

Tax Relief at Source France

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Service Description Document

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EURONEXT SECURITIES

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1. Executive summary

This document outlines Euronext Securities' services to our participants regarding the obtaining of withholding tax relief on French equities and ETFs.

Euronext Securities Milan, in its dual capacity as Issuer CSD and Investor CSD, in addition to its withholding agent status for French securities, offers an end-to-end proposition that serves our participants on both tax relief at source and standard refund.

Euronext Securities Milan participants may elect to act as a withholding agent if they are authorised to do so by the French tax authorities or they can appoint another withholding agent (such as Euronext Securities Milan). Please note that the French tax code observes that French tax residents must use a French institution as a withholding agent.

The below is intended to provide an overview of the set of withholding tax relief services offered, both as Issuer and Investor CSD, including processes, roles, responsibilities and connectivity alternatives.

2. Introduction

Euronext Securities Milan's tax relief services in France support our participants with:

- Tax relief at source on French equity and ETF dividends;
- Obtaining the withholding tax excess through the tax reversal procedure within the given deadline; and
- Standard Refund.

3. Overview of Euronext Securities Milan French tax relief at source services

Euronext Securities Milan provides the following range of services for managing French withholding tax, either as issuer or investor CSD:

List of services	Euronext Securities Milan Issuer CSD	Euronext Securities Milan Investor CSD
Creation of Beneficial Owner profiles, document filing, submission and management of the documentation and Beneficial Owner information requirements in France	✓	✓

Submission of tax breakdown per taxable event, validation and Client reporting.	✓	✓
Automated payment to participants of Corporate Action proceeds based on the breakdown process	✓	✓
Reporting and remittance of tax withheld to the French tax authority	✓	✓
Reversal for post-payment adjustments	✓	✓
Tax credit management	✓	
Standard refund	✓	✓

Note: ✓ indicates the service is provided.

4. Euronext Securities Milan as a withholding agent in France

As a withholding agent in France, Euronext Securities Milan provides the full set of relief at source services to participants holding French equities on behalf of non-French residents.

Participants holding French equities on behalf of French investors, require the appointment of a French institution as withholding agent for the purpose of tax relief.

Euronext Securities Milan participants acting as withholding agent, will receive the gross proceeds from the event distribution from Euronext Securities Milan, including for those investors identified as French residents.

5. Standards and market practices

The tax services described here follow applicable regulations and industry practices. Please note that the Tax Guide will be updated in accordance with the herein described services in due course.

Unless explicitly stated otherwise, the service adheres to the following standards:

- **French Tax Code (Code Général des Impôts)** – Governs withholding tax (WHT) application, investor classification, and reporting obligations for French-source income received by French tax residents.
- **ISO 15022 messaging standards** – Aligned with SWIFT practices for corporate action and securities event messaging.
- **Securities Market Practice Group (SMPG)** – Aligned with SMPG guidelines for corporate actions and tax-related messaging where applicable.

Euronext Securities Milan's internal processes and system logic are aligned with the MT564 DVCA event data with tax service workflows, including entitlement determination, WHT application, and reporting generation. Reporting to the French Tax Authority also follows the structure and format required under French legislation, subject to final confirmation of transmission requirements.

6. Actors involved in the processing of French equities and ETFs

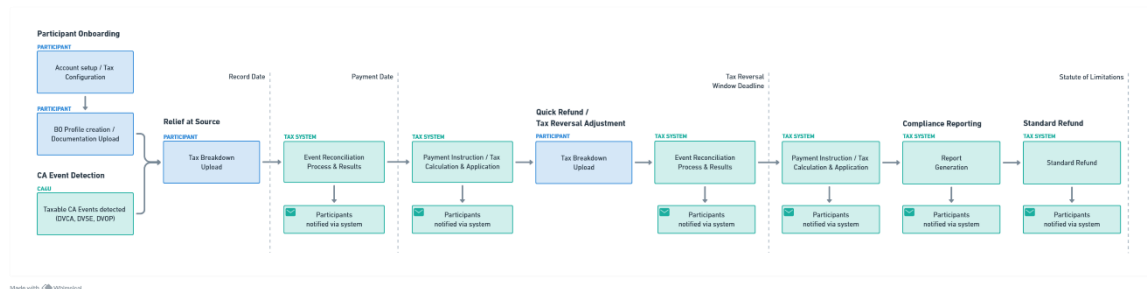
The French equities and ETF tax processing lifecycles involves various actors at each step. One actor can also take on different roles. The main actors are listed below.

Actor	Role
Euronext Securities	Euronext Central Securities Depositories (Euronext Securities Milan)
Investor CSD	Each Euronext CSD that: <ul style="list-style-type: none"> ▪ has a direct relationship with the Issuer CSD of a specific country ▪ has an indirect relationship with the Issuer CSD of a specific country
Issuer CSD	Each Euronext CSD that the issue/instrument has been originally issued in and for which the CSD provides servicing in relation with the issuer and its agent
Withholding Agent	An entity responsible for collecting tax by deducting withholding tax from payments (e.g., dividends) and remitting it to the tax authorities. In the French context, this is typically the French-established paying agent making the payment, who remains legally liable for the correct withholding and reporting, even if operational duties are delegated. Also in the French context this can be an entity that entered into an agreement with the French tax authorities.
French Tax Authority	Receives periodic WHT reports and monitors compliance
Participant	Any legal entity that is a direct participant of Euronext Securities Milan, holding securities for their own account or on behalf of its Participants
Account Controller	An entity that manages its own securities account or on behalf of their Investors.
Investor	The natural or legal person owning the underlying security subject to the corporate event with a direct account in the CSD (e.g. in Euronext Securities Milan) managed by an Account Controller.

7. Scope of withholding tax service

Terms	Euronext Securities Milan Issuer CSD	Euronext Securities Milan Investor CSD
In Scope	<p>Only when a French domiciled issuer has appointed Euronext Securities Milan as Issuer CSD:</p> <ul style="list-style-type: none"> ▪ French ETFs (listed or non-listed) held through Euronext Securities Milan ▪ French Equities (listed or non-listed) held through Euronext Securities Milan <p>Distributions made on these instruments that are considered as in scope for the French Tax Code</p>	<ul style="list-style-type: none"> ▪ French ETFs (listed or non-listed) held through Euronext Securities Milan ▪ French Equities (listed or non-listed) held through Euronext Securities Milan <p>Distributions made on these instruments that are considered as in scope for the French Tax Code</p>
Out of Scope	Other financial instruments, including other equities, and bonds are out of scope	Other financial instruments, such as bonds, debt instruments, non-French ETFs, non-French Equities are out of scope

8. Withholding tax relief at source lifecycle



The withholding tax relief at source lifecycle covers everything from setting up T2S accounts to reporting withheld taxation to the French Tax Authority.

Key lifecycle steps include:

- Participant onboarding
- Investor profiling and classification
- Corporate action event detection
- Tax calculation and application
- Tax reconciliation and corrections
- Reversal for post-payment adjustments
- Reporting to French tax authority
- Tax credit (only for taxable investors)

8.1 Participant onboarding

During the onboarding process for Euronext Securities Milan participants, you will need to open a segregated account to include your holdings for French resident investors. You need to notify us via below procedure if a securities account is dedicated for French resident investors.

Step 1: Preparation of account information

Participants must prepare a PDF document containing detailed information for each relevant account. This document should include the following mandatory data fields:

- CSD account code
- CSD account number
- CSD account owner BIC
- CSD account party Code
- CSD account name/description clearly indicating accounts dedicated to French ETFs held by French residents
- CSD account type, flagging denoting the tax residency status of end investors

It is at this step of the process that Participants can elect to be treated as a withholding agent, subject to receipt by Euronext Securities Milan of satisfactory documentation.

Step 2: Submission to Euronext Securities Milan

The completed PDF must be formally submitted to Euronext Securities Milan through the designated onboarding channel (e.g., secure email or system). Each participant is responsible for ensuring the accuracy and completeness of the data provided.

Step 3: Validation by Euronext Securities Milan

Upon receipt, Euronext Securities Milan will review and validate the submitted information. This includes checking for:

- Completeness of all required fields
- Consistency of tax residency indicators
- Clarity and correctness of account classifications

If issues are identified, Euronext Securities Milan will contact the participant to request clarification or resubmission.

Step 4: Account setup and tax configuration

Once validated, Euronext Securities Milan will register the accounts in its tax system. Each account will be assigned appropriate tax exemption indicators, which will be used to apply the relevant withholding tax treatment for French ETFs and Equities.

8.2 Investor profiling and classification

CSD participants provide detailed information about beneficial owners and their tax residency documentation by uploading documents into the Euronext Securities Milan tax system and sending hard copies to Euronext Securities Milan to ensure correct investor classification and withholding tax application. Euronext Securities Milan will validate the documentation and forward it to the French Tax Authorities.

Activities:

- Collection and validation of tax residency documents (Certificate of Residence) and other relevant documents to benefit for relief at source.
- Beneficial owner profiling (e.g. individuals, corporates, exempt investors)
- Registration and maintenance of investor classification data in the Euronext Securities Milan tax system
- Forwarding of validated documentation by Euronext Securities Milan to the French Tax Authority

8.3 Corporate action event detection

For further details on our corporate action processing, please refer to [Euronext Securities Milan corporate action service description document](#).

8.4 Tax calculation and application

Cash dividend (DVCA) event processing (for French ETFs & equities)

Euronext Securities Milan's tax system determines the applicable withholding tax rate based on account classification for segregated accounts and based on tax breakdowns for omnibus accounts. During the account setup process, specific T2S accounts are established and classified explicitly for French resident investors.

Investor profiling activities ensure these T2S accounts are accurately mapped and linked to the underlying beneficial owners, validated through provided tax residency information and documentation.

Activities:

- Ingestion and validation of a tax breakdown (see Annex 9.2)
- Automated determination and application of withholding tax rates
- Calculation of gross & net amounts payable to investors
- Management of exception cases due to incomplete documentation

Stock dividend (DVSE) event processing (for French equities only)

Similarly to cash dividends (DVCA) events, Euronext Securities Milan's tax system:

1. Determines the applicable withholding tax rate based on account classification or the processing a tax breakdown uploaded by the Participant
2. Applies the relevant withholding tax rate for non-French investors and the gross rate (0%) to French investors.

Optional dividend (DVOP) event processing (for French equities only)

In the French market, optional dividends (DVOP) events may provide for options on which Participants can instruct:

- **Cash option:** With respect to any eligible positions instructed on the cash option, the process works exactly as with the DVCA event.
- **Stock option:** With respect to any eligible positions instructed on the stock option, the process works exactly as with the DVSE event.

8.5 Tax reconciliation and corrections

Euronext Securities Milan reconciles withholding tax calculations to ensure accuracy before submitting tax reporting. Any discrepancies or corrections identified are resolved by operations in coordination with the CSD participants.

Activities:

- Reconciliation of withholding tax data calculated by Euronext Securities Milan against data provided by CSD Participants
- Resolution of discrepancies, validation errors, or incomplete investor documentation
- Adjustment of data in preparation for final regulatory reporting.

Important note: In case of discrepancy on recorded holdings or incomplete tax documentation detected during the reconciliation process, Euronext Securities Milan will act in accordance with the French tax law and take necessary actions as specified in the Tax Guide.

8.6 Reversal for post-payment adjustments

Tax reversal is available under both the Issuer and Investor CSD offerings, in connection with the Tax Relief at Source service.

Participants would be entitled to send Tax Reversal Breakdown in order to be repaid at a different rate (for instance 15% instead of 25%), within the given deadline as specified in the Tax Guide.

Tax reversal can be processed when the investor was originally paid at wrong rate due to missing upload of tax documentation or missing tax breakdown

8.7 Reporting to French tax authority

Euronext Securities Milan generates structured monthly, quarterly, and annual compliance reports in accordance with French tax authority requirements, using fully reconciled investor-level data.

Activities:

- Generation of structured compliance reports for submission to the French Tax Authority

Reporting	Timeline	Format	Submission Channel
Monthly Report	Must be sent within 15 business days of the following month	Printed paper format, using A4-sized pages.	Euronext Securities Milan sends the reports by post to the French Tax Authority
Quarterly Report	Must be sent within 15 business days of the month following the next quarter		
Annual Report	Must be sent by 31 March of the following year		

This lifecycle clearly defines the responsibilities and process sequence followed by Euronext Securities Milan, ensuring complete compliance with French withholding tax regulations and market practices.

8.8 Tax credit (only for taxable investors)

In compliance with current French tax laws, issuers have the possibility to distribute a higher dividend by reducing the tax rate expected by the market by the amount of the tax credit approved in the company meeting for the distribution of the dividend. Tax credit can be announced after the dividend event takes place (post-payment) and is distributed to all shareholders holding this security. It is then reported in the monthly, quarterly and annual tax compliance reporting to the French tax authority.

This is applicable only to non-French residents or in case of undisclosed beneficial owners.

Activities:

- Monitoring of dividend events for post-payment tax credit announcements by issuers
- Receipt and processing of Client instructions regarding tax credit entitlements
- Adjustment of previously paid dividend records to allocate tax credits in the Euronext Securities Milan tax system

- Inclusion of allocated tax credits in monthly, quarterly, and annual tax reports to the French tax authority
- Maintenance of audit trails and reconciliation of post-payment adjustments for compliance purposes.

9. Glossary

Below is a definition of terms used in the document. If not otherwise specified:

- All times used in this document are in Central European Time (CET);
- 'We', 'our' and 'us' refer to Euronext Securities.

Terms	Definitions
A2A	Application-to-application connectivity mode (e.g. SWIFT).
U2A	User-to-application connectivity mode (GUIs).
TPS	Acronym for Tax Processing Services platform.
WHT (Withholding Tax)	Tax deducted at source from distributions before they are paid to the investor.
Withholding Tax Agent	An entity responsible for deducting withholding tax from income payments (e.g., dividends or interest) on behalf of investors and remitting it to the relevant tax authority. The withholding tax agent ensures correct tax treatment based on investor residency and applicable tax rules and is accountable for related tax reporting and documentation. The withholding agent can be a French or non-French entity.
Relief at Source	Set of processes by which the holder (beneficial owner) benefits from a reduced taxation by applying a reduced withholding at source (i.e. directly when the income is paid) based on the nature of the beneficial owner, its residence and the eventual dual taxation agreement in place.
Standard Refund	Set of processes by which the holder (beneficial owner) claims a refund of the excess withholding tax paid after the withholding tax collected has been paid to the Tax Authorities.
COB	Acronym for Close of Business.
CSD	Central Securities Depository.
Issuer CSD	A CSD in which the issue/instrument has been originally issued and for which the CSD provides servicing in relation with the issuer and its agent.
Investor CSD	A CSD holding financial instruments issued in another CSD (Issuer CSD), with settlement and asset servicing responsibilities.

Paying Agent	Agent appointed by the Issuer responsible for income disbursing on behalf of the Issuer.
DVP	Acronym for Delivery Versus Payment.
PSETT	Acronym for Place of Settlement.
ETFs	Acronym for Exchange-Traded Funds.
EOD	Acronym for End of Day.
Payment Date	Date on which a Corporate Actions related Payment is due.
Record Date	Date/time at which positions are recorded at the end of the day to determine which parties are entitled to receive proceeds in a corporate event.
T2S	TARGET2-Securities.
U2A	User-to-application connectivity mode (GUIs).
DRIP	Dividend payment where holders can keep cash or have the cash reinvested in the market by the issuer into additional shares in the issuing company. To be distinguished from an optional dividend (DVOP) as the company invests the dividend in the market rather than creating new share capital in exchange for the dividend.
DVCA	Cash Dividend. Distribution of cash to shareholders, in proportion to their equity holding. Ordinary dividends are recurring and regular. Shareholder must take cash and may be offered a choice of currency.
DVOP	Dividend with Option. Distribution of a dividend to shareholders with a choice of benefit to receive. Shareholders may choose to receive shares or cash. To be distinguished from a Dividend Reinvestment Plan (DRIP) as the company creates new share capital in exchange for the dividend rather than investing the dividend in the market.
DVSE	Stock Dividend. Dividend paid to shareholders in the form of equities of the issuing corporation.

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