Tax Navigator

Navigate Tax Regulations with Data from SIX

IRS Section 1446(f)

IRS Section 871(m)

FTT

FATCA

Domestic Tax

CRS/AEOI

IRS Section 871(m)
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GLOSSARY

AEOI (CRS)  Automatic Exchange of Information (Common Reporting Standard)
AT/LI  Austria/ Liechtenstein
CGT  Capital Gains Tax
DDS  Deeply Discounted Securities
FATCA  Foreign Account Tax Compliance Act
FFI  Foreign Financial Institution
FTT  Financial Transaction Tax
HMRC  HM Revenue and Customs
IUP Bond  Intérêt Unique Prédominant, Zero Bond
PEA  Plan d’épargne en actions
PEA-SME  Plan d’épargne en actions destiné au financement des PME et ETI
PERI  Plan d’épargne retraite individuel
PTM Levy  Panel of Takeovers and Mergers Levy
PTP  Publicly Traded Partnership
QI  Qualified Intermediary
RRSP  Registered Retirement Savings Plan
TEFRA C/D  Tax Equity and Fiscal Responsibility Act C and D rules
TFSA  Tax-Free Savings Account
TOB  Belgian Tax on Stock Exchange Transactions
VDF  Valordata Feed
Welcome to SIX

For more than 90 years, SIX has been at the side of financial institutions, supporting their compliance teams with powerful, scalable, and now automated data and analysis. As the stakes get higher, the rules more complex, and the pressure ever greater, SIX remains a trusted partner for tax and compliance data and services.

SIX develops compliance data and services in collaboration with customers to ensure alignment with today’s industry needs. We aim to make compliance easier by simplifying implementation, enabling automation and reducing total cost of ownership. Built on our core reference data expertise, our services provide rich regulatory content for more than 70 global regulations.

Tax regimes and regulations continue to evolve, creating new standards for reporting, consuming more resources, and threatening significant fines and reputational damage for the unwary. SIX helps its clients to remain competitive by providing tax data that can directly be leveraged in their Client Advisory and Investment Control workflows, so they can achieve successful tax suitability with detailed country-specific tax data points.

As a leader with long-standing experience in Tax Data Services, we will provide you with an overview of major use cases in the areas of transactions, withholding and reporting, regulatory reporting and suitability workflows.

Natasa Gligoric
Head Tax, Regulation & Funds

SIX IN BRIEF

GLOBAL
Worldwide presence in over 20 countries

TRUST
In the business of financial information for more than 9 decades

COMPLETE SERVICE
Front-to-Back Market data, Regulatory Services and Analytics

SUSTAINABILITY
SIX fosters the transformation to sustainable finance
Global Tax Map

Supporting You with Our Tax Data Services in All Major Markets

Austria
- Capital Gains Tax
- Investment Fund Qualification
- Withholding Tax AT/LI

Belgium
- Belgian Savings Tax
- TOB
- Wealth Tax

Canada
- RRSP
- TFSA

China
- Stamp Duty

EU
- EU Interest Income
- FTT

Finland
- FTT

France
- FTT
- CGT
- PEA, PEA-SME, PERI
- Redemption Premium Tax Exemption

Financial Transaction Tax
Tax Withholding
Tax Suitability
Tax Reporting
<table>
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<th>Country</th>
<th>Taxation Classifications</th>
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<td>Germany</td>
<td>Transparent Funds</td>
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<td>Hong Kong</td>
<td>Stamp Duty</td>
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<td>Hungary</td>
<td>Security Transaction Tax</td>
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<td>Ireland</td>
<td>Stamp Duty, Withholding Tax</td>
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<td>Italy</td>
<td>FTT, Withholding Tax, Fund Taxation Classifications</td>
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<td>Liechtenstein</td>
<td>Stamp Duty (Taxable Security), Withholding Tax AT / LI</td>
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<td>Malaysia</td>
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<td>Singapore</td>
<td>Stamp Duty</td>
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<td>South Africa</td>
<td>Securities Transfer Tax</td>
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<td>Spain</td>
<td>Nationality Declaration</td>
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<td></td>
<td>Withholding Tax, FTT</td>
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<td></td>
<td>Traspaso Funds</td>
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<td>Switzerland</td>
<td>Stamp Duty (Taxable Security)</td>
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<td>IUP Bonds / Structured Products</td>
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<tr>
<td>UK</td>
<td>Stamp Duty, PTM Levy, Authorized / Reporting Funds, Tax Credit, CGT, Qualifying Corporate Bond, Venture Capital Trust, Building Society Shares, Bond Funds, DDS, UK Situs</td>
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<tr>
<td>US</td>
<td>FATCA, QI, 871(m), 1446(f), Municipal Bonds Taxation, TEFRA C / D</td>
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Simplify Your Tax Compliance

With SIX data, capturing and updating information on fast-moving global tax responsibilities is effortless. We untangle the complexities of identifying domestic and cross-border taxation requirements for instruments, issuers or individuals to drive your monitoring, withholding and reporting processes forward.

Regulation-Specific Services
SIX provides specialized data services for various global tax regulations, including Automatic Exchange of Information - Common Reporting Standard (AEOI / CRS), 871(m), Foreign Account Tax Compliance Act (FATCA) and many Stamp Duty and Financial Transaction Tax (FTT) regimes. SIX also supports country-specific domestic tax data requirements for reporting.

Clear Classification
Coupling the strength of its data capabilities with its regulatory expertise, SIX identifies every instrument that falls under a specific mandate, helping you easily grasp the universe of applicable securities and liabilities.

Aggregation and Calculation
SIX gathers and aggregates data to get a true picture of an instrument’s construction and determine whether it applies to regulatory disciplines, based on rules and calculations.

Continuous Updating
From dividend payments to corporate actions, SIX captures all events that may impose a change on an instrument’s tax liability. We continuously update our lists of flagged securities, providing firms with the most up-to-date information.

Primed for Processing
SIX data is structured and formatted to plug seamlessly into your compliance and advisory processes. In addition, flexible data delivery interfaces ensure your teams get data how and when they need it.

Jürg Stalder
Head of Regulatory Propositions

“Taxation data on financial products and fiscal Corporate Actions have been developed according to the highest standards, quality and automation. With dedicated national and international Tax Data Support teams, SIX provides the operational support for working with this specialized data set.”

BENEFITS
Complete data to support ongoing compliance
Extensive support for international/regional/national tax requirements
Reduced cost and complexity, especially with securities and entities identification
Ability to recognize and execute tax efficiencies
Stamp Duty and Financial Transaction Tax (FTT) compliance for European securities and derivatives is already a challenge. As more jurisdictions implement and modify their transaction taxes, managing FTTs becomes even more challenging.

The FTT service from SIX helps financial intermediaries identify and apply current and future FTTs accurately and efficiently. Through a fully automated data feed, SIX provides up-to-date country-specific information on all in-scope securities and derivatives, so you are ready to comply with new taxes as soon as they come into force.

**USE CASE**

**French Transaction Tax**

- **December 8, 2022**: SIX provides a preliminary file containing all instruments likely to be subject to the French FTT in the new year.
- **December 21, 2022**: The French Finance Ministry publishes the official list of companies subject to FTT.
- **December 22, 2022**: SIX provides the official French FTT classification file and an updated VDF instrument status for FTT-eligible instruments.
- **January 2, 2023**: First settlement day in the new year for transactions subject to FTT.

Identify financial instruments that fall under a country-specific tax regime. Our service supports pre-trade checks and operational requirements for calculating tax on eligible transactions. The FTT Data Support team ensures continuity of the service even in case of late provision of official eligibility lists by authorities.

**USE CASE**

**Swiss Stamp Duty**

Stamp Duty is collected by the Swiss Confederation when securities such as shares or bonds are issued or traded, as well as on insurance premiums. The service from SIX helps financial intermediaries to easily comply with the Stamp Duty circulars, guidelines and directives issued by the Swiss Federal Tax Administration (FTA) and is officially certified by the FTA since 2007.

“Since August 2012, SIX ensures the timely provision of eligibility information for instruments falling under the French FTT. Our expertise and market knowledge allow us to anticipate at the end of the year, which instruments will be added or removed from the universe of French FTT instruments.”

**Mireille Sacripanti**

Head Tax Services France
Tax Withholding

Constant changes to the international taxation system pose significant operational and technological challenges for businesses. SIX helps its clients to maintain domestic tax compliance through the provision of tailored data services and solutions. Our tax data offering is always evolving and expanding to include new jurisdictions and new requirements. If you are interested in a specific tax regime, we can help.

USE CASE

UK Domestic Tax Data Package

Original developed from classifications used for the Withholding Tax Agreement between Switzerland and the United Kingdom, this data set has been developed to a comprehensive data package enabling the annual tax reporting for both resident and resident non-domiciled investors.

“Developed in close cooperation with leading Wealth Management firms, the UK Domestic Tax Data classification provides a standard, cross-asset approach for the taxation of products under HRMC criteria.”

Urs Rohrbach
Head of Swiss and International Tax
Tax Suitability

When it comes to investor tax jurisdictions, financial products and tax exposure, wealth managers have more complexity to manage than ever. SIX frees you from these challenges. We deliver timely, complete and granular data that encapsulates actual and potential tax implications, supporting compliance and giving you the information you need to best advise your clients.

**SIX Tax Score®**

Private investors are becoming more demanding and are increasingly asking for information on the tax implications of their investments. Client advisors need enhanced and enriched tax data at an instrument level that takes their clients’ profile into account, as well as their investment portfolio structure, in order to make tax-intelligent investment decisions and optimize their portfolios. These requirements can become difficult to meet with current tax rules mostly available in the form of heavy tax manuals provided by tax experts. SIX Tax Score® helps client advisors by analysing the tax consequences of financial products and providing them with a tax efficiency score on an individual security level, while anticipating tax-related costs of an investment in that security.

**USE CASE**

<table>
<thead>
<tr>
<th>Active financial instruments with calculated tax score, effective tax rate and calculated total tax paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2M+</td>
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<tr>
<td>&lt;50</td>
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</tbody>
</table>

| Asset-specific tax categorization for each tax jurisdiction covered |

**UK Tax Suitability**

Performing suitability and appropriateness tests can be cumbersome for Wealth Advisors. SIX Tax on Instrument helps Client Advisors and Portfolio Managers to achieve superior after-tax returns by providing insights about tax implications and costs, allowing them to optimize their clients’ investment portfolios. Thanks to tax data from SIX you can identify tax-harmful products for UK resident non-domiciled (UK RND) clients.

“The UK Situs flag by SIX allows to identify potentially tax-harmful products for UK resident non-domiciled investors. In addition to this flag the UK Tax Score provides a value from 1 (tax efficient) to 100 (maximum tax applies) that gives a granular tax suitability indication for a prospective investor.”

Simone Po  
Senior Business Analyst
SIX supports reporting to tax authorities by providing information e.g. on reportable income events under CRS or reportable transactions that do not imply a withholding obligation. For US tax regulation 871(m) certain in-scope transactions will not result in a tax amount withheld, but need to be considered for inclusion in 1042-S reporting.

**FATCA**

The US Foreign Account Tax Compliance Act (FATCA) requires FFIs to collect and analyze substantial amounts of new data to perform IRS reporting, customer and counterparty classification, and withholding mechanisms. Developed in close cooperation with banks and regulatory experts, the SIX FATCA compliance service delivers critical data on issuer identification and instrument status.

**USE CASE**

**IRS Section 871(m)**

The IRS regulation 871(m) aims to collect tax on dividend-equivalent payments for derivative instruments referencing US equity instruments. Transactions executed in US equity-linked derivative instruments, or those with non-qualified indices, may be “in-scope” for withholding and reporting. Determining which instruments are “in-scope” is a difficult task that requires a thorough understanding of equity-linked derivatives. Our expert knowledge of derivatives’ delta, constituents, weighting, and performance makes this possible. As does our constant monitoring of dividend payments on the underlying instruments used by 871(m)-relevant derivatives.

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**USE CASE**

**IRS Section 1446(f)**

The IRS regulation 1446(f) affects foreign and domestic taxpayers. For taxpayers subject to the US tax on foreign-sourced income, the regulation determines if the income is subject to withholding. The regulation requires a detailed analysis of the instrument’s characteristics and its tax implications.
IRS Section 1446(f)

SIX obtains PTP information from a trusted source or directly from partnerships, for instance the Investor Relation/Tax Information section on the public website. Subsequently, SIX identifies and classifies US as well as non-US PTPs instruments by complementing the current US Tax Reportability attribute “Limited Partnership” and marks all PTP instruments that are in scope of 1446(f) with a “liable/applicable – confirmed” flag. US and non-(US)- PTPs issuing withholding exemption statement in Qualified Notices are marked with a specific value. Additionally, US Limited Partnership instruments for which the PTP status still needs to be confirmed are marked with a “potentially liable/applicable” flag.

CRS/AEoI

The OECD’s introduction of the Automatic Exchange of Information (AEoI) under the Common Reporting Standard (CRS) altered the tax landscape. Financial institutions must identify customers whose tax residence differs from their account’s jurisdiction. SIX flags all income-generating corporate actions and classifies them according to CRS categories. This facilitates automated reporting and eases resource-intensive data cleansing.

“Originally developed out of conversations with industry focus and client working groups, the IRS Section 871(m) service from SIX provides the widest cross-asset coverage for product classifications of this complex tax regulation.”

Jacob Gertel
Head Content Management Legal & Compliance Data