

Investment Services Information

Investeringssparkonto Preliminary
Information

Introduction

In the Investment Services Information, DEGIRO provides the details of the contractual relation that DEGIRO has entered into with you in the Client Agreement and a more detailed explanation of its services and contracts. In this reference work, you can also read about the general and specific risks associated with investing in Financial Instruments. We recommend that you read the Investment Services Information and prepare well for investing, so that you can do this in a responsible manner.

The Investment Services Information is part of the Client Agreement. In the Investment Services Information, capitalised terms have the meaning as defined in the Client Agreement or as defined in the Investment Services Information.

If you have any questions, comments and/or suggestions, please contact the DEGIRO Customer Services Desk by sending an e-mail to kunder@degiro.se or call +46 (0) 852 500 220. We are available from 8:00 to 22:00, Monday to Friday.

Documents

The Investment Services Information consists of the following documents:

- WebTrader
- Profiles
- Units
- Investment Services
- Orders and Order execution policy
- Corporate actions
- Fees
- Characteristics and risks of Financial Instruments
- Security Value, Risk, Debit Cash and Debit Securities
- **Investeringsparkonto Preliminary Information (this document)**

Investeringssparkonto Preliminary Information

The present document contains preliminary information on the main features of an Investeringssparkonto. Before opening an Investeringssparkonto, you should carefully assess if its features are consistent with your investment horizons and investment appetite.

1. Main Features of an Investeringssparkonto

An Investeringssparkonto (in English the '*Investment Savings Account*') is a savings product under Swedish law that is available to specific Swedish residents (natural persons and estates) from January 1st, 2012. The rules on the Investeringssparkonto are laid down in the Swedish Investeringssparkonto Act (2011:1928) (Sw. Lagen om investeringsparkonto (Investeringsparkontol). The purpose of this type of account is to make it easier for Swedish residents to trade in financial instruments. Unlike with an ordinary securities account, transactions are not subject to ordinary capital gains. Instead, capital investments and deposits held in an Investeringssparkonto are taxed through an annual standardised lump-sum tax and residents holding such an account do not need to report their purchases or sales in the tax return to the Swedish tax authority. Therefore, by holding an Investeringssparkonto, financial instruments can be traded without clients having to declare any capital gains or losses in their tax declaration.

In order to open an Investeringssparkonto you must enter into a separate agreement: '*Acceptance Form - natural person Investeringsparkonto Sweden*'. Please note that only a natural person, with Swedish residency can hold an Investeringssparkonto and there cannot be more than one holder per Investeringssparkonto. Furthermore, please note that Investeringsparkonto holders are not allowed to make use of the Debit Securities service of DEGIRO.

2. Fees

DEGIRO charges the same fees charged for an ordinary DEGIRO account. For further information, please refer to the fee schedule available at <https://www.degiro.se/data/pdf/se/Prisoversikt.pdf>

3. Assets

Only financial instruments which are 'Investeringsparkonto Investments', as defined in the document '*Acceptance Form Investment Services - natural person Investeringsparkonto Sweden*' can be stored in an Investeringsparkonto. DEGIRO will inform you if an asset held in your Investeringsparkonto cannot be considered to be an Investeringsparkonto Investment anymore and in such a case you will be required to remove it within the provided deadline. In case you do not remove the asset, it will be taxed according to the ordinary capital gains tax regime.

What assets can be considered 'Investeringsparkonto Investments'?

1. Financial instruments admitted to trading on a regulated market;
2. Financial instruments traded on a trading platform within the EEA; and
3. Units in investment funds (mutual funds, special funds).

Which assets cannot be stored in an Investeringsparkonto

According to the Investeringsparkonto Rules, the following assets cannot be held in an Investeringsparkonto and can



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be therefore considered Exempted Investments:

- financial instruments that are not traded on Exchanges such as unlisted shares;
- shares in a company where the holder of the instruments, directly or indirectly, owns or similarly holds shares in the company equal to at least 10 percent of the votes for all shares or capital of the company (in assessing the proportion of the voting rights or capital of the company owned by the holder, the holder shall also be deemed to own shares in the company if a holder's relative, directly or indirectly, owns or similarly holds the shares); and
- Qualifying Shares in closely held companies.

What other assets has DEGIRO categorized as 'Exempted Investments'?

DEGIRO has the right to exempt specific assets from being Investeringsparkonto Assets, and instead to be considered Exempted Investments. Currently, DEGIRO has chosen to not exempt any other assets than those not allowed by law. This might change from time to time, when decided necessary by DEGIRO. In case assets will be exempted by DEGIRO, they will be added in an Annex 'Exempted Investments' to this document.

Can I keep assets which are Exempted Investments in my Investeringsparkonto?

As a rule, you cannot keep assets which are Exempted Investments in your Investeringsparkonto. In some cases, you can keep those assets in your Investeringsparkonto for a transitional period. For example, newly issued assets intended to be listed for trading on a Exchange within 30 days, can be stored in an Investeringsparkonto. If they are not listed within the aforementioned 30-day period, they must be removed no later than the 60th day following the date of their issuing. Assets that were originally Investeringsparkonto Investments but then ceased to be such assets because delisted must be removed from your account within 60 days following the end of the quarter in which they were acquired to your Investeringsparkonto. Qualifying Shares must be removed from your Investeringsparkonto within 30 days from the date they were reclassified as Qualifying Shares or they were transferred to your Investeringsparkonto. Shares paid as dividends must be taken out from your Investeringsparkonto no later than the 60th day following the quarter in which they were transferred to your account.

What if I do not remove Exempted Investments from my Investeringsparkonto?

If you hold Exempted Investments in your Investeringsparkonto, DEGIRO will inform you of the deadline within which you are required to remove them. However, as a client you should pay special attention on keeping those kind of assets out of your Investeringsparkonto. Moreover, you must be aware that if you fail to remove Exempted Assets from your account within the deadlines established by the law, those will not be included in the calculation of the capital base and will be subject to the ordinary capital gains taxation.



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4. Investeringsparkonto Tax Regime

From a Swedish personal income tax perspective, assets held in an Investeringsparkonto are taxed on a basis of a deemed income (Sw. schablonintäkt) that is taxable against a flat-rate. This means that capital gains realized on assets stored in your Investeringsparkonto are not subject to the ordinary Swedish taxation of capital gains (please note that taxation at source in foreign countries may still apply).

Please note that as DeGiro is a Dutch broker, it has not been able to implement the Swedish withholding tax setup where 0% Swedish withholding tax is charged. Therefore, income distributions¹ received from Swedish shares held in your Investeringsparkonto will be subject to withholding tax at the ordinary tax rate of 30%. With regards to personal tax reclaims, please note that in Sweden the reclaim form must be accompanied by the appropriate certificates of deduction of Swedish withholding tax. The certificates of all financial institutions in the custody chain which distributed the payment have to be accompanied. DEGIRO is not able to provide the certificates of the compulsory financial institutions in the custody chain, which will most likely result in an unsuccessful tax reclaim at Skatteverket.

You can freely withdraw money from the account without any other taxation. The deemed income is calculated by multiplying the capital base of the Investeringsparkonto with the Swedish government borrowing rate as for the end of November of the preceding year increased with 0.75 percentage points, but never less than 1.25%. The capital base is calculated on the basis of, amongst others, the value of savings at the beginning of each quarter and deposits and transfers of financial instruments which have been made to the Investeringsparkonto during each quarter. DeGiro reports the deemed income to the Swedish tax authorities as a result of which it will be pre-completed in your tax return. The deemed income is subject to tax against a 30% rate².

How is it the tax levied?

DEGIRO will annually submit your standard income to tax authorities. This will be pre-printed on your tax return and taxed as capital income. On such income you will pay 30% tax.

5. Transfers

Transfer of financial instruments to an Investeringsparkonto

You can only transfer Investeringsparkonto Investments to your Investeringsparkonto. You cannot transfer Exempted Assets to your Investeringsparkonto. You can transfer financial instruments from an ordinary account to an Investeringsparkonto but this will be considered as a sale and thus will be taxed according the ordinary capital gains regime. If you however transfer financial instruments from an Investeringsparkonto to another Investeringsparkonto, this will not be deemed as a new deposit of funds. You are also allowed to make cash deposits and withdrawals from the Investeringsparkonto.

Transfer of financial securities and cash from an Investeringsparkonto

¹ This includes ordinary paid dividends, automatic redemption of redemption shares, compulsory redemption of SE preferred shares and any other income distributions.

² Please note that if you trade foreign securities through your investeringsparkonto or are resident abroad, you might be subject to additional taxes and fees.



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You can transfer cash from your Investeringsparkonto at any time. Transfers of financial instruments from your Investeringsparkonto are limited by the Investeringsparkonto Rules. You can always sell financial instruments you hold in your Investeringsparkonto. You can also transfer the assets you hold in your Investeringsparkonto to another Investeringsparkonto. A transfer of assets from the Investeringsparkonto is only allowed if it is made to another Investeringsparkonto.

However, Exempted Assets can be transferred to an ordinary account. You are not allowed to transfer financial instruments from your Investeringsparkonto to an ordinary account. You must sell the financial instruments first and then repurchase the assets in your ordinary account. You can always transfer exempted assets to an ordinary account without selling them before.

6. Closing your Investeringsparkonto 'account' at DEGIRO

You can close your Investeringsparkonto 'account' whenever you want by contacting DEGIRO. In order to terminate your account you have to transfer your financial securities and cash to another account or alternatively sell your securities.

7. Further information

For more information about acquisition, storage and transfer of Investeringsparkonto Investments and Exempted Investments, please refer to the document '*Acceptance Form - natural person Investeringsparkonto Sweden*' and to the Investeringsparkonto Rules (*Lag (2011:1268) om investeringsparkonto*).