

13 November, 2017

## **Regulatory and Tax Information on the Proposed Merger of Bank of America Merrill Lynch International Limited and Bank of America Merrill Lynch International DAC.**

We do not expect that the Proposed Merger will have any material impact on the terms of our contractual relationship and/or the services we provide to you and expect that your existing contractual arrangements with BAMLI Ltd will migrate automatically to BAMLI DAC. However, there will be some changes to our regulatory framework as BAMLI DAC is headquartered in Ireland rather than the UK.

We have set out below some considerations that we think may be relevant to you and our ongoing business relationship and certain changes to our regulatory framework as a result of the Proposed Merger.

### **1. Data Protection**

As BAMLI DAC will be regulated by and registered as a data controller with the Irish Data Protection Commissioner and will be subject to the Data Protection Acts of 1988 and 2003 as well as Bank of America Merrill Lynch's policies, it is not anticipated that the Proposed Merger will, of itself, significantly affect the protection afforded to any personal information that we process in providing services to you.

### **2. Withholding Tax**

It is not generally expected that, as a result of the Proposed Merger, additional withholding tax should be levied on either BAMLI DAC's payments to clients or clients' payments to BAMLI DAC (or that withholding tax imposed by jurisdictions other than the UK will apply on such payments) in connection with the majority of products offered by BAMLI DAC. However such withholding obligation cannot be excluded.

It should be noted that the withholding tax position of clients with respect to payments made by them on transactions following the Proposed Merger (which will involve the migration of transactions from BAMLI Ltd to BAMLI DAC, London Branch) may change, as the position will depend on, among other things, the country of residence of the borrower, whether that country has entered into a double tax treaty with Ireland and the availability of any domestic law exemptions.

If you are concerned about your withholding tax position in respect of payments following the Proposed Merger, you should contact your tax advisor as BAMLI Ltd does not provide tax advice.

### **3. Conduct of Business Rules**

BAMLI Ltd is currently subject to a number of conduct of business rules when providing services to you. These conduct of business rules impose certain obligations on BAMLI Ltd and provide you with certain rights and protections. Currently UK or local branch location rules, as applicable, apply to the provision of our services and, if you are located in the UK or in a local branch location, this will not change. If you are located outside the UK and not in a local branch location, following the Proposed Merger, Irish conduct of business rules will apply to the provision of certain services by BAMLI DAC rather than UK or local branch location rules which currently apply to BAMLI Ltd and its branches.

However, whilst there may be some differences between UK (and local branch location) and Irish conduct of business rules, these sets of rules are primarily based on common standards set by European law and, in practice, we do not anticipate any material change to our obligations or the rights and protections afforded to you by those rules.

Unconnected to the Proposed Merger, we are currently reviewing our terms with respect to investment services to reflect the implementation of the Markets in Financial Instruments Directive and Regulation (MiFID2), which will be implemented across the EU in January 2018. We expect to be in touch with you separately in this regard in due course.

13 November, 2017

## 4. BofAML General Terms and Conditions of Business

Note that the following section is relevant only if you have a contractual relationship with BAMLI Ltd which is subject to BAMLI Ltd's general terms and conditions of business. This may be the case if you undertake certain investment and connected business, including where BAMLI Ltd provides dealing services to you in respect of investment and related instruments.

Your new terms and conditions of business will become effective on completion of the Proposed Merger. We will write to you with confirmation of the effective date nearer the time.

In general, whilst there may be some differences between the General Terms and Conditions of Business which we apply to our UK and Irish businesses, these sets of rules are based on common standards set by European law and, in practice, we do not anticipate any material change to our obligations or the rights and protections afforded to you.

Please note that your current General Terms and Conditions of Business will continue until the successful completion of the Proposed Merger and may continue to be amended by us in accordance with their terms until and subsequent to that date, for example to reflect new regulatory requirements.

## 5. Deposit Guarantee Scheme

Note that the following section is relevant only if you have a deposit account with BAMLI Ltd (and not with one of our other BofAML group entities) which contains eligible deposits protected under the relevant compensation scheme.

### (a) General Details

Eligible deposits held in accounts with BAMLI Ltd are protected by the UK Financial Services Compensation Scheme ("FSCS") up to a limit of £85,000. Following the Proposed Merger your accounts will be transferred to BAMLI DAC and any eligible deposits will be protected by the Irish Deposit Guarantee Scheme ("IDGS") administered by the CBI. Your aggregate eligible deposits with BAMLI DAC (including deposits held in accounts with BAMLI DAC branches) will be protected by the IDGS up to a limit of €100,000. Deposits in excess of this threshold will not benefit from protection.

You may withdraw or transfer any eligible deposits exceeding the protection threshold of €100,000 (including any accrued interest and other benefits) to another bank or institution without incurring any penalty, provided that you make that withdrawal or transfer within three months of the date the Proposed Merger takes place.

If you would like to exercise your right to make a withdrawal or transfer those eligible deposits exceeding the protection threshold without penalty, you will need to contact your Relationship Manager so that we can make the necessary arrangements for you.

Further information regarding the differences between the protection provided by FSCS and the protection provided by the IDGS is set out below.

### (b) Further information

The categories of eligible and ineligible deposits under UK rules are set out on the FSCS's website at [www.fscs.org.uk/what-we-cover/eligibility-rules](http://www.fscs.org.uk/what-we-cover/eligibility-rules)

The categories of protected and not protected deposits under the Irish scheme are set out on the Central Bank of Ireland's website at [www.depositguarantee.ie](http://www.depositguarantee.ie)

### (c) Reimbursement

13 November, 2017

The FSCS aims to repay eligible deposits (up to the compensation limit) within seven days, and is required to do so within 20 working days (with some exceptions).

Similarly, under the Irish compensation scheme, eligible depositors must be compensated (up to the compensation limit) within 20 working days at present.

## **(d) Contact**

If you have any questions regarding the UK FSCS, please contact the FSCS at 10th Floor, Beaufort House, 15 St. Botolph Street, London, EC3A 7QU, Tel: 0800 678 1100, Email: [ICT@fscs.org.uk](mailto:ICT@fscs.org.uk), Website: [www.fscs.org.uk](http://www.fscs.org.uk)

If you have any questions regarding the Irish scheme, please contact the CBI at Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1.

## **6. Payment Services Directive**

Note that the following section is relevant only if you receive payment services from BAMLI Ltd which are subject to the provisions of the Payment Services Directive.

We expect that the only material change to your existing contract as a result of the Proposed Merger will be that the payment services provider will change from BAMLI Ltd to BAMLI DAC. Both the applicable UK and Irish sets of rules implementing the Payment Services Directive are based on common standards set by European law and, in practice, we do not anticipate any material change to our obligations or the rights and protections afforded to you by those rules as a result of the Proposed Merger. Unconnected to the Proposed Merger, we are currently reviewing our terms with respect to payment services to reflect the Payment Services Directive 2, which will be implemented across the EU in January 2018. Any impacted client should receive a separate letter to advise them of any changes to their account terms to give effect to the Payment Services Directive 2.

## **7. Complaints**

Our internal complaints procedures will not change as a result of the Proposed Merger. If you are a resident of the UK and have an existing right to contact the Financial Ombudsman Service in the UK in respect of BAMLI Ltd, you may continue to do so in respect of BAMLI DAC after the Proposed Merger if, after you have given us the opportunity to put things right, we are unable to resolve a complaint to your satisfaction.

If you are resident outside of the UK, you may apply to the UK Financial Ombudsman Service (as above) who may accept your complaint or refer you to the Financial Services Ombudsman in Ireland. Alternatively, you may apply to the Irish Financial Services Ombudsman directly instead. Contact details for both are in your new terms and conditions.