP	SENEGAL	SN
BOSNIA AND HERZEGOVINA	BA	JORDAN	JO	SERBIA AND MONTENEGRO	CS
BOTSWANA	BW	KAZAKHSTAN	KZ	SEYCHELLES	SC
BOUVET ISLAND	BV	KENYA	KE	SIERRA LEONE	SL
BRAZIL	BR	KIRIBATI	KI	SINGAPORE	SG
BRITISH INDIAN OCEAN TERRITORY	IO	KOREA,		SLOVAKIA	SK
BRUNEI DARUSSALAM	BN	DEMOCRATIC PEOPLE'S REPUBLIC OF	KP	SLOVENIA	SI
BULGARIA	BG	KOREA, REPUBLIC OF	KR	SOLOMON ISLANDS	SB
BURKINA FASO	BF	KUWAIT	KW	SOMALIA	SO
BURUNDI	BI	KYRGYZSTAN	KG	SOUTH AFRICA	ZA
CAMBODIA	KH	LAO PEOPLE'S DEMOCRATIC REPUBLIC	LA	SOUTH GEORGIA AND THE SOUTH	
CAMEROON	CM	LATVIA	LV	SANDWICH ISLANDS	GS
CANADA	CA	LEBANON	LB	SPAIN	ES
CAPE VERDE	CV	LESOTHO	LS	SRI LANKA	LK
CAYMAN ISLANDS	KY	LIBERIA	LR	SUDAN	SD
CENTRAL AFRICAN REPUBLIC	CF	LIBYAN ARAB JAMAHIRIYA	LY	SURINAME	SR
CHAD	TD	LIECHTENSTEIN	LI	SVALBARD AND JAN MAYEN	SJ
CHILE	CL	LITHUANIA	LT	SWAZILAND	SZ
CHINA	CN	LUXEMBOURG	LU	SWEDEN	SE
CHRISTMAS ISLAND	CX	MACAO	MO	SWITZERLAND	CH
COCOS (KEELING) ISLANDS	CC	MACEDONIA, THE FORMER		SYRIAN ARAB REPUBLIC	SY
COLOMBIA	CO	YUGOSLAV REPUBLIC OF		TAIWAN, PROVINCE OF CHINA	TW
COMOROS	KM	MADAGASCAR	MG	TAJIKISTAN	TJ
CONGO	CG	MALAWI	MW	TANZANIA, UNITED REPUBLIC OF	TZ
CONGO,		MALAYSIA	MY	THAILAND	TH
THE DEMOCRATIC REPUBLIC OF THE	CD	MALDIVES	MV	TIMOR-LESTE	TL
COOK ISLANDS	CK	MALI	ML	TOGO	TG
COSTA RICA	CR	MALTA	MT	TOKELAU	TK
CÔTE D'IVOIRE	CI	MARSHALL ISLANDS	MH	TONGA	TO
CROATIA	HR	MARTINIQUE	MQ	TRINIDAD AND TOBAGO	TT
CUBA	CU	MAURITANIA	MR	TUNISIA	TN
CYPRUS	CY	MAURITIUS	MU	TURKEY	TR
CZECH REPUBLIC	CZ	MAYOTTE	YT	TURKMENISTAN	TM
DENMARK	DK	MEXICO	MX	TURKS AND CAICOS ISLANDS	TC
DJIBOUTI	DJ	MICRONESIA, FEDERATED STATES OF	FM	TUVALU	TV
DOMINICA	DM	MOLDOVA, REPUBLIC OF	MD	UGANDA	UG
DOMINICAN REPUBLIC	DO	MONACO	MC	UKRAINE	UA
ECUADOR	EC	MONGOLIA	MN	UNITED ARAB EMIRATES	AE
EGYPT	EG	MONTERRAT	MS	UNITED KINGDOM	GB
EL SALVADOR	SV	MOROCCO	MA	UNITED STATES	US
EQUATORIAL GUINEA	GQ	MOZAMBIQUE	MZ	UNITED STATES MINOR OUTLYING	
ERITREA	ER	MYANMAR	MM	ISLANDS	UM
ESTONIA	EE	NAMIBIA	NA	URUGUAY	UY
ETHIOPIA	ET	NAURU	NR	UZBEKISTAN	UZ
FALKLAND ISLANDS (MALVINAS)	FK	NEPAL	NP	VANUATU	VU
FAROE ISLANDS	FO	NETHERLANDS	NL	Vatican City State see HOLY SEE	
FIJI	FJ	NETHERLANDS ANTILLES	AN	VENEZUELA	VE
FINLAND	FI	NEW CALEDONIA	NC	VIET NAM	VN
FRANCE	FR	NEW ZEALAND	NZ	VIRGIN ISLANDS, BRITISH	VG
FRENCH GUIANA	GF	NICARAGUA	NI	VIRGIN ISLANDS, U.S.	VI
FRENCH POLYNESIA	PF	NIGER	NE	WALLIS AND FUTUNA	WF
FRENCH SOUTHERN TERRITORIES	TF	NIGERIA	NG	WESTERN SAHARA	EH
GABON	GA	NIUE	NU	YEMEN	YE
GAMBIA	GM	NORFOLK ISLAND	NF	Zaire see CONGO, THE DEMOCRATIC	
GEORGIA	GE	NORTHERN MARIANA ISLANDS	MP	REPUBLIC OF THE	
GERMANY	DE	NORWAY	NO	ZAMBIA	ZM
GHANA	GH	OMAN	OM	ZIMBABWE	ZW

Appendix 10. Letter of Request to Clearstream Banking for Refund of Icelandic Withholding Tax

Clearstream Operations Prague s.r.o.
Attn: OTR - Tax Reclaim Services
Křižíkova 148/34
18600 Prague 8
Czech Republic

Date: _____

Clearstream Banking account number(s): _____ (the "Account")

Dear Sir/Madam,

We refer to the Icelandic taxable event on the following security:

Issuer of the security: _____

Security code (ISIN or Common Code): _____

The tax was applied on *(please tick one box)*:

- | | |
|--|-----------------------------------|
| ☐ an interest payment | with payment date: _____ |
| ☐ a dividend payment | with payment date: _____ |
| ☐ a redemption | with payment date: _____ |
| ☐ a sale | with trade date: _____ |
| | with transaction reference: _____ |

The securities were beneficial owned by:

Name of beneficial owner: _____

Full address of beneficial owner: _____

Tax Identification Number: _____

Quantity of securities: _____

We hereby request that Clearstream Banking forward our application to the Icelandic Tax Authorities for a refund of ISK _____ of withholding tax, to which the beneficial owner is entitled to by virtue of:

- The Double Taxation Treaty between Iceland and _____; or
- The domestic exemption for international organisations, foreign states and other official or public entities exempt from tax in their residence state.

We hereby appoint Clearstream Banking with authority to enter their payment details on the refund application form and to receive refunds from the Icelandic Tax Authorities on behalf of eligible beneficial owners.

Please credit the withholding tax refunded to the above Clearstream Banking account, with reference _____, upon receipt from the Icelandic Tax Authorities.

Appendix 10 (cont). Letter of Request to Clearstream Banking for Refund of Icelandic Withholding Tax

Yours faithfully,

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

We attach:

- Form RSK 5.42 Application under Double Taxation Conventions for an Exemption from Icelandic Taxation, if applicable;
- Form RSK 5.43 Application under Double Taxation Conventions for a Refund of Taxes Paid;
- Power of Attorney, if the reclaim form is completed by a third party on behalf of the beneficial owner;
- Credit advice.

Appendix 11. First-in First-out (FIFO) method of tax calculation

In Iceland, the First-in First-out (FIFO) method is used to calculate tax liability. The difference between tax applied at the beneficial owner level and at the account level is clarified in the following example.

Example: A Clearstream Banking customer with two clients, Beneficial Owner A and Beneficial Owner B

- On 1 February 2010, Beneficial Owner A buys 1,000 shares for a price of ISK 2,000.
- On 10 February 2010, Beneficial Owner B buys 1,000 shares for a price of ISK 2,500.
- On 20 February 2010, Beneficial Owner B sells 1,000 shares for a price of ISK 3,000.
- On 1 March 2010, Beneficial Owner A sells 1,000 shares for a price of ISK 3,500.

Tax calculated at the account level

If tax is calculated at the account level, the first shares that entered the account will be sold first. When Beneficial Owner B sells his shares, he will be taxed on the difference between the sale price and the purchase price of the first securities that were purchased on the account:

$$\text{ISK } 3,000 - \text{ISK } 2,000 = \text{ISK } 1,000$$

18% tax is applied.

Beneficial Owner B pays **ISK 180**.

Beneficial Owner A will effectively be selling the shares that were bought by Beneficial Owner B since Beneficial Owner A's shares have already been sold. Beneficial Owner A will be taxed on the difference between the sale price and the purchase price of the remaining shares on the account:

$$\text{ISK } 3,500 - \text{ISK } 2,500 = \text{ISK } 1,000$$

18% tax is applied.

Beneficial Owner A pays **ISK 180**.

Tax calculated at the beneficial owner level

If the Beneficial Owners are identified, tax will be calculated more fairly.

Beneficial Owner B will be taxed on the difference between the sale price and his own purchase price:

$$\text{ISK } 3,000 - \text{ISK } 2,500 = \text{ISK } 500$$

18% tax is applied.

Beneficial Owner B pays **ISK 90**.

Beneficial Owner A will be taxed on the difference between the sale price and his own purchase price:

$$\text{ISK } 3,500 - \text{ISK } 2,000 = \text{ISK } 1,500$$

18% tax is applied.

Beneficial Owner A pays **ISK 270**.

Conclusion

If tax is calculated at the account level, some underlying clients will benefit from the calculation and other clients will be unfairly taxed.

It is therefore in the interest of all parties that the beneficial owners are identified in the purchase instruction.

Islande : nouvelle procédure de retenue d'impôt

À partir du

1er février 2010,

les nouvelles procédures fiscales d'exonération à la source et de remboursement classique s'appliqueront au sein de Clearstream Banking pour les titres islandais.

Les nouvelles procédures suivent l'introduction, le 1er septembre 2009, d'une exonération fiscale sur les titres de créances islandais pour les bénéficiaires effectifs non résidents et le transfert de portefeuille au dépositaire central de titres islandais, ainsi que la possibilité de dénouer les actions islandaises en Clearstream Banking à compter du 1er février 2010.

Rappel historique

Le 20 juillet 2009, le Parlement islandais a approuvé la législation qui a introduit une retenue d'impôt à la source pour tous les bénéficiaires effectifs non résidents investissant dans des titres islandais. Cet impôt s'applique à tous les titres nationaux¹ et à tous les types de revenus (désignés ci-après par "événements imposables") :

- Les paiements d'intérêts (y compris les intérêts accrus) ;
- Les remboursements ;
- Les dividendes et
- Les plus-values réalisées sur la vente de titres.

Remarque : Tous les gains réalisés sur des titres de créances sont fiscalement considérés comme des paiements d'intérêts.

Taux de retenue fiscale standard à partir du 1er janvier 2010

Depuis la mise en application de la nouvelle loi le 1er septembre 2009², les taux de retenue fiscale standard ont été (dans la plupart des cas) augmentés au 1er janvier 2010, de la façon suivante :

Bénéficiaires effectifs éligibles	Paiements des intérêts		Paiements des dividendes		Plus-values	
	A partir du 1er septembre 2009	A partir du 1er janvier 2010	A partir du 1er septembre 2009	A partir du 1er janvier 2010	A partir du 1er septembre 2009	A partir du 1er janvier 2010
Individus étrangers	15 %	18 %	15 %	18 %	15 %	18 %
Entités étrangères	15 % ^a	15 %	10 %	15 %	10 %	15 %
Sociétés en commandites étrangères	23,5 % ^b	NA	NA	NA	NA	NA
Individus résidents	15 %	18 %	15 %	18 %	0 % ^c	0 % ^c
Entités résidentes ^d	15 %	18 %	15 %	18 %	0 %	0 %

a. Ce taux s'applique à toutes les entités étrangères à l'exception des sociétés en commandite étrangères (OECD code 03).

b. Depuis le 1er janvier 2010, les sociétés en commandite étrangères (OECD code 03) sont imposées au même taux que les autres entités étrangères.

c. Ces taux sont de 15 % et 18 % si l'individu résident remplit une déclaration d'impôt. Cette imposition supplémentaire n'est pas appliquée par Clearstream Banking.

d. Tous les taux sont de 23,5 % et 32,7 % si le bénéficiaire effectif est une société en commandite résidente et remplit une déclaration d'impôt. Cette imposition supplémentaire n'est pas appliquée par Clearstream Banking.

1. Les titres de créances émis par la banque centrale au nom de la banque centrale ne sont pas imposables.

2. À partir du 1er juillet 2009 pour les bénéficiaires effectifs résidents et du 1er septembre 2009 pour les bénéficiaires effectifs non résidents.

En l'absence d'attestation prouvant qu'un bénéficiaire effectif a droit à un taux d'imposition réduit à la source, le taux standard de retenue à la source de 18 % s'appliquera à tous les événements imposables.

L'exonération à la source est disponible pour les retenues sur les paiements d'intérêts et tous les gains réalisés sur la vente de titres islandais (voir "[Exonération à la source](#)" ci-dessous).

Processus d'enregistrement préalable

Afin de garantir le calcul exact de l'impôt sur les plus-values, nous vous prions de nous fournir certaines informations. Comme détaillé dans l'annonce A10013 datée du 22 janvier 2010, les informations suivantes doivent être mentionnées dans l'instruction de règlement :

- Le numéro d'identification fiscale du bénéficiaire effectif et
- Le prix de négociation (prix coupons hors intérêts et prix coupons avec intérêts¹ pour les titres de créances).

Prière de se reporter à l'[annonce A10013](#) pour le formatage de l'instruction de règlement.

Si les bénéficiaires effectifs ne sont pas identifiés lors de la vente ou du remboursement des titres, l'impôt sera calculé et appliqué au niveau du compte. Si le prix de négociation (ou le prix coupons avec et sans intérêts¹) n'est pas indiqué, le cours de clôture du jour qui précède la date de négociation (ou, s'il n'est pas disponible, le dernier cours disponible avant la date de négociation - source : Nasdaq OMX) sera utilisé pour le calcul.

Remarque : En Islande, on utilise la méthode premier entré/premier sorti. Pour une explication et une illustration de la façon dont l'impôt diffère selon qu'il est calculé au niveau du compte ou au niveau du bénéficiaire effectif, reportez-vous à l'[Annexe 11](#), à la page 30.

Pour connaître le mode de calcul de l'impôt sur les remboursements et la vente de titres de créances et d'actions, prière de se reporter à l'[Annexe 2](#), à la page 7.

Note : La devise utilisée pour le calcul des débits d'impôts est la couronne islandaise (ISK), quelle que soit la monnaie utilisée pour les transactions. Dans le cas de transactions effectuées dans une devise autre que la couronne islandaise (ISK), le taux de change officiel sur le marché boursier, à la date d'exécution de la transaction, sera utilisé pour calculer le montant de l'impôt qui sera débité de votre compte peu après la date de règlement.

Lors de toute nouvelle transaction

Avant que des titres islandais ne nous soient livrés, vous êtes prié(e) d'identifier au préalable les bénéficiaires effectifs. Dès lors, avant que les transactions sur titres islandais n'aient lieu, nos clients devront certifier leur compte et enregistrer leurs bénéficiaires effectifs auprès de nos services en remplissant les documents suivants :

- Attestation unique pour les titres islandais (voir l'[Annexe 3](#), à la page 11) et
- Enregistrement des informations du bénéficiaire effectif pour les services fiscaux islandais (voir l'[Annexe 4](#), à la page 13).

Remarque : Si un numéro d'identification fiscale existe, prière de l'utiliser. Sinon, veuillez inscrire le numéro d'identification fiscale du bénéficiaire effectif ou son numéro de sécurité sociale.

Lors du règlement de titres par un client dans ses propres livres

Si des titres islandais détenus sur votre compte sont transférés d'un bénéficiaire effectif à un autre sans qu'une instruction de règlement ne nous soit adressée, vous êtes prié(e) de nous transmettre, à la date effective de règlement du transfert, les documents suivants :

- Rapport de transferts internes de propriété bénéficiaire (voir l'[Annexe 6](#), à la page 16).

1. Le prix coupons hors intérêts est le prix d'un titre de créance hors intérêts accrus. Le prix coupons hors intérêts représente la valeur actualisée des futurs flux de trésorerie, sans les intérêts accrus pour la prochaine date de paiement des coupons. Le prix coupons avec intérêts est le prix d'une obligation à coupons comprenant la valeur courante de tous les futurs flux de trésorerie, y compris les intérêts accrus pour la prochaine date de paiement des coupons (source : www.investopedia.com).

Clients avec un portefeuille courant

Les clients détenant actuellement un portefeuille de titres islandais devront, **avant le 22 février 2010** :

- enregistrer tous les bénéficiaires effectifs (avec l'attestation susmentionnée) et
- nous faire parvenir un message SWIFT MT599, à l'attention de notre Service fiscal, indiquant tous les titres islandais détenus dans votre portefeuille. Indiquez le bénéficiaire effectif et les détails de la transaction (ex. prix de négociation (prix coupons avec et sans intérêts pour les titres de créances¹), la date de négociation et la référence de la transaction).

Si cet enregistrement est effectuée après le 22 février 2010 mais avant la vente ou le remboursement des titres, l'impôt sera calculé et appliqué au niveau du bénéficiaire effectif. Si le bénéficiaire effectif a droit à une réduction d'impôt du fait d'une convention de double imposition (CDI) et fournit l'attestation correspondante avant la date limite, cette réduction sera appliquée à la source (voir "[Exonération à la source](#)" ci-dessous).

Exonération à la source

Le bénéficiaire effectif peut bénéficier d'un taux d'imposition réduit pour tout ou partie des événements imposables. L'Islande a signé plusieurs CDI donnant lieu à une exonération fiscale partielle ou totale. Ces CDI et les taux respectifs pour les intérêts, dividendes et plus-values sont indiqués dans l'[Annexe 1](#), à la page 6.

Vous pouvez obtenir, par notre intermédiaire, une exonération à la source sur les paiements d'intérêts et/ou de remboursements, et sur toutes les plus-values réalisées sur la vente de titres islandais nationaux. Les dividendes ne font l'objet d'aucune exonération à la source.

Documents requis

Les documents suivants devront nous être envoyés avant les dates limites respectives (détaillées dans "[Date limite de réception des documents](#)" ci-dessous), pour tous les événements imposables, à l'exception des règlements de dividendes :

- Attestation unique pour les titres islandais (voir l'[Annexe 3](#), à la page 11) si non fournie au préalable ;
- Enregistrement des informations du bénéficiaire effectif pour les services fiscaux islandais (voir l'[Annexe 4](#), à la page 13), si non fourni au préalable ;
- Rapport de propriété bénéficiaire du coupon ou du remboursement (voir l'[Annexe 5](#), à la page 15), dans le cas d'un paiement d'intérêts ou d'un remboursement, à comparer aux informations reçues avec l'instruction de règlement initiale et
- L'un des documents suivants, si approprié :
 - Certificat de résidence (voir l'[Annexe 7](#), à la page 17), émis par les services fiscaux locaux du bénéficiaire effectif¹ ou
 - Dans le cas d'une organisation internationale, une lettre des Services fiscaux islandais confirmant le statut d'exonération de cette entité ou
 - Dans le cas de gouvernements étrangers ou d'administrations publiques ou officielles étrangères revendiquant l'exonération de fiscalité islandaise, une attestation des services fiscaux respectifs confirmant que le bénéficiaire effectif est exonéré d'impôt dans son pays de résidence.

Remarque : Le Certificat de résidence doit mentionner que le bénéficiaire effectif est considéré comme résident au titre de la CDI entre son pays de résidence et l'Islande. Le Certificat de résidence sera enregistré dans notre système et restera valide durant cinq ans. Si, durant cette période, le bénéficiaire effectif change de lieu de résidence, le Certificat de résidence devra être modifié en conséquence.

1. Les bénéficiaires effectifs résidents aux Etats-Unis devront fournir un Formulaire de revenu interne 6166 au lieu d'un Certificat de résidence.

Date limite de réception des documents

Les dates limites de réception des documents requis varient en fonction des événements imposables :

Événements imposables	Date limite de réception des documents par Clearstream Banking
Paiements des intérêts	Date de paiement -2 at 10h00 HCE
Remboursement	Date de remboursement -2 at 10h00 HCE
Vente de titres	A la date de la vente

Toute attestation originale reçue après les dates limites indiquées ci-dessus ne pourra être utilisée pour réduire le montant de l'impôt ; dans ce cas, vous devrez émettre une demande de remboursement classique, comme indiqué ci-dessous.

Remboursement classique

Les bénéficiaires effectifs ayant le droit de recevoir des paiements islandais à un taux d'imposition réduit, mais dont les documents leur donnant droit à l'exonération à la source ne nous ont pas été transmis avant la date limite, pourront émettre une demande de remboursement classique.

Pour bénéficier d'un remboursement classique, nos clients devront nous faire parvenir les documents suivants :

- Formulaire RSK 5.42, Demande d'exonération de fiscalité islandaise au titre d'une Convention de double imposition, disponible sur le site Web des Services fiscaux islandais :

www.rsk.is/ws/cm/file/rsk_0542.en.pdf

Pour garantir notre intégration à ce processus, veuillez saisir notre adresse électronique (IcelandicTaxation@clearstream.com) dans le champ 7 et cliquer sur "e-mail" dans le champ 19. Nous serons ainsi notifiés de l'acceptation du taux de la convention et nous vous en informerons en conséquence.

Un exemplaire de ce formulaire est présent dans l'[Annexe 8](#), à la page 18 à titre indicatif. Si le remboursement est accordé, le Formulaire RSK 5.42 est valide durant cinq ans ; durant cette période, il ne sera nécessaire de l'inclure dans aucune autre réclamation.

- Formulaire RSK 5.43, Demande de remboursement d'impôts payés au titre d'une Convention de double imposition, disponible sur le site Web des Services fiscaux islandais :

www.rsk.is/ws/cm/file/rsk_0543.en.pdf

Pour garantir notre intégration à ce processus, veuillez saisir notre adresse électronique (IcelandicTaxation@clearstream.com) dans le champ 5 et cliquer sur "e-mail" dans le champ 24. Nous serons ainsi notifiés de l'acceptation de la demande de remboursement et nous vous en informerons en conséquence.

De plus, veuillez laisser en blanc les détails des paiements, dans les champs 14 à 18. Nous y saisisons nos coordonnées de façon à ce que le règlement vous parvienne par notre intermédiaire (comme cela se produit habituellement sur les autres marchés)

Un exemplaire de ce formulaire est présent dans l'[Annexe 9](#), à la page 23 à titre indicatif.

- Procuration, si les formulaires de réclamation sont complétés par un tiers au nom du bénéficiaire effectif.
- Avis de crédit
- Lettre de requête à Clearstream Banking en vue du remboursement de la retenue d'impôt par les services fiscaux islandais (voir l'[Annexe 10](#), à la page 28).

Date limite statutaire

La date limite statutaire pour le remboursement de la retenue d'impôt est de quatre ans après la date de retenue dudit impôt.

La date limite à laquelle Clearstream Banking doit recevoir les documents se situe au moins deux mois avant la date limite statutaire. Toute demande de remboursement classique reçue après cette date limite sera traitée par Clearstream Banking au mieux de ses possibilités. Toutefois, dans ce cas, Clearstream Banking appliquera des frais supplémentaires et ne pourra être tenue pour responsable de formulaires n'étant pas parvenus aux services fiscaux islandais à la date considérée comme étant la date limite statutaire.

Toute demande de remboursement d'impôts sur des paiements effectués entre le 1er septembre 2009 et le 1er février 2010 sera envoyée aux services fiscaux islandais, mais nous ne pouvons garantir l'acceptation de la demande.

Informations supplémentaires

Pour plus d'informations, contactez le Bureau d'assistance fiscale de Clearstream Banking :

	Luxembourg	Francfort
Adresse électronique :	tax@clearstream.com	tax@clearstream.com
Téléphone :	+352-243-32835	+49-(0) 69-2 11-1 3821
Télécopie :	+352-243-632835	+49-(0) 69-2 11-61 3821

le Service clientèle de Clearstream Banking ou votre Chargé de relations.

Pour plus d'informations générales concernant nos produits et services, nous vous invitons à consulter le site www.clearstream.com.

En tant que client inscrit, [abonnez-vous](#) à notre service gratuit d'alertes par courrier électronique pour recevoir des communiqués immédiats, quotidiens et/ou hebdomadaires vous avisant des dernières publications disponibles sur notre site Web. Vous pouvez vous désabonner à tout moment ; votre adresse électronique restera strictement confidentielle.

Annexes

- [Annexe 1.](#) [Double Taxation Treaties concluded by Iceland and currently in force](#) ci-dessous
- [Annexe 2.](#) [Tax calculations](#) à la page 7
- [Annexe 3.](#) [One-Time Certificate for Icelandic Securities](#) à la page 11
- [Annexe 4.](#) [Registration of Beneficial Owner Information for Icelandic Tax Purposes](#) à la page 13
- [Annexe 5.](#) [Report of Beneficial Ownership for Coupon or Redemption](#) à la page 15
- [Annexe 6.](#) [Report of Internal Transfers of Beneficial Ownership](#) à la page 16
- [Appendix 7.](#) [Certificate of Residence - Example](#) à la page 17
- [Annexe 8.](#) [Form RSK 5.42](#) à la page 18
- [Annexe 9.](#) [Form RSK 5.43](#) à la page 23
- [Annexe 10.](#) [Letter of Request to Clearstream Banking for Refund of Icelandic Withholding Tax](#) à la page 28
- [Annexe 11.](#) [First-in First-out \(FIFO\) method of tax calculation](#) à la page 30

Annexe 1. Double Taxation Treaties concluded by Iceland and currently in force

Clearstream Banking provides these rates for information purposes only and does not guarantee that this information is correct, complete and accurate. Clearstream Banking does not assume liability for any damages, direct or indirect, that may arise from the reliance on or the use of this information.

Country	Rate prescribed by the DTT – Interest (%)	Rate prescribed by the DTT – Dividends (%)	Country	Rate prescribed by the DTT – Interest (%)	Rate prescribed by the DTT – Dividends (%)
The standard rate of withholding tax on interest, dividend or capital gains income is 18% before any relief.					
Belgium	10	15	Luxembourg	0	15
Canada	10	15	Malta	0	15
China	10	10	Mexico	10	15
Czech Republic	0	15	Netherlands	0	15
Denmark	0	15	Norway	0	15
Estonia	10	15	Poland	10	15
Faroe Islands	0	15	Portugal	10	15
Finland	0	15	Romania	3	10
France	0	15	Russia	0	15
Germany	0	15	Slovak Republic	0	10
Greece	8	15	South Korea	10	15
Greenland	0	15	Spain	5	15
Hungary	0	10	Sweden	0	15
India	10	10	Switzerland	0	15
Ireland	0	15	Ukraine	10	15
Italy	0	15	United Kingdom	0	15
Latvia	10	15	United States of America	0	15
Lithuania	10	15	Vietnam	10	15

Annexe 2. Tax calculations

Debt securities

The main rules in calculating tax are as follows:

- The tax is calculated on a trade-by-trade basis.
- The calculation is based on the actual trading prices.
- The First-In First-Out (FIFO) method applies.
- Gains from the sale of a bond are considered as interest.
- Gains from the sale of shares are capital gains.
- There is no offset of losses against gains.

The methodology

In the example below, a number of purchases are listed on the left hand side; on the right there are three sales, a coupon payment and the final redemption.

						Sales / Coupons / Redemptions					
							1	2	Coupon	3	Redemption
						Trano					
						Inx Type					
						Date	22/09/2009	26/09/2009	01/10/2009	05/10/2009	15/12/2009
						Clean Price	97.600000	97.670000		97.900000	100.000000
						Dirty Price	97.860000	98.878330		97.955560	101.041670
Date	Accrual Start date	Clean Price	Dirty Price	Qty	Remaining holding	Qty	50,000.00	1,100,000.00	1,835,000.00	750,000.00	1,610,000.00
15/08/2009	15/08/2009	97.000000	97.860000	1,000,000.00	0.00		50,000.00	950,000.00			
21/09/2009	21/09/2009	97.500000	98.640000	500,000.00	0.00			150,000.00	350,000.00		
25/09/2009	25/09/2009	97.650000	98.870000	250,000.00	0.00				250,000.00		
30/09/2009	30/09/2009	97.770000	98.900000	1,235,000.00	0.00				1,235,000.00		
21/09/2009	01/10/2009	97.500000		350,000.00	0.00					350,000.00	
25/09/2009	01/10/2009	97.650000		250,000.00	0.00					250,000.00	
30/09/2009	01/10/2009	97.770000		1,235,000.00	0.00					150,000.00	1,085,000.00
22/10/2009	22/10/2009	98.020000	98.310000	525,000.00	0.00						525,000.00
					0.00						
Trade allocation qty:						0.00	0.00	0.00	0.00	0.00	0.00

All purchases are registered with the trade date and the clean and dirty purchase prices (the dirty purchase price includes the accrued interest).

On 15 August 2009, the beneficial owner bought a quantity of 1,000,000. He paid the dirty price of 97.86%.

Interest accrues every day. If a sale takes place between two coupon payments, the seller is entitled to receive the interest accrued from the last coupon payment to the sale of the securities. This accrued interest is added to the clean price of the bond and gives the dirty price. As in the example above, the closer to the next coupon payment the trade takes place, the higher the dirty price becomes (because more interest has been accrued).

On 21 September 2009, the beneficial owner purchases another 500,000 for a dirty price of 98.64%.

A day later, the beneficial owner sells a nominal of 50,000 for a dirty price of 97.86%. According to the FIFO method (see [Annexe 11](#), à la page 30), the first securities to be sold are those that entered the account first, that is, those that were purchased on 15 August 2009. The clean and dirty prices are compared and tax is calculated accordingly. The formula is further described below.

The beneficial owner buys additional bonds on 25 September 2009 and sells a nominal of 1,100,000 on 26 September 2009, leaving 950,000 remaining from his first purchase. The remaining position of 150,000 is taken from his second purchase. The actual clean and dirty prices of these two purchases are compared with the clean and dirty price of the sale.

On the coupon payment date, the beneficial owner has a total holding of 1,835,000. This holding comes from different purchases with different purchase dates and different clean and dirty prices.

The tax applied on the coupon will take into account the number of days that the beneficial owner has had the securities in the portfolio. The holding is therefore split between the different purchases and the corresponding accrued interest between the respective purchase dates and the coupon date; the tax is calculated accordingly.

After the coupon payment, the dirty price of the actual purchase is no longer applicable. Instead, the clean price is considered in any further tax calculations because the beneficial owner will have paid the tax on the interest accrued from the purchase to the coupon on the coupon date. On the coupon date, the clean price equals the dirty price. The new interest accrual starts on the coupon date.

After the coupon payment, the beneficial owner sells a nominal of 750,000. For the tax calculation, only the clean purchase price is considered (not the dirty price) as the interest accrued between the purchase date and the previous coupon payment have been taxed already (at the coupon payment date).

On the redemption, the same methodology is employed as for sales with a clean price at 100%.

The actual tax calculation

In this table, the actual tax calculation is demonstrated. The indexation ratio and the total interest periods 1-3 are discussed under the change of tax rates below. The trades are those reviewed under the methodology above.

Tax computation																	
Trade	Qty	Purchase date	Sale date	Accrual start date	Accrual end date	Indexation ratio on purchase date	Indexation ratio on sale date	Purchase clean price	Purchase dirty price	Sale clean price	Sale dirty price	Capital Gain	Accrued interest	Total interest period 1	Total interest period 2	Total interest period 3	Tax*
1	50,000.00	15/08/2009	22/09/2009	15/08/2009	22/09/2009	100.00%	100.00%	97.000000	97.860000	97.600000	98.752780	0.600000	0.292780	199.70	246.69	0.00	37.00
2	950,000.00	15/08/2009	26/09/2009	15/08/2009	26/09/2009	100.00%	100.00%	97.000000	97.860000	97.670000	98.878330	0.670000	0.348330	3,915.72	5,758.41	0.00	863.76
	150,000.00	21/09/2009	26/09/2009	21/09/2009	26/09/2009	100.00%	100.00%	97.500000	98.640000	97.670000	98.878330	0.170000	0.068330	0.00	357.50	0.00	53.62
Coupon	350,000.00	21/09/2009	01/10/2009	21/09/2009	01/10/2009	100.00%	100.00%					0.000000	0.138990	0.00	486.12	0.00	72.92
	250,000.00	25/09/2009	01/10/2009	25/09/2009	01/10/2009	100.00%	100.00%					0.000000	0.083330	0.00	208.33	0.00	31.25
	1,235,000.00	30/09/2009	01/10/2009	30/09/2009	01/10/2009	100.00%	100.00%					0.000000	0.013890	0.00	171.54	0.00	25.73
	350,000.00	21/09/2009	05/10/2009	01/10/2009	05/10/2009	100.00%	100.00%	97.500000	97.500000	97.900000	97.955560	0.400000	0.055560	0.00	1,594.46	0.00	239.17
3	250,000.00	25/09/2009	05/10/2009	01/10/2009	05/10/2009	100.00%	100.00%	97.650000	97.650000	97.900000	97.955560	0.250000	0.055560	0.00	763.90	0.00	114.59
	150,000.00	30/09/2009	05/10/2009	01/10/2009	05/10/2009	100.00%	100.00%	97.770000	97.770000	97.900000	97.955560	0.130000	0.055560	0.00	278.34	0.00	41.75
Redemption	1,085,000.00	30/09/2009	15/12/2009	01/10/2009	15/12/2009	100.00%	100.00%	97.770000	97.770000	100.000000	102.739700	2.230000	2.739700	0.00	53,921.25	0.00	8,088.19
	525,000.00	22/10/2009	15/12/2009	01/10/2009	15/12/2009	100.00%	100.00%	98.020000	98.310000	100.000000	102.739700	1.980000	2.449700	0.00	23,255.93	0.00	
																Total tax:	13,056.37

The tax is applied on the sale, coupon and redemption and the following formulae are used:

Sale transaction

Discount (Capital gain interest) = Clean sale price - Clean purchase price

Accrued interest = Dirty sale price - Dirty purchase price - Discount

Tax on discount = (discount * trade quantity / 100) * tax rate

Tax on accrued interest = (accrued interest * trade quantity / 100) * tax rate

Example:

On the first sale (on 22 September 2009), the beneficial owner sold a nominal of 50,000. The purchase took place on 15 August 2009 for a dirty purchase price of 97.86%. The clean purchase price was 97.00%. The dirty sales price was 98.752780% and the clean sales price was 97.60%.

Discount (Capital gain interest) = Clean sales price - Clean purchase price:

$$= 97.60\% - 97.00\% = \mathbf{0.60\%}$$

Accrued interest = Dirty sales price - Dirty purchase price - Discount:

$$= 98.752780\% - 97.86 - 0.60\% = \mathbf{0.29278\%}$$

The tax on discount and on accrued interest will also take into account the rates applicable at the time. A non-resident was not subject to any tax on accrued interest until 1 September 2009. The interest accrued between the purchase date (15 August 2009) and the 1 September 2009 is therefore not included in the tax calculations. This is further discussed below.

Coupon payment

Accrued interest = (coupon date - purchase date) / DCF¹ * 100 * Interest rate * trade quantity
Tax on accrued interest = accrued interest * tax rate

Example:

The holding is split according to the purchase dates of the securities in the portfolio. To calculate the tax on the first part of the holding (for the nominal of 350,000), you calculate how many days there are between the purchase date and the coupon date. In this case, the purchase date was on 21 September 2009 and the coupon was paid on 1 October 2009: 10 days. The DCF used in the example was ACT/ACT and the interest rate of the bond was 5%.

Redemption

Discount (Capital gain interest) = 100 - Clean purchase price
Tax on discount = (discount * trade quantity / 100) * tax rate

Example:

Discount (Capital gain interest) = 100 - Clean purchase price:

$$100\% - 97.77\% = \mathbf{2.23\%}$$

The accrued interest (that is, the difference between the dirty sale price and the clean sale price - 2.7397%) is added to the tax base. This represents the interest accrued either from the last coupon payment and the redemption date (in the first case) or the interest accrued from the purchase date and the redemption (in the second case).

The change of tax rates

For taxable transactions with a purchase date before 1 January 2010, the interest and discount must be allocated pro-rata temporis for the period of holding of each of the below periods and the tax rates must be applied according to the successive laws:

- Period 1: before 1 September 2009²- Tax rate: 0%
- Period 2: between 1 September 2009 and 1 January 2010- Tax rate: 15%
- Period 3: as of 1 January 2010- Tax rate: 18%

At the end of the table in the tax calculation above, three columns showed Periods 1 to 3:

Total interest period 1	Total interest period 2	Total interest period 3
199.70	246.69	0.00
3,915.72	5,758.41	0.00
0.00	357.50	0.00
0.00	486.12	0.00
0.00	208.33	0.00
0.00	171.54	0.00
0.00	1,594.46	0.00
0.00	763.90	0.00
0.00	278.34	0.00
0.00	35,497.62	0.00
0.00	14,341.27	0.00

As shown above, for the first sale, the beneficial owner had realised a gain of 0.60% and had received accrued interest of 0.29278%, yielding a Total tax base of **0.89278%**.

1. DCF = Day Count Fraction (that is, 30/360, Actual/365 etc.).

2. Resident investors were subject to tax before 1 September 2009 but, as there was a holding restriction preventing Icelandic resident investors from holding debt securities with Clearstream Banking, the resident rate before 1 September 2009 is not applicable.

The purchase took place on 15 August 2009 and the sale was made on 22 September 2009, meaning that the beneficial owner held the securities for 38 days: 17 days during period 1 (0% tax) and 21 days during period 2 (15% tax).

To calculate the capital gains and accrued interest under the different periods:

Total tax base * number of days in the period / total number of days held * quantity / 100

In period 1 (0% tax):

$$0.89278 * 17 / 38 * 50,000 / 100 = 199.70$$

No tax is applied.

In period 2 (15% tax):

$$0.89278 * 21 / 38 * 50,000 / 100 = 246.67$$

15% tax is applied:

$$246.67 * 15 / 100 = \text{ISK } 37$$

This amount is mentioned in the last column of the actual tax calculation table above.

Indexation notes

Some notes are so-called index linked bonds. The indexation ratios must be computed on the purchase date and on the sales date. For more information on how the indexation affects the bonds and an example of indexation computation, please refer to:

http://www.lanasysla.is/assets/nyrlanasysla/2005_4_12_formulaens.pdf

Equities

Sale transaction

The same computation applies as for the discount on debt securities, except that the trade price is used instead of the clean price and dirty price.

Dividend payment

The full dividend distribution is taxed at the standard withholding tax rate.

Annexe 3. One-Time Certificate for Icelandic Securities

Clearstream Banking
Attn: OTL -Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Date: _____

Clearstream Banking account number(s): _____ (the "Account")

The undersigned customer of Clearstream Banking may hold from time to time in its Account securities issued by entities organised under the laws of the Republic of Iceland (the "Securities").

Certification for Icelandic Tax Purposes

We hereby certify that:

- We will register all beneficial owners holding Securities on our Account by submitting a "Registration of Beneficial Owner Information for Icelandic Tax Purposes" per beneficial owner. The Tax Identification Number mentioned on the registration form will be included in all receipt instructions as well as the trade price (or the clean and dirty price in the case of debt securities).

OR

- We understand that tax will be calculated at the account level. No relief at source will be available to the beneficial owner.

We acknowledge that the currency of all tax debits will be in Icelandic Krona (ISK), regardless of the currency of the trade. In the case of non-ISK transactions, the exchange rate of the trade execution date will be used to calculate the tax amount.

In the event that the beneficial owner(s) is (are) entitled to a reduced tax rate at source, and provided that we have included the beneficial owner's Tax Identification Number in the settlement instruction, we will provide Clearstream Banking with a Certificate of Residence before the Clearstream Banking certification deadline.

We agree irrevocably that we shall indemnify Clearstream Banking for any loss, claim, liability or expense including penalties, tax and interest thereon (and reasonable expenses of counsel) incurred by Clearstream Banking as a result of having relied on this "One-Time Certification for Icelandic Securities" and Clearstream Banking may charge our account or otherwise reclaim from us and we will pay Clearstream Banking on demand the amount of such charge or loss and any other expenses incurred by Clearstream Banking in pursuing its claim.

We hereby appoint Clearstream Banking with authority to collect and forward this certificate and any information or documents related hereto to the Icelandic authorities or other persons, to the extent required by Icelandic law or regulations.

We hereby certify that the above information is true, correct and complete and that we are authorised representatives of the Clearstream Banking customer named below.

For and on behalf of:

Name of Clearstream Banking customer: _____

Address: _____

Appendix 3 (cont). One-Time Certificate for Icelandic Securities

By (authorised signature/s):

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Annexe 4. Registration of Beneficial Owner Information for Icelandic Tax Purposes

Clearstream Banking
Attn: OTL -Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Date: _____

Clearstream Banking account number(s): _____ (the "Account")

We herewith request Clearstream Banking to register the following beneficial owner on our Account:

Name: _____

Address (Street): _____

State or Province: _____

Post Code and City: _____

Country of residence (fiscal): _____

Tax Identification Number (TIN): _____, which is *(please tick **one** box)*:

- | | | |
|--|------------------------------------|---|
| ☐ Icelandic TIN | ☐ Local TIN | ☐ Social Security Number |
| ☐ Other <i>(please specify)</i> | | |

OECD code *(please tick **one** box)*:

- | | |
|---|--|
| ☐ 01 -Individual | ☐ 04 - Business organisation other than corporation and partnership |
| ☐ 02 - Corporation | ☐ 05 - Government or international organisation |
| ☐ 03 - Partnership | ☐ 06 - Other ☐ 07 - Unknown |

We herewith confirm that the beneficial owner's Tax Identification Number will be included in the settlement instructions together with the clean and dirty price (for debt securities) and the trade price (for equities).

If the beneficial owner is eligible for a reduced Double Taxation Treaty rate, we acknowledge that Clearstream Banking must receive, at the latest two business days before the first income payment date, sale or redemption:

- An original Certificate of Residence issued by the beneficial owner's tax authority;
- In the case of a foreign state or other official or public entity claiming an exemption from Icelandic tax, a letter from the local tax authorities confirming that the beneficial owner is exempt from tax in its country of residence; or
- In the case of international organisations, a letter from the Icelandic tax authorities, confirming the exempt status of the entity.

The Certificate of Residence must be renewed every five years, unless the beneficial owner's circumstances change.

Appendix 4 (cont). Registration of Beneficial Owner Information for Icelandic Tax Purposes

For and on behalf of:

Name of Clearstream Banking customer: _____

Address: _____

Contact telephone or email address in case of queries: _____

By (authorised signature/s):

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Annexe 5. Report of Beneficial Ownership for Coupon or Redemption

(This document must be sent by any authenticated means of communication or original mail.)

To: Clearstream Banking
Attn: OTL - Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Date: _____

Account: _____

We hereby certify that the breakdown per beneficial owner of the total holding of the security indicated below on our account indicated above as of record date was the following:

Security ISIN/Common code:	
Record Date of Income Payment:	
Beneficial Owner's Tax Identification Number	Nominal Value of Securities beneficially owned as of Record Date
Total	

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Annexe 6. Report of Internal Transfers of Beneficial Ownership

(This document must be sent by any authenticated means of communication or original mail.)

To: Clearstream Banking
Attn: OTL - Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Date: _____

Account: _____

We hereby certify that all the transfers of Icelandic securities held in the exempt omnibus account indicated above from one beneficial owner to another that settled on the date(s) indicated below without settlement instructions being forwarded to Clearstream Banking were the following:

Security ISIN/ Common code	Nominal value of securities	Effective settlement date	Deliverer's Tax Identification Number	Receiver's Tax Identification Number	Equities:	Debt securities:	
					Trade Price	Clean Price	Dirty Price

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Appendix 7. Certificate of Residence - Example

(Letterhead of the beneficial owner's tax authorities)

Date: _____

Attention: _____

Dear Sir/Madam,

We confirm that _____, Tax ID number _____ is resident in _____ for the purpose of the Double Taxation Treaty between Iceland and _____ and that, to the best of our knowledge and information, the above information is correct.

Accordingly, _____ qualifies for benefit from the Double Taxation Treaty between Iceland and _____.

Yours faithfully,

Tax authorities date and stamp

Annexe 8. Form RSK 5.42

RSK

Application under Double Taxation Conventions for an Exemption from Icelandic Taxation

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights or interests, sales profits /capital gains or dividend payments

I Applicant

1 Applicant's name / beneficial owner		
2 Address (Street)		
3 State or province	4 Postcode - postoffice/city	
5 Country of residence (fiscal)	6 Tax identification number	
7 E-mail address	8 Telephone number	9 Fax number
10 Icelandic identification number	11 OECD code	

II The exempted activity, services, rights and/or payments

12 Tax exemption concerning:	☐ Dividend payment	☐ Interests	☐ Sales profits/capital gains
	☐ Use of property rights, (usufruct)	☐ Lease of movables	☐ Individual personal services ☐ Other service or activities
13 Details regarding the mark made in box 12			
14 Articles in relevant double taxation convention covering activities, services, property rights or interests, sales profits/capital gains or dividend payments			
15 Payer of the service, property rights, dividends, interests etc.			

III Declaration and signature of the applicant

16 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially exempted from the taxation of particular items. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the Republic of Iceland and..... (contracting country concerned). The undersigned further declares the following: • The applicant is the beneficial owner of the income. • The payments or income do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention. • The payments or income are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability. • All information provided in this application is correct. • The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted.	
17 Application date	18 Signature of the applicant/applicant's representative according to a valid power of attorney
19 The applicant requests that the Directorate of Internal Revenue send its decision by: ☐ e-mail ☐ mail ☐ fax	

IV Confirmation of authorities

20 Confirmation of the Icelandic tax authorities ☐ Application approved ☐ Application denied Certificate No. _____ Validity period of exemption _____ Date _____ Signature and stamp of the tax authorities _____	21 Confirmation of the tax authorities in the applicant's country of residence We hereby confirm that the applicant bears full and unlimited tax liability in the country specified in box 14 of this form, and has permanent residence there with regard to the double taxation convention concerned. Date _____ Signature and stamp of the tax authorities _____
--	--

See directions and explanatory notes for particular boxes on the back side of the last duplicate

RSK 5.42 0908

Original copy - for the Icelandic tax authorities

RSK**Application under Double Taxation Conventions
for an Exemption from Icelandic Taxation**concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights or interests, sales profits/capital gains or dividend payments**I Applicant**

1 Applicant's name / beneficial owner		
2 Address (Street)		
3 State or province	4 Postcode - postoffice/city	
5 Country of residence (fiscal)	6 Tax identification number	
7 E-mail address	8 Telephone number	9 Fax number
10 Icelandic identification number	11 OECD code	

II The exempted activity, services, rights and/or payments

12 Tax exemption concerning:	☐ Dividend payment	☐ Interests	☐ Sales profits/capital gains
	☐ Use of property rights, (usufruct)	☐ Lease of movables	☐ Individual personal services ☐ Other service or activities
13 Details regarding the mark made in box 12			
14 Articles in relevant double taxation convention covering activities, services, property rights or interests, sales profits/capital gains or dividend payments			
15 Payer of the service, property rights, dividends, interests etc.			

III Declaration and signature of the applicant

16 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially exempted from the taxation of particular items. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the Republic of Iceland and..... (contracting country concerned). The undersigned further declares the following: • The applicant is the beneficial owner of the income. • The payments or income do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention. • The payments or income are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability. • All information provided in this application is correct. • The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted.	
17 Application date	18 Signature of the applicant/applicant's representative according to a valid power of attorney
19 The applicant requests that the Directorate of Internal Revenue send its decision by: ☐ e-mail ☐ mail ☐ fax	

IV Confirmation of authorities

20 Confirmation of the Icelandic tax authorities	21 Confirmation of the tax authorities in the applicant's country of residence
☐ Application approved ☐ Application denied Certificate No. _____ Validity period of exemption _____	We hereby confirm that the applicant bears full and unlimited tax liability in the country specified in box 14 of this form, and has permanent residence there with regard to the double taxation convention concerned.
Date _____ Signature and stamp of the tax authorities _____	Date _____ Signature and stamp of the tax authorities _____

See directions and explanatory notes for particular boxes on the back side of the last duplicate

RSK 5.42 0908

Duplicate 1 - for the tax authority in the applicant's country of residence

Appendix 8 (cont). Form RSK 5.42

RSK

Application under Double Taxation Conventions for an Exemption from Icelandic Taxation

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights or interests, sales profits /capital gains or dividend payments

I Applicant

1 Applicant's name / beneficial owner		
2 Address (Street)		
3 State or province	4 Postcode - postoffice/city	
5 Country of residence (fiscal)	6 Tax identification number	
7 E-mail address	8 Telephone number	9 Fax number
10 Icelandic identification number	11 OECD code	

II The exempted activity, services, rights and/or payments

12 Tax exemption concerning:	☐ Dividend payment	☐ Interests	☐ Sales profits/capital gains
	☐ Use of property rights, (usufruct)	☐ Lease of movables	☐ Individual personal services ☐ Other service or activities
13 Details regarding the mark made in box 12			
14 Articles in relevant double taxation convention covering activities, services, property rights or interests, sales profits/capital gains or dividend payments			
15 Payer of the service, property rights, dividends, interests etc.			

III Declaration and signature of the applicant

16 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially exempted from the taxation of particular items. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the Republic of Iceland and..... (contracting country concerned).	
The undersigned further declares the following:	
• The applicant is the beneficial owner of the income. • The payments or income do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention. • The payments or income are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability. • All information provided in this application is correct. • The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted.	
17 Application date	18 Signature of the applicant/applicant's representative according to a valid power of attorney
19 The applicant requests that the Directorate of Internal Revenue send its decision by:	
☐ e-mail ☐ mail ☐ fax	

IV Confirmation of authorities

20 Confirmation of the Icelandic tax authorities	21 Confirmation of the tax authorities in the applicant's country of residence
☐ Application approved ☐ Application denied Certificate No. _____ Validity period of exemption _____	We hereby confirm that the applicant bears full and unlimited tax liability in the country specified in box 14 of this form, and has permanent residence there with regard to the double taxation convention concerned.
Date _____ Signature and stamp of the tax authorities _____	Date _____ Signature and stamp of the tax authorities _____

See directions and explanatory notes for particular boxes on the back side of the last duplicate

RSK 5.42 0908

Duplicate 2 - for the applicant

Appendix 8 (cont). Form RSK 5.42

Directions and explanatory notes for particular boxes

This application shall be completed by those with limited tax liability in Iceland, under paragraph 3, 6 and 7 of Article 3 of Act No. 90/2003 on income tax, to request exemption from taxation under the provisions of a double taxation convention concluded by Iceland and the state specified in the application. A tax exemption and tax refund may be applied for simultaneously. An application for a tax refund is made on form RSK 5.43, which can be printed from the Directorate of Internal Revenue's website, www.rsk.is.

Handwritten applications shall be completed in BLOCK CAPITALS.

The relevant foreign tax authorities under the double taxation convention shall certify the accuracy of specific information provided by the applicant. The application shall be sent to the Directorate of Internal Revenue at the following address:

**Ríkisskattstjóri
Laugavegi 166
150 Reykjavík
Iceland**

To expedite processing of the application, foreign tax authorities can send the Directorate of Internal Revenue the certified application by fax to +354 562 4440, or as a PDF document to rsk@rsk.is.

The Directorate of Internal Revenue will send its decision to the applicant and the foreign tax authorities when one has been reached.

Notes on particular boxes on the form

Box 1 Enter the name of the company or the individual. Only beneficial owners may apply for exemption from taxes of paid interests, dividends, royalties or capital gain.*

Boxes 2-4 Address of the applicant.

Box 5 In the shaded section, please enter the country code for the country where the recipient of the payment has a permanent fiscal residence. The country code shall be in accordance with ISO 3166 (two letters), e.g., DK for Denmark. Country codes can be found on the Directorate of Internal Revenue's web site, www.rsk.is.

In the non-shaded section, please enter the name of the country covered under the double taxation convention, specified in box 16.

Box 6 Enter here the applicant's tax identification number (TIN) assigned under the laws and regulations of the country where the applicant has a permanent fiscal residence and unlimited tax liability. If a TIN is not available, then enter the applicant's ID No. (Social Security Number or comparable) used for tax purposes by the foreign tax authorities in the applicant's country of residence.

In the shaded section, enter the letter T if a TIN is used or the letter A if a TIN is not available and another foreign ID number is used. If neither a TIN nor an ID number is used in the relevant country for tax purposes, please indicate this by entering the letter X in the shaded section.

Box 10 Please enter the applicant's Icelandic identification number if one has been assigned. However, box 6 should always be filled out, regardless of whether the applicant has an Icelandic identification number or not.

Box 11 In the shaded section of this box, please enter the relevant OECD code for the applicant's legal form as specified below.

- 01 Individual
- 02 Corporation
- 03 Partnership
- 04 Business organisation other than corporation and partnership
- 05 Government or international organisation
- 06 Other
- 07 Unknown

Box 13 The applicant should provide further explanations regarding the mark made in box 12.

- If the use of property rights (usufruct), is relevant, such as for patents, trademarks, manufacturing licences or rights to utilise industrial, commercial or scientific equipment, the type of property rights shall be specified, including patent numbers and the country of registration. If copyright is relevant, the type of property rights and name of the work(s) shall be specified. Also, the owner's (author's) name, address and country of residence shall be stated, as well as whether the owner or another party is the applicant.
- For use of movables, the type of lease payment shall be specified.
- For individual personal services (freelance) details shall be provided on the kind of activities and services provided.
- In the same fashion, details on services rendered or activities other than those specified above that can be subject to provisions of the relevant double taxation convention should be entered.
- If the sale of usufruct or movables is involved, one should specify what is sold and to whom as well as the name and the address of the buyer. The sales price and the sales proceeds are also relevant.*
- Regarding interests specify the accounts and transactions. An approved exemption regarding interests is applicable for the beneficial owner of the interests until further notice.
- Only the beneficial owner* of the dividends/capital gains (i.e. the one who is entitled to the dividends/capital gains) can apply for an exemption from Icelandic, dividend tax and/or capital gains tax.

* According to the Director of Internal Revenue the **real beneficial owner** is an entity who enjoys the benefits of owning a security or property, regardless of whose name the title is in. This implies that only the real beneficial owner himself can apply for an exemption/refund, enclosing documentation issued accordingly. An entity that is in fact acting on behalf of someone else as either trustee or investment manager, and is as such the registered or indirect owner of the dividends, is not entitled to an exemption/refund. Neither is an entity that receives the dividend payments and passes them directly on to other entities/persons entitled to an exemption/refund.

If contract is available a copy shall be filed with the application.

Box 16 Enter here the name of the country with which Iceland has concluded a double taxation convention relevant to this application.

Appendix 8 (cont). Form RSK 5.42

English country names and code elements

This list states country names in alphabetical order as given in ISO 3166-1 and the corresponding ISO 3166-1-alpha-2 code elements.

AFGHANISTAN	AF	GIBRALTAR	GI	PAKISTAN	PK
ÅLAND ISLANDS	AX	GREECE	GR	PALAU	PW
ALBANIA	AL	GREENLAND	GL	PALESTINIAN TERRITORY, OCCUPIED	PS
ALGERIA	DZ	GRENADA	GD	PANAMA	PA
AMERICAN SAMOA	AS	GUADELOUPE	GP	PAPUA NEW GUINEA	PG
ANDORRA	AD	GUAM	GU	PARAGUAY	PY
ANGOLA	AO	GUATEMALA	GT	PERU	PE
ANGUILLA	AI	GUINEA	GN	PHILIPPINES	PH
ANTARCTICA	AQ	GUINEA-BISSAU	GW	PITCAIRN	PN
ANTIGUA AND BARBUDA	AG	GUYANA	GY	POLAND	PL
ARGENTINA	AR	HAITI	HT	PORTUGAL	PT
ARMENIA	AM	HEARD ISLAND AND		PUERTO RICO	PR
ARUBA	AW	MCDONALD ISLANDS	HM	QATAR	QA
AUSTRALIA	AU	HOLY SEE (VATICAN CITY STATE)	VA	RÉUNION	RE
AUSTRIA	AT	HONDURAS	HN	ROMANIA	RO
AZERBAIJAN	AZ	HONG KONG	HK	RUSSIAN FEDERATION	RU
BAHAMAS	BS	HUNGARY	HU	RWANDA	RW
BAHRAIN	BH	ICELAND	IS	SAINT HELENA	SH
BANGLADESH	BD	INDIA	IN	SAINT KITTS AND NEVIS	KN
BARBADOS	BB	INDONESIA	ID	SAINT LUCIA	LC
BELARUS	BY	IRAN, ISLAMIC REPUBLIC OF	IR	SAINT PIERRE AND MIQUELON	PM
BELGIUM	BE	IRAQ	IQ	SAINT VINCENT AND THE GRENADINES	VC
BELIZE	BZ	IRELAND	IE	SAMOA	WS
BENIN	BJ	ISRAEL	IL	SAN MARINO	SM
BERMUDA	BM	ITALY	IT	SAO TOME AND PRINCIPE	ST
BHUTAN	BT	JAMAICA	JM	SAUDI ARABIA	SA
BOLIVIA	BO	JAPAN	JP	SENEGAL	SN
BOSNIA AND HERZEGOVINA	BA	JORDAN	JO	SERBIA AND MONTENEGRO	CS
BOTSWANA	BW	KAZAKHSTAN	KZ	SEYCHELLES	SC
BOUVET ISLAND	BV	KENYA	KE	SIERRA LEONE	SL
BRAZIL	BR	KIRIBATI	KI	SINGAPORE	SG
BRITISH INDIAN OCEAN TERRITORY	IO	KOREA,		SLOVAKIA	SK
BRUNEI DARUSSALAM	BN	DEMOCRATIC PEOPLE'S REPUBLIC OF	KP	SLOVENIA	SI
BULGARIA	BG	KOREA, REPUBLIC OF	KR	SOLOMON ISLANDS	SB
BURKINA FASO	BF	KUWAIT	KW	SOMALIA	SO
BURUNDI	BI	KYRGYZSTAN	KG	SOUTH AFRICA	ZA
CAMBODIA	KH	LAO PEOPLE'S DEMOCRATIC REPUBLIC	LA	SOUTH GEORGIA AND THE SOUTH SANDWICH	
CAMEROON	CM	LATVIA	LV	ISLANDS	GS
CANADA	CA	LEBANON	LB	SPAIN	ES
CAPE VERDE	CV	LESOTHO	LS	SRI LANKA	LK
CAYMAN ISLANDS	KY	LIBERIA	LR	SUDAN	SD
CENTRAL AFRICAN REPUBLIC	CF	LIBYAN ARAB JAMAHIRIYA	LY	SURINAME	SR
CHAD	TD	LIECHTENSTEIN	LI	SVALBARD AND JAN MAYEN	SJ
CHILE	CL	LITHUANIA	LT	SWAZILAND	SZ
CHINA	CN	LUXEMBOURG	LU	SWEDEN	SE
CHRISTMAS ISLAND	CX	MACAO	MO	SWITZERLAND	CH
COCOS (KEELING) ISLANDS	CC	MACEDONIA, THE FORMER		SYRIAN ARAB REPUBLIC	SY
COLOMBIA	CO	YUGOSLAV REPUBLIC OF	MK	TAIWAN, PROVINCE OF CHINA	TW
COMOROS	KM	MADAGASCAR	MG	TAJIKISTAN	TJ
CONGO	CG	MALAWI	MW	TANZANIA, UNITED REPUBLIC OF	TZ
CONGO,		MALAYSIA	MY	THAILAND	TH
THE DEMOCRATIC REPUBLIC OF THE	CD	MALDIVES	MV	TIMOR-LESTE	TL
COOK ISLANDS	CK	MALI	ML	TOGO	TG
COSTA RICA	CR	MALTA	MT	TOKELAU	TK
CÔTE D'IVOIRE	CI	MARSHALL ISLANDS	MH	TONGA	TO
CROATIA	HR	MARTINIQUE	MQ	TRINIDAD AND TOBAGO	TT
CUBA	CU	MAURITANIA	MR	TUNISIA	TN
CYPRUS	CY	MAURITIUS	MU	TURKEY	TR
CZECH REPUBLIC	CZ	MAYOTTE	YT	TURKMENISTAN	TM
DENMARK	DK	MEXICO	MX	TURKS AND CAICOS ISLANDS	TC
DJIBOUTI	DJ	MICRONESIA, FEDERATED STATES OF	FM	TUVALU	TV
DOMINICA	DM	MOLDOVA, REPUBLIC OF	MD	UGANDA	UG
DOMINICAN REPUBLIC	DO	MONACO	MC	UKRAINE	UA
ECUADOR	EC	MONGOLIA	MN	UNITED ARAB EMIRATES	AE
EGYPT	EG	MONTserrat	MS	UNITED KINGDOM	GB
EL SALVADOR	SV	MOROCCO	MA	UNITED STATES	US
EQUATORIAL GUINEA	GQ	MOZAMBIQUE	MZ	UNITED STATES MINOR OUTLYING ISLANDS	UM
ERITREA	ER	MYANMAR	MM	URUGUAY	UY
ESTONIA	EE	NAMIBIA	NA	UZBEKISTAN	UZ
ETHIOPIA	ET	NAURU	NR	VANUATU	VU
FALKLAND ISLANDS (MALVINAS)	FK	NEPAL	NP	Vatican City State see HOLY SEE	
FAROE ISLANDS	FO	NETHERLANDS	NL	VENEZUELA	VE
FIJI	FJ	NETHERLANDS ANTILLES	AN	VIET NAM	VN
FINLAND	FI	NEW CALEDONIA	NC	VIRGIN ISLANDS, BRITISH	VG
FRANCE	FR	NEW ZEALAND	NZ	VIRGIN ISLANDS, U.S.	VI
FRENCH GUIANA	GF	NICARAGUA	NI	WALLIS AND FUTUNA	WF
FRENCH POLYNESIA	PF	NIGER	NE	WESTERN SAHARA	EH
FRENCH SOUTHERN TERRITORIES	TF	NIGERIA	NG	YEMEN	YE
GABON	GA	NIUE	NU	Zaire see CONGO, THE DEMOCRATIC REPUBLIC	
GAMBIA	GM	NORFOLK ISLAND	NF	OF THE	
GEORGIA	GE	NORTHERN MARIANA ISLANDS	MP	ZAMBIA	ZM
GERMANY	DE	NORWAY	NO	ZIMBABWE	ZW
GHANA	GH	OMAN	OM		

Annexe 9. Form RSK 5.43

RSK

Application under Double Taxation Conventions for a Refund of Taxes Paid

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights, or dividend payments

I Applicant

1 Applicant's name			
2 Address (Street, City, State, Postcode)			
3 Country of residence (fiscal)		4 Tax identification number	
5 E-mail address		6 Telephone number	7 Fax number
8 Icelandic identification number		9 OECD code	

II Application for refund

10 Period of payment	11 Total amount of payment ISK	12 Total amount of taxes ISK	13 Amount to be refunded ISK
14 Account No. (IBAN Code)		15 Bank ID No. (BIC No. (SWIFT No.))	
16 Name of the bank/credit institution			
17 Bank's address			18 Bank's country of residence
19 Purchaser of the service or payer of the dividend payment in Iceland			
20 Number of receipts enclosed with the application			

III Declaration and signature of the applicant

21 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially refunded the taxation of particular items for which an exemption has been applied on form 5.42. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the Republic of Iceland and..... (Contracting country concerned).

The undersigned further declares the following:

- The exempted payments or income to be refunded do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention.
- The exempted payments or income to be refunded are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability.
- All information provided in this application is correct.
- The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted for the amount to be refunded.

22 Application date	23 Signature of the applicant/applicant's representative with a valid power of attorney
---------------------	---

24 The applicant requests that the Directorate of Internal Revenue send its decision:

☐ by e-mail ☐ by mail ☐ by fax

IV Confirmation of authorities

25 Confirmation of the Icelandic tax authorities	
☐ Application approved ☐ Application denied	
Certificate No. _____ Validity period of exemption _____	
Date	Signature and stamp of the tax authorities

See Directions and explanatory notes for particular boxes on backside of last duplicate

RSK 5.43 0809

Original copy - for the Icelandic tax authorities

28 janvier 2010
A10017 [23]

Appendix 9 (cont). Form RSK 5.43

RSK

Application under Double Taxation Conventions for a Refund of Taxes Paid

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights, or dividend payments

I Applicant

1 Applicant's name		
2 Address (Street, City, State, Postcode)		
3 Country of residence (fiscal)	4 Tax identification number	
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II Application for refund

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14 Account No. (IBAN Code)		15 Bank ID No. (BIC No. (SWIFT No.))	
16 Name of the bank/credit institution			
17 Bank's address			18 Bank's country of residence
19 Purchaser of the service or payer of the dividend payment in Iceland			
20 Number of receipts enclosed with the application			

III Declaration and signature of the applicant

21 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially refunded the taxation of particular items for which an exemption has been applied on form 5.42. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the
Republic of Iceland and..... (Contracting country concerned).

The undersigned further declares the following:

- The exempted payments or income to be refunded do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention.
- The exempted payments or income to be refunded are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability.
- All information provided in this application is correct.
- The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted for the amount to be refunded.

22 Application date	23 Signature of the applicant/applicant's representative with a valid power of attorney
24 The applicant requests that the Directorate of Internal Revenue send its decision: ☐ by e-mail ☐ by mail ☐ by fax	

IV Confirmation of authorities

25 Confirmation of the Icelandic tax authorities ☐ Application approved ☐ Application denied Certificate No. _____ Validity period of exemption _____	Date _____ Signature and stamp of the tax authorities _____
--	---

See Directions and explanatory notes for particular boxes on backside of last duplicate

RSK 5.43 0809

Duplicate 1 - for the tax authority in the applicant's country of residence

Appendix 9 (cont). Form RSK 5.43

RSK

Application under Double Taxation Conventions for a Refund of Taxes Paid

concerning payments or commissions to foreign parties for services or other activities,
the utilisation of property rights, or dividend payments

I Applicant

1 Applicant's name		
2 Address (Street, City, State, Postcode)		
3 Country of residence (fiscal)	4 Tax identification number	
5 E-mail address	6 Telephone number	7 Fax number
8 Icelandic identification number	9 OECD code	

II Application for refund

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14 Account No. (IBAN Code)		15 Bank ID No. (BIC No. (SWIFT No.))	
16 Name of the bank/credit institution			
17 Bank's address			18 Bank's country of residence
19 Purchaser of the service or payer of the dividend payment in Iceland			
20 Number of receipts enclosed with the application			

III Declaration and signature of the applicant

21 The undersigned, who has full power of attorney to obligate the applicant under law, hereby requests that the applicant be fully or partially refunded the taxation of particular items for which an exemption has been applied on form 5.42. The exempted items are income or payments received from individuals or parties with a permanent residence in Iceland under the provisions of a double taxation convention between the

Republic of Iceland and (Contracting country concerned).

The undersigned further declares the following:

- The exempted payments or income to be refunded do not originate from a permanent establishment in Iceland with which the applicant is affiliated, as such establishments are defined in the above double taxation convention.
- The exempted payments or income to be refunded are subject to taxation in the applicant's country of residence, where the applicant bears full and unlimited tax liability.
- All information provided in this application is correct.
- The applicant will immediately inform both the tax authorities in Iceland and in the applicant's country of residence of any changes in the information provided in this application that could affect whether an exemption is granted for the amount to be refunded.

22 Application date	23 Signature of the applicant/applicant's representative with a valid power of attorney
---------------------	---

24 The applicant requests that the Directorate of Internal Revenue send its decision:

☐ by e-mail ☐ by mail ☐ by fax

IV Confirmation of authorities

25 Confirmation of the Icelandic tax authorities ☐ Application approved ☐ Application denied Certificate No. _____ Validity period of exemption _____	Date _____ Signature and stamp of the tax authorities _____
--	---

See Directions and explanatory notes for particular boxes on backside of last duplicate

RSK 5.43 0809

Duplicate 2 - for the applicant

Directions and explanatory notes for particular boxes

This application shall be completed by those with limited tax liability in Iceland, under paragraph 3, 6 and 7 of Article 3 of Act No. 90/2003 on income tax, to request a tax refund to which they are entitled under the provisions of a double taxation convention concluded by Iceland and the state specified in the application. A provision for refund is an approved exemption from Icelandic taxation based on double taxation conventions to be applied for separately on form 5.42, which can be printed from the Directorate of Internal Revenue's website, www.rsk.is.

Handwritten applications shall be completed in BLOCK CAPITALS.

Provision for refund

The relevant foreign tax authorities under the Double Taxation Convention shall certify the accuracy of the information provided by the applicant on the application for exemption from Icelandic taxation. The application (original and two duplicates) shall be sent to the Directorate of Internal Revenue at the following address:

**Ríkisskattstjóri
Laugavegi 166
150 Reykjavík
Iceland**

To expedite processing of the application, foreign tax authorities can send the Directorate of Internal Revenue the certified application by fax to +354 562 4440, or as a PDF document to rsk@rsk.is. The Directorate of Internal Revenue will send its decision to the applicant and the foreign tax authorities when one has been reached.

Notes on particular boxes on the form

Box 1 Enter the name of the company or the individual.

Box 2 The following (in the order given) shall be entered in this box: (1) Street name and house number, (2) City; (3) State or province (if relevant); (4) Postcode. Please ensure enough space between each item in the address.

Box 3 In the shaded section, please enter the country code for the country where the recipient of the payment has a permanent fiscal residence. The country code shall be in accordance with ISO 3166 (two letters), e.g., DK for Denmark. Country codes can be found on the Directorate of Internal Revenue's web site, www.rsk.is.

In the non-shaded section, please enter the name of the country covered under the double taxation convention, specified in box 21.

Box 4 Enter here the applicant's tax identification number (TIN) assigned under the laws and regulations of the country where the applicant has a permanent fiscal residence and unlimited tax liability. If a TIN is not available, then enter the applicant's ID No. (Social Security Number or comparable) used for tax purposes by the foreign tax authorities in the applicant's country of residence.

In the shaded section, enter the letter T if a TIN is used or the letter A if a TIN is not available and another foreign ID number is used. If neither a TIN nor an ID number is used in the relevant country for tax purposes, please indicate this by entering the letter X in the shaded section.

Box 8 Please enter the applicant's Icelandic identification number if one has been assigned. However, box 4 should always be filled out, regardless of whether the applicant has an Icelandic identification number or not.

Box 9 In the shaded section of this box, please enter the relevant OECD code for the applicant's legal form as specified below.

- 01 Individual
- 02 Corporation
- 03 Partnership
- 04 Business organisation other than corporation and partnership
- 05 Government or international organisation
- 06 Other

Box 10 Enter here the period in which the withheld tax payment was paid (month and year).

Box 11 Please specify the total amount received from the Icelandic entity.

Box 12 Please specify the total tax paid in Iceland with regard to the amount entered in box 11.

Box 13 Please specify the amount of tax refund to which the applicant considers him/herself to be entitled under the double taxation convention between his country of residence and Iceland. Refund amount less cost of Icelandic tax authorities will be deposited.

Where tax withholding covers two or more periods, the total amount of payments for services rendered, other activities or property rights shall be specified as well as the total amount of tax and tax refund.

Box 14 If the applicant wishes the refund to be deposited to a bank account, please specify here the International Bank Account Number (IBAN) according to ISO standard 13616.

If the applicant does not wish for the refund to be put in a bank account, the Directorate of Customs in Reykjavík will send a cheque made out to the applicant to refund the withheld taxes. Costs incurred because of foreign exchange will be subtracted from the amount of the refund.

Box 15 Specify here the international bank number (BIC or SWIFT number).

Box 16 Please write out the full name of the applicable bank or credit institution.

Box 17 Enter here the address of the bank branch at which the respective account is located.

Box 18 In the shaded section, please enter the country code for the country where the bank is located. The country code shall be in accordance with ISO 3166 (two letters), e.g., DK for Denmark. Country codes can be found on the Directorate of Internal Revenue's web site, www.rsk.is.

In the non-shaded section, please write out the name of the country where the respective bank is located.

Box 19 Specify here the name and address of the entity in Iceland from which the payment in box 11 was received.

Box 20 Write, both in numerals and letters, the number of receipts enclosed with the application.

Receipts from the tax collectors of the Treasury shall accompany a tax refund application as confirmation of the amount of refund due, or proof shall be provided in another manner that the one paying for the taxable service, other activities or utilisation of property rights has withheld taxes. An application shall be submitted within four years after payment of taxes was made, cf. Article 4 of Act No. 29/1995 on repayment of excessive tax collections.

Box 21 The name of the relevant state with which Iceland has concluded a Double Taxation Convention relevant to this application shall be entered in this box.

Box 25 There is no need to request certification by the tax authorities in the applicant's state of residence if the Icelandic tax authorities have already issued a certificate of exemption (filed for on form 5.42), in which case the applicant shall enter the number of the certificate of exemption in the relevant box here. If an exemption has not been approved (yet), certification by the tax authorities in the applicant's state of residence must be obtained. A refund will not be made without an approved exemption.

Appendix 9 (cont). Form RSK 5.43

English country names and code elements

This list states country names in alphabetical order as given in ISO 3166-1 and the corresponding ISO 3166-1-alpha-2 code elements.

AFGHANISTAN	AF	GIBRALTAR	GI	PAKISTAN	PK
ÅLAND ISLANDS	AX	GREECE	GR	PALAU	PW
ALBANIA	AL	GREENLAND	GL	PALESTINIAN TERRITORY, OCCUPIED	PS
ALGERIA	DZ	GRENADA	GD	PANAMA	PA
AMERICAN SAMOA	AS	GUADELOUPE	GP	PAPUA NEW GUINEA	PG
ANDORRA	AD	GUAM	GU	PARAGUAY	PY
ANGOLA	AO	GUATEMALA	GT	PERU	PE
ANGUILLA	AI	GUINEA	GN	PHILIPPINES	PH
ANTARCTICA	AQ	GUINEA-BISSAU	GW	PITCAIRN	PN
ANTIGUA AND BARBUDA	AG	GUYANA	GY	POLAND	PL
ARGENTINA	AR	HAITI	HT	PORTUGAL	PT
ARMENIA	AM	HEARD ISLAND AND		PUERTO RICO	PR
ARUBA	AW	MCDONALD ISLANDS	HM	QATAR	QA
AUSTRALIA	AU	HOLY SEE (VATICAN CITY STATE)	VA	RÉUNION	RE
AUSTRIA	AT	HONDURAS	HN	ROMANIA	RO
AZERBAIJAN	AZ	HONG KONG	HK	RUSSIAN FEDERATION	RU
BAHAMAS	BS	HUNGARY	HU	RWANDA	RW
BAHRAIN	BH	ICELAND	IS	SAINT HELENA	SH
BANGLADESH	BD	INDIA	IN	SAINT KITTS AND NEVIS	KN
BARBADOS	BB	INDONESIA	ID	SAINT LUCIA	LC
BELARUS	BY	IRAN, ISLAMIC REPUBLIC OF	IR	SAINT PIERRE AND MIQUELON	PM
BELGIUM	BE	IRAQ	IQ	SAINT VINCENT AND THE GRENADINES	VC
BELIZE	BZ	IRELAND	IE	SAMOA	WS
BENIN	BJ	ISRAEL	IL	SAN MARINO	SM
BERMUDA	BM	ITALY	IT	SAO TOME AND PRINCEPE	ST
BHUTAN	BT	JAMAICA	JM	SAUDI ARABIA	SA
BOLIVIA	BO	JAPAN	JP	SENEGAL	SN
BOSNIA AND HERZEGOVINA	BA	JORDAN	JO	SERBIA AND MONTENEGRO	CS
BOTSWANA	BW	KAZAKHSTAN	KZ	SEYCHELLES	SC
BOUVET ISLAND	BV	KENYA	KE	SIERRA LEONE	SL
BRAZIL	BR	KIRIBATI	KI	SINGAPORE	SG
BRITISH INDIAN OCEAN TERRITORY	IO	KOREA,		SLOVAKIA	SK
BRUNEI DARUSSALAM	BN	DEMOCRATIC PEOPLE'S REPUBLIC OF	KP	SLOVENIA	SI
BULGARIA	BG	KOREA, REPUBLIC OF	KR	SOLOMON ISLANDS	SB
BURKINA FASO	BF	KUWAIT	KW	SOMALIA	SO
BURUNDI	BI	KYRGYZSTAN	KG	SOUTH AFRICA	ZA
CAMBODIA	KH	LAO PEOPLE'S DEMOCRATIC REPUBLIC	LA	SOUTH GEORGIA AND THE SOUTH	
CAMEROON	CM	LATVIA	LV	SANDWICH ISLANDS	GS
CANADA	CA	LEBANON	LB	SPAIN	ES
CAPE VERDE	CV	LESOTHO	LS	SRI LANKA	LK
CAYMAN ISLANDS	KY	LIBERIA	LR	SUDAN	SD
CENTRAL AFRICAN REPUBLIC	CF	LIBYAN ARAB JAMAHIRIYA	LY	SURINAME	SR
CHAD	TD	LIECHTENSTEIN	LI	SVALBARD AND JAN MAYEN	SJ
CHILE	CL	LITHUANIA	LT	SWAZILAND	SZ
CHINA	CN	LUXEMBOURG	LU	SWEDEN	SE
CHRISTMAS ISLAND	CX	MACAO	MO	SWITZERLAND	CH
COCOS (KEELING) ISLANDS	CC	MACEDONIA, THE FORMER		SYRIAN ARAB REPUBLIC	SY
COLOMBIA	CO	YUGOSLAV REPUBLIC OF	MK	TAIWAN, PROVINCE OF CHINA	TW
COMOROS	KM	MADAGASCAR	MG	TAJIKISTAN	TJ
CONGO	CG	MALAWI	MW	TANZANIA, UNITED REPUBLIC OF	TZ
CONGO,		MALAYSIA	MY	THAILAND	TH
THE DEMOCRATIC REPUBLIC OF THE	CD	MALDIVES	MV	TIMOR-LESTE	TL
COOK ISLANDS	CK	MALI	ML	TOGO	TG
COSTA RICA	CR	MALTA	MT	TOKELAU	TK
CÔTE D'IVOIRE	CI	MARSHALL ISLANDS	MH	TONGA	TO
CROATIA	HR	MARTINIQUE	MQ	TRINIDAD AND TOBAGO	TT
CUBA	CU	MAURITANIA	MR	TUNISIA	TN
CYPRUS	CY	MAURITIUS	MU	TURKEY	TR
CZECH REPUBLIC	CZ	MAYOTTE	YT	TURKMENISTAN	TM
DENMARK	DK	MEXICO	MX	TURKS AND CAICOS ISLANDS	TC
DJIBOUTI	DJ	MICRONESIA, FEDERATED STATES OF	FM	TUVALU	TV
DOMINICA	DM	MOLDOVA, REPUBLIC OF	MD	UGANDA	UG
DOMINICAN REPUBLIC	DO	MONACO	MC	UKRAINE	UA
ECUADOR	EC	MONGOLIA	MN	UNITED ARAB EMIRATES	AE
EGYPT	EG	MONTERRAT	MS	UNITED KINGDOM	GB
EL SALVADOR	SV	MOROCCO	MA	UNITED STATES	US
EQUATORIAL GUINEA	GQ	MOZAMBIQUE	MZ	UNITED STATES MINOR OUTLYING	
ERITREA	ER	MYANMAR	MM	ISLANDS	UM
ESTONIA	EE	NAMIBIA	NA	URUGUAY	UY
ETHIOPIA	ET	NAURU	NR	UZBEKISTAN	UZ
FALKLAND ISLANDS (MALVINAS)	FK	NEPAL	NP	VANUATU	VU
FAROE ISLANDS	FO	NETHERLANDS	NL	Vatican City State see HOLY SEE	
FIJI	FJ	NETHERLANDS ANTILLES	AN	VENEZUELA	VE
FINLAND	FI	NEW CALEDONIA	NC	VIET NAM	VN
FRANCE	FR	NEW ZEALAND	NZ	VIRGIN ISLANDS, BRITISH	VG
FRENCH GUIANA	GF	NICARAGUA	NI	VIRGIN ISLANDS, U.S.	VI
FRENCH POLYNESIA	PF	NIGER	NE	WALLIS AND FUTUNA	WF
FRENCH SOUTHERN TERRITORIES	TF	NIGERIA	NG	WESTERN SAHARA	EH
GABON	GA	NIUE	NU	YEMEN	YE
GAMBIA	GM	NORFOLK ISLAND	NF	Zaire see CONGO, THE DEMOCRATIC	
GEORGIA	GE	NORTHERN MARIANA ISLANDS	MP	REPUBLIC OF THE	
GERMANY	DE	NORWAY	NO	ZAMBIA	ZM
GHANA	GH	OMAN	OM	ZIMBABWE	ZW

Annexe 10. Letter of Request to Clearstream Banking for Refund of Icelandic Withholding Tax

Clearstream Operations Prague s.r.o.
Attn: OTR - Tax Reclaim Services
Křižíkova 148/34
18600 Prague 8
Czech Republic

Date: _____

Clearstream Banking account number(s): _____ (the "Account")

Dear Sir/Madam,

We refer to the Icelandic taxable event on the following security:

Issuer of the security: _____

Security code (ISIN or Common Code): _____

The tax was applied on *(please tick one box)*:

- | | |
|--|-----------------------------------|
| ☐ an interest payment | with payment date: _____ |
| ☐ a dividend payment | with payment date: _____ |
| ☐ a redemption | with payment date: _____ |
| ☐ a sale | with trade date: _____ |
| | with transaction reference: _____ |

The securities were beneficial owned by:

Name of beneficial owner: _____

Full address of beneficial owner: _____

Tax Identification Number: _____

Quantity of securities: _____

We hereby request that Clearstream Banking forward our application to the Icelandic Tax Authorities for a refund of ISK _____ of withholding tax, to which the beneficial owner is entitled to by virtue of:

- The Double Taxation Treaty between Iceland and _____; or
- The domestic exemption for international organisations, foreign states and other official or public entities exempt from tax in their residence state.

We hereby appoint Clearstream Banking with authority to enter their payment details on the refund application form and to receive refunds from the Icelandic Tax Authorities on behalf of eligible beneficial owners.

Please credit the withholding tax refunded to the above Clearstream Banking account, with reference _____, upon receipt from the Icelandic Tax Authorities.

Appendix 10 (cont). Letter of Request to Clearstream Banking for Refund of Icelandic Withholding Tax

Yours faithfully,

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

We attach:

- Form RSK 5.42 Application under Double Taxation Conventions for an Exemption from Icelandic Taxation, if applicable;
- Form RSK 5.43 Application under Double Taxation Conventions for a Refund of Taxes Paid;
- Power of Attorney, if the reclaim form is completed by a third party on behalf of the beneficial owner;
- Credit advice.

Annexe 11. First-in First-out (FIFO) method of tax calculation

In Iceland, the First-in First-out (FIFO) method is used to calculate tax liability. The difference between tax applied at the beneficial owner level and at the account level is clarified in the following example.

Example: A Clearstream Banking customer with two clients, Beneficial Owner A and Beneficial Owner B

- On 1 February 2010, Beneficial Owner A buys 1,000 shares for a price of ISK 2,000.
- On 10 February 2010, Beneficial Owner B buys 1,000 shares for a price of ISK 2,500.
- On 20 February 2010, Beneficial Owner B sells 1,000 shares for a price of ISK 3,000.
- On 1 March 2010, Beneficial Owner A sells 1,000 shares for a price of ISK 3,500.

Tax calculated at the account level

If tax is calculated at the account level, the first shares that entered the account will be sold first. When Beneficial Owner B sells his shares, he will be taxed on the difference between the sale price and the purchase price of the first securities that were purchased on the account:

$$\text{ISK } 3,000 - \text{ISK } 2,000 = \text{ISK } 1,000$$

18% tax is applied.

Beneficial Owner B pays **ISK 180**.

Beneficial Owner A will effectively be selling the shares that were bought by Beneficial Owner B since Beneficial Owner A's shares have already been sold. Beneficial Owner A will be taxed on the difference between the sale price and the purchase price of the remaining shares on the account:

$$\text{ISK } 3,500 - \text{ISK } 2,500 = \text{ISK } 1,000$$

18% tax is applied.

Beneficial Owner A pays **ISK 180**.

Tax calculated at the beneficial owner level

If the Beneficial Owners are identified, tax will be calculated more fairly.

Beneficial Owner B will be taxed on the difference between the sale price and his own purchase price:

$$\text{ISK } 3,000 - \text{ISK } 2,500 = \text{ISK } 500$$

18% tax is applied.

Beneficial Owner B pays **ISK 90**.

Beneficial Owner A will be taxed on the difference between the sale price and his own purchase price:

$$\text{ISK } 3,500 - \text{ISK } 2,000 = \text{ISK } 1,500$$

18% tax is applied.

Beneficial Owner A pays **ISK 270**.

Conclusion

If tax is calculated at the account level, some underlying clients will benefit from the calculation and other clients will be unfairly taxed.

It is therefore in the interest of all parties that the beneficial owners are identified in the purchase instruction.

Iceland: Clarification of the certification deadlines

Further to Announcement A10017, published on 28 January 2010 to inform you of the new tax procedure in Iceland, please note the following requests.

- If you have had a taxable event (a sale, a coupon or a redemption) since 1 February 2010 or if you foresee one this month, please provide the following:
 - The past transaction data (separately requested);
 - A One-Time Certificate for Icelandic Securities (Appendix 3 of Announcement A10017); and
 - A Registration of Beneficial Owner Information for Icelandic Tax Purposes (Appendix 4 of Announcement A10017).

Please provide the above information as follows:

- Normally by 22 February 2010; or
 - If you have a holding in ISIN IS0000019545 (whose final redemption is on 15 February 2010) by 15 February 2010.
- If you have a current holding but do not foresee any taxable event (sale, coupon or redemption) this month, please provide us with the past transaction data by 22 February 2010.

In this case, you can submit the registration of beneficial owner information (Appendices 3 and 4 of Announcement A10017) just before the first taxable event.

Further information

If you have any questions concerning the certification requirements or any other tax related questions, please contact the Clearstream Banking Tax Help Desk on:

	Luxembourg	Frankfurt
Email:	tax@clearstream.com	tax@clearstream.com
Telephone:	+352-243-32835	+49-(0) 69-2 11-1 3821
Fax:	+352-243-632835	+49-(0) 69-2 11-61 3821

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Iceland: Tax applied on sale transactions made since 1 February 2010

Note: This updated version supersedes the version published on 9 March 2010 and clarifies the taxation details.

Further to Announcements A10017, dated 28 January 2010, and A10020, dated 5 February 2010, we hereby inform you that, on and after

12 March 2010

we shall apply tax on capital gains and accrued interest from all sale transactions in Icelandic securities settled between 1 February 2010 and 12 March 2010 inclusive, with value date 12 March 2010.

After 12 March 2010, tax will be calculated and debited within a few days after settlement, backvalued to the transaction date of the sale, and you are therefore recommended to provision your cash account with ISK funds from 12 March 2010 onward.

The tax rate applied will depend on the certification and information you provide, by the deadlines prescribed in our above-mentioned announcements, on behalf of final beneficial owners.

In the absence of such certification, withholding tax will be applied at the applicable rate, taking into account the various rates applicable during the accrual period, as follows:

- Before 1 September 2009, non-residents¹ were not subject to tax on accrued interest. The interest accrued between the purchase date and 1 September 2009 is therefore not included in the tax calculations.
- Interest accrued between 1 September 2009 and 31 December 2009 is taxable at 15%.
- Interest accrued thereafter (from 1 January 2010 onwards) is taxable at 18%.

The accrual period is also taken into consideration for the calculation of capital gains tax. The capital gain (that is, the clean sale price minus the clean purchase price) is divided by the number of days between the purchase and sale dates and tax is applied to the different accrual periods at the above rates.

Further information

If you have any questions concerning the certification requirements or any other tax related questions, please contact the Clearstream Banking Tax Help Desk on:

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Telephone:	+352-243-32835	+49-(0) 69-2 11-1 3821
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1. Resident beneficial owners were subject to tax before 1 September 2009 but, as there was a holding restriction preventing Icelandic residents from holding debt securities with Clearstream Banking, the resident rate before 1 September 2009 is not applicable.

Iceland: Refund procedure again under review

Further to our Announcement A10017, dated 28 January 2010, we hereby inform you that the recently implemented standard refund procedure for reclaim of Icelandic withholding tax is again under review with the Icelandic Tax Authorities.

We will inform you as soon as the review has been finalised and provide you with a detailed procedure in due course.

Until that time, please consider the standard refund procedure as described in Announcement A10017 to be suspended until further notice.

Note: The information in Announcement A10017 concerning relief at source continues to be valid.

Further information

If you have any questions concerning the certification requirements or any other tax related questions, please contact the Clearstream Banking Tax Help Desk on:

	Luxembourg	Frankfurt
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Telephone:	+352-243-32835	+49-(0) 69-2 11-1 3821
Fax:	+352-243-632835	+49-(0) 69-2 11-61 3821

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Iceland: New withholding tax rates

Effective

1 January 2011

the standard withholding tax rates applied on income from Icelandic securities will be 18% for non-resident legal entities, 20% for non-resident individuals; and 20% for residents, whether legal entities or individuals).

Background

On Saturday, 18 December 2010, the Icelandic Parliament passed a bill of law, due to come into force as of 1 January 2011, which will change tax rates in the following way:

- For residents of Iceland, the 18% rate¹ for legal entities and individuals will change to 20%.
- For non-residents of Iceland:
 - The 15% rate² for legal entities will change to 18%.
 - The 18% rate² for individuals will change to 20%.

Note: Any gains realised on debt securities are considered as interest payments for tax purposes.

Impact on customers

The following table shows the tax applicable rates for the year in which the payment took place:

Eligible beneficial owners	Interest payments			Dividend payments			Capital gains		
	From 1 Sep 2009	From 1 Jan 2010	From 1 Jan 2011	From 1 Sep 2009	From 1 Jan 2010	From 1 Jan 2011	From 1 Sep 2009	From 1 Jan 2010	From 1 Jan 2011
Foreign individuals	15%	18%	20%	15%	18%	20%	15%	18%	20%
Foreign legal entities	15% ^a	15%	18%	10%	15%	18%	10%	15%	18%
Foreign limited partnerships	23.5% ^b	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Resident individuals	15%	18%	20%	15%	18%	20%	0% ^c	0% ^c	0% ^c
Resident legal entities ^d	15%	18%	20%	15%	18%	20%	0%	0%	0%

a. This rate applies to all foreign legal entities except foreign limited partnerships (OECD code 03).

b. After 1 January 2010, foreign limited partnerships (OECD code 03) are taxed as foreign legal entities.

c. These rates are 15% / 18% / 20% if the resident individual files a tax return. This additional taxation is not applied by Clearstream Banking.

d. All rates are 23.5% / 32.7% if the beneficial owner is a resident limited partnership and files a tax return. This additional taxation is not applied by Clearstream Banking.

The tax procedure currently in place remains unchanged.

1. Established by Act 94/1996.
2. Established by Act 45/1987.

Further information

For further information, please contact the Clearstream Banking Tax Help Desk on:

	Luxembourg	Frankfurt
Email:	tax@clearstream.com	tax@clearstream.com
Telephone:	+352-243-32835	+49-(0) 69-2 11-1 3821
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