
Market Notice

CBS 151_en
30 June 2014

Cross Border Securities Services

Clarifications about the application of FATCA

Dear Client,

Following your requests for elucidations about the application of FATCA, Monte Titoli S.p.A. clarifies the following points:

- 1) **Law Provisions:** Chapter 4 of the Internal Revenue Code (FATCA) requires withholding a 30% penalty fee on the payments in favour of “non-FATCA Compliant” foreign financial institutions, i.e. not resident in a country with an IGA in place or that have not entered into an agreement with the IRS. If a participant is identified as FATCA Compliant, the Chapter 3 of the Internal Revenue Code (QI) applies. Monte Titoli, in its role of “QI with full Withholding Responsibility”, is allowed to apply the optimum withholding rate in accordance to the break down received by the participants.
- 2) **Application of FATCA within Monte Titoli S.p.A.:**
 - If a participant is recognised as non-FATCA Compliant, Monte Titoli will withhold the 30% penalty fee, keeping the withheld amount on a Monte Titoli account until the ratification of the Implementing Decree of the IGA between Italy and USA, which will clarify how to pay this amount to the Italian Tax Authority (Agenzia delle Entrate).
 - In case a participant is FATCA Compliant, the QI regulation applies. Monte Titoli, in its role of Withholding Agent, will continue to manage the instructions received through 704 messages and to fulfil the payment and reporting requirements towards the IRS.

Please also note that for clients who have already documented their accounts in the past according to Chapter 3 provisions, the deadline to submit the updated documentation (Form W8/W9) has been extended to 31/12/2014. The updated documentation will replace the previous version from the moment of receipt. The instructions to fill in the new form W8-IMY/W8-BEN-E have been published on the IRS website at the following link:
<http://apps.irs.gov/app/picklist/list/formsPublications.html>



London
Stock Exchange Group

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For further information please refer to:

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