

## France: Summary of tax procedure changes applicable as of 1 April 2011

Following our Announcement D11010, dated 9 February 2011, we hereby provide a summary of the changes made to the tax procedure currently in place with regard to income from French securities.

A Market Taxation Guide covering the entire tax procedure to be used for dividends from French equities held in Clearstream Banking AG, Frankfurt (CBF) CASCADE is available on our web site.

### Extended tax relief service

In addition to the eligibility criteria currently applicable, relief of withholding tax on dividends from French equities will be available to eligible beneficial owners as follows:

- Residents of France for tax purposes holding French equities through CBF can apply for tax exemption at source according to French legislation.
- Entities considered as tax-exempt according to French legislation can apply for exemption at source or a standard refund.

### CASCADE sub-accounts for the separation of equity positions by applicable tax rate

In order to obtain a reduced tax rate at source on behalf of eligible beneficial owners, CBF customers must instruct the separation of their French equity positions into sub-accounts. Upon instruction via SWIFT MT599 (free-format message) or MT568 (Corporate Action Narrative), CBF will open these sub-accounts, under customer main account, each dedicated to a position subject to a specific tax rate.

### Blocking of positions

French equity positions separated into CASCADE sub-accounts on the basis of customer instructions are blocked. On payment date, all such separated positions are automatically transferred to the respective CASCADE main account and unblocked.

### New requirements for tax certification

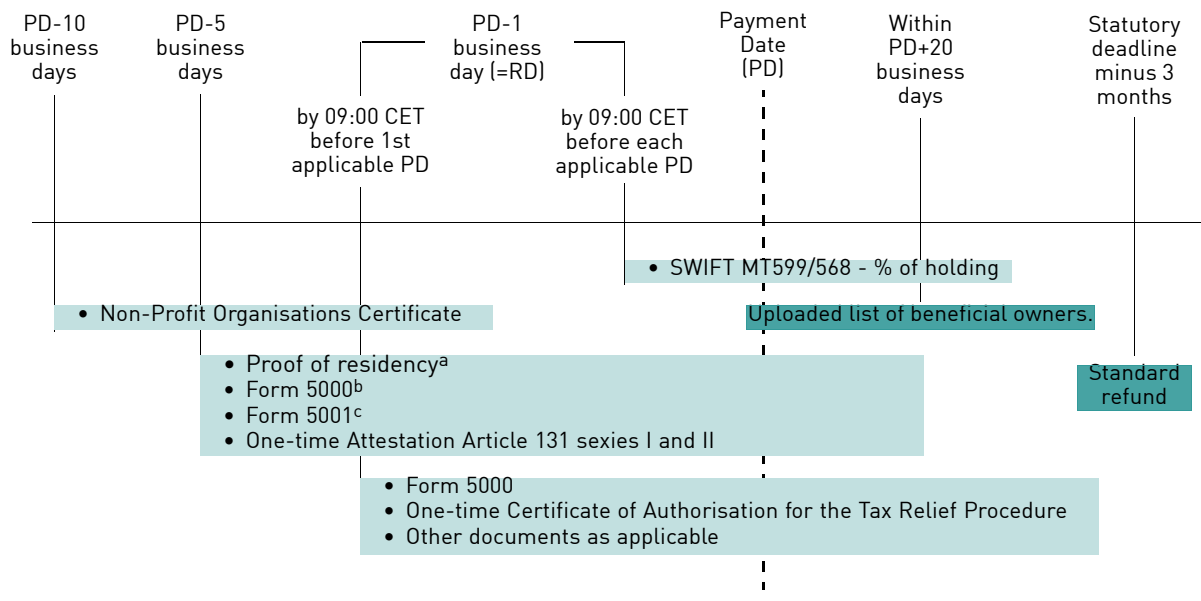
- To authorise CBF to separate and apply respective tax relief on positions in French equities, the customer must submit the following documents:
  - A One-Time Certificate of Authorisation for the Tax Relief Procedure (Cash Dividends) - required to establish eligibility for the reduced tax rate; and, if applicable,
  - A One-Time Certificate of Authorisation for the Tax Relief Procedure (Stock Dividends) - required to participate in the corporate action event.

These forms are available with our Announcement [D11010](#) on the Clearstream web site.

- Beneficial owners that hold French equities on both CASCADE (CBF) and Creation (Clearstream Banking SA, Luxembourg (CBL)) platforms must annually provide two Forms 5000: one for CBF and one for CBL.
- The customer's Cover Letter, sent with any tax certificate submitted to obtain relief at source or apply for standard refund, must clearly indicate whether it is with regard to CASCADE or Creation. Any tax certificate for which such information has not been provided will be rejected. Furthermore, customers cannot use the same tax certificates for both platforms.
- Any Form 5000 submitted and used for dividend payments made before 1 April 2011 can no longer be used after that date. Consequently, for dividend payments made as of 1 April 2011, new Forms 5000 must be submitted.

## Timeline

The following graphic shows the timeline of the CBF tax certification process for French equities:



a. For EU/EEA-DTT resident individual beneficial owners only.

b. For EU/EEA-DTT resident individual beneficial owners and EU parent companies, Form 5000 must be received by PD-5.

c. For EU parent companies only.

## Further information

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

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