

# Rapid Reclaim Analyzer and Recovery Service

Discover opportunities to reclaim  
undue withholding tax



Building a better  
working world



# Rapid Reclaim Analyzer and Recovery Service



How much could a better understanding of withholding tax reclaims benefit your organization? Depending on the country of investment and other conditions, on average, a range between 5% and 30% of overwithheld taxes may be recoverable.

We developed the Rapid Reclaim Analyzer (RRA) to assist in identifying over- and underwithheld taxes in more than 100 countries. The RRA reviews withheld tax paid on securities and helps identify variances between the actual withholding tax rate applied and the expected rate based on investor domicile and entity type. In addition, the RRA assesses the feasibility to obtain the entitled excess withholding tax paid and the time left to file the reclaim (i.e., statute of limitations) and amount at stake by jurisdiction.

Our dedicated team assists with identifying reclaimable withholding tax via a cost/benefit analysis. For viable claims, the team files and analyzes claims with the tax authorities until they are paid. The team also provides advice on achieving relief at source where applicable.



# How we can help



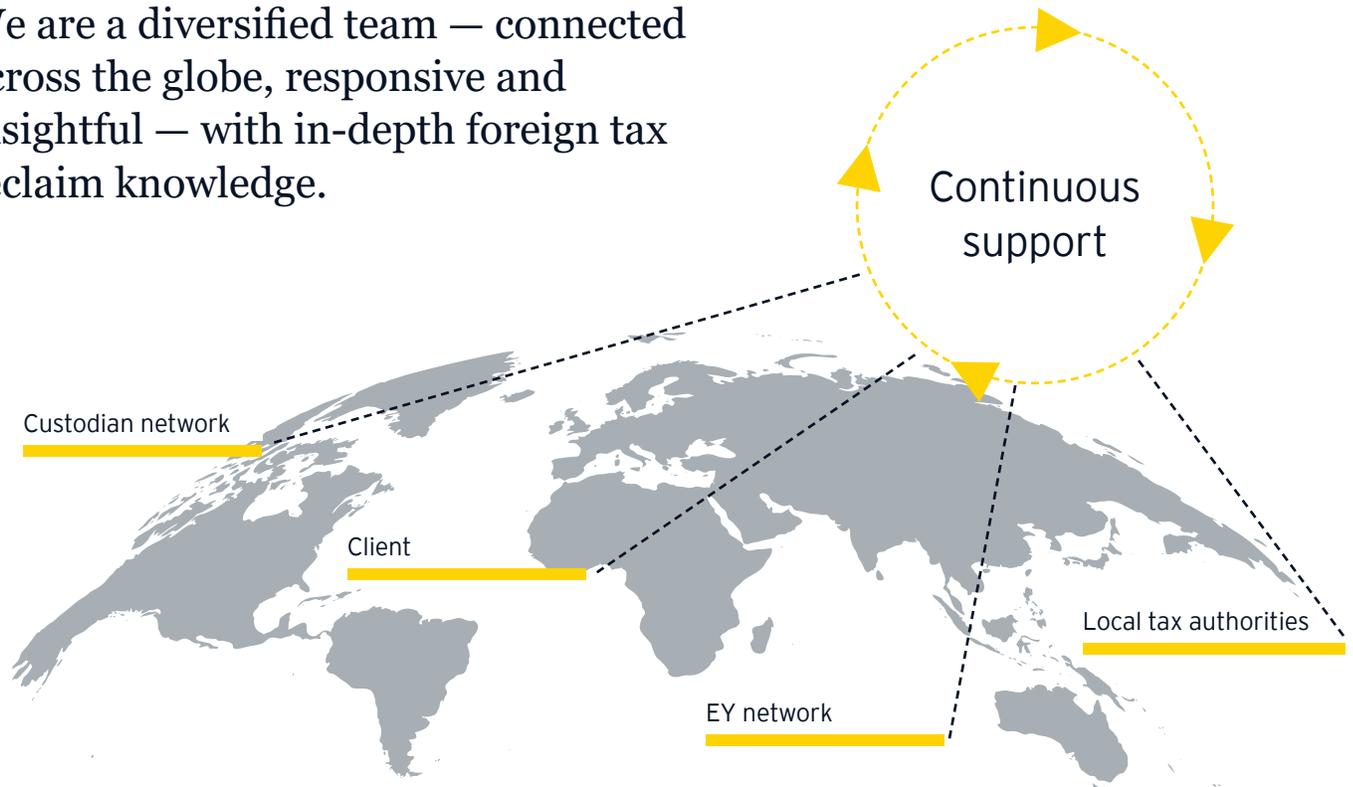
We are an integrated, globally focused team comprising Ernst & Young LLP (EY US) professionals with industry knowledge in income payment operations and tax reclaims.

Whether you are a custodian or an asset manager, we have experience establishing and managing services to meet your needs. Our engagement framework provides ongoing support to facilitate that all documentation is received, tax forms are completed correctly and reclaims are filed in advance of the statute of limitations.

In addition, our web-enabled dashboard acts as a command center, providing a holistic and transparent view of the reclaim life cycle.

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We are a diversified team — connected across the globe, responsive and insightful — with in-depth foreign tax reclaim knowledge.



# How it works

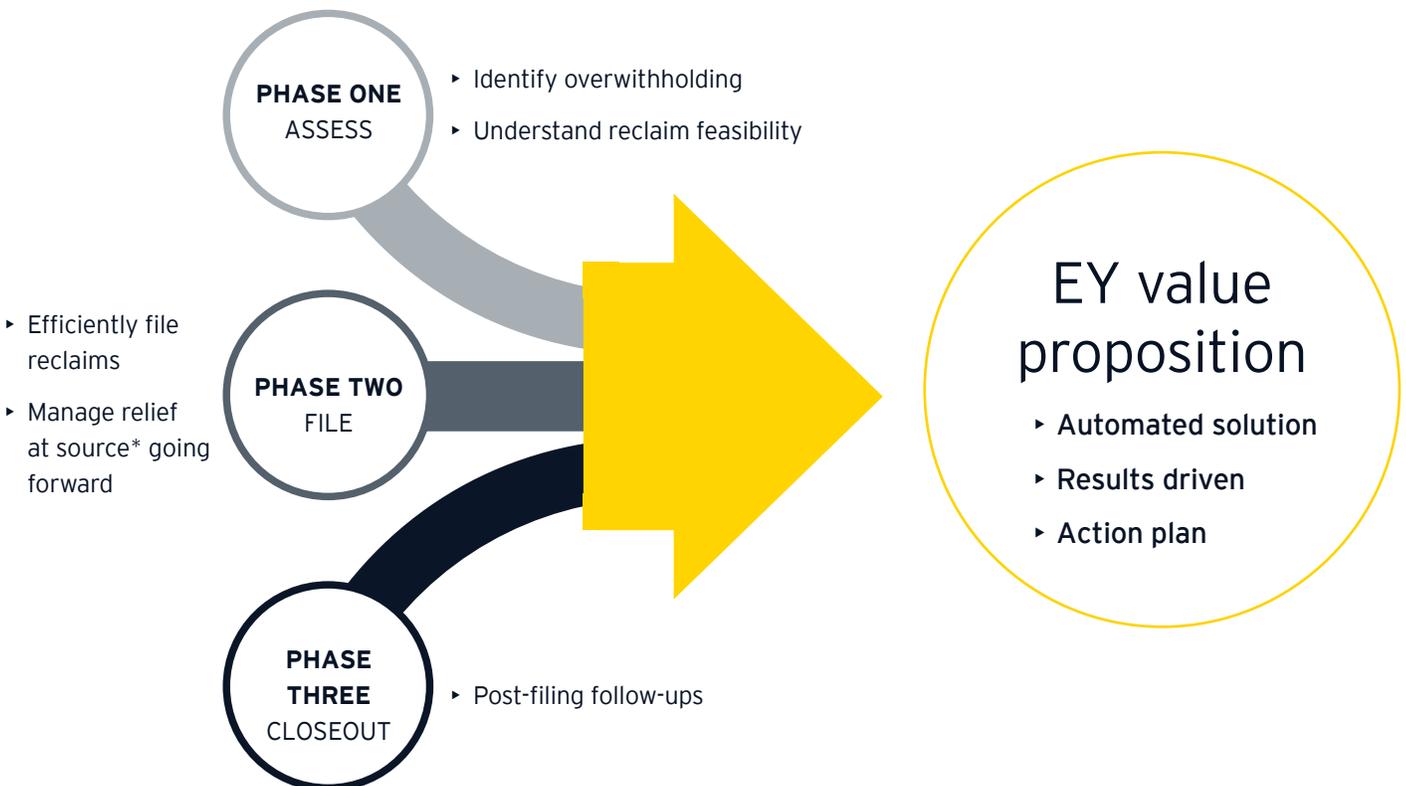
Using automation, the EY RRA quickly identifies income events that have been over- or underwithheld in over 100 jurisdictions.

It offers a results-driven approach to assist with the identification and analysis of foreign withholding tax processes (i.e., reclaims/relief at source). Results can be cross-checked against foreign agent reports for completeness (as an add-on).

## Features

- ▶ User-friendly dashboard
- ▶ Real-time updates
- ▶ Statute of limitations tracking
- ▶ Consideration of both treaty and domestic rates
- ▶ Assessment based on investor type and location
- ▶ Detailed discussions regarding next steps for each market (i.e., cost/benefit analysis)

## Reclaim process phases



\*Where applicable.

# RRA output and analytics

INPUT MODEL

Provided by client						EY analysis					
SEDOL	Country of investment	Payment date	Gross dividend amount (USD)	Withholding tax amount (USD)	Dividend rate applied	Expected dividend withholding tax rate	Rate variance	Excess withholding tax (USD)	Reclaim feasibility	Statute of limitations	
NL0000235190	Netherlands	2/24/2018	\$ 100,000.00	\$ 25,000.00	25.00%	0.00%	25.00%	\$ 25,000.00	High	12/31/2021	
CA0977512007	Canada	1/30/2018	\$ 50,000.00	\$ 12,500.00	25.00%	15.00%	10.00%	\$ 6,000.00	High	12/31/2024	
B061259	Norway	4/26/2018	\$ 200,000.00	\$ 50,000.00	25.00%	15.00%	10.00%	\$ 20,000.00	Medium	12/31/2023	
DE0007100000	Germany	5/8/2018	\$ 1,000,000.00	\$ 263,750.00	26.375%	15.00%	11.375%	\$ 113,750.00	High	12/31/2022	
H8817H100	Switzerland	4/11/2018	\$ 2,000,000.00	\$ 700,000.00	35.00%	15.00%	20.00%	\$ 400,000.00	Medium	12/31/2021	
105521107	Brazil	1/13/2018	\$ 10,000.00	\$ 2,500.00	25.00%	0.00%	25.00%	\$ 2,600.00	Low	12/31/2023	
6727121	Indonesia	5/19/2018	\$ 10,000.00	\$ 2,000.00	20.00%	15.00%	5.00%	\$ 500.00	Low	12/31/2023	
BO60507	Italy	5/24/2018	\$ 25,000.00	\$ 6,500.00	26.00%	15.00%	11.00%	\$ 2,760.00	Low	12/31/2022	
JP3633400001	Japan	2/29/2018	\$ 75,000.00	\$ 11,486.00	15.315%	10.00%	5.315%	\$ 3,986.00	Medium	12/31/2023	
FR0013176526	France	4/21/2018	\$ 500,000.00	\$ 150,000.00	30.00%	15.00%	15.00%	\$ 75,000.00	High	12/31/2020	

OUTPUT DASHBOARD

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Automation reduces the time and risk of error associated with traditional Excel worksheet tracking to identify reclaim options.



# Reclaim process steps

## Reclaim filing timeline example



### 1. Assess income reports received

- ▶ Obtain income reports either by coordinating with:
  - ▶ You directly
 Or
  - ▶ Your custodian with you in copy for approval
- ▶ Data mapped to security types (debt/equity) and beneficial owner type

- ▶ Provide required data points from income reports:
  - ▶ Asset ID (e.g., SEDOL, CUSIP, ISIN) and security name
  - ▶ Income type (e.g., dividends/interest)
  - ▶ Country of incorporation
  - ▶ Pay date
  - ▶ Gross income (local and base currency)
  - ▶ Withheld income (local and base currency)
  - ▶ Withholding tax rate applied

### 2. Process RRA

- ▶ Through matching processes, the RRA:
  - ▶ Assesses the entity's treaty/domestic law entitlement
  - ▶ Identifies over-/underwithheld income payments
  - ▶ Quantifies potential reclaim amount and rate variance
- ▶ Report includes comprehensive analytics on:
  - ▶ Amount at stake by country
  - ▶ Amount at stake by year
  - ▶ Red, amber, green (RAG) status reclaim feasibility
- ▶ Time left to file reclaim

### 3. Discuss assessment

- ▶ We review RRA's output and discuss the following with you:
  - ▶ Countries where the benefit outweighs the cost to file a reclaim given:
    - ▶ Amount at stake
    - ▶ Feasibility
    - ▶ Time left to file
- ▶ We provide guidance on relief at source (RAS), such as:
  - ▶ Submitting RAS documentation prior to income event
  - ▶ Obtaining certificate of residence efficiently



- ▶ Obtaining a ruling or applying for country-specific certificates (e.g., Germany) for an entitled rate at source

#### 4. Create action plan

- ▶ We create a triage plan for reclaim filings by country and claimant, setting out what to expect going forward, including:
  - ▶ Expected length of reclaim period
  - ▶ Whether interest is applicable on reclaims
  - ▶ Scrutiny of local tax authorities

#### 5. Prepare reclaim package

- ▶ We will work with third parties to obtain necessary documentation, such as:
  - ▶ Credit vouchers (e.g., proof of dividend or interest income payment)
  - ▶ Certificates of residence
- ▶ We will leverage our extensive foreign network to prepare reclaims efficiently, taking into consideration practical advice from the foreign network, which has experience working with local tax authorities.

#### 6. Submit reclaim

- ▶ We will leverage the foreign network to use an efficient method of submission (e.g., some markets require paper submission and some markets have electronic filings).
- ▶ We will document the submission date and the date of acknowledgment by the local tax authorities.

#### 7. Correspond with local tax authorities

- ▶ We address any questions or additional documentation requests from local tax authorities.
- ▶ Our expansive network can help manage applications in multiple languages.

#### 8. Receive refund

\*Contingent upon receipt of required documentation.

\*\*Average length of reclaim depends on market.

\*\*\*Where required.

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EY has insight into  
reclaim filings across  
multiple jurisdictions.



# What we offer

## Deep market practice knowledge

- ▶ The team has extensive experience with withholding tax analysis and reclaim applications.
- ▶ Our diverse team includes team members who have experience as global custodians and asset managers.
- ▶ The team understands practical issues across markets globally.

## Global EY network

- ▶ More than 5,000 asset-management-dedicated tax professionals in 60 cities globally
- ▶ Familiar with beneficial owner types, including partnerships, withholding tax documentation, reclaim processes and local tax authorities

## Innovative, custom technology

- ▶ The EY Global Withholding Tax Reporter (GWTR) and RRA are well-established withholding tax industry tools.
- ▶ We assist some of the largest asset managers and global custodians with respect to foreign withholding tax relief via automated solutions or custom reclaim compliance or advisory assistance.

## Practical insight

**DIGITALIZED RAS/RECLAIM FORMS**

**Requesting Form 6166s**

**Reviewing/ verifying tax vouchers**

**Obtaining (specific) powers of attorney**

**To reclaim procedures**

**DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
PHILADELPHIA, PA 19106**

Date: February 3, 2015

Taxpayer: [REDACTED]  
Tax Year: 2015

**DIVIDEND VOUCHER**

[Insert company name and registration number]  
[Insert registered office address]

The board of directors of [insert company name] met at [address of meeting] on [insert date] and declared an interim dividend of \$x per each Ordinary Share in respect the financial year end [insert company's year end date] payable to shareholders.

[Shareholder's name and address]

No. of ordinary Dividend payer: [REDACTED]  
Tax credit: [REDACTED]

SIGNED BY: [REDACTED]

**Callout boxes from Indonesian form:**

- This should be the details of the person who signs the form (i.e., if U.S. Bank if acting on behalf of a client, then U.S. Bank details go here).
- This should be the details of the claimant; their full legal name, tax ID and address.
- Complete (A) with the number and date of withholding tax slips issued by withholding tax agent. Complete (B) for the amount of tax withheld in local currency. C should be the amount of tax to be reclaimed.
- This should be the details of the withholding tax agent, including their local country tax ID.
- Provide reasons as to why a reclaim is being sought e.g., pursuant to article 11 paragraph 2 of the US/Indonesia treaty our client was over withheld for tax purposes on the dividend distributions paid from XXX PLC to XXX PLC. You can add additional paper as needed.

# Our team



**Danielle Clark**  
Principal  
Financial Services  
+1 203 674 3693  
danielle.clark@ey.com  
Stamford, CT

Danielle is a member of the International Tax Services practice within the Financial Services Organization and has been with Ernst & Young LLP since 1997. Her experience includes a broad range of sectors in the financial services industry, including insurance, banks, broker-dealers and investment funds.

Danielle leads the EY Global Tax Investing Services (GTIS), which provides the GWTR, RRA and Recovery Services, Rapid Security Analyzer (RSA), PFIC Analyzer and Corporate Actions Tax Analyzer (CATA). In addition, Danielle leads health checks for global financial institutions and funds, helping them determine and comply with their obligations in the global withholding and information reporting space.

Danielle has 24 years of experience in the taxation of global financial services institutions. She is a member of the United States Supreme Court Bar and has spoken at many international and domestic tax conferences.

She received a BA from the University of Cincinnati and a JD from Cleveland-Marshall College of Law.



**Sarah Belin**  
Managing Director  
Financial Services  
+1 212 773 9835  
sarah.belinzerbib@ey.com  
New York, NY

Sarah is a member of the Tax Services practice of Ernst & Young LLP in New York, where she is the French representative on the Financial Services EMEIA Tax Desk. She relocated from Ernst & Young Société d'Avocats (Paris) in July 2006 and has 26 years of experience in the taxation of multinational financial services enterprises.

Sarah advises US and Canadian financial institutions in connection with their French investments and/or operations. Recent projects include assisting with the filing of withholding tax reclaims based on European Union (EU) principles, complying with financial transaction taxes requirements and advising on French trust reporting regulations.

Sarah is a member of the EY Global EU Tax Network, a technical group dedicated to EU tax developments. She has spoken at many international and tax conferences and has participated in the publication of several articles.

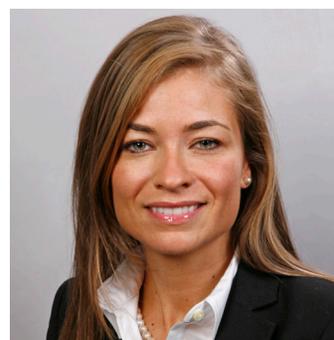


**Stephanie Tanguay**  
Associate Director  
Financial Services  
+1 617 585 0410  
stephanie.tanguay@ey.com  
Boston, MA

Stephanie is a managing editor of the GWTR with Ernst & Young LLP. Stephanie's responsibilities include managing the core operations of the GWTR, ensuring the team updates the GWTR with the latest information and assisting clients with tax questions. She also assists with the RSA tool.

Stephanie has 21 years of industry experience in foreign withholding tax issues, including withholding tax rates on portfolio income and tax reclamation.

Prior to joining the GWTR team, Stephanie was an assistant vice president at Brown Brothers Harriman. Her primary role was assisting clients with foreign withholding and tax reclamation issues. She received a BSBA from Merrimack College.



**Kelly Sullivan**  
Senior Manager  
Financial Services  
+1 201 551 5233  
kelly.sullivan@ey.com  
New York, NY

Kelly is a member of the International Tax Services practice within the Financial Services Organization and has been with Ernst & Young LLP since 2007. She is an editor of the GWTR. Her responsibilities include managing the daily operations of the GWTR and keeping the tool updated with the latest information. In addition, she assists clients with their withholding tax inquiries and various withholding tax projects.

Kelly has over 12 years of industry experience, including working within the Asset Management Group of the EY US Financial Services Organization from 2007 to 2013. Kelly assisted mutual fund clients with passive foreign investment companies, real estate investment trusts and foreign capital gains issues.

Kelly received a BBA from Loyola University Maryland and an MBA from the State University of New York at Buffalo. She is licensed as a CPA in the states of New Jersey and New York.



**Michelle Wuest**  
Senior Manager  
Financial Services  
+1 949 437 0398  
michelle.wuest@ey.com  
Irvine, CA

In addition to her role as an editor of the GWTR with Ernst & Young LLP, Michelle collaborates with clients on ancillary tax withholding projects tailored to specific requests and addresses updates to their internal processes.

Prior to joining the GWTR team in July 2016, Michelle had been a vice president at PIMCO, LLC since 2008. Her primary role was assisting the trade floor in understanding the portfolio impact related to withholding and capital gains tax.

Since 1998, Michelle has served in roles to follow and address compliance and other tax issues. She received a BA in Business Administration with a concentration in Accounting from California State University, Fullerton.

Michelle is licensed as a CPA in the state of California.



**Caitriona Saunders**  
Manager  
Financial Services  
+1 212 773 3773  
caitriona.saunders1@ey.com  
New York, NY

Caitriona is an editor of the GWTR with Ernst & Young LLP. Her responsibilities include addressing client queries on the GWTR tool and managing the core operations of the Global Tax Reclaim division by confirming clients have the latest information and assistance with tax reclaim procedures.

As a transfer from the Irish Financial Services Organization International Tax Desk, Caitriona brings with her a wealth of experience working on complex advisory projects with deep legislative examination, along with an extensive review of Irish and international case law and treaty analysis.

Caitriona worked in the financial services sector for nine years. She is a chartered tax adviser with the Irish Tax Institute and holds a master's in Accounting from Athlone Institute of Technology and a BComm International (French) from the National University of Ireland, Galway.



**Diana Camejo**  
Manager  
Financial Services  
+1 212 773 1146  
diana.camejo@ey.com  
New York, NY

Diana is a member of the International Tax Services practice within the Financial Services Organization of Ernst & Young LLP and an editor of the GWTR. Her responsibilities include addressing client queries on the GWTR tool and supporting the operations of the global tax division by confirming clients have the most up-to-date information and assistance with tax reclaim procedures.

Prior to joining the GWTR team, Diana was a senior manager at GlobeTax, where she worked for six years. Her primary role was facilitating and managing the tax relief process on behalf of clients, including streamlining internal processes.

She received a BA in Financial Economics from Lehman College.

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The team has many years of experience with all aspects of the withholding tax and reclaim life cycle – from initial assessment to recovery.

Danielle Clark  
Principal – Financial Services  
Ernst & Young LLP

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