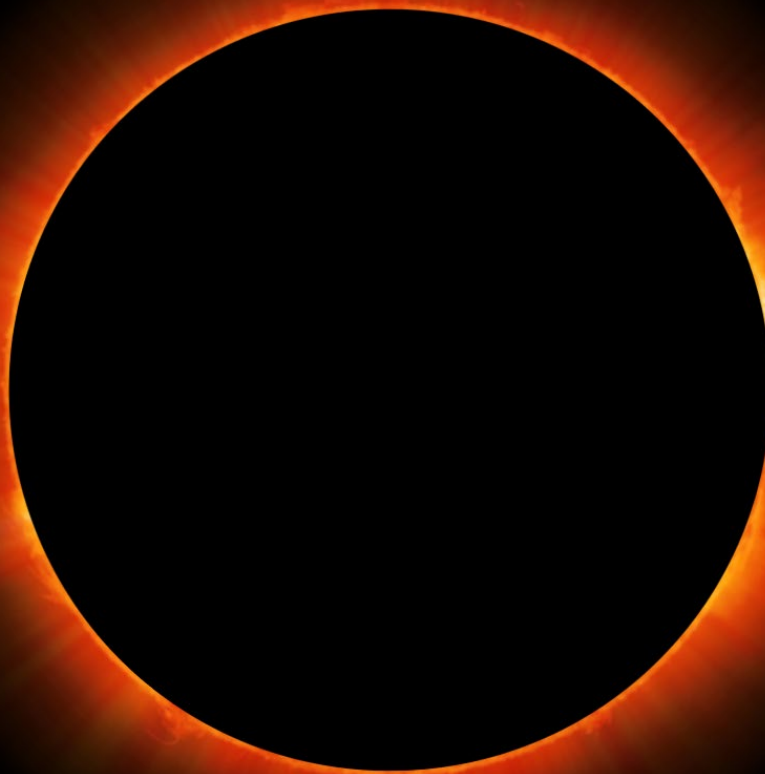


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**iPACS Withholding Tax**

A suite of solutions for your global withholding tax needs



# iPACS Withholding Tax

Global withholding taxes are becoming ever more complex and broad-ranging, with tax authorities worldwide bringing in new laws and increasing scrutiny around access to any potential reliefs. As the world emerges from the COVID-19 pandemic, it is conceivable that taxing authorities will seek to maximise ways to generate revenue from non-resident investors, particularly on cross-border payments.

The need to monitor and react to ongoing change can be operationally challenging, and failure to do so can have a real-time cash flow impact on funds. In order to minimise risk and maximise cash tax benefits, fund managers require a range of co-ordinated solutions to assist with WHT analysis, documentation and reclaims.

Expanding fund ranges, and portfolio investment capabilities will further add to the complexity that fund managers face. The ability to capture, analyse and process withholding tax data across fund ranges will be key to driving efficiencies in the WHT space.

iPACS WHT utilises technology driven solutions, overlaid with the tax technical input of our global network of tax professionals, to provide practical advice and solutions to fund managers, aiding in their interactions with global custodians and overseas tax authorities.



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# Global Withholding Tax

Withholding tax (“WHT”) is imposed on cross-border payment of dividends and interest by almost every country of investment, at varying rates. Funds should, in a number of instances, be able to achieve at least partial relief from these taxes through the application of domestic WHT exemptions or double tax treaties. However, the practical steps to achieve such reliefs differ from country to country and as a consequence, the ability to efficiently manage the WHT position of a global fund range can become very complex.

Historically, fund managers have placed a heavy reliance on custodians to ensure that the WHT position of their global fund range is optimized, however, given the increasing complexity of local WHT regimes, and the increasing level of transparency around beneficial ownership required by local taxing authorities, it is not always possible for the custodian to effectively intervene. Effective oversight of operational tax risk requires in-house tax teams to have a firm grasp of the WHT profile of each fund at any one time.

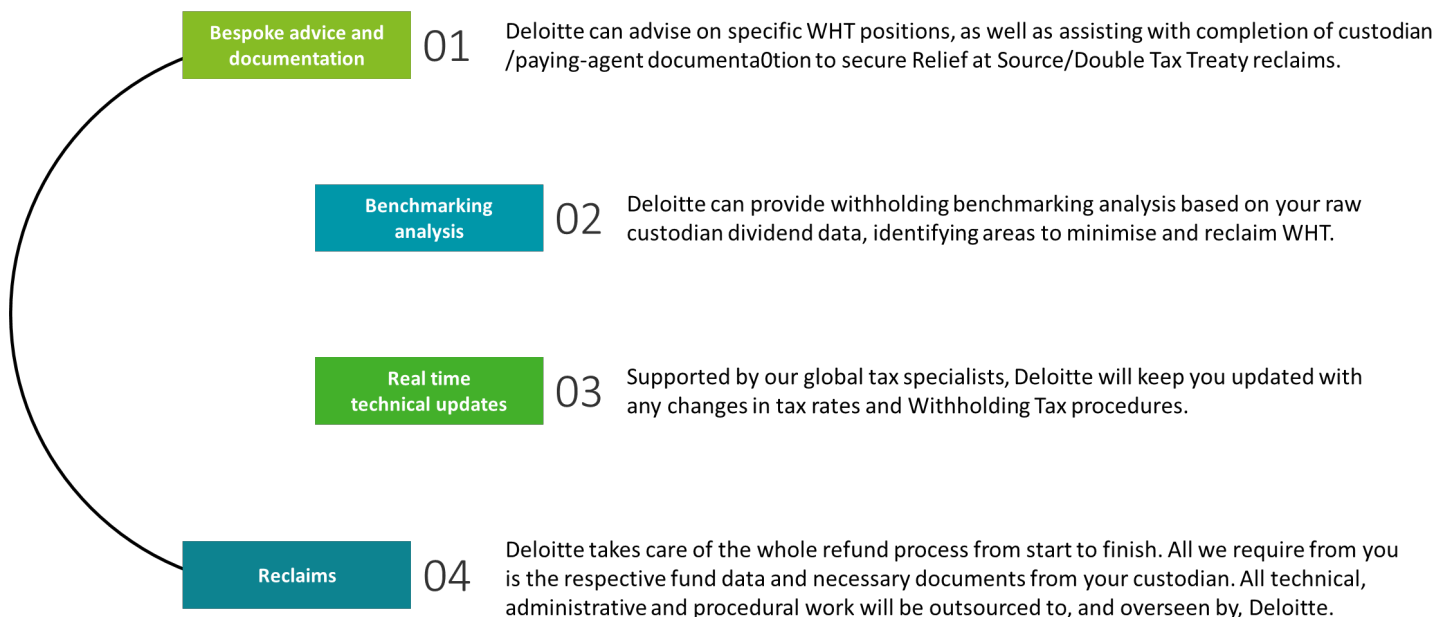
Reliance on largely manual, backward looking, spreadsheet-based processes, responding to new requirements and developments with pressures on headcount can be crippling. What’s more, deploying new tax technologies could call for significant time and resources in order to integrate those technologies with an organization’s existing IT systems.

Tax teams overseeing WHT need quick, effective solutions that enable them to:

- Identify gaps in WHT rates being achieved, and mitigation measures;
- Successfully reclaim overwithheld tax
- Stay up to date with market updates and trends

iPACS Withholding Tax is a suite of solutions that is able to effectively address each of these areas. Using proprietary technology and harnessing the power of our Global network of WHT specialists we can provide a service to efficiently manage the full suite of WHT issues faced by asset managers and servicers.

## The iPACS Withholding Tax solutions include:





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