

## Update on Tax Concerning the U.S. Publicly Traded Partnership (PTP) Products



Dear Valued Customers:

The Internal Revenue Service (“IRS”) of the United States has issued the latest regulations (the “Regulation”) on the withholding tax and reporting requirements on the transfer of interests (with consideration) by non-U.S. investors in the PTP products in accordance with Section 1446 of the United States Internal Revenue Code. The Regulation will take effect on **1 January, 2023 (“the Effective Date”)** requires intermediaries to **withhold 10% of the total transacted values for performing any sales transactions or other transfers of the PTP products** on behalf of any their **non-U.S. investors for tax purpose**. Any **dividends paid out** originated from these aforesaid products **may also be subject to the said withholding tax**. For details of the Regulation, please refer to this [link](#).

We have compiled a [PTP Products List](#) for your reference. Regarding the definitions of the PTP products referred in the Regulation, please browser the [U.S. IRS webpages](#).

Based on the above information, **please review** and evaluate carefully the tax impact on your own interests of the **U.S. holdings in your account** or consider your asset reallocation **before the Effective Date**. You also may consult your tax advisor if necessary.

Subject to no further change in the Regulation, we shall provide customers with PTP products according to the following schedule.

- **From Monday, 14 November, 2022**, any PTP products **purchase orders will be refused**, only PTP products sale orders will be accepted for execution.
- **On Tuesday, 27 December, 2022 will be the last trading day for all successful transacted sale orders** to settle before the Regulation takes effect. After 27 December, 2022, and settlement of the aforesaid trades will be take place after the commencement of the Regulation which may cause inconvenience to investors.

Should you have any queries, please contact your Sales or Account Executive or our Customer Service Hotline at (852) 2250 8288 (Hong Kong) / 400-120-0363 (China Toll Free) or via email [customer.service@swwhyk.com](mailto:customer.service@swwhyk.com).

### Shenwan Hongyuan Securities (H.K.) Limited

Before making any investment decision, investors should carefully consider their own circumstances, risk tolerance level, investment experience and investment objectives. If they are in doubt, they should seek independent professional advice.



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Sws218hk

(852) 2509 8333

(852) 2509 0018

香港軒尼詩道 28 號 19 樓

www.swwhyk.com

Sws218hk

Level 19, 28 Hennessy Road, Hong Kong

