

International and Special Tax (IST)

... Data for Global Taxation

- US IRC Section 871(m)
- Check-the-Box (US)
- Stamp Duty Taxation (UK)
- TOB (Belgium)

The German tax system is more and more influenced by the global tax laws. Not only must German financial institutions which have foreign customers or are active in foreign countries take different local tax regimes into consideration, but also the tax legislator adjusts new laws to international conditions (e.g., in order to close tax loopholes).

The following information segments are provided in the International and Special Tax (IST) product:

US IRC Section 871(m)

Since 1 January 2017, the provisions of the US Treasury Regulations under Section 871(m) have been applied in the case of so-called equity linked instruments (ELIs, e.g., futures and options as well as securities like certificates, warrants, convertible bonds etc.) and notional principal contracts (NPCs, especially swaps) with the consequence that dividend equivalent payments have now become subject to US withholding tax.

WM identifies the financial instruments entered in the WM database as equity linked instruments (ELI) and notional principle contracts (NPC).

Check-the-Box Taxation (US)

Check-the Box is a taxation option in the USA.

Stamp Duty Taxation (UK)

Within the UK, the acquisition of British as well as foreign securities may, under certain conditions, be subject to the UK stamp duty taxation.

Belgium (TOB)

WM supplies an identifier whether a fund or a financial instrument is subject to the Financial Services and Markets Authority (FSMA) which is adjusted by information on the Belgian Tax on Stock Exchange Transactions (TOB).

Due to the German Investment Tax Reform Act, the IST product was extended by the following information:

- Offsetable Foreign Withholding Tax (Section 20 of the Investment Tax Act)
- Equity participations in the sense of Section 2(8) No. 2a-b of the Investment Tax Act
- Domestic income with investment income tax deduction by the custodian (Section 44(1) Sentence 4 of the Income Tax Act)

