

Structured Products

Withholding Taxes



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1. Introduction

Withholding tax is a tax deducted at source from dividend payments, other distributions and other income (the **"Payment"**) paid to financial product holders resident (in some countries) or not resident in the same country as the remitting company. Withholding tax may be reclaimed in part or in full if a double-taxation treaty exists between the country in which the payment is paid (the tax residence of the company) and the country in which the payment is received (the tax residence of the investor).

Vontobel calculates net-of-tax total return (**"Net-Return"**) indices for a number of indices including but not limited to the strategic indices and leverage indices. Net-of-tax total return calculations for these indices must be analysed on a case-by-case basis. In general, these are made by using the maximum (no treaty) withholding tax rates and do not take into account more favourable rates resulting from double taxation agreements.

For most countries, a single withholding tax rate applies to all dividends remitted from that country. However, for a few countries, the rate depends on the degree to which individual dividends are considered to be imputed (or franked), and/or on the type of distribution. The investor acknowledges that Vontobel acts with best knowledge and conscience to always make the pending changes to maximum and treaty-based withholding tax rates. However it can not give any warranties or representations, express or implied, with respect to the timeliness, accuracy, completeness and currentness. Changes in the tax rates are communicated to investors and implemented at the time of the adjustment in the calculation of the net-of-tax return. In certain cases, this may also result in a retroactive adjustment or delayed publication of changed rates.

Vontobel withholding tax rates are available on the website <https://indices.vontobel.com> or by contacting Bank Vontobel AG, Gotthardstasse 43, 8022 Zurich, Switzerland (telephone: +41 58 283 78 88).

2. Disclaimer

Vontobel uses reasonable efforts to calculate the net-of-tax indices. However, Vontobel is not a tax advisor and Vontobel is also but not only reliant on the input and services of information on third party to provide it with notification of changes to maximum withholding tax rates and treaty-based rates.

For these reason, and because of the assumptions and approximations set out in this document, net-of-tax total return indices should only be regarded as an approximation of the performance an investor archives in practice.

3. Country Overview

Rates are statutory domestic rates that apply to payments to non-resident companies and may be reduced under the provisions of an applicable tax treaty. Some rates may be increased if proceeds are paid to residents of tax havens or noncooperative countries. In general and subject to individual adjustments, Vontobel applies the following rates when calculating Net-Return indices. Vontobel will decide at its reasonable discretion in case of countries not listed below.

COUNTRY	RATE ON INTEREST	RATE ON DIVIDEND	NOTES
Albania	15%	8%	
Algeria	10%	15%	
Andorra	0%	0%	
Angola	5% / 10%	5% / 10%	Rates depend on asset type
Anguilla	0%	0%	
Antigua and Barbuda	25%	25%	
Argentina	15.05% / 35%	7%	Rate on interest depends on lender and asset type
Armenia	10%	10%	
Australia	10%	30%	
Austria	0%	27.5%	Rate on interest may be increased to 25% or 27.5% if the payment is made to a non-resident silent partner in an Austrian company.
Azerbaijan	10%	10%	
Bahamas	0%	0%	
Bahrain	0%	0%	
Bangladesh	20%	20%	
Barbados	0%	5%	
Belarus	10%	12%	
Belgium	30%	30%	
Benin	15%	15%	
Bermuda	0%	0%	
Bolivia	12.5%	12.5%	
Bosnia & Herzegovina	10%	5%	
Botswana	15%	7.5%	
Brazil	15%	15%	If the investor is a pension fund the rates on interest and dividends is 0%. Rate on Brazilian dividends and interest is 0%.
British Virgin Islands	0%	0%	
Brunei	2.5%	0%	
Bulgaria	10%	5%	

COUNTRY	RATE ON INTEREST	RATE ON DIVIDEND	NOTES
Canada	25%	25%	
Cayman Islands	0%	0%	
Chad	25%	20%	
Chile	35%	35%	Rate on interest may be reduced to 4% for certain financial institutions
Cambodia	14%	14%	
Cameroon	15%	15%	
China Shanghai + Shenzeng	10%	10%	Rate on interest derived from bonds may be exempt from income tax and VAT for the period from 7 November 2018 through 6 November 2021.
Colombia	20%	20%	
Congo (Brazzaville)	20%	20%	
Congo (Dem. Rep.)	20%	20%	
Costa Rica	15%	15%	Rate on dividends paid by stock corporations whose shares are registered on a local stock exchange: 5%
Croatia	15%	10%	
Curacao	0%	0%	
Cyprus	0%	0%	
Czech Republic	15%	35%	
Denmark	0%	27%	
Djibouti	15%	0%	
Dominica	15%	15%	
Dominican Republic	10%	10%	
Ecuador	0%	0%	
Egypt	20%	10%	Interest paid to non-resident on a loan with a term of at least three years is exempt.
El Salvador	20%	5%	
Equatorial Guinea	25%	25%	
Estonia	0%	0%	Interest derived by a non-resident from an Estonian contractual fund or other pools of assets may be subject to higher rates.
Ethiopia	10%	10%	
Finland	0%	35%	
France	0%	25%	
Gabon	20%	20%	
Gambia	15%	15%	

COUNTRY	RATE ON INTEREST	RATE ON DIVIDEND	NOTES
Georgia	5%	5%	
Germany	0%	26.375%	Rate on interest derived from income bond, participation certificate, convertible bond: 26.375%
Ghana	8%	8%	
Gibraltar	0%	0%	
Greece	15%	5%	
Greenland	0%	0%	
Grenada	15%	15%	
Guatemala	10%	5%	Banking and finance sectors may be exempt from withholding tax on interest.
Guernsey	0%	0%	
Guinea Conakry	10%	10%	
Honduras	10%	10%	
Hong Kong SAR	0%	0%	
Hungary	0%	15%	
Iceland	12%	20%	
India	generally 20%	0%	Rate on interest depends on currency and type of asset
Indonesia	10%	20%	Rate on Indonesian dividends for investors resident in Indonesia may be reduced.
Iraq	15%	0%	
Ireland	20%	25%	
Isle of Man	0%	0%	
Israel	generally 0%	25%	
Italy	26%	26%	Rate on interest derived from government bonds: 12.5%
Ivory Coast	18%	15%	
Jamaica	33.33%	33.33%	
Japan	15.315% / 20.42%	15.315% / 20.42%	Rate on dividends paid by a listed company may be reduced. Rate on interest derived from deposits and bonds may be reduced.
Jersey	0%	0%	
Jordan	10%	0%	
Kazakhstan	15%	15%	
Kenya	15%	10%	Interest derived from bearer certificates and bearer bonds: 25%
Kosovo	10%	0%	

COUNTRY	RATE ON INTEREST	RATE ON DIVIDEND	NOTES
Kuwait	0%	0%	
Kyrgyzstan	10%	10%	
Laos	10%	10%	Rate on interest derived from deposits, government bonds and debentures: 0%
Latvia	0%	0%	
Lebanon	10%	10%	Interest derived from bank deposits, debt or bonds: 7.5%
Liberia	15%	15%	
Libya	0%	0%	Rate on interest paid on bank deposits: 5%
Liechtenstein	0%	0%	
Lithuania	10%	15%	
Luxembourg	0%	15%	Rate on interest derived from profit-sharing bonds and debt instruments with remuneration linked to the issuer's profits: 15%
Macau	0%	0%	
Macedonia	10%	10%	
Madagascar	20%	0%	
Malawi	15%	10%	
Malaysia	15%	0%	Interest paid to a non-resident by a bank operating in Malaysia may be exempt.
Malta	0%	0%	
Mauritania	10%	10%	
Mauritius	15%	0%	
Mexico	4.9%-35%	10%	Rates depend on payee and asset type;
Moldova	12%	6%	
Monaco	0%	0%	
Mongolia	20%	20%	
Montenegro	9%	9%	
Morocco	10%	15%	
Myanmar	15%	0%	
Namibia	10%	20%	Rate on dividends may be reduced to 10% if at least 25% of shares are held in the Namibian company and the shareholder is a corporation.
Netherlands	0%	15%	
New Zealand	15%	30%	
Nicaragua	15%	15%	

COUNTRY	RATE ON INTEREST	RATE ON DIVIDEND	NOTES
Nigeria	10%	10%	
Norway	0%	25%	
Oman	10%	10%	
Pakistan	10%	15%	
Panama	12.5%	20%	
Papua New Guinea	15%	15%	
Paraguay	15%	15%	Rate on interest paid to a financial institution: 6%
Peru	30%	5%	Rate on interest may be reduced to 4.99% if the payee fulfills certain criteria. Rate on dividends applies to distributions of profits earned on or after 1 January 2017.
Philippines	20%	25%	
Poland	20%	19%	
Portugal	25%	25%	
Puerto Rico	29%	10%	
Qatar	5%	0%	
Romania	16%	8%	
Russia	20%	15%	Under certain conditions Russian corporates may be exempt from withholding obligation on Russian-source income of foreign legal entities within Eurobond-like structures
Saudi Arabia	5%	15%	If the investor is a pension fund the rate on interest is 0% and dividend is 5%. Rate on Saudi Arabian dividends to non-resident investors is 5%.
Senegal	16%	10%	
Serbia	20%	20%	
Sierra Leone	15%	10%	
Singapore	15%	0%	
Slovakia	35%	35%	
Slovenia	25%	25%	
South Africa	15%	20%	Interest paid by a headquarter corporation is exempt
South Korea	22%	22%	Rate on interest derived from bonds: 15.4%
Spain	19%	19%	
Sri Lanka	15%	14%	Interest or discount paid by financial institutions: 5%

COUNTRY	RATE ON INTEREST	RATE ON DIVIDEND	NOTES
Sudan	15%	0%	
Sweden	0%	30%	
Switzerland	35%	35%	
Syria	7.5%	0%	
Taiwan	20%	21%	Rate on interest derived from short-term bills, corporate and government bonds, financial debentures, interest derived from repurchase transactions for these bonds or certificates: 15%
Tanzania	10%	10%	
Thailand	15%	10%	
Togo	13%	13%	
Trinidad and Tobago	15%	10%	
Tunisia	20%	10%	Rate on interest may be reduced to 10% for financial institutions
Turkey	10%	15%	Rate on interest derived from loan payable to a foreign state, international institution, foreign bank or foreign corporation that qualifies as "financial entity": 0%
Turkmenistan	15%	15%	
Uganda	15%	15%	
Ukraine	15%	15%	
United Arab Emirates	0%	0%	
United Kingdom	20%	0%	
United States	30%	30%	
Uruguay	12%	7%	Rate on interest may be reduced to 7% depending on the term and currency of the asset
Vietnam	5%	0%	
Yemen	10%	10%	
Zambia	20%	20%	
Zimbabwe	15%	15%	