

# SSGA SPDR ETFs Europe I plc

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An investment company with variable capital, constituted as an umbrella fund with segregated liability between sub-funds incorporated with limited liability under the laws of Ireland with registered number 493329.

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## UNITED KINGDOM COUNTRY SUPPLEMENT ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM

11 February 2020

This Supplement contains information specific to investors in the United Kingdom regarding SSGA SPDR ETFs Europe I plc (the “**Company**”). **It forms part of and must be read in conjunction with the latest prospectus of the Company dated 07 February 2020 as amended and supplemented from time to time (the “Prospectus”).**

All capitalised terms used herein contained shall have the same meaning in this Supplement as in the Prospectus, unless otherwise indicated.

### United Kingdom Facilities Agent

In connection with the Company’s recognition under section 264 of the Financial Services and Markets Act 2000 (“**FSMA**”), State Street Global Advisors Limited (the “**Facilities Agent**”) will act as the Company’s Facilities Agent and maintain the facilities required of a recognised scheme pursuant to the rules contained in the New Collective Investment Schemes Sourcebook published by the FCA as part of the FCA’s Handbook of Rules and Guidance governing recognised schemes. Such facilities will be located at the registered office of State Street Global Advisors Limited at 20 Churchill Place, Canary Wharf, London E14 5HJ. At these facilities any person may:

- (a) inspect (free of charge) a copy (in English) of:
  - (i) the Company’s Memorandum and Articles of Association;
  - (ii) any instrument amending the Company’s Memorandum and Articles of Association;
  - (iii) the latest Prospectus of the Company;
  - (iv) the latest Key Investor Information Documents of the Company, its sub-funds (each a “**Fund**”) and share classes;
  - (v) the other documents specified in the Prospectus as being available for inspection; and
  - (vi) the annual and half-yearly reports most recently prepared and published by the Company;
- (b) obtain a copy of any of the above documents (free of charge);
- (c) obtain information (in English) about any Fund and the Fund’s most recently published issue and redemption prices relating to its Shares;

- (d) make a complaint about the operation of the Company, which complaint the Facilities Agent will transmit to the Company; and
- (e) submit a request for redemption of Shares (which the Facilities Agent will transmit to the Administrator). Redemption will be effected as set out under “Purchase and Sale Information -- Primary Market -- Redemption of Shares” in the Prospectus. Information as to the price of Shares can be obtained in English from the registered office of the Investment Manager, from the Website and will be published by the Administrator as set out under “Determination of Net Asset Value” in the Prospectus, and each Fund Supplement.

### **Fees and Expenses**

Information on fees and expenses is set out under “Fees and Expenses” in the Prospectus.

### **U.K. Tax Considerations**

The following information is a summary of the anticipated tax treatment in the United Kingdom (the “U.K.”). This information is based on the law as enacted in the U.K. on the date of this Supplement, is subject to changes therein (possibly with retrospective effect) and is not exhaustive. The summary applies only to persons who hold their Shares beneficially as an investment and not for trading or other purposes and (save where expressly referred to) who are resident in the U.K. for U.K. tax purposes. Prospective investors should consult their own professional advisors if they are in any doubt about their position.

The following information does not constitute legal or tax advice. Prospective investors should consult their own professional advisors on the implications of making an investment in, and holding or disposing of Shares and the receipt of distributions with respect to such Shares under the law of the countries in which they are liable to taxation.

#### *Taxation of the Company*

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the U.K. for U.K. taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the U.K. through a permanent establishment situated in the U.K. for corporation tax purposes, or through a branch or agency situated in the U.K. which would bring the Company within the charge to income tax, the Company will not be subject to U.K. corporation tax or income tax on income and capital gains arising to it save as noted below in relation to possible withholding tax on certain U.K. source income. The Directors intend that the affairs of the Company are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Interest and other income received by the Company which has a U.K. source may be subject to withholding taxes in the U.K..

#### *Taxation of Shareholders*

Except in the case of a company owning directly or indirectly not less than 10 per cent. of the voting share capital of the Company, no credit will be available against a Shareholder’s U.K. taxation liability in respect of income distributions of the Company for any taxes suffered or paid by the Company on its own income.

Individual Shareholders resident in the U.K. for taxation purposes will, subject to their personal circumstances, be liable to U.K. income tax in respect of any dividends or other distributions of income (including reportable income) whether or not such distributions are reinvested. A dividend tax credit of 1/9<sup>th</sup> of the gross dividend should be available to such investors on dividends (including reportable income) received from the Company. However, it should be noted that, as a result of anti-avoidance rules such credit will not be available to individual investors in any Class of a Fund where the market value of the Class's investments in debt instruments, securities and certain other offshore funds which invest in similar assets exceeds 60 per cent. of the market value of all of the assets of the Class at any relevant time. Investors in these Classes will be treated as receiving an interest payment which will not carry the tax credit.

Companies within the charge to U.K. corporation tax should generally be exempt from U.K. corporation tax on distributions (including reportable income) made by the Company although it should be noted that this exemption is subject to certain exclusions and specific anti-avoidance rules.

Each Class will constitute an "offshore fund" for the purposes of the offshore fund legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010. The legislation provides that any gain arising on the sale, redemption or other disposal of shares of an offshore fund (which may include, where applicable, compulsory redemption by the Company) will be taxed at the time of such sale, redemption or disposal as income and not as a capital gain. These provisions do not apply if the Company (generally or in respect of the relevant Classes) successfully applies for reporting fund status and retains such status throughout the period during which the Shares are held.

In order for a Class to qualify as a reporting fund, the Company must apply to HM Revenue & Customs for entry of the relevant Classes into the regime. For each accounting period, it must then report to investors 100 per cent. of the net income attributable to the relevant Classes, as computed in its accounts, that report being made within six months of the end of the relevant accounting period. U.K. resident individual investors will be taxable on such reported income, whether or not the income is actually distributed. Income for these purposes is computed by reference to income for accounting purposes as adjusted for capital and other items. In particular, Shareholders should note that any profit derived from trading activities will be regarded as reportable income. If the Company's activities prove to be trading in whole or part the annual reportable income of Shareholders and their corresponding tax liability is likely to be significantly greater than would otherwise be the case.

Provided a Class is approved as a reporting fund and retains such status, gains realised on the disposal of Shares in such Class by U.K. taxpayers will be subject to taxation as capital and not as income unless the investor is a dealer in securities. Any such gains may accordingly be reduced by any general or specific U.K. exemption available to a Shareholder and may result in certain investors incurring a proportionately lower U.K. taxation charge.

The Directors currently intend that the Company will seek "reporting fund" status for all Classes although they reserve the right not to do so. Where approval of a Class as a reporting fund is sought it cannot be guaranteed that this will be obtained and maintained.

The distribution policies applicable to Shares of any Class or Fund are specified in the Relevant Supplement. Shareholders should note that it is not intended to declare dividends in respect of any accumulating Shares and that it is in the discretion of the Directors whether or not to pay dividends in respect of the distributing Shares. To the extent that dividends are not paid in respect of a Class with reporting fund status, reportable income under the reporting fund rules will be attributed only to those Shareholders who remain as Shareholders at the end of the relevant accounting period. This means that Shareholders could receive a greater or lesser share of dividend income than anticipated in certain circumstances such as when, respectively, Class size is shrinking or expanding. Under new regulations which took effect on 27 May 2011 a reporting fund may (but is not required to) elect to

operate income equalisation or to make income adjustments, which could minimise this effect. The Directors reserve the right to operate income equalisation or to make income adjustments in respect of any Class. Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 (“the Regulations”) provides that specified transactions carried out by a UCITS fund, such as the Company, will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. The Directors intend to elect for reporting fund status for all Classes. The Directors confirm that all Classes are primarily intended for and marketed to all investors. For the purposes of the Regulations, the Directors undertake that all Classes in the Company will be widely available and will be marketed and made available sufficiently widely to reach the intended category of investors and in a manner appropriate to attract those kinds of investors.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 (“CTA 2009”) provides that, if at any time in an accounting period a corporate investor within the charge to U.K. corporation tax holds an interest in an offshore fund and there is a time in that period when that fund fails to satisfy the “non-qualifying investment test”, the interest held by such corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in CTA 2009 (the “Corporate Debt Regime”). Acquisitions of Shares will (as explained above) constitute interests in an offshore fund and, based on the current investment policies of the Funds, it may be that some Funds will not meet the “non-qualifying investment test”. In circumstances where the test is not satisfied (for example where the relevant sub-fund or class invests in debt instruments, securities, cash or open-ended companies that themselves do not satisfy the “non-qualifying investments test” and the market value of such investments exceeds 60 per cent. of the market value of all its investments) shares will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, where the test is not met all returns on the shares in respect of each corporate investor’s accounting period during which the test is not met (including gains, profits and deficits and exchange gains and losses) will be taxed or relieved as an income receipt or expense on a fair value accounting basis. Accordingly, a corporate investor in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). The effect of the provisions relating to holdings in controlled foreign companies (outlined below) would then be substantially mitigated.

Due to the intended reporting fund status of all Classes, it is not anticipated that individuals ordinarily resident in the United Kingdom will be affected by the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 which might otherwise render such persons liable to taxation in respect of undistributed income and profits of the Company. More specifically, this legislation will not apply if such individuals can satisfy HM Revenue & Customs that either:-

- (i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or
- (ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

Chapter IV of Part XVII of the U.K. Income Tax and Corporation Tax Act 1988 (the “Taxes Act”) subjects U.K. resident companies to tax on the profits of companies not so resident in which they have an interest. The provisions, broadly, affect U.K. resident companies which hold, alone or together with certain other associated persons, shares which confer a right to at least 25 per cent. of the profits

of a non-resident company where that non-resident company is controlled by persons who are resident in the U.K. and is subject to a lower level of taxation in its territory of residence. The legislation is not directed towards the taxation of capital gains. Reform of the legislation is expected to take place in future based on the outcome of an ongoing consultation.

The attention of persons resident or ordinarily resident in the U.K. for taxation purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 (“section 13”). Section 13 applies to a “participator” for U.K. taxation purposes (which term includes a shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, at the same time, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the U.K. for taxation purposes, be a “close” company for those purposes. The provisions of section 13 could, if applied, result in any such person who is a “participator” in the Company being treated for the purposes of U.K. taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds on a just and reasonable basis to that person’s proportionate interest in the Company as a “participator”. No liability under section 13 could be incurred by such a person however, where such proportion does not exceed one-tenth of the gain. In the case of U.K. resident or ordinarily resident individuals domiciled outside the U.K., section 13 applies only to gains relating to U.K. situate assets of the Company, and gains relating to non-U.K. situate assets if such gains are remitted to the U.K.

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The Directors of SSGA SPDR ETFs Europe I plc whose names appear in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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