

IPMA STANDARD LANGUAGE FOR THE EU DIRECTIVE ON THE TAXATION OF SAVINGS

On 19th July 2004, the European Commission announced that the EU's Council of Ministers has adopted a decision establishing an application date for the Savings Tax Directive of 1st July 2005.

IPMA is updating its EU tax disclosure language, last revised in October 2003, to reflect this date. This is the only change to the IPMA tax disclosure language. As the tax disclosure language published in October 2003 is still accurate in material respects, there is no need for issuers who are using it to update their programmes earlier than they otherwise would.

For the sake of convenience the revised IPMA EU tax disclosure paragraph and accompanying note are set out below:

“The EU has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise. [It is expected that a number of third countries and territories including [insert name] will adopt similar measures with effect from the same date*]”

Note

* A number of third countries are expected to introduce “equivalent measures” to the Savings Directive. Where the issuer is itself located in such a jurisdiction a full tax paragraph will normally be inserted for that jurisdiction. Where the issuer is not itself located in such a jurisdiction but has a paying agent who is, consider inserting the words in parenthesis.

4th August 2004