German Tax Reform – MiKaDiv Simulation Cycle 1

Client Simulation Guideline

July 2026

Clearstream Europe AG, Frankfurt

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Unless otherwise stated, all times are given in Central European Time (CET).

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1. Introduction

1.1 General information

Germany is introducing a significant overhaul of its tax reporting system for investment income through a new digital procedure known as MiKaDiv ("Mitteilungsverfahren Kapitalerträge Dividenden"). This new framework, part of the Withholding Tax Relief Modernisation Act (AbzStEntModG), replaces the traditional paper-based tax voucher process with a fully digital and automated system. The primary goals of MiKaDiv are to simplify and modernise tax administration, enhance transparency, and combat tax fraud and abuse.

Effective from 1 January 2027, for all investment income received after 31 December 2026, MiKaDiv will have a wide-ranging impact on financial institutions. This includes German paying agents, custodian banks, and foreign financial institutions involved in the processing of dividend payments for German securities.

Key Changes and Implications:

- Digital Reporting: The core of MiKaDiv is the move to a standardised electronic format for submitting relevant tax data to the Federal Central Tax Office (BZSt). This shift is designed to increase efficiency, ensure data integrity, and reduce the risk of tax evasion.
- Enhanced Transparency: Financial institutions will be required to report detailed information, providing a clear view of the entire custody chain. This includes beneficial owner and account details, securities and income information, and transaction activity, particularly around dividend dates.
- Unique Identification: Upon acceptance of a MiKaDiv report, a unique reference number (UUID) will be generated for investors. This UUID replaces the old paper tax vouchers and is mandatory for submitting tax reclaims.
- Alignment with EU Standards: The MiKaDiv framework has been aligned with the EU's FASTER directive, which aims to create a more harmonised and streamlined tax relief process across member states. This has led to some adjustments, including earlier reporting deadlines.
- Increased Obligations for Financial Institutions: The new regulations place greater responsibility on all parties within the custody chain to ensure accurate and timely data submission. This may necessitate significant adjustments to internal processes and systems to comply with the granular reporting requirements.

In essence, MiKaDiv represents a fundamental shift in how withholding tax on investment income is managed in Germany. Financial institutions are advised to prepare for these changes to ensure compliance and avoid potential delays or denials of tax relief for their clients.

1.2 Requesting Tax Vouchers under MiKaDiv Reporting using Clearstream Xact

Under the German Tax Reform (MiKaDiv), Clearstream will provide clients with a fully digital solution to request tax vouchers, enabling a seamless and compliant process aligned with new regulatory requirements. Clients will be able to submit tax voucher requests directly via the Xact Web Portal, using an enhanced "Tax Document Request" functionality specifically designed to capture the additional data required under MiKaDiv, including detailed beneficial owner information, chain of custody, and transaction data.

For higher volume use cases, Clearstream will also support standardised XML file transfer, ensuring scalability and alignment with industry standards. Extensive validations embedded in the solution will enhance data quality and reduce manual intervention, supporting a more efficient and reliable processing of requests.

Overall, this new service will enable clients to transition from manual, paper-based processes to a standardised, digital-first tax voucher request model, improving efficiency, transparency, and compliance under the MiKaDiv framework.

1.3 Client Testing for MiKaDiv

To support clients in preparing for the MiKaDiv requirements, Clearstream offers a structured client testing program designed to simulate the end-to-end tax voucher request process in a controlled environment. The program will be delivered in multiple testing cycles, allowing clients to progressively familiarise themselves with the new functionality — starting with submissions via the Xact Web Portal and subsequently extending to standardised XML file transfers and connectivity with tax authorities.

Client simulation is offered in ~~three~~ two cycles:

- Cycle 1:
  Tax voucher request via new Xact Web Portal UI
- ~~Cycle 2:~~
  ~~Tax voucher request via new Xact Web Portal UI and VIB XML format~~
- Cycle 2~~3~~:
  Tax voucher request via new Xact Web Portal UI, VIB XML format and additional requirements in regard to American Depository Receipts (ADR) based on German equities.
  It is planned to also have a connection with the tax authorities to ensure an end-to-end testing. This is depending on the availability of the test environment of the German Federal Tax Office (BZSt).

This document focusses on Cycle 1. Information about Cycle 2 ~~and 3~~ will be shared in separate documents.

More information on the new UI can be found on the Client Information Guide MiKaDiv.

1.4 Structure and content of this document

This simulation guideline focuses on the necessary scope and general framework for organizing, preparing, and executing the client simulation for the German Tax Reform MiKaDiv implementation. The purpose of this document is to ensure a smooth and efficient transition in January 2027. It provides a common understanding and commitment of all involved stakeholders for the simulation execution, its required timeframe, the environment setup, and the content.

The guideline describes how Clearstream supports client simulation by providing relevant data (tax contingents) on which a tax voucher request can be initiated. Furthermore, this guideline intends to provide clients with the simulation requirements and to provide guidance through continuous simulation.

2. Scope of the German Tax Reform - MiKaDiv client simulation

In general, the scope of the client simulation for the German Tax Reform - MiKaDiv is designed by Clearstream to support clients where specific changes to the current processing for tax voucher requests are implemented. Thus the scope of the client simulation cycle 1 covers the following business process and related reporting:

— Tax voucher request (online with or without additional CSV imports).

— Download of tax voucher or submission certificate with UUID

As a result of the changes foreseen the following corporate action events will be processed to ensure that tax contingents are generated as basis for the client tax voucher request:

— Dividend payment on a German Share (DVCA);

— Dividend payment on a German Share (SHPR) up to chapter 27 KStG (Corporation Tax Act)

— Interest payment on a German Convertible Bond (INTR)

Note: Tax vouchers can only be requested if CEU has withheld taxes for the client in its role as last domestic paying agent.

The Client simulation of the German Tax Reform - MiKaDiv follows a one stage test approach. In total, the client simulation cycle 1 runs over a period of two weeks.

Client simulation cycle 1 starts on 03 August 2026 and ends on 14 August 2026 with the plan that all required tax contingents are set up with start of the simulation. This test cycle will focus on testing tax voucher request via the new Xact Portal UI with usage of the CSV imports for specific data. This test cycle also supports the download functionality for tax vouchers/submission certificates. The test will be conducted in IMS23/OCCT that connected to T2S UTEST environment.

Please refer to the figure below for an indicative timeframe of the environment availability and planned test activities with regards to the German Tax Reform - MiKaDiv client simulation.

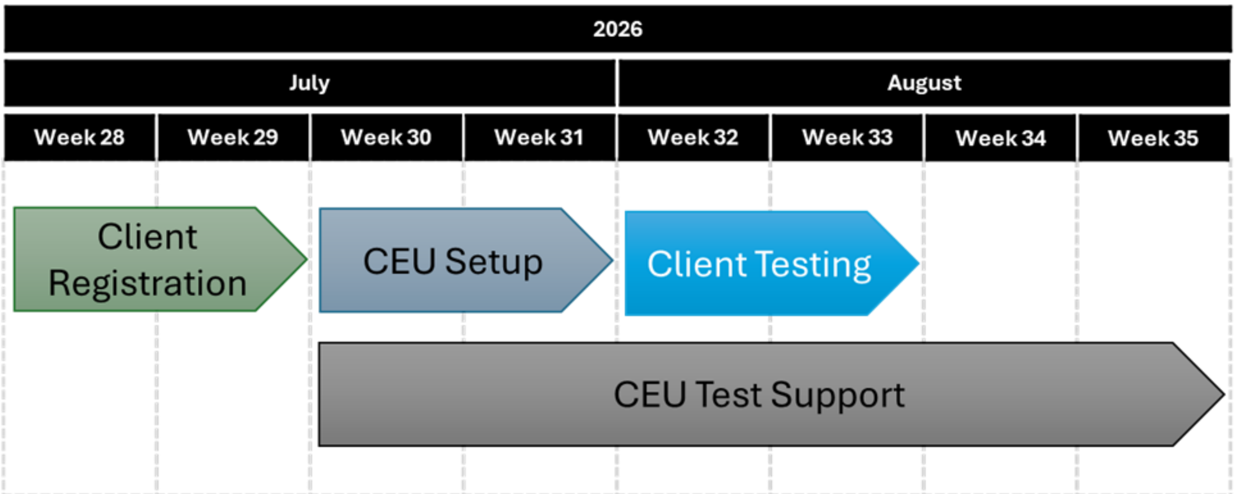


Figure 1: German Tax Reform – MiKaDiv client simulation cycle 1 timeline overview

3. Preparation testing environments

During the simulation cycle 1 for the German Tax Reform - MiKaDiv, clients will be able to request tax vouchers via the Xact Portal UI.

Therefore, we ask clients to check whether corresponding users with the rights to request tax vouchers (Tax / Tax Document / Tax Document Request) already exist for Xact in the OCCT test environment.

To ensure all users are eligible to participate, we kindly ask you to complete the subscription form so that we can confirm that all required access rights are properly granted.

Please contact the Clearstream Connectivity Support team connect-test@clearstream.com., Clients who would like to participate in the simulation need to register at the latest by 17 July 2026. The related registration form is available on the Clearstream Simulation Registration - Tax Voucher via MiKaDiv Reporting.

4. Test Execution Preparation

4.1 Client Simulation Registration Form

Clients interested in participating in the German Tax Reform – MiKaDiv client simulation are requested to complete the Clearstream Simulation Registration - Tax Voucher via MiKaDiv Reporting.

Allowing a proper execution of the client simulation, CEU will request dedicated account information in the registration form.

4.2 Creation of holdings

Between 20 July and 31 July 2026, CEU will create holdings in the test environment for the MiKaDiv client simulation for the registered accounts and new holdings of predefined securities will be distributed to client accounts from CBF account 4424 to the respective CBF main account (xxxx 000).

Once the holdings are set up, events that fall under the MiKaDiv regime will be processed on these holdings to generate respective tax contingents until the beginning of the client simulation.

The table below shows the ISINs and holdings that will be generated as well as the event that will be processed.

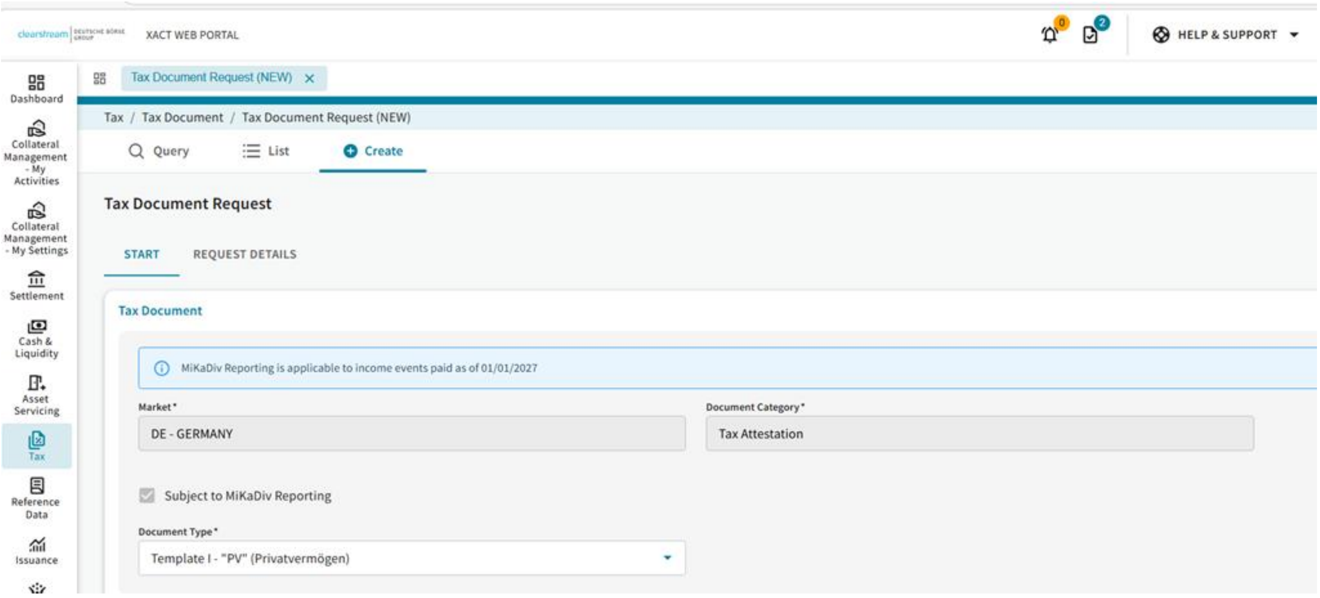
The nominal of the holding equals the nominal of available the tax contingent.

ISIN	Security Name	Nominal available	Event type	Payment date
DE000A0D88T9	SHS MAX21 AG ORD BR	100,000	DVCA	29.07.2026
DE000A1MA458	CARPEVIGO HOLDING	100,000	INTR	29.07.2026
DE0005221303	BERLINER EFFEKTENGESELLSCHAFT	100,000	SHPR	29.07.2026

As soon as the events are processed the Clearstream Corporate Action ID will be provided to clients as it is needed to request tax voucher via the Xact Web Portal UI.

5. Execution of test cases – Guided simulation

During guided client simulation cycle 1, Clearstream offers its clients to request tax voucher via the Xact Web Portal UI.



This allows clients verification of the new Xact Web Portal UI and testing of tax voucher request via the new UI.

Clearstream will set up several events for clients to instruct on.

6. Contacts

The following team at Clearstream will answer your questions regarding the Clearstream environment used for the German Tax Reform - MiKaDiv test execution and necessary setup requirements connect-test@clearstream.com.

All issues encountered by clients with Clearstream or related to the German Tax Reform - MiKaDiv functionality during the simulation should be reported to the following email mikadivproductsupport@deutsche-boerse.com.

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