



TAXATION IN SPAIN

Dear partner,

We would like to inform you that the Spanish budget law for 2021 entered into force on 1 January 2021.

It includes a number of measures to increase taxes on high incomes in order to boost the country's tax revenues.

As a result, personal income tax has increased by three points for capital income above EUR 200,000. The marginal tax rate has thus risen from 23% to 26%.

The tax bands applicable from 1 January 2021 are as follows:

| TAXABLE BASE (INCOME) | TAX RATE |
|--------------------------------|----------|
| ≤ EUR 6,000 | 19% |
| From EUR 6,000 to EUR 50,000 | 21% |
| From EUR 50,000 to EUR 200,000 | 23% |
| > EUR 200,000 | 26% |

We wish to draw your attention to the fact that the obligations of Cardif Lux Vie remain unchanged in the event of surrender (partial or total) of an insurance policy or at its maturity (if the beneficiary is the policyholder). Accordingly, the Company will continue to apply a 19% withholding tax. This is treated as a payment on account of the final amount of tax due and is calculated using the above tax bands.

In addition, the national rate of wealth tax has risen from 2.5% to 3.5% above the threshold of EUR 10,695,996.06. Please note, however, that with regard to wealth tax, each Autonomous Community has the option of setting its own tax bands (this is the case, for example, in Catalonia, the Autonomous Community of Valencia, the Balearic Islands and Andalusia).

If you have any queries on this subject, please get in touch with your usual contact person.

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