

THE DEPOSITORY TRUST COMPANY

IMPORTANT

B#: 3496

DATE: March 23, 1998

TO: All Participants

FROM: Bill Salva, Director, Product Management

ATTENTION: Managing Partner/Officer, Cashier, Operations and Dividend Managers

SUBJECT: Redesign of the *PTS* (Participant Terminal System) function TAXI (Foreign Tax Withholding Information System)

Effective Thursday, April 1, 1998, several enhancements will be added to the *PTS* function TAXI. TAXI, originally implemented in March 1997 (please refer to Important Notice B# 0492 dated March 11, 1997), allows the Participant to obtain information about DTC's tax withholding services for foreign securities. TAXI has been redesigned to make the screens more user friendly and to expand the scope of tax information provided by DTC.

Some of the above referenced enhancements include:

- *Investor specific information* - Participants may view definitions, legal conditions, procedural and documentation requirements, and treaty withholding rates specific to beneficial owner type and country of investor.¹
- *Tax treaty information* - This section will provide a list of investor countries, an indication of whether or not a tax treaty is in force, and the year the treaty went into

¹ TAXI will start off with U.S. investor perspectives. New countries will be added as they become available to DTC.

effect with the country of investment, if applicable. The user may choose a country on the list to view specific tax information. (Please refer back to footnote #1)

- *Easier access to information* - The new menu will allow the user access to treaty information with a centralized, beneficial owner-driven menu.

There will still be a toggle capability between TAXI and EDS, which allows Participants to use the former for information, and the latter for execution.

Important: Prior to using TAXI and certifying over EDS, Participants are reminded of the following:

- **Participants must read, understand, and comply with all of the information in the "LEGAL CONDITIONS" and "REQUIRED DOCUMENTS" categories for each country on TAXI.**
- **Notices, disclaimers, and limitations of liability applicable to TAXI and the foreign securities and optional dividends functions of EDS are set forth in DTC's PTS manual and DTC's Participant Operating Procedures, including Index A.**

The attached *PTS* procedures for TAXI provide details of the new enhancements. These will replace the previous procedures for TAXI. Questions may be directed to Matthew McLean, (212) 855-5306 of DTC's Product Management Department.



2.49 FOREIGN TAX WITHHOLDING INFORMATION SYSTEM (TAXI)

2.49.1 Overview

The Foreign Tax Withholding Information System (TAXI) function allows the Participant to obtain information about DTC's foreign tax withholding services for foreign securities.

The Participant may view information about the following:

- Beneficial Owner definitions for each treaty
- Tax Withholding Rates (Statutory rates and tax treaty rates)
- Legal Conditions
- Required Documents
- Procedures to Follow
- Final Checklist



2.49.2 How To Access

Step	Action
Step 1	Enter 'TAXI' when the Enter Function Prompt Screen appears (Figure 1).

```
x$V1          DEPOSITORY TRUST          MM/DD/YY
00002199-99   PARTICIPANT TERMINAL SYSTEM  HH:MM:SS

ENTER FUNCTION: TAXI
```

Figure 1. TAXI Enter Function Prompt Screen

Step 2	Press the 'ENTER' key to obtain the Foreign Tax Withholding Information System (TAXI) Disclaimer Screen (Figure 2).
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```
x$V1          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
00002199-99   FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
              (TAXI)

NOTICES, DISCLAIMERS, AND LIMITATIONS OF LIABILITY APPLICABLE TO TAXI
AND THE EDS FOREIGN SECURITIES AND OPTIONAL DIVIDENDS FUNCTIONS ARE
SET FORTH IN DTC'S PTS MANUAL AND DTC'S PARTICIPANT OPERATING PROCEDURES,
INCLUDING INDEX A.

DTC DOES NOT REQUIRE PARTICIPANTS TO USE THE EDS SYSTEM. RATHER,
PARTICIPANTS MAY CHOOSE TO BYPASS DTC AND TO DEAL DIRECTLY WITH FOREIGN
TAX AUTHORITIES.

PLEASE PRESS ENTER KEY TO CONTINUE

=====
ENTER: CONTINUE
PF8/20: END FUNCTION  PF9/21: SIGNOFF
```

Figure 2. Foreign Tax Withholding Information System (TAXI) Disclaimer Screen



2.49.2 How To Access (continued)

Step 3 Press the 'ENTER' key to obtain the Foreign Tax Withholding Information System Main Menu Screen (Figure 3).

```

X SVC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
00002199-99    FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
                MAIN MENU

ENTER ONE OF THE FOLLOWING FOR COUNTRY OF INVESTMENT

                COUNTRY CODE:  __

                OR

                CUSIP:  _____

OPTIONALLY ENTER THE COUNTRY OF INVESTOR

                COUNTRY CODE:  __

=====
ENTER:  EDIT      PF3/15: COUNTRY CODES          PF6/18: PREVIOUS
PF8/20: END FUNC  PF9/21: SIGNOFF

```

Figure 3. Foreign Tax Withholding Information System Main Menu Screen

Step 4 Enter one of the following on the Foreign Tax Withholding Information System Main Menu Screen (Section 2.49.2, Figure 3):

- Country Code: enter a valid two-character ISO country code for the country of investment and press the 'ENTER' key to access the Statutory Rates Screen (Figure 5).

Note: Press the 'PF3/15' key to obtain the Country Listing Screen (Figure 4) if the country code is not known.

or

- CUSIP Number: enter a valid CUSIP number and press the 'ENTER' key to access the Statutory Rates Screen (Figure 5).



2.49.2 How To Access (continued)

or

- Country Code: enter a valid two-character ISO country code for the country of investment or a CUSIP and a valid two-character ISO country code for the country of investor and press the 'ENTER' key to access the Beneficial Owner Type Screen (Figure 7).

Note: If 'PF3/15' was pressed from the Foreign Tax Withholding Information System Main Menu Screen the Country Listing Screen appears (Figure 4).

X SVC 00002199-99	THE DEPOSITORY TRUST COMPANY FOREIGN TAX WITHHOLDING INFORMATION SYSTEM COUNTRY LISTING	MM/DD/YY HH:MM:SS
CMD	COUNTRY CODE	COUNTRY NAME
-	FR	FRANCE

PLACE CURSOR NEXT TO COUNTRY AND PRESS ENTER FOR STATUTORY RATES

=====

ENTER: EDIT	PF6/18: PREVIOUS	PF7/19: MAIN MENU	
PF8/20: END FUNC	PF9/21: SIGNOFF	PF10/22: BACKWARD	PF11/23: FORWARD

Figure 4. Country Listing Screen

Step 5 Position the cursor to the left of the selected country of investment and press the 'ENTER' key to access the Statutory Rates Screen (Figure 5).



2.49.2 How To Access (continued)

Note: If the country code was entered on the Foreign Tax Withholding Information System Main Menu Screen the Statutory Rates Screen appears (Figure 5).

```

X SVC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
00002199-99   FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
              STATUTORY RATES                       PAGE: 001 OF 001

INVESTMENT COUNTRY: FR      FRANCE                   SKIP TO PAGE: ____

-----
Dividends: 25%

-----

ENTER COUNTRY OF INVESTOR OR LEAVE BLANK FOR TREATY INDEX: ____

=====
PF3/15: COUNTRY CODES      PF6/18: PREVIOUS      PF7/19: MAIN MENU
PF8/20: END FUNC          PF9/21: SIGNOFF      PF10/22: BACKWARD    PF11/23: FORWARD

```

Figure 5. Statutory Rates Screen

Step 6 Press the 'ENTER' key on the Statutory Rates Screen to access the Treaty Index Screen (Figure 6) or enter the ISO code for the investor country and press the 'ENTER' key to access the Beneficial Owner Type Screen (Figure 7).

Note: Enter a page number in the Skip To Page field at the top of the screen to go to a specific page.



2.49.2 How To Access (continued)

```
x$VC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
00002199-99  FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
              TREATY INDEX                          PAGE: 001

INVESTMENT COUNTRY: FR      FRANCE

  INVESTOR COUNTRY          TREATY IN FORCE          TREATY DATE
  -----
  _ (US)UNITED STATES OF AMERICA      YES                      N/A

PLACE CURSOR NEXT TO COUNTRY AND PRESS ENTER FOR BENEFICIAL OWNER TYPES

-----
PF8/20: END FUNC   PF9/21: SIGNOFF   PF6/18: PREVIOUS   PF7/19: MAIN MENU
PF10/22: BACKWARD PF11/23: FORWARD
```

Figure 6. Treaty Index Screen

Note: The screen displays a list of investor countries that have a tax treaty with the country of investment for which the information is available in the TAXI function.

Step 7 Position the cursor to the left of a selected investor country and press the 'ENTER' key to access the Beneficial Owner Type Screen (Figure 7).

Note: Enter a country code in the Skip To Country field to go to a specific investor country.



2.49.2 How To Access (continued)

```
X SVC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
00002199-99   FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
                                                    PAGE: 001

INVESTMENT COUNTRY: FR      FRANCE
INVESTOR COUNTRY:  US      UNITED STATES OF AMERICA
CATEGORY          BENEFICIAL OWNER TYPE DESCRIPTION
-----          -----
-                Individuals
-                Taxable Corporations
-                Regulated Investment Companies (RICs)
-                Pension Funds
-                Collective Trusts
-                Individual Retirement Accounts (IRAs)
-                Trusts (other than pension funds and collective trusts)
-                U.S. entities exempt from U.S. taxes
ENTER ONE OF THE FOLLOWING CATEGORIES NEXT TO SELECTED BENEFICIAL OWNER TYPE:
1-WITHHOLDING RATES / EXPANDED BENEFICIAL OWNER TYPES      2-LEGAL CONDITIONS
3-REQUIRED DOCUMENTS      4-PROCEDURES TO FOLLOW      5-FINAL CHECKLIST

-----
PF8/20: END FUNC      PF9/21: SIGNOFF      PF6/18: PREVIOUS      PF7/19: MAIN MENU
PF10/22: BACKWARD      PF11/23: FORWARD
```

Figure 7. Beneficial Owner Type Screen

Note: The screen displays a list of beneficial owner types defined by a tax treaty between the selected investment and investor country.

Step 8 Enter 1 (Withholding Rates/Expanded Beneficial Owner Types) in the Category field next to a selected beneficial owner type on the Beneficial Owner Type Screen and press the 'ENTER' key to access the Withholding Rates/Expanded Beneficial Owner Types Screen (Figure 8).



2.49.2 How To Access (continued)

```
X$VC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
D0002199-99  FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
              WITHHOLDING RATES / BENEFICIAL OWNER TYPES  PAGE: 001 OF 001

INVESTMENT COUNTRY: FR      FRANCE
INVESTOR TYPE   : Individuals
-----
U.S.-resident individuals:
A U.S. citizen having his or her tax residence in the U.S. or an alien having
his or her tax residence in any of the 50 United States or the District of
Columbia.
Eligible for favorable rate (15%) and full avoir fiscal (42.5%)

-----
PF8/20: END FUNC  PF9/21: SIGNOFF  PF6/18: PREVIOUS  PF7/19: MAIN MENU
PF10/22: BACKWARD PF11/23: FORWARD
```

Figure 8. Withholding Rates/Expanded Beneficial Owner Types Screen

Note: The screen displays tax treaty rates as it applies to the selected beneficial owner type and an expanded beneficial owner type description.

Step 9 Enter 2 (Legal Conditions) in the Category field next to a selected beneficial owner type on the Beneficial Owner Type Screen (Figure 7) and press the 'ENTER' key to access the Legal Conditions Screen (Figure 9).



2.49.2 How To Access (continued)

```
X$VC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
D0002199-99  FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
              LEGAL CONDITIONS                      PAGE: 001 OF 007

INVESTMENT COUNTRY: FR      FRANCE                SKIP TO PAGE: ___
INVESTOR TYPE      : Individuals

-----
The following certifications and liabilities apply to the use of EDS for every
country:
  Participants use the EDS system to certify electronically that specified
  quantities of a non-U.S. CUSIP are entitled to favorable tax treatment
  ("Electronic Certification"). Favorable tax treatment may be a reduced rate
  of non-resident withholding taxes, or complete exemption from withholding
  taxes. For some countries, a tax credit related to the issuer's payment of
  home country tax may be available. Favorable tax treatment may be pursuant to
  international treaty or source country law.

-----
PF8/20: END FUNC   PF9/21: SIGNOFF   PF6/18: PREVIOUS   PF7/19: MAIN MENU
PF10/22: BACKWARD PF11/23: FORWARD
```

Figure 9. Legal Conditions Screen

Step 10 Enter 3 (Required Documents) in the Category field next to a selected beneficial owner type on the Beneficial Owner Type Screen (Figure 7) and press the 'ENTER' key to access the Required Documents Screen (Figure 10).



2.49.2 How To Access (continued)

```
X$VC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
D0002199-99   FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
              REQUIRED DOCUMENTS                      PAGE: 001 OF 006

INVESTMENT COUNTRY: FR      FRANCE                SKIP TO PAGE: ___
INVESTOR TYPE   : Individuals

-----
Each must be identified with name, the individual's address (not the DTC
Participant's address), and the individual's Social Security Number (not
Employer Identification Number) in the list sent by the DTC Participant to the
French paying agent.

-----
PF8/20: END FUNC   PF9/21: SIGNOFF   PF6/18: PREVIOUS   PF7/19: MAIN MENU
PF10/22: BACKWARD  PF11/23: FORWARD
```

Figure 10. Required Documents Screen

Step 11 Enter 4 (Procedures To Follow) in the Category field next to a selected beneficial owner type on the Beneficial Owner Type Screen (Figure 7) and press the 'ENTER' key to access the Procedure Steps To Follow Screen (Figure 11).



2.49.2 How To Access (continued)

```
X$VC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
D0002199-99  FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
              PROCEDURE STEPS TO FOLLOW                PAGE: 001 OF 006

INVESTMENT COUNTRY: FR      FRANCE                SKIP TO PAGE: ____
INVESTOR TYPE      : Individuals

-----
1. EDS Certifications
   EDS certifications may be entered before the EDS certification deadline.
   To enter certifications, Participants should select the announcement
   reflecting a record date given in DTC Important Notice for that record
   date.
2. Beneficial Owner Lists: Content
   Certifying the above information to DTC alone does NOT satisfy the
   French requirements that must be met to receive the favorable rate at
   source. The French tax authorities, Service de la Législation Fiscale
   (the "SLF"), mandate that beneficiary lists be completed for all beneficial

-----
PF8/20: END FUNC  PF9/21: SIGNOFF  PF6/18: PREVIOUS  PF7/19: MAIN MENU
PF10/22: BACKWARD PF11/23: FORWARD
```

Figure 11. Procedure Steps To Follow Screen

Note: Press the 'PF11/23' key to scroll forward or enter a page number in the Skip To Page field to go to a specific page.

- Step 12 Enter 5 (Final Checklist) in the Category field next to a selected beneficial owner type ON THE Beneficial Owner Type Screen (Figure 7) and press the 'ENTER' key to access the Final Checklist Screen (Figure 12).



2.49.2 How To Access (continued)

```
X$VC          THE DEPOSITORY TRUST COMPANY          MM/DD/YY
D0002199-99   FOREIGN TAX WITHHOLDING INFORMATION SYSTEM  HH:MM:SS
              FINAL CHECKLIST                          PAGE: 001 OF 003

INVESTMENT COUNTRY: FR    FRANCE                      SKIP TO PAGE: ____
INVESTOR TYPE      : Individuals

-----
E. Final Checklist
- Read through the Expanded Beneficial Owner Description to determine
  which of your customers are entitled to the favorable rate at source and
  avoid fiscal at 42.5% or 15%.
- Read over the DTC Important Notice for that record date to learn of the
  details of the various dividend payment options.
- Make elections over EDS for the various dividend options on behalf of
  your clients.
- Prepare typed or computer-printed (or electronic, if pre-arranged)
  beneficial owner lists in the format depicted in the Important Notice
  for that record date.

-----
PF8/20: END FUNC   PF9/21: SIGNOFF   PF6/18: PREVIOUS   PF7/19: MAIN MENU
PF10/22: BACKWARD  PF11/23: FORWARD
```

Figure 12 Final Checklist Screen

Note: Press the 'PF11/23' key to scroll forward or enter a page number in the Skip To Page field to go to a specific page.

Step 13 Press any of the following:

- 'PF6/18' key to return to the previous screen.
- 'PF7/19' key to return to the Foreign Tax Withholding Information System Main Menu Screen.
- 'PF8/20' key to change the function.
- 'PF9/21' key to end the processing session.
- 'PF10/22' key to scroll backward.
- 'PF11/23' key to scroll forward.

**2.49.4 Messages And Corrections**

<u>Message</u>	<u>Reason</u>	<u>Corrective Action</u>
E001 INVALID PFKEY WAS PRESSED PLEASE TRY AGAIN	The Participant pressed an invalid PF key	Press a valid PF key.
E002 COUNTRY CODE ENTERED IS INVALID RE- ENTER DATA	The Participant entered an invalid country code.	Press the 'PF3/15' key to obtain the Country Listing Screen that contains the valid country codes.
E003 CUSIP ENTERED IS INVALID RE-ENTER DATA	The Participant entered an invalid CUSIP number.	Enter a valid CUSIP number.
E004 LAST PAGE OF DATA MAKE ANOTHER SELECTION	The Participant reached the last page of data.	Press the 'PF10/22' key to scroll backward.
E005 FIRST PAGE OF DATA MAKE ANOTHER SELECTION	The Participant reached the first page of data.	Press the 'PF11/23' key to scroll forward.
E006 NO DATA FOR REQUEST MAKE ANOTHER SELECTION	The Skip To Page value was not found on the file.	Make another selection.
E007 COUNTRY NOT TAXI ELIGIBLE RE-ENTER DATA	The Participant entered a country that is not contained on the Country Listing Screen.	Re-enter the country. Press the 'PF3/15' key to obtain the Country Listing Screen that contains the valid country codes.
E008 CUSIP NOT TAXI ELIGIBLE RE-ENTER DATA	The Participant entered a CUSIP number that is not eligible for the TAXI function.	Re-enter the CUSIP number.



2.49.4 Messages And Corrections (continued)

<u>Message</u>	<u>Reason</u>	<u>Corrective Action</u>
E009 EITHER ENTER COUNTRY OR CUSIP, NOT BOTH	The Participant entered the country code and the CUSIP number.	Enter the country code or the CUSIP number.
E010 DB2 LOCKOUT ERROR PLEASE TRY AGAIN	A systems problem occurred.	Try to access the TAXI function at a later time.
E011 DB2 CONNECTION ERROR PLEASE TRY AT A LATER TIME	A systems problem occurred.	Try to access the TAXI function at a later time.
E012 MUST ENTER COUNTRY OR CUSIP	The Participant did not enter the country code or CUSIP number.	Enter the country code or CUSIP number.
E013 ITEM DOES NOT EXIST ON DATABASE NOTIFY RDP PGM SUPPORT	A systems problem occurred.	Contact DTC's RDP Programming Support department.
E017 DB2 ERROR NOTIFY RDP PGM SUPPORT	A systems problem occurred.	Contact DTC's RDP Programming Support department.
E018 CATEGORY ENTERED IS INVALID RE-ENTER DATA	The Participant did not enter a valid category in the Category field on the Category Select Screen.	Enter 1, 2, 3, 4, 5 or 6 in the Category field on the Category Select Screen.
E022 ONLY ONE CATEGORY SELECTION ALLOWED RE-ENTER DATA	The Participant entered more than one category in the Category field on the Category Select Screen.	Enter only one category in the Category field on the Category Select Screen.



2.49.4 Messages And Corrections (continued)

<u>Message</u>	<u>Reason</u>	<u>Corrective Action</u>
E023 VALID CATEGORIES ARE 1 THRU 5 RE-ENTER DATA	The Participant entered an invalid category in the Category field on the Beneficial Owner Type Screen.	Enter only one category in the Category field on the Beneficial Owner Type Screen.
E027 SKIP TO PAGE IS INVALID RE-ENTER DATA	The Participant did not enter a valid number in the Skip To Page field.	Enter a valid number in the Skip To Page field.
E028 THE ONLY VALID KEY IS 'ENTER' PLEASE TRY AGAIN	The Participant entered a Skip To Page number or category and pressed the 'PF10/22' or 'PF11/23' key.	Enter a Skip To Page number or a category and press the 'ENTER' key.
E030 MAX PAGE LIMIT REACHED	The Participant reached the last page of data.	Press the 'PF10/22' key to scroll backward.
E032 INVESTOR COUNTRY CODE IS INVALID	The Participant entered an invalid country code.	Leave the Investor Country Code field blank and press the 'ENTER' key to obtain the Treaty Index Screen that displays the valid country codes.
E033 INVESTOR COUNTRY CODE NOT TAXI ELIGIBLE	The Participant entered a country that is not on the Treaty Index Screen.	Leave the Investor Country Code field blank and press the 'ENTER' key to obtain the Treaty Index Screen that displays the valid country codes.