

October, 2018

## **Regulatory and Tax Information on the Proposed Merger of Bank of America Merrill Lynch International Limited (“BAMLI Ltd”) and Bank of America Merrill Lynch International DAC (“BAMLI 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**

Like BAMLI Ltd, BAMLI DAC will be subject to the General Data Protection Regulation (EU) 2016/679 (the "GDPR") and its associated national laws (in Ireland, the Data Protection Act 2018), to the national laws implementing the EU ePrivacy Directive 2002/58/EC (as amended) (in Ireland, the European Communities (Electronic Communications Networks & Services) (Privacy & Electronic Communications) Regulations 2011), any relevant transposition of, or successor or replacement to the foregoing laws, and to Bank of America Merrill Lynch's data protection policies. It is therefore not anticipated that the Merger will, of itself, materially affect the protection afforded to any personal data that we process in providing services to you. BAMLI DAC will take over from BAMLI Ltd as the "controller" of that data for the purposes of the GDPR. Following the Merger your data will be used for the same purposes and in the same manner as it was previously, and will be processed in accordance with applicable data protection law. The privacy notices and other information provided by or on behalf of BAMLI Ltd will continue to apply, but in relation to BAMLI DAC rather than BAMLI Ltd.

### **2. Withholding Tax**

It is not generally expected that, as a result of the 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. In cases where additional withholding tax nevertheless arises and the gross-up may be triggered and the tax cannot be reduced by clients completing any relevant administrative steps then BAMLI DAC would not seek to enforce above the level of any existing gross-up applicable to the client immediately prior to the Merger, therefore clients should not suffer any loss in respect of such tax costs as a result of the Merger.

With regard to payments of interest to BAMLI DAC by UK borrowers (including UK subsidiaries of non-UK companies), notwithstanding that on the Merger the Facility Office will change to BAMLI DAC in Ireland, for tax purposes the loans drawn by UK borrowers will be allocated to the London Branch of BAMLI DAC. UK borrowers should therefore assume that the domestic withholding tax exemption in section 879 of the Income Tax Act 2007 will apply, and as such UK tax should not be withheld from interest payments made to BAMLI DAC in Ireland following the Merger in respect of loans existing as of that date.

For non-UK borrowers, the withholding tax position of borrowers with respect to payments made by them on transactions following the Merger (which will involve the migration of transactions from BAMLI Ltd to BAMLI DAC) 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.

October, 2018

A copy of BAMLI DAC's Certificate of Tax Residence issued by Irish Revenue can be found at [www.bofaml.com/brexit](http://www.bofaml.com/brexit).

BAMLI Ltd and BAMLI DAC do not provide tax advice. Therefore, if you are concerned about your withholding tax position in respect of payments following the Merger you should contact your tax advisor.

However, if you require any further information about BAMLI DAC or the Merger in order to complete the relevant administrative steps then please contact your usual relationship contacts.

### **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.

### **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 the Effective Date of the Merger.

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 (especially in relation to MiFID investment services) and, in practice, we do not anticipate any material change to our obligations or the rights and protections afforded to you.

Your current General Terms and Conditions of Business will continue until the Effective Date of the 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.

The latest version of our General Terms and Conditions of Business can be found at [www.bofaml.com/mifid2](http://www.bofaml.com/mifid2).

October, 2018

## 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 Bank of America Merrill Lynch 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 Merger your accounts with BAMLI Ltd 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 EU 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.

If you wish to withdraw or transfer your deposit to another bank or institution you may do so at any time in accordance with the terms governing your deposit. In the event that your terms of business with us provide for any restrictions on withdrawal or transfer or impose any fees or other costs, you may withdraw or transfer any eligible deposits exceeding the protection threshold of €100,000 (including any accrued interest and other benefits) without incurring any penalty, provided that you make that withdrawal or transfer within three months of the Effective Date of the Merger.

Deposit protection information sheets can be found at [www.bofaml.com/brexit](http://www.bofaml.com/brexit).

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.

Please note that if you have an account with the Swiss branch of BAMLI Ltd, following the Merger you will have an account with the Swiss branch of BAMLI DAC, which will continue to be guaranteed by the Swiss deposit insurance scheme up to a statutory maximum amount of CHF 100'000.

### Further information

The categories of eligible and ineligible deposits under UK rules are set out on the FSCS's website at <https://protected.fscs.org.uk/banking/how-is-your-money-fscs-protected/>.

The categories of protected and not protected deposits under the Irish scheme are set out on the CBI's website at <https://www.depositguarantee.ie>.

### b) Reimbursement

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).

October, 2018

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

## c) Contact

If you have any questions regarding the UK FSCS, please contact the FSCS at Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY, Tel: 0800 678 1100, email: [ICT@fscs.org.uk](mailto:ICT@fscs.org.uk), website: <http://www.fscs.org.uk>.

If you have any questions regarding the IDGS, please contact the CBI at Deposit Guarantee Scheme, Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Tel: 1890 777 777, email: [info@depositguarantee.ie](mailto:info@depositguarantee.ie), website: <https://www.depositguarantee.ie/>.

## 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 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 Merger.

We have recently completed a review of our terms with respect to payment services to reflect the implementation of the Payment Services Directive 2, which was implemented across the EU in January 2018. As a result of this review, you may have recently received a letter from us advising you of any changes to your account terms to give effect to the Payment Services Directive 2. This review and update are unconnected to the Merger.

## 7. Complaints

Our internal complaints procedures will not change as a result of the Merger.

In addition to your right to apply to any other relevant authorities responsible for supervision of branches of BAMLI Ltd or BAMLI DAC, you may also have the right to contact the Financial Ombudsman Service in the UK or the Financial Services and Pensions Ombudsman in Ireland. The contact details for the Financial Ombudsman Services in the UK can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk), and those for the Financial Services and Pensions Ombudsman in Ireland can be found at [www.fspo.ie](http://www.fspo.ie).

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