

INVESTING IN GOLD WITH NEW TAX BENEFITS - FAQ

Gold has long held a reputation for outperforming most other asset classes during geopolitical upheavals or financial downturns, and protecting investors against long-term inflation. However, investing in gold in a tax-efficient way has always been a challenge for investors in Germany, as availability of products where the profits and losses are to be assessed as private capital gain (Private Veräußerungsgeschäfte) and not as German capital income (Abgeltungsteuer) has been very limited.

Gold Bullion Securities (ISIN: GB00B00FHZ82), WisdomTree Physical Swiss Gold (ISIN: JE00B588CD74) and WisdomTree Core Physical Gold (ISIN: JE00BN2CJ301) securities are products whose profits and losses should be assessed as private capital gain (Private Veräußerungsgeschäfte).

01 What is a physical gold exchange traded commodity (ETC)?

A physically backed ETC holds the commodity it is tracking. This is only possible if the commodity can be stored for long periods, so physically backed ETCs are usually used only for precious metals. ETCs are listed on stock exchanges, and can be bought and sold like shares.

In the case of WisdomTree Physical Swiss Gold, the gold is stored in secure vaults in Zurich, Switzerland, and in the case of WisdomTree Core Physical Gold and Gold Bullion Securities the gold is stored in secure vaults in London, United Kingdom and in all cases inspected regularly by an independent body. German Investors can also exchange their holdings in WisdomTree Physical Swiss Gold or WisdomTree Core Physical Gold for physical gold bullion, in a partnership with Metalor Technologies SA. For more information on how to exchange holdings for physical gold bullion please go to: <https://www.wisdomtree.eu/en-gb/resource-library/spbs-redemption>.

For more information on ETC structure investors can access [ETPedia](#).

02 How can investing in gold be tax efficient?

For German investors, German capital income (Abgeltungsteuer) is normally applicable on gains when selling an ETC.

However, WisdomTree Core Physical Gold, Gold Bullion Securities and WisdomTree Physical Swiss Gold are structured in a way that the profits or losses of investors with unrestricted tax liability will constitute private capital gain (Private Veräußerungsgeschäfte) and not as German capital income (Abgeltungsteuer), providing it has been held for at least 12 months from the date of purchase. Please note that for the WisdomTree Physical Swiss Gold, it only applies if bought on or after 28/12/2017.

03 What statements has WisdomTree made in respect of the physical gold ETCs?

The Issuer have made the following declaration in respect of the German tax status of WisdomTree Core Physical Gold and WisdomTree Physical Swiss Gold:

WisdomTree Core Physical Gold (JE00BN2CJ301)

"We would like to confirm to WM Daten that, according to our assessment, the bond with the (ISIN JE00BN2CJ301/WKN A3GNFN) is not a capital claim within the meaning of Section 20 (1) No. 7 EStG. The profits from the sale or redemption of the bond referred to in the intent do not constitute income from capital assets within the meaning of Section 20 (2) sentence 1 no. 7 EStG in conjunction with Section 20 (1) no. 7 EStG. No capital gains tax is withheld. Profits and losses are generally taxable as private sales transactions according to § 23 Paragraph 1 Clause 1 No. 2 EStG if there is no more than one year between acquisition and sale/redemption."

WisdomTree Physical Swiss Gold (JE00B588CD74)

The Issuer announces: For investors with unrestricted tax liability in Germany, who acquired the securities after the conditions of issue changed from 28.12.2017, the proceeds from the sale or redemption should not generate any income from capital assets i.S.d. § 20 para. 2 sentence 1 no. 7 of the Income Tax Act (EStG), as already the essential condition of a "other capital claim" i.S.v. § 20 para. 1 no. 7 EStG is missing. In order to avoid cases of taxpayer being taxed, the Issuer considers that the person liable for payment has not to deduct withholding tax. Income from the sale or redemption may be subject to tax in accordance with §§ 22 no. 2, 23 para. 1 sentence 1 no. 2 EStG if the period between acquisition and disposal or redemption is not more than one year. The custodian does not have to deduct any capital gains tax in this connection either. The investor has in the context of the assessment in accordance with §§ 25ff. EStG to indicate the income.

Gold Bullion Securities (GB00B00FHZ82)

In respect of Gold Bullion Securities WM Data published a Special Information notice "F07-23.02.2021" "WM Data on the taxation of profits from the sale of bearer bonds with entitlement to delivery of gold or an-other commodity" where WM has reclassified the Gold Bullion Securities, due to a Federal Tax Court ruling of 16 June 2020. As a result, Gold Bullion Securities are no longer managed by WM as capital claims in accordance with Section 20(1) No. 7 of the EStG.

Investors and their custodian banks can find the WM Data tax references under field number: **GD504W**

04 What does it mean for investors?

The products provide the following features:

- + 100% physically backed.
- + Gold bullion securely vaulted in Switzerland in the case of WisdomTree Physical Swiss Gold and stored in the United Kingdom in the case of WisdomTree Core Physical Gold and Gold Bullion Securities.
- + No withholding tax for German investors after holding for 12 months (if bought after 28/12/2017 in the case of WisdomTree Physical Swiss Gold)
- + Delivery of metal on request starting at 1 gram via Metalor Technologies SA (for WisdomTree Physical Swiss Gold and WisdomTree Physical Core Gold).
- + Fully transparent management fees of 0.15% for WisdomTree Physical Swiss Gold, 0.12% for WisdomTree Core Physical Gold and 0.40% for Gold Bullion Securities that includes storage and insurance.
- + Managed by one of Europe's largest and most experienced gold ETC providers.

Find out more about [Gold Bullion Securities](#), [WisdomTree Core Physical Gold](#) and [WisdomTree Physical Swiss Gold](#)

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