

**KELER - Depository Announcement No 9 - 21**  
**Detailed rules for the treatment of corporate events of**  
**foreign securities**

Effective Date: October 6, 2023.

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## 1. General information

The contents of this document are for information purposes only, and it is the responsibility of the account holder to comply with the restrictions and obligations listed and to obtain information the current settlement (cash and securities settlement), tax and duty payment rules of the individual markets referenced in this section. KELER shall not be liable for any damages, penalties or other legal consequences arising from failure to do so. All cash and securities credits and debits received by 16:20 on a given day will be booked. KELER disclaims all liability for the accuracy, correctness and usability of the information contained in this document, in particular the information on the tax items concerned and their rates. The contents of this document may not be considered tax advice. If the Customer is not familiar with the tax laws of the relevant country and the procedure for filing and paying taxes, the contents of this brochure are insufficient to provide the necessary tax advice.

If orders to be transmitted or received by either party between KELER and its external account manager are delayed or not received by the receiving party for any reason due to a technical failure, KELER disclaims, to the extent permitted by law, any liability for delays or failure to execute orders.

### Settlement rules for certain markets

The following markets are so-called "actual markets", where the actual date of payment is the date of crediting to the depository (which may be different from the original value date). Examples of these markets are:

Austria, Australia, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Greece, Greece, Spain, France, Italy, Hong Kong, Japan, Luxembourg, Netherlands, New Zealand, Norway, Singapore, Ireland, Sweden, Switzerland, United Kingdom, United States, United States of America.

## 2. Tax services

KELER does not provide a tax refund service. Claims for tax refund or tax adjustment received by KELER are forwarded to the sub-depository. Such claims will be reviewed and decided by the relevant sub-depositories. The deadline for subsequent tax claims and tax adjustments is the date published by the sub-depository in its notice. KELER acts merely as an intermediary in this process.

### 2.1. United States of America

The double tax treaty between the United States of America (hereafter: US) and Hungary (hereafter: the Treaty) was cancelled on 8 January 2023, but its provisions may still be applied for withholding tax purposes until 31 December 2023. In view of this, there will be no change in the taxation of income generated until the end of 2023. With regard to income subject to withholding tax (e.g. dividends, interest), the provisions of the Treaty will no longer apply to amounts paid or credited on or after 1 January 2024. With regard to other taxes, the provisions of the Treaty will no longer apply to tax periods beginning on or after 1 January 2024.

As of 1 January 2024, income from transactions between a US and a Hungarian party, including income relating to corporate events involving US-issued securities, will be treated as income from a non-treaty country with which Hungary does not have a double tax treaty in effect. Thus, the US may deduct withholding tax on income generated in the US (e.g. dividends, interest) at the rate it applies under its internal rules.

Under the Treaty which was in effect until 8 January 2023, the reduced rates were applicable to income, subject to proper documentation, from dividend to individuals and legal entities subject to Hungarian tax at a rate of 15% instead of 30%, for interest income at a rate of 0% instead of 30% and for income from certain securities at a rate of 37% instead of 39.6% (US Limited Partnership). These reduced rates will be available until 31 December 2023 and will no longer be available after 1 January 2024.

In accordance with the requirements of KELER's sub-depository (SIX SIS) and its US local market provider (Citibank), KELER will be able to apply favourable tax rate until 31 December 2023 to its account holders who have made a declaration regarding their tax status by completing Forms W-8BEN (for individuals) or W-8BEN-E (for legal entities) and who simultaneously hold their US securities subject to the preferential tax rate in a dedicated KELER sub-account. To this end, KELER maintains a preferential sub-account, which is registered with Citibank as a named sub-account, therefore all sub-account holders in the chain are required to continuously comply with their registration obligations (e.g. maintaining validity). In addition, for account holders who have intermediary status in the chain of depositories, i.e. who hold client securities in dedicated sub-accounts, the W-8IMY form needs to have been filed until 31 December 2023. It is the responsibility of the account holder to ensure that the documentation associated with the dedicated account continuously comply with the requirements specified in such forms at all times.

KELER may forward the W-8BEN, W-8BEN-E and W-8IMY forms provided to it to SIX SIS and Citibank as part of the account opening process or upon request. For information on data protection issues related to the transfer of personal data contained in the forms, please refer to the Privacy Notice available on KELER's website (<https://www.keler.hu/Adatvédelem/> - [Customer Privacy Notice/Compensation for US Tax](#)). The W-8IMY form has no expiry date and only needs to be refilled in case of a version upgrade, the W-8BEN and W-8BEN-E forms are valid until the end of the third year from the date of processing. If the account holder does not take actions to renew it (by the deadline set by SIX SIS), the sub-account will be automatically closed. Current versions of the forms are available on the Internal Revenue Service (IRS) website (see <https://apps.irs.gov/app/picklist/list/formsPublications.html>).

The fee for opening a named sub-account is set out in the List of Conditions.

For more information regarding the rules for opening a dedicated sub-account with US preferential tax treatment and the account operations allowed in this account, see the [Depository Accouchement No. 9-14 "Cross border settlement of foreign securities"](#). As the Treaty has been cancelled, there is no reason to open a securities sub-account that entitles the holder to favourable conditions.

With regard to payments made after 31 December 2023, the 1042 S form for shareholders currently holding a preferential account will be sent by KELER to securities account holders in March following the tax year, as before. The sub-accounts previously opened at the preferential tax rate will not be closed until the expiry of the W8BEN documents currently in effect (which will be 31 December of the third year following the year of signature), but the treatment of corporate events and payments related to the securities registered in them will be made at the non-preferential withholding tax rate (at the highest rate) in effect from 1 January 2024, in accordance with the US internal rules.

Customers with a dedicated securities account that currently qualifies for preferential tax treatment have nothing to do with the above.

For countries which have a double tax treaty with the US, the favourable conditions will continue to apply, but this has no relevance for KELER's service, as our Company will not continue to offer the tax benefit to non-Hungarian shareholders.

## 2.2. Poland

Due to a change in Polish tax law that took effect on 1 January 2019, the Quick Refund procedure has been abolished. Investors may apply directly to the Polish tax authorities for a Standard Refund procedure for the application of a reduced tax rate. KELER will assist its clients in obtaining and filing the necessary documents (ZPP-1) with the tax authorities and will provide all support to its clients in the tax refund process.

By default, the dividend tax in Poland is 19% (for both legal entities and individuals), the tax on interest payments and principal repayments is 19% for individuals and 20% for legal entities.

The reduced tax rate for Hungarian residents is 10%.

The final investor is responsible for the declaration and payment of income tax on capital gains.

In the case of mortgage bonds, after 1 January 2016, non-resident investors (both individuals and institutional investors) are exempt from paying tax if the following documents are available:

- data of the final investor (in electronic form),
- tax certificate regarding the country of origin.

### 3. Services related to holding annual general meetings

#### 3.1. SIX SIS Zrt.

KELER offers services for attending general meetings and casting votes through its sub-manager. The current rules of each market may differ and it is the responsibility of the client to obtain detailed information.

The documents and forms related to the events are available to the clients upon request at [corpaction@keler.hu](mailto:corpaction@keler.hu).

#### 3.2. SGSS Poland

KELER provides services through its sub-depository to attend general meetings and cast votes.

The documents and forms related to the events are available to the customer upon request at [corpaction@keler.hu](mailto:corpaction@keler.hu).

More general information at :

KELER Corporate Events and Issuer Department

E-mail: [corpaction@keler.hu](mailto:corpaction@keler.hu)