

**Bold, underlined text** indicates proposed added language.

**~~Bold, strikethrough text~~** indicates proposed deleted language.

# DTC CORPORATE ACTIONS

## DISTRIBUTIONS SERVICE GUIDE

~~JUNE 30~~ NOVEMBER, 2022

\*\*\*

## Tax Event Announcements

### Description

Tax Event announcements are (i) information only announcements regarding taxable events that may give rise to information and/or withholding obligations which occur even in the absence of an actual distribution of dividend and interest payments, (ii) information only announcements regarding the taxability of a corresponding distribution, and/or (iii) other relevant tax data that DTC receives from an issuer (“Tax Events”).

### How Tax Event Announcements Work

As the registered holder of a security, DTC often receives tax information directly from issuers, issuer’s agents, and trustees (“Tax Event Announcement”). A Tax Event Announcement leverages the announcement process to provide this information in a standardized format to help participants meet their tax withholding and reporting obligations. The announcement includes event/sub event type combinations to differentiate between different tax event types.

### The Tax Event Announcement Feature

~~The Tax Event announcement feature uses the following data fields to provide relevant information to participants:~~

- ~~Event Type = Tax Event~~
- ~~Sub Event Type = field used to classify the type of Tax Event (i.e., (i) 305(c) Deemed Distributions, (ii) 871(m) Dividend Equivalent Amount or (iii) 1042-S Classifications)~~
  - ~~IMPORTANT NOTE: Issuers making payments that have multiple classifications for Form 1042-S tax withholding and reporting purposes should utilize a template as provided by DTC to provide applicable classification information to DTC. Issuers making payments subject to Rule 1.1446-4(b)(4) under the Internal Revenue Code may provide a “qualified notice” in lieu of the template. The breakdown of the classifications must be provided to DTC prior to Record Date and should not be subject to change. By providing DTC with the information in the template, the issuer certifies that the information is not subject to change. However, DTC will accept and distribute updated information to Participants to the extent an Issuer notifies DTC that the Issuer entered an error in the applicable template or qualified notice provided by it to DTC and the Issuer provides DTC with a corrected template or qualified notice, as applicable. DTC reserves the right not to accept classification information from issuers that do not abide by these requirements.~~
  - ~~Each issuer and its affiliates, in the aggregate, may provide templates for 1042-S Classifications for up to, and no more than, 12 CUSIP numbers per month. The number of qualified notices provided by an issuer pursuant to Rule 1.1446-~~

~~4(b)(4) under the Internal Revenue Code would not be included in the determination of the CUSIP Limit for that issuer or its affiliates. To the extent 1042-S Classification information applicable to a Participant's holdings is not made available through Tax Events Announcements, the Participant should obtain such information from the issuer outside of DTC.~~

- ~~Payable Date =~~
  - ~~field used for the date of the deemed distribution for sub event type of 305(e) Deemed Dividends~~
  - ~~field used to provide the payable date of the underlying security for sub event type of 871(m) Dividend Equivalent Amount~~
- ~~Record Date = field used for position capture~~
- ~~Timing of the Dividend Equivalent Amount = field used for the timing of dividend equivalents under 1.871-15 of Treasury regulations~~
- ~~Cash Rate = field used for the amount of the deemed distribution or dividend equivalent payment.~~
  - ~~field used for the amount of the deemed distribution for sub event type of 305(e) Deemed Dividends~~
  - ~~field used to provide the dividend equivalent amount for sub event type of 871(m) Dividend Equivalent Amount~~
  - ~~Events with 1042-S Classifications will include multiple cash rates with each cash rate having a corresponding income code per the instructions for Form 1042-S, as applicable.)~~
- ~~Comments = field used to provide any other pertinent information regarding the event~~

~~IMPORTANT NOTE: DTC does not independently verify the accuracy and/or completeness of Tax Event Announcement information it receives from issuers and agents. It is the sole responsibility of each Participant to ensure the accuracy and completeness of Tax Event Announcement information that it uses for any purpose, including but not limited to tax withholding and reporting.~~

The Tax Event announcements feature provides relevant information to participants on:

- Deemed dividends under Section 305(c) of the Internal Revenue Code
- Dividend equivalent amounts under Section 871(m) Internal Revenue Code
- Classification of distributions for 1042-S purposes

- Whether a distribution includes amounts in excess of cumulative net income
- The publication date of a qualified notice issued by a publicly traded partnership

The Tax Event announcements feature uses the following data fields to provide relevant information to participants:

<u>Event Type</u>	<u>Sub-Event Type</u>	<u>Fields</u>
<u>Tax Event</u>	<u>305(c) Deemed Distribution</u>	<ul style="list-style-type: none"> <li>•<u>Record Date - field used for position capture</u></li> <li>•<u>Payable Date - field used for the date of the deemed distribution</u></li> <li>•<u>Cash Rate - field used for the amount of the deemed distribution</u></li> <li>•<u>Comments - field used to provide any other pertinent information regarding the event</u></li> </ul>
<u>Tax Event</u>	<u>871(m) Dividend Equivalent Amount</u>	<ul style="list-style-type: none"> <li>•<u>Record Date - field used for position capture</u></li> <li>•<u>Payable Date - field used to provide the payable date of the underlying security</u></li> <li>•<u>Cash Rate - field used for the amount of the dividend equivalent payment</u></li> <li>•<u>Timing of the Dividend Equivalent Amount - field used for the timing of dividend equivalents under 1.871-15 of Treasury regulations</u></li> <li>•<u>Comments - field used to provide any other pertinent information regarding the event</u></li> </ul>
<u>Tax Event</u>	<u>1042-S Classifications</u>	<p><u>1042-S classifications are used for distributions that have multiple types of income for IRS Form 1042-S purposes. These announcements are “linked” to a distribution announcement and will include multiple cash rates with each cash rate having a corresponding 1042-S Income Code.</u></p> <p><u>IMPORTANT NOTE: Issuers making payments that have multiple classifications for Form 1042-S tax withholding and reporting purposes should utilize a template as provided by DTC to provide applicable classification information to DTC. Issuers making payments subject to Rule 1.1446-4(b)(4) under the Internal Revenue Code may provide a “qualified notice” in lieu of the template. The breakdown of the classifications must be provided to DTC prior to Record Date and should not be subject to change. By providing DTC with the information in the template, the Issuer certifies that the information is not subject to change. However, DTC will accept and distribute</u></p>

		<p><b><u>updated information to Participants to the extent an Issuer notifies DTC that the Issuer entered an error in the applicable template or qualified notice provided by it to DTC and the Issuer provides DTC with a corrected template or qualified notice, as applicable. DTC reserves the right not to accept classification information from Issuers that do not abide by these requirements.</u></b></p> <p><b><u>To the extent 1042-S Classification information applicable to a Participant’s holdings is not made available through Tax Events Announcements, the Participant should obtain such information from the Issuer outside of DTC.</u></b></p>
<b><u>Tax Event</u></b>	<b><u>1446(f) Excess of Cumulative Net Income</u></b>	<p><b><u>These announcements are “linked” to distribution announcements from a publicly traded partnership and provide the amount of the distribution that is in excess of cumulative net income.</u></b></p> <p><b><u>Cash Rate - field used to provide the amount of a distribution that is in excess of cumulative net income. (note: if the qualified notice states that none of the distribution is in excess of cumulative net income, then the Cash Rate field would reflect zero.)</u></b></p>
<b><u>General Information</u></b>	<b><u>92-Day Exemption Qualified Notice</u></b>	<b><u>Declared Publication Date - field used to provide the posting date of a qualified notice issued by a publicly traded partnership.</u></b>

**IMPORTANT NOTE: DTC does not independently verify the accuracy and/or completeness of Tax Event Announcement information it receives from issuers and agents. It is the sole responsibility of each Participant to ensure the accuracy and completeness of Tax Event Announcement information that it uses for any purpose, including but not limited to tax withholding and reporting.**

\*\*\*