

“Tobin Tax” and Certificates

***If, how and when the financial transactions tax (Tobin Tax)
is levied on certificates***

May 2013

■ WHAT IS THE TOBIN TAX ?

It is a tax on the “transfer of ownership” of high capitalization Italian shares (listed in page 4) and financial instruments, such as certificates, linked to such shares (as underlying).

Therefore it does not apply to all certificates, but only to certificates:

- linked to relevant Italian shares, share indexes or baskets of shares,
- bought on the secondary market, i.e. excluding certificates bought during the placement period,
- starting from 1st July 2013.

■ WHAT IS THE IMPACT ON CERTIFICATES?

The tax has a **limited impact on certificates** (for example €0,01875 for a contract worth € 2000) and the tax rate is lower than the one applied to shares under the scope of the Tobin Tax. In addition:

- the tax rate is reduced to 1/5 (20%) if the certificate is bought/sold on a Regulated Market (such as SeDeX of Borsa Italiana) or MTF (e.g EuroTLX), and
- the tax does not apply to certificates sold/purchased by the market maker.

CERTIFICATES OUTSIDE THE SCOPE OF TOBIN TAX

Certificates linked to the following underlying:

Shares of non Italian companies

Shares of Italian companies listed in Italy or in foreign markets with capitalization lower than € 500 mln

Index entirely made of shares of non Italian companies

Index of shares of both Italian and foreign companies when the weight of Italian shares (with capitalization greater than €500 mln) is less than 50% of the initial index value.

Basket of shares of Italian companies with a capitalization lower than € 500 mln, listed in Italy and/or abroad

Basket of shares of both Italian and foreign companies when the weight of Italian shares (with a capitalization higher than €500 mln) is less than 50% of the initial value of the basket

CERTIFICATES WITHIN THE SCOPE OF TOBIN TAX

Certificates linked to the following underlying:

Shares of Italian companies listed in Italy or abroad with capitalization higher than € 500 mln

Index entirely made of shares of Italian companies (e.g. FTSE MIB)

Index of shares of both Italian and foreign companies when the weight of Italian shares (with capitalization higher than € 500 mln) is more than 50% of the initial index value.

Basket of shares of Italian companies (with a capitalization higher than €500 mln) listed in Italy and/or abroad

Basket of shares of both Italian and foreign companies when the weight of Italian shares (with a capitalization higher than €500 mln) is more than 50% of the initial value of the basket

SHARES IN THE SCOPE OF TOBIN TAX

A2A	DIOSORIN	MEDIASET
ACEA	EI TOWERS	MEDIOBANCA
ANSALDO	ENEL GREEN POWER	MEDIOLANUM
ATALANTIA	ENEL	MILANO ASSICURAZIONI
AUTOGRILL	ENI	MONTE DEI PASCHI DI SIENA
AUTOSTRADA TORINO MILANO	ERG	PARMALAT
AZIMUT	EXOR PRIV	PIAGGIO
BANCA CARIGE	EXOR	PIRELLI
BANCA GENERALI	FIAT INDUSTRIAL	PRYSMIAN
BANCA POPOLARE DELL' EMILIA ROMAGNA	FIAT	RCS MEDIAGROUP
BANCA POPOLARE DI MILANO	FINMECCANICA	REDORDATI
BANCA POPOLARE DI SONDRIO	FONDIARIA SAI	SAIPEM
BANCO POPOLARE	GEMINA	SALVARORE FERRAGAMO
BENI STABILI	GENERALI	SARAS
BREMBO	HERA	SIAS
BRUNELLO CUCCINELLI	IMA	SNAM
BUZZI UNICEM	IMPERIGLIO	SORIN
CAMPARI	INDESIT	TELECOM ITALIA RISPARMIO
CATTOLICA ASSICURAZIONI	INTERPUMP	TELECOM ITALIA
CIR	INTESA SAN PAOLO RISPARMIO	TENARIS
CREDEM	INTESA SAN PAOLO	TERNA
CREDITO BERGAMASCO	IREN	TOD' S
DANIELI & CO RISPARMIO	ITALCEMENTI	UBI BANCA
DANIELI & CO	LOTTOMATICA	UNICREDIT
DE LONGHI	LUXOTTICA	UNIPOL

■ HOW MUCH IS THE TAX?

Certificates within the scope of the Tobin Tax are subject to a fixed rate, i.e. a lump sum set out by law.

The rate is calculated on the “notional value of the contract”, defined as the number of certificates multiplied by their price.

Both elements (number of certificate and price) are easily available in the market.

Furthermore taxation is reduced to 1/5 (20%) if the certificate is bought on a Regulated Market (such as SeDeX for Borsa Italiana) or on a MTF (e.g. EuroTLX).

See the following tables and examples for further details.

Tobin Tax and Certificates

Certificates on **shares of Italian companies listed in Italy or abroad with capitalization higher than €500 mln**

Notional value of the contract	Fixed tax rate*
€ 0 – 2.500,00	€ 0,125
€ 2.500,00 – 5.000,00	€ 0,25
€ 5.000,00 – 10.000,00	€ 0,5
€ 10.000,00 – 50.000,00	€ 2,5
€ 50.000,00 – 100.000,00	€ 5
€ 100.000,00 – 500.000,00	€ 25
€ 500.000,00 – 1.000.000,00	€ 50
More than € 1.000.000,00	€ 100

* The taxation is reduced to 1/5 (20%) if the certificate is bought on a Regulated Market (such as SeDeX for Borsa Italiana) or MTF (e.g. EuroTLX)

Tobin Tax and Certificates

EXAMPLES: purchase/sell of **certificates linked to Italian shares** with capitalization greater than €500 mln

No. of certificates	Certificate price	Notional Value	Tax	Tax if listed
80	€ 100	€ 8.000	€ 0,5	€ 0,1
400	€ 100	€ 40.000	€ 2,5	€ 0,5
800	€ 100	€ 80.000	€ 5	€ 1
8.000	€ 100	€ 800.000	€ 50	€ 10
80.000	€ 100	€ 8.000.000	€ 100	€ 20

Tobin Tax and Certificates

Certificates on basket of shares when the weight of Italian companies, listed in Italy or abroad with capitalization higher than € 500 mln, is more than 50%

Notional value of the contract	Fixed tax rate *
€ 0 – 2.500,00	€ 0,125
€ 2.500,00 – 5.000,00	€ 0,25
€ 5.000,00 – 10.000,00	€ 0,5
€ 10.000,00 – 50.000,00	€ 2,5
€ 50.000,00 – 100.000,00	€ 5
€ 100.000,00 – 500.000,00	€ 25
€ 500.000,00 – 1.000.000,00	€ 50
More than € 1.000.000,00	€ 100

* The taxation is reduced to 1/5 (20%) if the certificate is bought on a Regulated Market (such as SeDeX for Borsa Italiana) or MTF (e.g. EuroTLX)

Tobin Tax and Certificates

EXAMPLES: purchase/sell of **certificates on basket of Italian shares** with capitalization higher than € 500 mln and when the weight in the basket, at issuance, is more than 50%. Once the proper tax rate is identified, the process is similar to the previous one.

No. of certificates	Certificate price	Notional Value	Tax	Tax if listed
80	€ 100	€ 8.000	€ 0,5	€ 0,1
400	€ 100	€ 40.000	€ 2,5	€ 0,5
800	€ 100	€ 80.000	€ 5	€ 1
8.000	€ 100	€ 800.000	€ 50	€ 10
80.000	€ 100	€ 8.000.000	€ 100	€ 20

Tobin Tax and Certificates

Certificates on **index of shares when the weight of Italian companies listed in Italy or abroad with capitalization greater than € 500 mln is more than 50%**

Notional value of the contract	Fixed tax rate *
€ 0 – 2.500,00	€ 0,01875
€ 2.500,00 – 5.000,00	€ 0,0375
€ 5.000,00 – 10.000,00	€ 0,075
€ 10.000,00 – 50.000,00	€ 0,375
€ 50.000,00 – 100.000,00	€ 0,75
€ 100.000,00 – 500.000,00	€ 3,75
€ 500.000,00 – 1.000.000,00	€ 7,5
More than € 1.000.000,00	€ 15

* The taxation is reduced to 1/5 (20%) if the certificate is bought on a Regulated Market (such as SeDeX for Borsa Italiana) or MTF (e.g. EuroTLX)

Tobin Tax and Certificates

EXAMPLES: purchase/sale of **certificates on indexes of Italian shares**

N° of certificates	Certificate price	Notional Value	Tax	Tax if listed
80	€ 100	€ 8.000	€ 0,075	€ 0,015
400	€ 100	€ 40.000	€ 0,375	€ 0,075
800	€ 100	€ 80.000	€ 0,75	€ 0,15
8.000	€ 100	€ 800.000	€ 7,5	€ 1,5
80.000	€ 100	€ 8.000.000	€ 15	€ 3

■ **WHO HAS TO PAY?**

When the certificates is within the scope of the Tobin Tax, the tax is due by each counterparty, namely the buyer and the seller, regardless of their residence (Italy or abroad) and the place where the contract is entered into (Italy or abroad).

The tax will be calculated by the financial intermediary (e.g. bank), executing the transaction. The intermediary is also responsible for the settlement of the contract.

■ **WHEN THE PAYMENT IS DUE ?**

The payment has to be made by the 16th day of the month following the conclusion of the contract.

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