March 2013

ashurst

Tax and regulatory briefing

Financial Transaction Tax – How might behaviour and documentation change?

The shape and scope of the EU Financial Transaction Tax (FTT) is beginning to come into focus as a result of the production of a draft directive on 14 February (which can be found here). While only 11 EU Member States – Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (together, the FTT Zone) – have signed up, it is extra-territorial in scope.

We consider how the FTT will affect banks and other financial institutions within and outside the FTT Zone and in particular:

- which entities will be impacted;
- some initial thoughts on behavioural impacts; and
- which terms to include in documentation update programmes.

How does the FTT work?

FTT applies to "Financial Transactions". That term covers two sets of transactions:

(a) purchases or sales of a wide range of "financial instruments". That term is broadly defined by reference to the Markets in Financial Instruments Directive (MiFID). Shares and bonds, money-market instruments, units or shares in collective investment undertakings (which includes UCITS and funds under AIFMD) and also certain interests in securitisations are all included. The term does not include loans, deposits, insurance contracts and mortgages, which are thus outside the scope of FTT; and

(b) the conclusion or transfer of derivative contracts.

FTT is chargeable at rates to be determined by each FTT Zone Member State but the rate must be set at least equal to:

- for transactions within (a) above, 0.1 per cent of the price paid or, if higher, the market value of the financial instruments; and
- for transactions within (b) above, 0.01 per cent of the notional value of the contract.

For the purposes of this briefing we have assumed that all FTT Zone Member States introduce the FTT at the minimum rate.

FTT only applies to a financial transaction if at least one of the parties is a financial institution and either:

- at least one of the parties is "established" in an FTT Zone Member State (and there are extra-territorial rules for determining whether a party is so established); or
- the underlying financial instrument is issued by an entity established in the FTT Zone. This limb applies not just to shares and bonds but to all the financial instruments mentioned above save that it only includes derivative contracts which are traded on an organised platform.

In cases where an agent is involved, both the principal and the agent will be a "party" for the purposes of that test and the FTT more generally.

Material modifications of contracts give rise to the same liability as entering the original contract.

Way forward

The 11 participating Member States have effectively asked for the Commission to progress this form of FTT. The current proposal is for those 11 Member States to agree unanimously the final wording of the directive and then produce domestic implementing legislation by 30 September 2013. The FTT would then have effect from 1 January 2014. This seems extremely optimistic, particularly as we understand that some participating Member States are considering material amendments to a number of key features of the tax. Moreover, while financial markets players have had to implement French and Italian FTT systems in circa three-month timescales, those FTTs were significantly simpler to implement.

When this FTT does come into force it would replace all taxes on such financial transactions in participating Member States (except for the VAT position which would remain unchanged). Thus the existing French and Italian FTT rules would be amended to bring them fully into line with the directive. The UK, as a non-participating State, would not have to abolish stamp duty or SDRT. That means that a French bank buying shares in a UK incorporated company would thus potentially face both French FTT and UK SDRT.

This briefing looks at the proposal embodied in the current draft directive though that is subject to change.

Who pays the FTT and where?

Where FTT applies to a transaction, each financial institution that is party to a trade (whether as principal or agent) has to pay an FTT charge at the above rates. This means that where there are multiple financial institutions as parties to a transaction, the transaction will give rise to multiple FTT charges. However, where financial institution A acts as agent for financial institution B, there is a rule providing that financial institution A is not subject to an FTT charge.

Therefore in the case where bank A sells French shares to bank B, there are effectively two charges to FTT, one on bank A and one on bank B. Thus the total FTT cost of the transaction is 0.2 per cent.

There is no general relief for intermediaries or sub-sales. It will be appreciated that longer chains will attract correspondingly higher charges. That is well illustrated by the following example taken from the Commission's impact assessment.

Brokerage and market-making services – the "internalisation" of spreads

Example 1:

A Belgian and a French private household use respectively their Belgian and French retail banks and order them to buy/sell on the Paris stock exchange, in the name or for the account of the respective households, shares of a French joint-stock company in the value of €10,000. The retail banks pass on these orders to their wholesale banks and those to their brokers on the Paris stock exchange. All three (retail bank/wholesale bank/broker) intermediate only, without buying or selling for their own account.

Both retail banks are liable to pay the FTT due in their country of establishment (Belgium and France respectively). Neither the wholesale banks nor the brokers are liable to pay FTT. The retail banks would have to pay €10 each for this transaction in France and Belgium respectively. The effective tax to be paid by all actors in the whole transaction chain corresponds to 0.2 per cent of the economic value of the transaction.

Example 2:

Take the same case as example 1, but, this time, the shares are passed on through five successive sales and purchase [riskless principal transactions]: Apart from the two retail banks, who act in the name or for the account of the respective households, all other participants act in their own name and for their own account as well.

All six financial institutions are liable to pay FTT in France and in Belgium respectively. Both brokers and both wholesale banks have to pay FTT twice, while the retail banks have to pay only once. The brokers and wholesale banks would each have to pay €20 and the retail banks each €10. The effective tax to be paid by all actors in the whole transaction chain would correspond to 1.0 per cent of the economic value of the transaction.

The Commission's impact assessment seems to view the cascade effect as a benefit insofar as it forces intermediaries to change their business model to that of an agent (see 6.1.2 and 6.3.3).

Where the financial transaction occurs electronically, FTT must be paid at the moment the tax becomes chargeable. In all other cases, FTT must be paid within three working days of the moment the tax becomes chargeable. The directive is mainly silent on the practicalities of how financial institutions will have to register for and pay FTT amounts and deliberately leaves it to FTT Zone governments to legislate for these mechanics. In particular, it is likely that exchanges will be required to collect and account for taxes (even if the exchange itself is exempt).

Where FTT has not been paid by the due date, each party to the transaction (including non-financial institutions) is jointly and severally liable for the FTT payable by any financial institution. Member States are empowered to extend the scope of this joint and several liability rule.

What is a financial institution?

The definition of "financial institution" is very widely drawn. It includes certain investment firms, regulated markets, credit institutions, insurance and reinsurance undertakings, collective investment undertakings and their managers, pension funds and their managers, alternative investment funds and their managers, insurance SPVs and other undertakings carrying out certain financial activities to a significant extent.

The definition of a financial institution includes an entity carrying on the acquisition of holdings in undertakings where more than 50 per cent of its annual turnover derives from the value of financial transactions. This would seem, therefore, to catch a holding company when it acquires subsidiaries. Holding companies are unlikely to have any other significant turnover and, accordingly, there is a risk that any significant purchase or subsequent sale of a material subsidiary would breach this test. Following representations, this definition has been narrowed such that if over the three calendar years (or two consecutive calendar years where a request has been served by the holding company) preceding the relevant financial transaction the holding company has not acquired or disposed of any subsidiaries (or conducted other financial activities), it is deemed not to be a financial institution.

In short, many holding companies seemingly fall within the definition of a financial institution (either by virtue of sales or purchases of subsidiaries during the "preceding 3 year period" or for other reasons) and we expect this definition to be amended in light of further representations from affected parties.

Where is a financial institution established?

There is a waterfall test to determine whether a financial institution to a transaction is "established" in the FTT Zone and, if so, in which Member State. The basic idea is that one works down the list below until one identifies an FTT Zone Member State. If none of the below apply, then the financial institution is not established in an FTT Zone Member State.

A financial institution shall be deemed to be established in the territory of a participating Member State if:

(a) it has been authorised by the authorities of that Member State to act as such, in respect of transactions covered by that authorisation;
(b) it is authorised or otherwise entitled to operate, from abroad, as financial institution in regard to the territory of that Member State, in respect of transactions covered by such authorisation or entitlement;
(c) it has its registered seat within that Member State;
(d) its permanent address or usual residence is located in that Member State;
(e) it has a branch within that Member State;
(f) it is a party to a financial transaction with another financial institution established in that Member State pursuant to paragraphs (a), (b), (c), (d) or (e), or with a non-financial institution party established in the territory of that Member State (and the test for establishment of such an entity is broadly as one would expect); and
(g) it is a party (established anywhere in the world) to a financial transaction in a structured product or financial instrument (including derivatives only if they are traded on an organised platform) issued within the territory of a participating Member State.

It is paragraph (g) above which gives effect to the "issuance" principle and greatly extends the scope of FTT. Where more than one of the conditions above is fulfilled, the first condition met when descending the list above determines the Member State of establishment. That will determine which State is paid the FTT as well as which domestic rules will be relevant.

Contained in the Commission's materials is some detail on what limb (b) above is supposed to add to the above test but it is far from clear to us at present. We await the next draft of the directive and/or the

local implementing legislation to see when this test will drag those that would not otherwise be within FTT into the net.

What exemptions are there?

There are relatively few exemptions as the oft-stated aim is to establish a broadly based tax. However, the following transactions are entirely outside the scope of the FTT:

(a) primary issuances of shares or bonds;
(b) spot FX trades (but other FX trades are potentially in scope); and
(c) trades with certain central bank entities (e.g. Member State central banks, the ECB, EFSF etc.).

Depositaries for clearing systems should not themselves be charged FTT but that does not exempt those dealing with the depositary or clearing system.

There are no intra-group exemptions except in the context of group restructurings where the exemption for "restructuring operations" could apply. In other cases, intra-group transfers or derivatives (e.g. internal hedges) will fire off FTT charges where all the conditions above are met. That may well cause issues for financial groups. It may not be a problem for non-financial groups so long as the exemption for holding companies works as hoped.

Finally, a person liable to pay FTT who proves to, we assume, the relevant FTT Zone tax authority that there is no link between the economic substance of the transaction and the territory of any participating Member State is not liable to FTT. It is entirely unclear when that could apply and it is not considered further in this briefing.

Cash equity trading

What does that mean for a cash equities trading desk?

First, there is no FTT payable on any issue of shares by any entity.

For acquisitions on the secondary market, the position depends on where the bank is incorporated.

UK incorporated bank

Take the simple case of a bank incorporated in the UK acting out of its London office (UK bank). What trades will be subject to FTT?

Transaction	FTT position
1) UK bank acting as principal sells UKco shares to:	
a) French bank;	0.1 per cent French FTT payable by French bank. 0.1 per cent French FTT payable by UK bank. Both parties jointly and severally liable for the tax.
b) French private individual;	0.1 per cent French FTT payable by UK bank. Both parties jointly and severally liable for the tax.
c) UK broker acting on behalf of French individual;	0.1 per cent French FTT payable by UK bank. 0.1 per cent French FTT payable by UK broker. All three parties jointly and severally liable for the above.
d) US bank acting from New York on its own account or for a client outside the FTT Zone.	No FTT.

If the facts were as in the table above, save only that the shares sold were shares in a German company, the only answer that would change is (d). There, each bank would be required to pay 0.1 per cent German FTT. Note that it is still the French authorities to whom the FTT would be payable in cases (a) – (c) above (rather than the German authorities).

If the facts were as in the table above, save only that UK bank was acting on behalf of an entity established outside the FTT Zone, again the answers would not change.

If the facts were as in the table above, save only that UK bank was acting on behalf of an Italian financial institution, again, answer (d) would change; in this case each bank would have to pay 0.1 per cent Italian FTT. The total amounts of tax under (a) – (c) above would not change, however it is not entirely clear which amounts are owed to the French authorities and which to the Italian authorities.

Subject to the anti-abuse rules discussed below, parties may want to consider whether total return swaps are more efficient in certain cases.

In each case where UKco shares are sold, 0.5 per cent UK SDRT will also be due from the buyer.

FTT Zone incorporated bank acting from its head office

Now consider an Italian incorporated bank acting out of its Milan office (Italian bank). What trades will be subject to FTT?

Transaction	FTT Position
1) Italian bank acting as principal sells UKco shares to:	
a) French bank;	0.1 per cent French FTT payable by French bank. 0.1 per cent Italian FTT payable by Italian bank. Both parties jointly and severally liable for the tax.
b) French private individual;	0.1 per cent Italian FTT payable by Italian bank. Both parties jointly and severally liable for the tax.
c) UK broker acting on behalf of French individual;	0.1 per cent Italian FTT payable by Italian bank. 0.1 per cent FTT payable by UK broker (unclear if in Italy or France). All three parties jointly and severally liable for the above.
d) US bank acting from New York on its own account or for a client outside the FTT Zone.	0.1 per cent Italian FTT payable by Italian bank. 0.1 per cent Italian FTT payable by US bank. Both parties jointly and severally liable for the tax.

In each case, 0.5 per cent UK SDRT payable by the purchaser.

Bond issues and trading

The issue of bonds will not be subject to FTT.

On the bond trading side, analogous considerations apply to those set out for equity trading above. It is also worth noting though that Euroclear SA/NV is incorporated in Belgium which is a Participating Member State. Euroclear in its role as an International Central Securities Depository (ICSD) and Central Securities Depository (CSD) will have an FTT exemption. However, Euroclear members will not. It remains to be seen the extent to which this potential advantage for Clearstream (incorporated in Luxembourg, a non-FTT Zone state) drives behaviour.

Taxonomy of financial institutions (FI) acting on their own account

Type of FI	Pays FTT on
Non-FTT Zone incorporated FI (when not acting through an FTT Zone branch) (e.g. UK bank acting through London branch or US bank acting through Singapore branch)	(1) transactions in financial instruments and the entry or material modification of derivative contracts (whether traded on an organised platform or OTC) where the counterparty is treated as established in the FTT Zone; or (2) transactions in financial instruments (including derivatives traded on an organised platform (but not OTC derivatives)) where the issuer of the underlying financial instrument is established in the FTT Zone. Thus, *not* subject to FTT on financial transactions so long as both the following are satisfied: (a) the counterparty is treated as established outside the FTT Zone; and (b) if the transaction involves financial instruments other than OTC derivatives, then the issuer of those instruments is treated as established outside the FTT Zone.
Non-FTT Zone incorporated FI acting through an FTT Zone branch	Transactions by the branch in financial instruments and the entry or transfer of derivative contracts (whether traded on an organised platform or OTC) irrespective of where the counterparty is located.
FTT Zone incorporated FI	Transactions in financial instruments and the entry or transfer of derivative contracts (whether traded on an organised platform or OTC) irrespective of where the counterparty is located. Note this applies to all branches of the FI, even e.g. the London branch, but, subject to anti-abuse rules, not the London incorporated subsidiary or affiliate of the FI.

As you would expect, where a financial institution acts as agent, then:

- if the principal is established outside the FTT Zone, then the position does not change from that set out above; and
- if the principal is established inside the FTT Zone, then FTT will be payable.

What does this mean for derivatives?

The charge might be thought by the EU to be set at a relatively low level but will lead to some major changes. For example, there is likely to be a reduction in the notional value of trades as parties look to reduce the FTT costs of structures. In addition to the charge on the derivative itself, physical settlement of a derivative will trigger a further charge where that settlement itself constitutes a financial transaction.

The FTT charge does not depend on the length of the term of the derivative. We may thus see more parties entering into longer term (e.g. one year) swaps with break clauses, rather than shorter swaps and then rolling them; the latter structure potentially triggering charges each time the roll becomes effective.

At the moment, a key concern is to clarify whether transfers of non-cash collateral attract market value FTT charges.

What does this mean for repo trading?

A repo as a matter of legal form comprises two legs:

- a spot sale; and
- a forward repurchase contract.

First, the good news:

- There is an express provision that a repo only comprises one transaction for FTT purposes (in the absence of which it would have been two).
- Where banks enter repos and the counterparty is a Member State central bank or the ECB, EFSF or certain similar entities, there is no FTT payable by either the repo buyer or the repo seller.

Now, the bad news:

- The FTT rate is the same irrespective of whether the repo is overnight or for a year or more. Thus repos which are rolled overnight (which technically constitute a new trade each day) will become very expensive. A longer term repo with an optional break clause would be very much less costly in FTT terms.
- It is perhaps indicative of the Commission's approach that in their modelling in 2011 they assumed that all repos subject to FTT would be replaced by (non-taxable) securitised loans (see 6.2.3 of the impact assessment here).
- The margin maintenance rules under a buy-sellback documented under the GMRA take effect by way of termination of one trade and its replacement by a re-priced transaction. That will potentially attract multiple FTT charges (one each time there is a re-pricing). That may drive parties towards using repo (using margining) rather than buy-sellbacks.
- It is currently not entirely clear whether transfers of non-cash collateral are chargeable or not. This is a key issue to be resolved.

SPV transactions

Many SPV transactions (e.g. repackagings) have fairly sensitive cashflows. There may be issues as to whether, and if so how, any unexpected extra FTT costs can be borne.

What about corporate deals and M&A?

Where neither buyer nor seller under a vanilla M&A transaction is a financial institution, there is no FTT cost. That is the case whether the shares are issued by an FTT Zone incorporated issuer or otherwise. Where the Target is located in the Channel Islands, Luxembourg, the UK, Ireland or the Netherlands (which are all outside the FTT Zone), we would not generally expect FTT charges in relation to such private M&A deals between non-FTT Zone players. How prevalent FTT charges are on other M&A deals may partly end up depending on where the holding company exemption from the definition of financial institutions ends up.

How will loan markets be impacted?

Loans documented under LMA form documentation will not be within the scope of the FTT. Therefore entering, amending, transferring or repaying such a loan will not be chargeable to FTT. However, swaps may attract FTT.

Consider a borrower entering a floating rate loan and a fixed/floating interest rate swap. The loan will not attract FTT but the provider of the swap is almost certain to be a financial institution and thus there will, if the nexus requirements are met, be an FTT charge of at least one basis point. A fixed rate loan would be economically equivalent from the borrower's perspective but would not attract that FTT charge.

Anti-abuse

As the Commission itself notes, certain aspects of the tax could give rise to behavioural change in order to reduce FTT charges. There are some behavioural changes that the Commission would seem to welcome – e.g. a move to traders acting as agent rather than principal.

There is a detailed anti-abuse rule which is beyond the scope of this briefing.

There is also a separate specific rule which provides that where American Depositary Receipts (or similar instruments) (ADRs) are issued "*with the essential purpose of avoiding [FTT] in the underlying security in a participating Member State*", then the ADR will be considered to have been issued in that Member State.

Systems

Those banks that have had to rush to introduce systems to deal with the French FTT and Italian FTT will appreciate the timing challenges that this proposal gives rise to. However this FTT is more broadly drawn and far more participants are going to have to deal with this FTT.

Documentation

Financial institutions may want to think about amending their standard form documentation:

- to request confirmation from the counterparty to identify whether their identity will cause the financial institution to become subject to FTT, and if so, where; and
- to apportion and cater for the payment of FTT costs.

What else?

The directive is relatively short. A number of points will become clearer as the directive evolves and domestic implementing legislation is produced by the 11 participating Member States. It is not impossible that one or two more Member States may join the FTT once some of those details become clearer. It is clear, though, that a number of States such as the UK, Ireland, Luxembourg and Sweden will not be joining.

Finally, it is worth noting that the implementation of the FTT potentially breaches a number of principles of EU law and could be subject to challenge either from other Member States (although this would be unlikely) or by private persons/companies who are adversely impacted by the FTT. That is beyond the scope of this briefing although ultimately, given the amounts involved, that is going to be looked at quite hard.

Contacts

Paul Miller
Partner, Tax (United Kingdom)
T: +44 (0)20 7859 1786
E: paul.miller@ashurst.com

Rob Moulton
Partner, Financial Services Regulatory (United Kingdom)
T: +44 (0)20 7859 1029
E: rob.moulton@ashurst.com

Chris Georgiou
Partner and Head of Securities and Derivatives Group (United Kingdom)
T: +44 (0)20 7859 2419
E: chris.georgiou@ashurst.com

Mark Vickers
Partner, Banking (United Kingdom)
T: +44 (0)20 7859 1955
E: mark.vickers@ashurst.com

James Coiley
Partner, Securities and Derivatives (United Kingdom)
T: +44 (0)20 7859 3079
E: james.coiley@ashurst.com

Alexander Cox
Partner, Tax (United Kingdom)
T: +44 (0)20 7859 1541
E: alexander.cox@ashurst.com

Nicholas Gardner
Partner, Tax (United Kingdom)
T: +44 (0)20 7859 2321
E: nicholas.gardner@ashurst.com

Richard Palmer
Partner and Head of Tax Group (United Kingdom)
T: +44 (0)20 7859 1289
E: richard.palmer@ashurst.com

James Perry
Partner, Co-Head of Ashurst's Financial Institutions Group (United Kingdom)
T: +44 (0)20 7859 1214
E: james.perry@ashurst.com

Simon Swann
Partner, Tax (United Kingdom)
T: +44 (0)20 7859 1882
E: simon.swann@ashurst.com

Catherine Charpentier
Partner, Tax (France)
T: +33 (0)1 53 53 53 78
E: catherine.charpentier@ashurst.com

Paola Flora
Partner, Tax (Italy)
T: +39 02 85 423 410
E: paola.flora@ashurst.com

Nadine Gelli
Partner, Tax (France)
T: +33 (0)1 53 53 54 31
E: nadine.gelli@ashurst.com

Eduardo Gracia
Partner, Tax (Spain)
T: +34 91 364 9854
E: eduardo.gracia@ashurst.com

Dr Klaus Herkenroth
Partner, Tax (Germany)
T: +49 (0)69 97 11 27 18
E: klaus.herkenroth@ashurst.com

Heiko Penndorf
Partner, Tax (Germany)
T: +49 (0)69 97 11 27 17
E: heiko.penndorf@ashurst.com

Abu Dhabi
Suite 101, Tower C2
Al Bateen Towers
Bainunah (34th) Street
Al Bateen
PO Box 93529
Abu Dhabi
United Arab Emirates
T: +971 (0)2 406 7200
F: +971 (0)2 406 7250

Adelaide
Level 4
151 Pirie Street
Adelaide SA 5000
Australia
T: +61 8 8112 1000
F: +61 8 8112 1099

Brisbane
Level 38, Riverside Centre
123 Eagle Street
Brisbane QLD 4000
Australia
T: +61 7 3259 7000
F: +61 7 3259 7111

Brussels
Avenue Louise 489
1050 Brussels
Belgium
T: +32 (0)2 626 1900
F: +32 (0)2 626 1901

Canberra
Level 11
12 Moore Street
Canberra ACT 2601
Australia
T: +61 2 6234 4000
F: +61 2 6234 4111

Dubai
Level 5, Gate Precinct Building 3
Dubai International
Financial Centre
PO Box 119974
Dubai
United Arab Emirates
T: +971 (0)4 365 2000
F: +971 (0)4 365 2050

Frankfurt
OpernTurm
Bockenheimer Landstraße 2-4
60306 Frankfurt am Main
Germany
T: +49 (0)69 97 11 26
F: +49 (0)69 97 20 52 20

Hong Kong
11/F, Jardine House
1 Connaught Place
Central
Hong Kong
T: +852 2846 8989
F: +852 2868 0898

Jakarta (Associated Office)
Oentoeng Suria & Partners
Level 37, Equity Tower
Sudirman Central
Business District
Jl. Jend. Sudirman Kav. 52-53
Jakarta Selatan 12190
Indonesia
T: +62 21 2996 9200
F: +62 21 2903 5360

Jeddah (Associated Office)
Level 9 Jameel Square
Corner of Talhia Street and
Al Andalus Street
PO Box 40538
Jeddah 21511
Saudi Arabia
T: +966 (0)2 283 4135
F: +966 (0)2 283 4050

London
Broadwalk House
5 Appold Street
London EC2A 2HA
UK
T: +44 (0)20 7638 1111
F: +44 (0)20 7638 1112

Madrid
Alcalá, 44
28014 Madrid
Spain
T: +34 91 364 9800
F: +34 91 364 9801/02

Melbourne
Level 26
181 William Street
Melbourne VIC 3000
Australia
T: +61 3 9679 3000
F: +61 3 9679 3111

Milan
Via Sant'Orsola, 3
20123 Milan
Italy
T: +39 02 854231
F: +39 02 85423444

Munich
Ludwigpalais
Ludwigstraße 8
80539 Munich
Germany
T: +49 (0)89 24 44 21 100
F: +49 (0)89 24 44 21 101

New York
Times Square Tower
7 Times Square
New York, NY 10036
USA
T: +1 212 205 7000
F: +1 212 205 7020

Paris
18, square Edouard VII
75009 Paris
France
T: +33 (0)1 53 53 53 53
F: +33 (0)1 53 53 53 54

Perth
Level 32, Exchange Plaza
2 The Esplanade
Perth WA 6000
Australia
T: +61 8 9366 8000
F: +61 8 9366 8111

Port Moresby
Level 4, Mogoru Moto Building
Champion Parade
PO Box 850
Port Moresby
Papua New Guinea
T: +675 309 2000
F: +675 309 2099

Rome
Via Sistina, 4
00187 Rome
Italy
T: +39 06 421021
F: +39 06 42102222

Shanghai
Suite 3408-10
CITIC Square
1168 Nanjing Road West
Shanghai 200041
PRC
T: +86 21 6263 1888
F: +86 21 6263 1999

Singapore
12 Marina Boulevard
#24-01 Marina Bay
Financial Centre Tower 3
Singapore 018982
T: +65 6221 2214
F: +65 6221 5484

Stockholm
Jakobsgatan 6
Box 7124
SE-103 87 Stockholm
Sweden
T: +46 (0)8 407 24 00
F: +46 (0)8 407 24 40

Sydney
Level 36, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia
T: +61 2 9258 6000
F: +61 2 9258 6999

Tokyo
Shiroyama Trust Tower
30th Floor
4-3-1 Toranomon
Minato-ku, Tokyo 105-6030
Japan
T: +81 3 5405 6200
F: +81 3 5405 6222

Washington DC
1875 K Street NW
Washington, DC 20006
USA
T: +1 202 912 8000
F: +1 202 912 8050

This publication is not intended to be a comprehensive review of all developments in the law and practice, or to cover all aspects of those referred to. Readers should take legal advice before applying the information contained in this publication to specific issues or transactions. For more information please contact us at Broadwalk House, 5 Appold Street, London EC2A 2HA T: +44 (0)20 7638 1111 F: +44 (0)20 7638 1112 www.ashurst.com.

Ashurst LLP and its affiliates operate under the name Ashurst. Ashurst LLP is a limited liability partnership registered in England and Wales under number OC330252. It is a law firm authorised and regulated by the Solicitors Regulation Authority of England and Wales under number 468653. The term "partner" is used to refer to a member of Ashurst LLP or to an employee or consultant with equivalent standing and qualifications or to an individual with equivalent status in one of Ashurst LLP's affiliates. Further details about Ashurst can be found at www.ashurst.com.
© Ashurst LLP 2013 Ref:28107219 11 March 2013