

Fund Principal Financial Officer

September 4, 2019

Seeking to protect and benefit our clients.

The Brief:

A fund manager with a global investment strategy had incurred millions of dollars of dividend withholding taxes in Europe, but worried that pursuing European Court of Justice claims to recover those taxes might add to those costs without any assurance they would prevail.

The Approach:

Although Foreside does not provide tax advice, our outsourced fund Treasurer/Principal Financial Officer, was able to apply industry data to the funds' historical tax payments in order to assist the fund Board in its assessment of the likelihood of recovery. After considering costs and materiality, Foreside presented a strategy to the fund's board which targeted 91% of potentially recoverable amounts. Over the ensuing months, Foreside managed a project in partnership with the fund's accounting firm and custodian to properly document and file claims, responding to requests from tax offices across various European jurisdictions.

The Result:

To date, our client has recovered nearly \$1 million in foreign taxes to the benefit of fund shareholders. Foreside continues to work with the fund's accounting firm to monitor statutes of limitations and the potential for new filings or appeals on behalf of the fund as appropriate. In addition, the expertise and relationships built throughout this engagement have spilled over into day-to-day tax compliance for the fund, focusing the attention of the board on new areas of oversight.

All situations are evaluated independently, and results may differ. It is important to note these case studies are not testimonials, but examples of strategies that have been deployed to assist our clients. These examples may not be representative of your experience with Foreside and do not guarantee that you will experience the same or similar results.

Foreside and its affiliates do not provide tax, legal or accounting advice and case studies are provided for informational use only.