

Market Profile Austria



Global Securities Services

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Banking that matters.




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1. Overview

1.1. GEOPOLITICAL DATA

Time Zone:	GMT + 1
Daylight Saving Time:	YES
Currency:	Euro (EUR)
Banking Holidays:	link
EU Membership:	YES
Schengen Zone:	YES



1.2. G30 COMPLIANCE

Trade comparison by T+1 for direct market participants	YES
Trade comparison for indirect participants	YES
Central securities depository	YES
Trade netting system	YES
Delivery vs. payment	YES
Same day funds	YES
Rolling settlement T+2	YES
Securities lending and borrowing	YES
ISIN	YES

1.3. COUNTRY RATINGS

Rating Agency	Issuer Default Rating Foreign Currency, LT	Outlook
Fitch	AAA	Stable
Moody's	Aaa	Stable
Standard & Poor's	AA+	Stable

2. Regulation and supervision

2.1. REGULATORY/SUPERVISORY BODIES

Supervision of financial markets is carried out by the following institutions:

- Ministry of Finance:
The Federal Ministry of Finance (BMF) develops and defines the legislative framework, which is then adopted by the Austrian parliament (legislative process).
- National Bank:
The Oesterreichische Nationalbank (OeNB) monitors the stability of the financial market at a macro level; it is responsible for the supervision of payment systems and it is also involved in the supervision of banks.
- Financial Markets Authority:
The Financial Market Authority (FMA) monitors and checks the individual financial institutions and market participants (micro level).

2.2. KEY MARKET REGULATIONS

Below you will find a list of the key market regulations. For a complete list with up to date information on the acts please refer to the GSS Website (<http://gss.unicreditgroup.eu>) or contact your local GSS Relationship Manager.

Regulation	Main Focus
Capital Market Act	Covers and regulates the offer and issuance of securities
Federal Banking Act	Covers and regulates Capital Market Transactions, Insider Rules
Investment Fund Act	Covers rules and conditions of investment funds and investing
Deposit Act	Covers rules and conditions of safekeeping of securities
National Bank Act	Covers rights and obligations of the Austrian Central Bank
Payment Service Act	Market access and licensing requirements for payment institutions, in addition to liability and recourse in the execution of payment services
Company Pension Act	Contains the provision of labour law pertaining to occupational retirement provisions for employees as part of the second pillar
Securities Supervision Act	Regulations referring to supervision of trading and of insider trading, permission and relicensing of securities firms and investment advisers
Stock Exchange Act	Covers listing procedures & disclosure requirements
Stock Corporation Act	Covers and regulates stock corporations

2.3. SELF-REGULATORY ORGANISATIONS

The Austrian Bankers' Association is a non-profit organisation acting as a representative of all commercial banks, private limited banking corporations and other credit institutions operating in Austria. It maintains and promotes the common business interests of its members, safeguards their professional honour and prevents distortions of competition as well as cooperates with economic and cultural institutions. Its main tasks include the following services:

- To pass opinions on statutory provisions concerning its members' interests;
- To develop contacts with monetary authorities and ministries;
- To identify and coordinate diverging interests among its members as well as promote cooperation in the fields of bank management, human resources, fiscal and commercial legislation, etc.

In addition, the association performs the following tasks:

- Cooperation with national and international organisations, the European Banking Federation;
- Acting as delegate of the Austrian Federal Chamber of Commerce;
- Participation in collective bargaining agreements on behalf of the employers.

3. Trading

3.1. COMMONLY TRADED INSTRUMENTS

Equities		Money Market instruments	
<input checked="" type="checkbox"/>	Ordinary shares	<input checked="" type="checkbox"/>	Certificate of deposits
<input checked="" type="checkbox"/>	Preferred shares	<input checked="" type="checkbox"/>	Commercial papers
<input checked="" type="checkbox"/>	Employee shares	<input checked="" type="checkbox"/>	REPO transactions
<input checked="" type="checkbox"/>	Interest bearing shares		
Government debt		Corporate debt	
<input checked="" type="checkbox"/>	Government bonds	<input checked="" type="checkbox"/>	Corporate bonds
<input checked="" type="checkbox"/>	Treasury bonds	<input checked="" type="checkbox"/>	Mortgage bonds
<input checked="" type="checkbox"/>	Treasury bills	<input checked="" type="checkbox"/>	Convertible bonds
<input checked="" type="checkbox"/>	Treasury notes	<input checked="" type="checkbox"/>	Exchangeable bonds
<input checked="" type="checkbox"/>	Municipal bonds		
Derivatives		Other instruments	
<input type="checkbox"/>	Options	<input checked="" type="checkbox"/>	Exchange traded funds
<input type="checkbox"/>	Futures	<input checked="" type="checkbox"/>	Investment funds
<input checked="" type="checkbox"/>	Warrants	<input checked="" type="checkbox"/>	Eurobonds funds
		<input checked="" type="checkbox"/>	Depository receipts
		<input checked="" type="checkbox"/>	Commodities

3.2. VIENNA STOCK EXCHANGE – VSE

Legal name Wiener Boerse AG

Website <https://www.wienerborse.at>

Ownership structure The Vienna Stock Exchange (VSE) is the initiator and a full subsidiary of the CEE Stock Exchange Group (CEESEG) along with the Prague Stock Exchange (92.74%). The share capital in the CEE Stock Exchange Group is distributed among Austrian financial institutions and corporations. The main stakeholders of CEESEG are listed below:

13.3605%	UniCredit Bank Austria AG
11.2962%	Erste Group Bank AG
8.5010%	Vienna Insurance Group AG
6.9656%	Raiffeisen Bank International AG
6.6046%	Oesterreichische Kontrollbank AG
6.6037%	UNIQA Insurance Group AG

Trading members Credit institutions, investment firms and local firms from the EEA Member States or any other qualified institution domiciled in a third country, may choose among the following types of membership: direct clearing member, non-clearing member, general clearing member, clearing agent.

Traded instruments	Equities (including Austrian depository certificates), bonds (government bonds, treasury certificates, treasury notes, treasury bills, interest rate and government strips, corporate bonds, bonds issued by banks and insurance companies, convertible bonds, structured bonds), structured products (certificates, exchange traded funds, investment funds, warrants), other securities (profit-sharing rights, participation certificates).	
Traded method	Since November 1999, VSE shares the trading system Xetra (Exchange Electronic Trading) with Deutsche Börse. The XETRA market model comprises continuous trading with several auctions, trading with one auction per trading day and a continuous auction procedure.	
Settlement agent	Austrian Central Securities Depository (OeKB CSD)	
Clearing agent	Central Counterparty Austria (CCP.A)	
Trading hours	Equity market	from 08:55 to 17:35
	Bond market	from 08:55 to 17:35
	Structured products market	from vary to vary
Settlement cycle	T+2	

3.3 OTC TRADING

OTC trading has a non-organised nature and is performed on a bilateral basis only.

4. Clearing

4.1 CENTRAL COUNTERPARTY AUSTRIA - CCP.A

Legal name	CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH
Website	https://www.ccpa.at
Ownership structure	50% Wiener Boerse (VSE) 50% Oesterreichische Kontrollbank AG
Clearing members	Following types of membership are available: Direct Clearing Member, General Clearing Member, Non-participating Clearing Member, Clearing Agent
Scope of services	<p>CCP.A acts as a clearing agent, ensuring the secure and reliable clearing and settlement of eligible exchange transactions. It is responsible for the clearing and settlement on all market segments of VSE.</p> <p>On the cash market CCP.A settles and clears all exchange transactions concluded with CCP eligible securities. In its function as central counterparty, it assumes the risks of non-performance and default for all trades. All securities that have not been included in the clearing system of VSE are considered non-CCP eligible and trades must be settled directly between the counterparties. Exchange transactions in CCP eligible securities must be finalised on the second clearing day after the conclusion of the trade. In the event of default of delivery, CCP.A proceeds according to the following procedures: separation procedure, covering procedure, cash settlement procedure. For the duration of the default in delivery, the clearing member is additionally liable to pay a penalty; the penalty amount is calculated based on 0.3% of the outstanding amount due per day with a minimum of EUR 250.</p>
Risk model	<p>In order to ensure the fulfilment of all transactions, CCP.A applies risk management methods which include:</p> <ul style="list-style-type: none">• Credit quality assessment - Evaluation of the economic and financial situation of each clearing member before and after joining the clearing system. The evaluation is based on its assignment to a clearing category and on risk premium through which the clearing collateral increases.• Clearing collateral/Margin account - Calculated for each clearing member in the clearing system based on the balance of open trades and taking additional risk factors into account. The calculation is done three times per day and may result in a margin call or a margin surplus. Margin/Collateral can be either full cash or cash and securities (max. 90% securities).• Default fund - In addition to the clearing collateral, each clearing member is also obliged to contribute to the default fund to be used exclusively to cover open liabilities in the event of default. Contributions to the Default Fund can be covered in cash only and consist of a fixed part of EUR 50,000 for DCMs and EUR 250,000 for GCMs and a dynamic part. The dynamic part of the default fund is calculated quarterly based on the average trading volumes of all trading members during the past three months. The Default Fund should at least cover the default of the biggest three trading members. <p>Should a clearing member fall into default with its trades (except for technical default), the default procedure and the realisation of collateral shall apply.</p>

5. Settlement

5.1 AUSTRIAN CENTRAL SECURITIES DEPOSITORY, OeKB CSD

Legal name	OeKB CSD GmbH
	<p>OeKB CSD GmbH is Austria's Central Securities Depository. In September 2015 the CSD function has been outsourced from OeKB into a separate legal entity that is now a fully owned subsidiary of OeKB. The new entity has a banking licence which is limited to the giro and safekeeping business. This enables the company to act as Central Depository in the Austrian market.</p> <p>On 6 February 2017 OeKB CSD has joined T2S.</p> <p>OeKB CSD is a certified central securities depository according to EU-CSD Regulation No. 909/2014 since 1 August 2018, and hence has also received the permission to provide banking-type ancillary services according to Art 54 CSDR.</p>
17f-7 eligibility	YES
Website	http://www.oekb-csd.at/en/
Ownership structure	100% Oesterreichische Kontrollbank AG
Scope of services	<p>The range of services offered is comprehensive and includes:</p> <ul style="list-style-type: none">• Securities custody• Clearing and order routing to foreign securities exchanges• Provision of descriptive and analytical financial data• Process support and IT solutions for the funds industry• Access to the SWIFT network via the SWIFT Service Bureau• Auction agent for Austrian government bonds• Advice and processing services for issuers
Accounts held	<p>OeKB CSD opens securities accounts for VSE members and section member banks, as well as settlement securities accounts for the custodians. Cash settlements are done via the Central bank cash accounts of the participants within T2S.</p> <p>Issuers are only allowed to open a securities custody account and keep their own securities directly at OeKB CSD.</p>
Eligible instruments	Austrian government bonds, corporate bonds, T-Bills, equities and investment fund notes are all safekept at OeKB CSD.
Level of dematerialisation	All listed securities are in bearer form, i.e. represented by one global certificate per ISIN held at OeKB CSD and are therefore immobilized. Following a legal change in 2011, all non-listed companies had to change their shares from a bearer to registered shares by the end of 2013.
Stock Exchange Settlement	The settlement of the transactions executed on VSE takes place outside the stock exchange. All securities admitted to trading on one of the segments of the equity.market.at or the bond market.at take part in the clearing system and thus all transactions made with them are customarily settled under the Rules for Clearing and Settlement of Exchange Trades. The clearing is carried out by CCP.A, ensuring that money and securities movements are kept at a minimum. The transactions are then settled through accounts held with OeKB CSD.

OTC Settlement	<p>OTC transactions are not regulated, and settlement details and cycle are flexible and fully negotiable by the counterparties. The settlement of OTC trades is performed through OeKB CSD's Settlement Client as the interface for ICPs to T2S. All OeKB CSD members that have access to the Settlement Client can input their instructions manually into the system via a secured web interface or submit them via SWIFT to enable STP. Pre-matching is performed in real time and settlement is possible until 16:00 CET for transactions against payment and until 18:00 CET for transactions free of payment.</p> <p>As of 1 February 2022, CSDR with the settlement discipline regime has been implemented in the Austrian market. Consequently penalties are charged to the settlement counterparty that has caused the settlement delay on CSD level. The penalties are collected on monthly net basis. Appeals to a particular penalty amount can be lodged with the CSD via the custodian bank. Internalised settlements are currently not subject to penalty calculation. The buy-in regime has been postponed to a later stage.</p>
Settlement Protection	<p>VSE members that take part as participating clearing members in the clearing system of CCP.A must deposit collateral with OeKB CSD as the clearing bank for securing against the clearing risk.</p> <p>For Austrian Securities, a clearing member will be deemed to have defaulted if its securities account at OeKB CSD is insufficiently covered on SD+1 at 14.00 CET (market deadline for DvP settlement), thus not being able to ensure delivery. For the duration of the delay in delivery, from SD+1 to SD+3, a penalty interest of 0.3% per day will be applied (with a minimum of EUR 250). A buy-in will be initiated if the short position is still not covered on SD+3 after DvP cut-off (16:00 CET), for which a flat fee of EUR 500 will be charged (per buy-in). If the shortfall can still not be covered until 16:00 CET on SD+4, the trade will be settled in cash on SD+5, based on the original trade price or the closing price on SD+4, whichever is higher, with an additional premium of 20%.</p>
Investor Protection	<p>The Austrian Deposit Act states in §9(2) that there is the legal presumption that if a custodian entrusts securities to a third party in Austria (i.e. OeKB CSD), then such third parties shall be assumed to know that such securities do not belong to the custodian, therefore no lien or retention rights for the custodian are possible on that account. In case of the custodian's bankruptcy, the beneficial owner may segregate its securities according to the book entry segregation and securities statements, i.e. the segregation of assets and the limitation of the access to client securities are emphatically legally determined. If ownership has not already passed to the purchaser, in case of the custodian's bankruptcy, the client has the right of preferential satisfaction before all other creditors regarding these securities. Such preferential claims shall be met prior to the claims of all the bank's remaining creditors, out of a separate fund, which shall be made of securities of the same kind existing in the own estate of the bankrupt institution and out of the claims for delivery of such securities of the same kind (Austrian Deposit Act, §23).</p>
Identified Risk	<p>None</p>

6. Payment System

6.1. GENERAL INFORMATION

In Austria large value payments are processed via TARGET2 - SSP (Trans-European Automated Real-time Gross Settlement Express Transfer System 2) which is operated on behalf of the Eurosystem and of which the Austrian National Bank OeNB is a co-owner. Retail payments are cleared by Clearing Service Austria and Clearing Service International via cash accounts held with OeNB who acts as the settlement agent for its participants.

The previous Austrian TARGET component ARTIS has been renamed to hoam.at (Home Accounting Module Austria) and started working under the new name along with the start of TARGET2, forming part of the pan-European payment system. OeKB has established a direct link to OeNB, which enables all participants to settle the cash side of their securities transactions directly via hoam.at, thereby taking advantage of the higher liquidity at OeNB.

Participation in hoam.at is permitted under the conditions stipulated in the TARGET2 guidelines and the domestic general terms and conditions of business of hoam.at. The transaction types handled via the local component include:

- OeNB money Market operations, cash transactions, etc.
- Payments to other large-value systems
- Interbank payments arising from money market and foreign exchange transactions
- Interbank payments for customers (if they are to be credited on the same day)
- Large-value payments

6.2. LIMITATIONS, DEADLINES, CUT-OFF TIMES

Target Deadline: 18:00 CET

7. Securities Lending

7.1. SECURITIES LENDING

Securities lending is regulated by the Federal Banking Act. It is practiced in Austria but only on a bilateral basis - it is not offered by OeKB and there is no lending pool on the market. An investor has to agree with its custodian whether such services can be offered on a case-by-case basis.

7.2. SHORT SELLING

With the aim of reducing settlement and other risks (including those relating to the stability of sovereign debt markets), increasing transparency of short positions and creating a harmonised framework for co-ordinated action across Europe, the European Commission adopted the Short Selling Regulation in 2012, which took effect on 1 November 2012 across the EU.

Subsequently, the Commission also adopted a Delegated Act setting out the regulatory technical standards needed to ensure the uniform application and enforcement of the Short Selling Regulation. Under the above regulatory act, uncovered short sales in shares, sovereign debt and sovereign credit default swaps across the EU are prohibited as of 1 November 2012.

8. Corporate actions

8.1. COMMON CORPORATE ACTION EVENTS

Mandatory events	Voluntary events
<input checked="" type="checkbox"/> dividend, cash	<input checked="" type="checkbox"/> exercise of rights
<input type="checkbox"/> dividend, option	<input type="checkbox"/> issue, priority
<input type="checkbox"/> dividend, stock	<input type="checkbox"/> exchange offer
<input checked="" type="checkbox"/> Interest payment	<input checked="" type="checkbox"/> tender offer
<input checked="" type="checkbox"/> issue, bonus	<input checked="" type="checkbox"/> repurchase offer
<input checked="" type="checkbox"/> issue, rights	<input checked="" type="checkbox"/> shareholders meeting
<input type="checkbox"/> maturity	
<input checked="" type="checkbox"/> maturity final	
<input checked="" type="checkbox"/> merger	
<input type="checkbox"/> pari-passu	
<input type="checkbox"/> redemption, early	
<input checked="" type="checkbox"/> redemption, partial	
<input checked="" type="checkbox"/> spin-off	
<input checked="" type="checkbox"/> split	
<input checked="" type="checkbox"/> split, reverse	

8.2. DATING CONVENTIONS

In order to comply with the EU standards, Austria has implemented the record date principle as of 16 November 2015.

The record date shall apply to Cash Distributions (e.g. cash dividends, coupon payments), Securities Distributions (e.g. rights issues, bonus issues) and Mandatory Reorganisations (e.g. stock splits, mergers).

The record date is defined as the date on which settled positions are struck in the books of the Issuer (I)CSD at close of business to determine the entitlement to proceeds of a Corporate Action which is still derived from traded position as of ex-date minus 1 business day.

8.3. SOURCES OF C/A INFORMATION

All corporate events have mandatorily to be announced in the official legal gazette, Amtsblatt zur Wiener Zeitung. There are no fixed rules for their announcement, but usually such are made on the ex-date of an event.

8.4. LOCAL C/A SPECIFICS

For every merger (mandatory change of holdings), shareholder regulations require the usage of interim ISINs reflecting the holding as of the ex-date for any possible future entitlements. However, the same can apply for other mandatory corporate action types, if the respective exchange or pay-out ratio can be challenged by investors and claims can be filed.

Tender offer: The procedure for Austrian tender offers usually requires the immediate exchange of the tendered shares into an interim instrument, which is usually not tradable. This interim instrument is then exchanged for cash when the tender price is due.

Capital increase: For the majority of capital increases / subscription offers, there is a fixed subscription price announced by the respective issuer. Alternatively, book-building method can also be used to determine the subscription price only after the subscription period. In such cases a maximum price range is provided, and instructions can be given either without limit or with a limit. Rights issues via book-building customarily do not provide for trading of the rights. Other than that, rights trading can be applicable, where only one price is fixed per day, depending on the respective issuer's announcement.

Market claims: Claims and reverse claims are automatically generated by the CSD starting with record date +1 for all matched trades with settlement date after record date. Claims are generated on status "Hold" and the status is changed to "Release" when the underlying trade is settled.

Buyer protection: Buyer protection is generally available in the market but only upon a bilateral agreement between the buyer and seller. The process is done manually by exchanging a form upon which the seller has to instruct his custodian accordingly.

9. Proxy voting

9.1. GENERAL CHARACTERISTICS

All corporate actions entitlements are based on the traded position on record date. Only the shareholder meeting participation/voting is based on settled position as of record date, this being the 10th calendar day prior to the respective meeting as per legal definition.

On the Austrian market, corporate bond holders are not entitled to participate in any shareholder meetings as these securities usually do not bear voting rights. Preferred shares usually do not bear voting rights either but may receive such rights in special circumstances.

9.2. ANNOUNCEMENT

Invitations to shareholder meetings are subject to public notice. As shares listed in Austria are issued as bearer shares, shareholders cannot be addressed individually and therefore, according to the Austrian Stock Corporation Act, invitations must be published in the official legal gazette (Amtsblatt zur Wiener Zeitung) at least 28 calendar days prior to an ordinary shareholder meeting or at least 21 calendar days prior to an extraordinary shareholder meeting.

Since the implementation of SRD II on 03 Sept 2020 it is mandatory to inform all shareholders of General meetings. The information has to be passed by the issuer to the first intermediary (OeKB CSD) and is further forwarded throughout the chain of depositories on to the beneficial owner of the related securities. Otherwise the Securities Act has not been changed in connection with the implementation of SRDII and all previous requirements have remained in place as they were before: if an investor wishes to participate in the meeting or wants to cast his votes, a Certificate of Holding needs to be presented to the issuer. Additionally, if proxy voting via the custodian bank is required, the investor also needs to provide a PoA for the custodian bank. As an Austrian particularity, both documents can be combined.

9.3. VOTING PROCESS

The Austrian Government approved a change in the Companies' Law in 2009, which had a major impact on shareholder meetings held for companies organised under the Austrian law. According to the amended legislation, the following major changes were implemented:

- Record date was established;
- Disclosure of the beneficial owner to the issuer is required;
- Proxy voting must be declared;
- Announcement periods are extended;
- Televoting, voting by mail or other technical means are allowed, but companies can also rule out voting procedures (e.g. televoting) by explicitly stating this in the meeting call.

In order to attend the meeting or have the votes presented by a proxy holder, the first depository bank of the beneficial owner, which has to be located in an EEA/OECD country, has to issue a Confirmation of Holding (CoH) as of record date, which has to contain certain mandatory data (e.g. issuer of CoH, ISIN, number of shares, beneficial owner details, record date). This document must be issued after the record date (10 calendar days prior to the meeting) and has to be forwarded directly to the Austrian issuer three business days prior to the meeting at the latest.

In addition to the CoH, a Power of Attorney (PoA) is required, which is valid for this specific meeting only. Such PoA is needed when the beneficial owner is a legal entity or forwards his voting rights to a proxy holder or to any other individual person and can be presented directly at the entrance of the meeting or be submitted to the company until a time as stipulated by them in the meeting call.

It is possible to provide partial and/or split voting instructions. Split voting has however been reduced since each beneficial owner has to be declared, so usually voting is attributed to one single beneficial owner.

During a shareholder meeting, physical presence of a shareholder or a proxy acting on their behalf is required, as Austrian issuers have so far not adopted in practice the possibility for televoting, voting by mail or other technical means.

10. Income collection

10.1. DIVIDEND PAYMENTS

Austrian companies pay dividends on an annual basis usually after general meetings held mostly around April - May each year. Dates and any special procedures are set at the shareholder meeting of the issuer.

Announcements Dividend payments are then announced in the official legal gazette (Amtsblatt zur Wiener Zeitung).

Dating Conventions For equities, shareholders are entitled to receive dividend payments according to the traded position on Ex-Date - 1. Entitlements are detected on Record Date (Ex-Date + 1), which is in line with the EU-Record Date Logic (European Market Standards for Corporate Actions Processing).

For funds, shareholders are entitled to receive dividend payments according to the traded position on Ex-Date - 1 and Record Date is not applicable.

Ex-Date: Minimum 2 working days prior to Pay Date

Record Date: Ex-Date + 1 working day

Payment Execution Dividends are credited to the shareholder accounts only after the actual receipt of funds from the paying agent is received.

Market Claims Market claims are generated first on record date end of day and the following 20 T2S open days. Reverse claims are included in the entitled record date position. Cash proceeds are credited based on net dividends. In Austria, the Opt-Out- as well as the Cum-/Ex-Indicator are not considered for the Market Claims detection.

10.2. INTEREST & MATURITY PAYMENTS

Interest on most Austrian bonds is payable on an annual basis, with the exception of some fixed-interest securities, which would pay interest on a quarterly or a semi-annual basis (e.g., floating rate notes). Dates and any special procedures are determined by the issue prospectus or terms.

Announcements Interest and maturity events are mostly announced in the official legal gazette (Amtsblatt zur Wiener Zeitung).

Dating Conventions Securities holders are entitled to receive interest (maturity) payments for trades with intended settlement date before or on Record Date.

Pay Date: As per the bond prospectus

Record Date: Pay Date - 1

Payment Execution Payment is not done on a contractual basis, but accounts are credited with the income amount only after the actual receipt from the paying agent is received. In most cases, OeKB is acting as paying agent, which receives the full payment amount from the issuer and distributes it to its members.

Market Claims Late trades with intended settlement date before or on Record Date and effective settlement date after Record Date will be compensated. The claim detection period is 20 T2S open days after Record Date.

11. Taxation

11.1. WITHHOLDING TAX

In Austria, payments to non-residents (persons without residence or customary abode in the country) are generally subject to taxation.

Tax Rates To obtain exempt withholding tax status with regards to interest payments, non-residents must provide their Austrian custodian bank with certain documents and details. (These depend on the type of client and can be provided by your relationship manager upon request). The application of Double Taxation Treaty (DTT) (through a refund) could reduce the amount withheld.

Tax Rates	Type of income	Tax rate
	Interest on Deposits (foreign financial institutions are exempt from such tax)	25%/0%
	Dividend (shares)	27.5%
	Dividend (jouissance rights)	27.5%

Relief at Source N/A

Tax Reliefs N/A

11.2. CAPITAL GAINS TAX

Generally, a non-resident is subject to income tax only on income from Austrian sources, e.g. a share in an Austrian partnership's profits or rental income derived from real estate located in Austria. Non-resident individuals are tax free on capital gains from the sale of non-business property, except in the following cases (non-conclusive enumeration):

- since 1 April 2012 in case of the disposal of real estate, capital gains are taxable irrespective of the holding period at a flat income tax rate. The tax rate used to be 25% until 31 December 2015. As of 1 January 2016, the tax rate was raised to 30%. For real estate, for which the speculative period has already expired on 31 March 2012, the tax base is derived by a fixed percentage (60% for converted real estate or 14% in all other cases) of disposal proceeds.
- in case of disposition of an Austrian partnership (disposal of a going concern or a partnership interest); or
- in case of disposition of participations if the non-resident has owned at least 1% of the Austrian corporation at any time during the last five years. If the participation has not exceeded this threshold, capital gains are not taxable.

A non-resident company or a non-resident individual is taxable on business income if it carries on a business through a permanent establishment in Austria or participates in such a business. Capital gains from Austrian-located immovable property are taxable for a non-resident company or individual as taxable income, regardless of whether or not the immovable property is attributable to a permanent establishment.

11.3. STAMP DUTY

No Stamp Duty is applicable.

- Tax Rates N/A
- Tax Reliefs N/A

11.4. OTHER TAXES

No other taxes are applicable for non-resident investors.

11.5. TAX RECLAIM PROCESS

Since 1 Jan 2019, all reclaims of Austrian withholding tax on dividend payments by Austrian listed shares have to be filed by using the corresponding Austrian reclaim form. Prior to filing the physical form, an electronic pre-notification has to be generated by the investor or his authorized intermediary. This pre-notification needs to be entered via the website of the Austrian Ministry of Finance by using the web-based form ZS-RD-DIAG – "Application for reimbursement/refund of the Austrian withholding tax

regarding capital returns tax on dividends from shares". After creation of the electronic file, the form needs to be printed out, duly signed and filed provided with COR and the required documentation with the Austrian tax authority in physical form via post.

Whenever such a reclaim is filed, the following documents shall also be enclosed:

- A certificate of tax residence issued by the local tax authorities directly on the reclaim form or Form 6166 for USA residents (always in original form, as photocopies are not accepted by the Austrian Tax Authorities);
- Proof of dividend distribution to the applicant, showing the gross income, the deducted Austrian withholding tax and the net dividend or net interest income;
- All questions on the reclaim form must be answered and all documentation requested within those questions has to be provided.
- A list of securities transactions (concerning the security in question) covering at least one month prior and after ex-date of the payment; if non-standard transactions (e.g. securities lending) have been carried out during this period, the underlying contract has to be provided also;
- Declaration document (for reclaims of investment funds).

If the Austrian Tax Authorities request additional documents, signatures, etc. and assign a time limit to fulfil these requirements, such a deadline must be adhered to, either by completing the requirements within the given period or by contacting the requesting tax authority and asking for an extension of the deadline.

Please note that the official language is German; dual language documents (in English and German) are generally acceptable, too.

11.6. DOUBLE TAXATION TREATIES

Due to the amount of data, for the most up to date DTTs please refer to our website:
<https://gss.unicreditgroup.eu/markets/austria/documents/double-tax-treaties>

12. Disclosure requirements

12.1. OBLIGATIONS FOR ISSUERS

Any company listed on VSE must meet certain legal disclosure requirements. Depending on the specific segment, these comprise the disclosure of quarterly earnings and reports, the publication of annual financial statements and calendar of corporate events. It is also necessary to give potential investors as much information as possible for them to take advantage of the opportunities of the stock. This implies reporting to the press without any delay, major company decisions, holding regular meetings with analysts, presenting the company in Austria and outside the country, equity research, market making for the stock by the underwriting bank, presentation of the company on the Internet and regular events with investors and banks.

12.2. OBLIGATIONS FOR INVESTORS

The disclosure obligations of investors are regulated by the Austrian Stock Exchange Act, according to which investors, both resident and non-resident, must disclose changes in certain shareholding limits when resulting from an acquisition or sale of voting rights of an Austrian corporation; the shares of which are traded on the Official Market. The regulations state that a shareholder, whether a resident or non-resident, has to notify FMA, VSE and the issuer immediately, but at the latest within two trading days, following the relevant change when exceeding or falling below the following thresholds: 3% (only if required by the Issuers' Articles of Association), 4%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90%. In practice, these notification requirements conflict with the fact that most shares listed on VSE are bearer shares and thus anonymous.

For acquisitions of financial institutions, an investor needs to report to FMA if the total volume of its stake would cross the thresholds of 20%, 30% or 50% of the equity capital or the voting rights in this company. Upon receipt of this information, FMA has 60 days to object the purchase.

Obligation Name	Obligation Type	Trigger Threshold	Action	Addressee
Regular, for all issuers on a regulated market	disclosure	See above	TD+2	Financial Markets Authority
Financial institutions	disclosure	See above	prior to purchase	Financial Markets Authority

Since the implementation of SRDII, issuers can additionally also request investor disclosure at their discretion. According to Austrian law, for any stake of more than 0,5% of the share capital, the beneficial owner has to be disclosed directly to the issuer or to a third party specified by the issuer in the disclosure request.

12.3. VIOLATION CONSEQUENCES

According to §95 of the Stock Exchange Act, private individuals that do not comply with the notification requirements may be fined up to EUR 2 million (up from EUR 150,000) or twice the amount of the benefit gained due to the violation committed with the higher amount being applicable. The fines for legal entities may amount up to EUR 10 million, 5% of the total annual net revenues or twice the benefit gained due to the violation.

If such fines are imposed on natural persons and legal entities for violations of the disclosure obligations they have to be published on the internet immediately including the identity of the persons, information on the type and nature of the violation committed, as well as any legal recourse taken.

Furthermore, all voting rights shall be suspended to the extent of the difference between the new percentage of voting rights and the last percentage of voting rights reported by the person in breach of the regulations. The voting rights may only be exercised again after a period of six months after the reporting obligation has been complied with.

13. Account management

13.1. COMMON ACCOUNT STRUCTURES

In Austria the nominee principle is fully recognised. Participants of OeKB usually maintain omnibus accounts. According to the Austrian Deposit Act, there is the legal presumption that underlying clients exist.

Custodians usually offer the following possibilities for account structures:

- One or more omnibus accounts for the nominee;
- Individual sub-accounts for each client;
- A combination of the above two.

From a tax point of view, there is no difference between the above options as relief at source is not available on the Austrian market.

Segregated Accounts

Participants of OeKB usually maintain omnibus accounts.

Nominee/Omnibus Accounts

In Austria the nominee principle is fully recognised.

13.2. KYC/AML REQUIREMENTS

In order to establish a general relationship, the client should first contact its FIG relationship manager, who will provide information on the general documentation requirements for establishing an initial relationship.

14. Disclaimer

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