

## Appendix 6 Table of Concordance UK

1	Corporate actions regarding shares	Type of income or gain UK	UK tax law	HMRC guidance	Type of income or gain for final withholding tax	Art. in Agreement	Basis of assessment final withholding tax Art. 24 <sup>1</sup>	EUSA <sup>2</sup>	Existing EUSA treatment
1.1	Dividends (UK and non-UK resident companies)	Dividend income	CTA10/S1000(1)A	SAIM5030	Dividend income	Art. 26	Dividend received plus withholding tax where country is a qualifying territory and company is not an excluded company plus 10% UK tax credit	-	
1.2	Distributions in a liquidation	Capital gain	TCGA92/S122	CG57800	Capital gain	Art. 28	Distribution less the proportion of the acquisition costs of the shares treated as capital gain	-	
1.3	Stock dividend, opt for cash alternative (UK and non-UK companies)	Dividend income	CTA10/S1049 ITTOIA 05 S409-412, S412	SAIM5030	Dividend income	Art. 26	Gross income calculated on the cash alternative, basis of dividend see 1.1 above, including tax credit	-	
1.4	Stock dividend, opt for stock (UK companies)	Dividend income	CTA10/S1049	SAIM5030	Dividend income	Art. 26	Gross income calculated on the cash alternative, unless the market value of shares as reported on ex date (closing price) deviates more than 15% from the cash alternative (then market value of shares) plus 10% UK tax credit; Acquisition costs of existing stock pool is increased by amount taxed as dividend for shares received without tax credit.	-	
1.5	Stock dividend, dividend reinvestment, Opt for stock	Dividend income	CTA10/S1049	SAIM5030	Dividend income	Art. 26	See 1.4 above	-	
1.6	Stock dividend (non-UK resident companies)	Capital gain		CG51823	Capital gain	Art. 28	Treated as capital gain if treated as capital gain under local law	-	

<sup>1</sup> Taxes at source might be levied (applicable for all corporate actions and types of income).

<sup>2</sup> Agreement dated 26 October 2004 between the Swiss Confederation and the European Community providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments.

1.7	Capital reduction / reduction of nominal value / repayment including share premium repayments	Tax neutral / capital gain	CTA10/S1026 CTA10/S1033 CTA10/S1000(1) CTA10/S1000(1)B TCGA92/S1	SAIM5030 CTM15400 CMT17570 CG58600	Tax neutral (reducing acquisition costs) / capital gain	Art. 28	(i) If payment $\leq$ 5% of market value of the shares: tax neutral, payment reduces acquisition cost pool <sup>3</sup> . (ii) If payment $>$ 5% of market value of the shares as reported on ex date (closing price): capital gain part disposal <sup>4</sup> ; a = cash received, b = market value of remaining shares, acquisition costs apportioned according to part disposal formula	-	
1.8	Bonus issue of non-redeemable shares, no choice for cash	Tax neutral (pure dilution)	CTA10/S1049	SAIM5030	Tax neutral (pure dilution)	-	Dividend income of zero, pure dilution	-	
1.9	Issue of redeemable share capital otherwise than wholly for new consideration	Dividend income	S1000(1)C CTA10 ITTOIA 05 S400	SAIM5050	Dividend income	Art. 26	Gross income is market value of instruments as reported 10% tax credit on gross income  Acquisition costs of new instruments: amount taxed as dividend income	-	
1.10	Security issued otherwise than wholly for new consideration	Dividend income	S1000(1)D CTA10 ITTOIA 05 S400	SAIM5050	Dividend income	Art. 26	Gross income is market value of instruments as reported. 10% tax credit on gross income  Acquisition costs of new instruments: amount taxed as dividend income	-	
1.11	Company reconstruction / share for share exchange	Capital gain	TCGA92/S135	CG52521	Tax neutral / Capital gain	Art. 28	Gain rolled over if conditions are met. Otherwise capital gain, consideration for new shares less cost of old shares.	-	
1.12	Share split <sup>5</sup> ("sub-division") Reverse split (share consolidation)	Tax neutral	CTA10/S1000(1)	SAIM5030	Tax neutral	-	Tax neutral	-	

<sup>3</sup> Small disposal rule.

<sup>4</sup> Part disposal is calculated as  $a/(a+b)$ .

<sup>5</sup> Without dividend distribution.

1.13	Split-off spin-off (Demerger)	Tax neutral / capital gain	TCGA92/S192 CTA10/S1000(1)	CG45460 SAIM5030	Tax neutral / capital gain	- Art. 26	If specific conditions are met, tax neutral, allocation of acquisition cost pools on part disposal rules based on market values; Cash payments: (i) If payment $\leq$ 5% of market value of the shares: tax neutral, payment reduces acquisition cost pool. (ii) If payment $>$ 5% of market value of the shares as reported on ex date (closing price): capital gain, acquisition costs apportioned to capital gain part disposal <sup>6</sup> , a = cash received, b = market value of remaining shares, acquisition costs apportioned according to part disposal formula	-	
1.14	Merger	Tax neutral Capital gain (asset swap)	TCGA92/S181	CG45460	Tax neutral / capital gain	- Art. 28	If specific conditions are met, tax neutral, combination of acquisition cost pools; Cash payments: (i) If payment $\leq$ 5% of market value of the shares: tax neutral, payment reduces acquisition cost pool. (ii) If payment $>$ 5% of market value of the shares as reported on ex date (closing price): capital gain part disposal <sup>7</sup> , a = cash received, b = market value of remaining shares, acquisition costs apportioned according to part disposal formula	-	
1.15	Hidden profit distribution, Stock dividend	Dividend income (hidden profit distribution)	CTA10/S1000(1) CTA 10 S1026	SAIM5030 CTM15400	Dividend income	Art. 26	Amount received net plus withholding tax in countries with Double Taxation Agreement (DTA)	-	
1.16	Manufactured dividends / share	Dividend income	ITA07 S573(1) and (2) for UK companies ITA 07 S581 (1) and (4) for non-UK companies	CG51823	Dividend income	Art. 26	Gross income	-	

<sup>6</sup> Part disposal is calculated as  $a/(a+b)$ .

<sup>7</sup> Part disposal is calculated as  $a/(a+b)$ .

1.17	Securities Lending Fee	Other income			Other income	Art. 27	Stock lender: Gross income  Stock borrower: Securities lending fees paid are not tax-deductible; No netting off of stock borrowing fees	-	
1.18	Compensation for damages	In principal dividend income			Dividend income	Art. 26	Gross income	-	
1.19	Sale: capital gain / capital loss	Capital gain / capital loss	TCGA92/S1	CG14200	Capital gain / capital loss	Art. 28	Difference between purchase and selling price considering direct acquisition and sales costs. The sequence of the records of the acquisition costs is based on the following rules: 1) Same day rule: Shares disposed are first matched with shares acquired on the same day. 2) If rule 1 does not apply, then shares disposed are matched with the shares acquired in the next 30 calendar days on a first in first out basis. 3) If rules 1 and 2 do not apply, the average acquisition costs form a pool of the securities, which combines all acquisitions to form a unit price of the securities. The acquisition cost pool basis as of 31 December 2012 is determined on the paying agents' internal acquisition cost figures available in the systems.	-	
1.20	Short sale	Capital gain	TCGA92/S263B (3)	CFM74150	Capital gain	Art. 28	For capital gains calculation apply rules for identifying shares disposed of with shares acquired including 30 day rule.	-	

1.21	Rights issue, subscription right / exercise, payment received on disposal or surrender of rights	Capital gain	TCGA92/S123	CG57855	Capital gain	Art. 28	<p>a) Issue of the rights: tax neutral, no separate acquisition cost pool for rights issued</p> <p>b) Subscription right / exercise: tax neutral, increase of acquisition cost pool of shares by exercise price payment</p> <p>c) Disposal of subscription right with payment received: (i) If cash received <math>\leq</math> 5% of market value of the shares: tax neutral, payment reduces acquisition cost pool of the shares.  (ii) If payment <math>&gt;</math> 5% of market value of the shares: capital gain, part disposal<sup>8</sup>, a = cash received, b = market value of remaining shares, acquisition costs apportioned according to part disposal formula</p> <p>d) Lapse without payment received: tax neutral</p>	-	
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<sup>8</sup> Part disposal is calculated as  $a/(a+b)$ .

2	Corporate actions regarding bonds	Type of income or gain UK	UK tax law	HMRC guidance	Type of income or gain for final withholding tax	Art. in Agreement	Basis of assessment final withholding tax Art. 24	EUSA	Existing EUSA treatment
2.1	Repayment premium/ discount (not deeply discounted) – no interest payable	Interest income	ITTOIA05/S369(1) ITTOIA05/S381	SAIM2230	Interest income	Art. 25	Profit charged as income at due date (repayment), unless reported otherwise	✓	Accrued interest subject to pro rata taxation proportionally depending on holding period (date of repayment)
2.2	Repayment premium/ discount (not deeply discounted) – market rate interest payable	Capital gain	ITTOIA05/S369(1)	SAIM2230	Capital gain	Art. 28 Art. 25	Profit subject to capital gains tax at due date (repayment)	✓	Pro rata taxation proportionally depending on holding period (date of sale)
2.3	Sale or redemption of Deeply Discounted Security (DDS)	Interest income	ITTOIA05/Chapter8 /Part 4	SAIM3010	Interest income	Art. 25	Profit charged as income on sale or redemption  No tax relief for losses	✓	Pro rata taxation proportionally depending on holding period (date of sale)
2.4	Conversion (bonds against other securities), including fractional interest	Tax neutral Interest income	ITA07/S620(1)(b)	SAIM4050	Tax neutral Interest income	- Art. 25	Conversion tax neutral; acquisition cost pool transferred to share acquisition cost pool. Fractional (accrued) interest taxable as interest	✓	Accrued interest subject to pro rata taxation proportionally depending on holding period (date of conversion)
2.5	Coupon <sup>9</sup> payment received	Interest income	ITA07/S616	SAIM4030	Interest income	Art. 25	Pro rata taxation (interest minus any accrued interest paid upon acquisition)	✓	Accrued interest subject to pro rata taxation proportionally depending on holding period (date of payment)
2.6	Manufactured payments / manufactured coupons	Interest income	ITA07/S578	CFM74340	Interest income	Art. 25	Gross income	-	

<sup>9</sup> Including all kind of interest.

2.7	Compensation for damages	Interest income		SAIM2070	Interest income	Art. 25	Gross income	-	
2.8	Repo interest (Price difference on repo)	Interest income	ITA07/Part11/Chapter 4	SAIM2200	Interest income	Art. 25	Gross income	✓	Gross income
2.9	Accrued interest upon conversion and sale	Interest income	ITA07/S615 - 681	SAIM4010	Interest income	Art. 25	Accrued / fractional interest minus any accrued interest paid upon acquisition	✓	Accrued and fractional interest subject to pro rata taxation proportionally depending on holding period
2.10	Sale Capital gain / capital loss	Capital gain / capital loss	TCGA92/S115	CG53400	Capital gain / capital loss, tax exempt	Art. 28	Difference between purchase and selling price reduced by sales costs unless qualifying corporate bonds, UK government bonds etc., which are exempt from capital gains taxation (no capital loss claim either). Acquisition costs are determined as described in 1.20.	-	
2.11	Alternative Finance Return (Sharia compliant products)	Interest income	ITA07/S564M	SAIM2250	Interest income	Art. 25	Difference between forward transaction and cash transaction applicable to all Sharia contracts (typically Mudaraba, Murabaha, Wakala and Sukuk arrangements)	-	

3	Corporate actions regarding options	Type of income or gain UK	UK tax law	HMRC guidance	Type of income or gain for final withholding tax	Art. in Agreement	Basis of assessment final withholding tax Art. 24	EUSA	Existing EUSA treatment
3.1	Swaps	Other income	ITTOIA05/Part5	CFM50080	Other income	Art. 27	Positive difference received, no deduction for negative difference paid	-	
3.2	Forwards (no guaranteed returns)	Capital gain / capital loss	TCGA1992/PartIV/ChapterIII	CG56004	Capital gain / capital loss	Art. 28	Difference between purchase and selling price (or amount received on closing out contract by entry into another reciprocal contract), if quoted on a recognized stock exchange (as defined in s.144 TCGA1992) or issued by the Financial Services Authority (FSA) or similarly regulated entity, otherwise other income.	-	
3.3	Futures (no guaranteed returns)	Capital gain / capital loss	TCGA1992/PartIV/ChapterIII	CG56004	Capital gain / capital loss	Art. 28	Difference between purchase and selling price (or amount received on closing out contract by entry into another reciprocal contract), if quoted on a recognized stock exchange (as defined in s.144 TCGA1992) or issued by FSA or similarly regulated entity, otherwise other income.	-	
3.4	Futures and options involving guaranteed returns	Interest income	ITTOIA5/Part4/Chapter12	SAIM7010	Interest income	Art. 25	Gross amount, no deduction for losses	-	
3.5	Option (including LEPO <sup>10</sup> ) premium paid (entering into long position)	Tax neutral			Tax neutral	-	The option premium including costs directly linked to the premium form the acquisition cost basis. The sequence of the records of the acquisition costs follows the rules as per 1.20 above.	-	
3.6	Option (including LEPO) premium received (entering into a short position)	Capital gain / capital loss	TCGA1992/PartIV/ChapterIII	CG12310	Capital gain / capital loss	Art. 28	Gross amount received unless 30 day rule for capital gains tax calculation applies. If not quoted on a recognized stock exchange (as defined in s.144 TCGA1992) or issued by FSA or similarly regulated entity, other income treatment applies (see 3.4 above).	-	

<sup>10</sup> Low Exercise Price Option.

3.7	Exercise of options / warrants (including LEPO) and acquisition of the underlying security, Exercise of call option	Tax neutral Capital gain / capital loss	TCGA1992/PartIV/ ChapterIII	CG12310	Tax neutral, capital gain / capital loss	- Art. 28	No gain taxed on exercise of option / warrant if underlying asset is received; purchase price of option / warrant is taken into account in combination with the exercise price for computing the acquisition cost price basis of the underlying securities acquired.  Capital gains / loss taxation in case of exercise of put option; acquisition costs of put options and of underlying security sold form the pool of the acquisition cost.  Capital gains / loss taxation (or other income) in case of exercise of option with cash settlement, if quoted on a recognized stock exchange or issued by FSA or similarly regulated entity, otherwise other income treatment applies (see 3.4 above).	-	
3.8	Sale of options, Exercise of cash settled options including LEPO), Exercise of put options	Capital gain / capital loss	TCGA1992/ PartIV/ ChapterIII	CG12300	Capital gain / capital loss	Art. 28	Difference between purchase and selling price, if quoted on a recognized stock exchange or issued by FSA or similarly regulated entity, otherwise other income treatment applies (see 3.4 above).	-	
3.9	Compensation for damages	Capital gain			Capital gain	Art. 28	Gross income	-	

4	Corporate actions regarding structured products	Type of income or gain UK	UK tax law	HMRC guidance	Type of income or gain for final withholding tax	Art. in Agreement	Basis of assessment final withholding tax Art. 24	EUSA	Existing EUSA treatment
4.1	Products with capital protection	Capital gain Other income Interest income	ITTOIA5/Part4/ Chapter8	SAIM3020 SAIM3040	Capital gain Other income Interest income	Art. 28 Art. 27 Art. 25	For treatment as DDS see 4.5 below. For treatment as non-DDS see 4.4 below. For income arising due to coupon payment see 4.6 below.	✓	Guaranteed payment (EUSA Guidance recitals 169 f.)
4.2	Reverse Convertibles (rise in price of underlying asset), coupon payment	Interest income	ITTOIA05/S369(1)	SAIM2010	Interest income	Art. 25	Gross income	✓	Guaranteed payment (EUSA Guidance recitals 176 f.)
4.3	Reverse Convertibles (rise in price of underlying asset), sale / repayment / delivery of underlying security	Interest income Capital gain	ITTOIA05/S433 TCGA 92 Part. IV/Ch III.	SAIM3020 SAIM3040	Interest income (DDS see 4.4 below), unless specifically reported as non-DDS, then capital gain / capital loss	Art. 25 Art. 28	If a security: DDS (default): gross return, difference between purchase and selling price, no deduction for any losses.  Non-DDS reported capital gain / capital loss: difference between purchase and selling price considering direct acquisition and sales costs.  Acquisition costs of securities deemed to be market value on ex date (closing price) of underlying securities delivered.	✓	Accrued Interest
4.4	Certificates qualifying as Excluded Indexed Security (EIS) or redemption of EIS (non-DDS)	Capital gain	ITTOIA05/S433	SAIM3050 SAIM3040	Capital gain / capital loss	Art. 28 Art. 26	Difference between purchase price (net of accrued income) and sale proceeds (net of accrued income) with deduction for incidental costs of sale.	-	
4.5	Certificates qualifying as DDS <sup>11</sup> (non EIS)	Interest income	ITTOIA05/Part 4/ Chapter8	SAIM3010	Interest income	Art. 25	Gross return, difference between purchase and selling price (net of accrued income), no deduction for any incidental costs or losses	✓ only if underlying bonds	Pro rata taxation proportionally depending on holding period (date of sale)

<sup>11</sup> Including certificates on single value.

4.6	Coupon payment	Interest income	ITTOIA05/S433	SAIM3050 - section on 'total return index'	Interest income	Art. 25	Gross income	-	
4.7	Compensation for damages	Interest income Other income			Interest income Other income	Art. 25 Art. 27	Gross income	-	

5	Corporate actions regarding UK authorised investment funds (AIF) <sup>12</sup> and other UK funds	Type of income or gain UK	UK tax law	HMRC guidance	Type of income or gain for final withholding tax	Art. in Agreement	Basis of assessment final withholding tax Art. 24	EUSA <sup>13</sup>	Existing EUSA treatment
5.1	Distribution (unless interest distribution from OEICs and authorised unit trusts / property income distribution)	Dividend income	Treated as dividend income SI2006/964 reg 22 SI2009/3001 reg 95	UK AIFs SAIM 6030 SAIM 5020 CTM48555	Dividend income	Art. 26	Dividend amount received plus tax credit	✓ - CG	TID <sup>14</sup> (taxable income per distribution)
5.2	Interest distributions from OEICs, authorised unit trusts and bond funds <sup>15</sup>	Interest income	ITTOIA05/S373  ITTOIA05/S376  Also SI2006/964 reg 18	SAIM6030 SAIM2200 CTM48560	Interest income	Art. 25	Gross income including withholding tax, credited against final withholding tax	✓	TID <sup>16</sup>
5.3	Property Income Distribution	Other income	SI2006/964 reg 69Z18	CTM48854	Other income	Art. 27	Gross income, no tax credit	-	
5.4	Distribution of capital gains	Capital gain	TCGA92/SS99	CG41300	Capital gain	Art. 28	(i) If payment ≤ 5% of market value (last available net asset value before pay date) of the shares: tax neutral, payment reduces acquisition cost pool. (ii) If payment > 5% of market value of the shares as reported: capital gain, acquisition costs apportioned to capital gain: cash amount (acquisition cost pool + cash amount).	✓ - CG	TID <sup>17</sup>

<sup>12</sup> Authorised Unit Trust or authorised Open Ended Investment Company (OEIC) resident in the UK and authorised by the Financial Services Authority (FSA).

<sup>13</sup> Funds covered by EUSA: EU funds according to OGAW Directive, Swiss funds with bank declaration (exempt from Swiss anticipatory tax), other reporting funds (EUSA Guidance recitals 111-146).

<sup>14</sup> Not only interest component but total distribution is subject to retention if TID is not available.

<sup>15</sup> An investment fund holding more than 60% interest bearing assets or any economically similar form like cash (accounts). If no information on the share of the assets is available, a fund is deemed to be a bond fund.

<sup>16</sup> Not only interest component but total distribution is subject to retention if TID is not available.

<sup>17</sup> Not only interest component but total distribution is subject to retention if TID is not available.

5.5	Sale / Redemption	Capital gain	TCGA92/SS99	CG41300	Capital gain	Art. 28	Difference between purchase and selling price considering direct acquisition and sales costs.	✓	TIS <sup>18</sup> (if in scope)
5.6	Fund mergers and spin-offs (Share for share exchange that does not satisfy the conditions of s.135 TCGA92)	Capital gain	TCGA92/SS99	CG41300	Capital gains	Art. 28	The merged (or the spun-off) investment fund is deemed to be disposed at the time of the transaction, unless reported otherwise.  Difference between purchase and selling price considering direct acquisition and sales costs.	-	
5.7	Fund mergers and spin-offs (Share for share exchange that does satisfy the conditions of s.135)	Tax neutral / capital gain	TCGA92/SS99	CG41300	Tax neutral / capital gain	- Art.28	If specific conditions are met, tax neutral. Allocation of acquisition cost pools on part disposal rules based on market values.  Cash payments: (i) If payment <= 5% of market value of the shares: tax neutral, payment reduces acquisition cost pool. (ii) If payment > 5% of market value of the shares as reported: capital gain, acquisition costs apportioned to capital gain part disposal <sup>19</sup> , a = cash received, b= market value of remaining shares, acquisition costs apportioned according to part disposal formula.	-	
5.8	Accumulated income	Dividend income	Treated as dividend income SI2006/964 reg 22 SI2009/3001 reg 95	UK AIFs SAIM 6030 SAIM 5020 CTM48555	Dividend income	Art. 26	Amount of income accumulated plus tax credit	✓	TID <sup>20</sup>

<sup>18</sup> Investment fund with reporting: accrued TIS depending on holding period is subject to retention. If TIS is not available the difference between purchase and selling price is subject to retention.

<sup>19</sup> Part disposal is calculated as  $a/(a+b)$ .

<sup>20</sup> Not only interest component but total distribution is subject to retention if TID is not available.

6	Corporate actions regarding non-UK funds <sup>21</sup>	Type of income or gain UK	UK tax law	HMRC guidance	Type of income or gain for final withholding tax	Art. in Agreement	Basis of assessment final withholding tax Art. 24	EUSA	Existing EUSA treatment
6.1	Distributions from other non-UK funds including non-UK equity funds	Dividend income	ITTOIA05/S397AA (3)	OFM08100	Dividend income	Art. 26	Dividend amount received plus withholding tax deducted on the distribution, where country is a qualifying territory and company is not an excluded company, plus 10% tax credit, if dividend.	✓, unless below threshold	TID
6.2	Distributions from non-UK bond funds <sup>22</sup>	Interest income	ITTOIA05/S378A (Re offshore funds)	SAIM6030 SAIM2200	Interest income	Art. 25	Gross income (including any foreign withholding tax deducted on the fund distribution if interest)	✓	TID
6.3	Reported undistributed income from reporting funds	Interest income (bond funds), Dividend income (non-bond funds)	ITTOIA05/S378A (Re offshore funds)	OFM12000	Interest income (bond funds), Dividend income (non-bond funds)	Art. 25 Art. 26	Undistributed amount as reported 6 months after fund business year-end date. If no reporting is available with the approved data provider or the paying agent 6 months after fund year-end, paying agent calculates the undistributed income as difference between NAV in GBP of the beginning and of the end of the preceding fund business year. Final withholding tax is calculated and deducted 6 months after fund business year-end date based on the holding as at the fund business year end. Amounts taxed as reported undistributed income are added up to the acquisition costs of the fund shares.	✓	TID
6.4	Sale Reporting fund	Capital gain / capital loss	TCGA92/SS99	CG41300	Capital gain / capital loss	Art. 28	If reporting fund, difference between acquisition costs and selling price considering direct acquisition and sales costs treated as capital gain / capital loss.	✓	TIS (if in scope)

<sup>21</sup> Open Ended Investment Company, unit trust or other arrangement (e.g. Lux FCP, Eire CCF, etc.) or similar (see Section 355 ff. TIOPA) domiciled outside the UK.

<sup>22</sup> An investment fund holding more than 60% interest bearing assets or any economically similar form like cash (accounts). If no information on the share of the assets is available, a fund is deemed to be a bond fund.

6.5	Sale Non-reporting fund	Other income	Regs 17, 18 SII2009/3001 (Offshore funds within S355 TIOPA10)	OFM08100 OFM09000	Other income	Art. 27	Difference between purchase and selling price taxed as other income, no deduction for any losses.	✓	TIS (if in scope)
6.6	Dividend in kind / non-cash dividend of non-bond funds	Dividend income	CTA10/S1000(1)A	OFM08100	Dividend income	Art. 26	Gross income (market value of dividend in kind as reported). No tax credit added.	✓, if thresholds exceeded	TIS increase due to transaction <sup>23</sup>
6.7	Switch from reporting fund status to non-reporting fund status and vice versa	Tax neutral		OFM19000	Tax neutral	-	Final withholding tax is always levied based on the status as reporting fund or as non-reporting fund as at the time of the taxable event, and the paying agents calculate the final withholding tax as if the fund status had always been the same as at the time of the taxable event.	-	
6.8	Fund merges and spin-offs	Tax neutral Capital gain	TCGA92/SS99	CG41300	The merged (or the spun-off) investment fund is deemed to be disposed at the time of the transaction, unless reported otherwise Capital gains tax treatment in case of reporting funds, gain taxed as other income in case of non-reporting funds	- Art. 28	Difference between purchase and selling price considering direct acquisition and sales costs.  (i) If payment ≤ 5% of market value of the shares: tax neutral, payment reduces acquisition cost pool. (ii) If payment > 5% of market value of the shares as reported: capital gain part disposal <sup>24</sup> , a = cash received, b = market value of remaining shares, acquisition costs apportioned according to part disposal formula.	-	

<sup>23</sup> If TIS is not available the difference between purchase and selling price is subject to retention.

<sup>24</sup> Part disposal is calculated as a/(a+b).