

of Coal-Powered Power Plants, we are required to obtain approval from the MoF prior to entering into foreign commercial loans. We are also required to submit periodic reports to the MoF during the term of such foreign commercial loans. Following the disbanding of the PKLN Team in 2020 and pending the issuance of the relevant implementing regulations, there is uncertainty as to the MoF's approval process and how periodic reports on foreign commercial loans will be handled.

E. TAXATION

The following summary contains a description of the principal Indonesian and United States federal income tax consequences of the purchase, ownership, and disposition of ADSs or shares of common stock. This summary does not purport to be a complete description of all of the tax considerations that may be relevant to a decision to acquire, own or dispose of ADSs or shares of common stock.

Investors should consult their tax advisors about the Indonesian and United States federal, state, and local tax consequences to them of the acquisition, ownership, and disposition of ADSs or shares of common stock.

Indonesian Taxation

The following is a summary of the principal Indonesian tax consequences of the ownership and disposition of common stock or ADSs to a non-resident individual or non-resident entity that holds common stock or ADSs (a "**Non-Indonesian Holder**"). A "non-resident individual" is a foreign national individual who does not reside in Indonesia and is not physically present in Indonesia for more than 183 days within a 12-month period, or an Indonesian citizen who is residing outside of Indonesia for more than 183 days within a 12-month period and fulfills certain requirements on her or his place of residency, main activities, habitual abode, tax status and/or other requirements, during which period such non-resident individual receives income in respect of the ownership or disposition of common stock or ADSs and a "non-resident entity" is a corporation or a non-corporate body that is established, domiciled or organized under the laws of a jurisdiction other than Indonesia and does not have a fixed place of business or otherwise conducts business or carries out activities through a permanent establishment in Indonesia during an Indonesian tax year in which such non-resident entity receives income in respect of the ownership or disposition of common stock or ADSs. In determining the residency of an individual or entity, consideration will be given to the provisions of any applicable double taxation treaty to which Indonesia is a party.

Dividends

Dividends declared by us out of retained earnings and distributed to a Non-Indonesian Holder in respect of common stock or ADSs are subject to Indonesian withholding tax, which, as of the date of this annual report on Form 20-F, is at the rate of 20%, on the amount of the distribution (in the case of cash dividends) or on the shareholders proportional share of the value of the distribution. A lower rate provided under double taxation treaties may be applicable, provided the recipient is able to comply with the following strict requirements:

1. If the provisions under the tax treaty is different from those under Indonesian Income Tax Law.
2. The income recipient is not an Indonesian tax resident.
3. The non-resident income recipient is an individual or an entity who is a tax resident of the country under the concerned tax treaty partner.
4. The non-resident income recipient submits a certificate of domicile that meets with the following administrative requirements and certain other requirements:
 - a. The administrative requirements to be fulfilled by the non-resident income recipient in order to apply the tax treaty are as follows:
 1. Uses Form DGT (Indonesian Directorate General of Taxes Form);

2. the form must be filled in correctly, completely, and clearly by the non-resident income recipient;
 3. the form must be signed by the non-resident income recipient or equivalent mark/stamp as normally used in its country;
 4. the form must be signed by the authorized official of the treaty country where the non-resident income recipient resides or equivalent mark/stamp as normally used;
 5. there is a statement made by the non-resident income recipient stating that there is no tax treaty abuse;
 6. there is a statement that the non-resident income recipient is the Beneficial Owner in case it is required by the tax treaty;
 7. the form must be used for the period stated in Form DGT; and
 8. the signing and marking by the competent tax authority officer must be done in Part II of Form DGT.
- b. Certain other requirements are that the certificate of domicile must explain the following information:
1. There are relevant economic motives in relation to the establishment of the entity;
 2. the entity has its own management to conduct business and the management has independent discretion;
 3. the entity has sufficient assets to conduct business other than the assets generating income from Indonesia;
 4. the entity has sufficient and qualified personnel to conduct business; and
 5. the entity has business activities other than receiving dividends, interests, and/or royalties from Indonesia.
5. There is no tax treaty abuse. To meet this condition, the non-resident income recipient shall comply with the requirements below:
- a. If the non-resident income recipient is an individual, he or she does not act as an agent or nominee; or
 - b. If the non-resident income recipient is an entity, it is required to:
 1. have economic substance in the establishment of the entity or the implementation of the transaction;
 2. have a legal form that reflects the economic substance in the establishment of the entity or the implementation of the transaction;
 3. have business activities which are managed by its own management and the management has sufficient authority to carry out the transactions (*i.e.*, has independent discretion);
 4. have fixed assets and non-fixed assets (other than the assets generating income from Indonesia), which are adequate and sufficient to conduct business activities in that treaty partner country;
 5. have sufficient employees with the expertise and certain skills in accordance with its line of business; and
 6. have activities or an active business other than only receiving income in the form of dividends, interests, or royalties from Indonesia.

7. there is no arrangement of transactions either directly or indirectly with the objective to obtain benefits from implementation of a tax treaty, such as:

- reduction of tax burden; and/or
- double non-taxation in any country or jurisdiction;

which contradicts the purpose and objectives of the double tax avoidance agreement.

6. The non-resident income recipient is the beneficial owner of the income as required by the concerned tax treaty. The requirements for a beneficial owner are as follows:

- a. If the non-resident income recipient is an individual, he or she does not act as an agent or nominee; or
- b. If the non-resident income recipient is an entity, it should comply with the following requirements:
 1. It does not act as an agent, nominee, or conduit;
 2. It must have control in using or enjoying funds, assets, or rights that can generate income from Indonesia;
 3. No more than 50% of the total non-consolidated income is used to fulfill obligations to other parties;
 4. It bears the risks of assets, capital, and/or liabilities; and
 5. It does not have written or unwritten obligation to provide part or all of the income derived from Indonesia to another party.

Capital Gains

The sale or transfer of common stock through the IDX is subject to a final withholding tax at the rate of 0.1% of the gross value of the transaction. The broker executing the transaction is obligated to withhold such tax. The sale or transfer of founder shares through the IDX under current Indonesian tax regulations, be subject to additional income tax if the 0.5% final income tax has not been settled after the initial public offering.

Subject to the promulgation of implementing regulations, the estimated net income received or accrued from the sale of movable assets in Indonesia, which may include common stock not listed on the IDX or ADSS, by a Non-Indonesian Holder (with the exception of the sale of assets under Article 4 paragraph (2) of the Indonesian Income Tax Law) may be subject to Indonesian withholding tax at the rate of 20%.

There is no specific tax regulation on the sale of listed shares outside the IDX. If the transfer of listed shares outside the IDX by a non-resident taxpayer is considered as the transfer of unlisted shares by a non-resident taxpayer, then general tax regulation will be applied, which is, withholding tax of 5% of the sales price (or may be subject to the double taxation treaty) will be applicable.

Under Indonesian Tax Laws, a purchaser or Indonesian broker is required to withhold tax on payment of the purchase price for common stock or ADSs through the IDX. Theoretically, that payment may be exempt from Indonesian withholding or other Indonesian income tax under applicable double taxation treaty to which Indonesia as a party (including the United States-Indonesia double taxation treaty). However, except for the sale or transfer of shares in a non-public company, the current Indonesian tax regulations do not provide specific procedures for the application of the tax treaty from the proceeds of such sale. To take advantage of the double taxation treaty relief, Non-Indonesian Holders may need to fulfill certain requirements including making a specific application accompanied by a specific form which is set by the Indonesian Tax Office as a Certificate of Residency and filled in by the recipient of the income and validated by the competent authority of the country where the recipients are resident. The original Certificate of Residency that has been validated by the competent authority must be provided to the custodian that will forward it to the withholding tax agent.

Stamp Duty

Since January 1, 2021, pursuant to Law No. 10 of 2020 on Stamp Duty ("**Law No. 10/2020**"), the nominal amount of the Indonesian stamp duty is Rp10,000 for documents concerning civil matters and documents presented as evidence before a court of law. Law No. 10/2020 stipulates the triggering event for each type of document (e.g., for agreements, the stamp duty becomes due and payable upon signing, and for documents relating to securities transactions effected through the stock exchange, the stamp duty becomes due and payable when the documents evidencing the transfer (e.g., the trade confirmation for trading of stocks listed on the IDX) are made (e.g., issued by the broker)). Such stamp duty is payable by the relevant party as set out in the law. For documents relating to listed stock transactions (i.e., trade confirmations), the stamp duty is payable by the recipient of the document (i.e., the purchaser of the securities). For other types of commercial papers (e.g., collective share certificates evidencing ownership of non-listed securities), the stamp duty is payable by the issuer of such commercial paper when the document evidencing ownership of the commercial papers are made by the issuer of the securities.

Certain Considerations Regarding U.S. Federal Income Tax

The following is a summary of certain material U.S. federal income tax considerations to U.S. Holders, as defined below, of ADSs or common stock that are held as "capital assets" (generally, property held for investment) under section 1221 of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**"). This summary is based upon the Code, its legislative history, final, temporary and proposed U.S. Treasury regulations promulgated thereunder, published rulings and court decisions, as well as the Convention between the Government of the United States and the Government of the Republic of Indonesia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Treaty**"), each as in effect on the date hereof, all of which are subject to change, or changes in interpretation, possibly with retroactive effect. In addition, this discussion is based in part upon representations of the depository and the assumption that each obligation in the Deposit Agreement and any related agreements will be performed according to its terms.

This summary does not discuss all aspects of U.S. federal income taxation which may be relevant to particular investors in light of their individual investment circumstances, including investors subject to special tax rules (including, but not limited to, a person who directly, indirectly or constructively owns 10% or more of the stock of the Company, a person who acquires ADSs or common stock pursuant to the exercise of any employee share option or otherwise as compensation, banks and other financial institutions, insurance companies, broker or dealers in securities, a trader in securities who elects to use a mark-to-market method of accounting for its securities holdings, a person that may have been liable for alternative minimum tax, regulated investment companies, real estate investment trusts, partnerships and their partners, individual retirement and other tax-deferred accounts, certain former U.S. citizens or long-term residents, and tax-exempt organizations (including private foundations)), holders who are not U.S. Holders, investors that will hold ADSs or common stock as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, investors subject to special tax accounting rules as a result of any item of gross income with respect to the ADSs or common stock being taken into account in an applicable financial statement, or investors that have a functional currency other than the U.S. Dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not address U.S. federal estate and gift taxes, the U.S. federal Medicare tax on net investment income, or state, local, or non-U.S. tax considerations. Each U.S. Holder is urged to consult such holder's tax advisor regarding the U.S. federal, state, local and non-U.S. income, and other tax considerations of their investment in the ADSs or common stock.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of ADSs or common stock that is, for U.S. federal income tax purposes:

- (i) an individual who is a citizen or resident of the United States;
- (ii) a corporation, created in, or organized under the laws of, the United States or any state thereof or the District of Columbia;

- (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- (iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has made a valid election to be treated as a U.S. person under the Code.

If a partnership (or other entity or arrangement that is treated as a partnership for U.S. tax purposes) is the beneficial owner of ADSs or common stock, the tax treatment of a partner in the partnership (or interest holder in the "tax transparent" entity) will generally depend on the status of the partner (or interest holder) and the activities of the partnership (or "tax transparent" entity). In general, for U.S. federal income tax purposes, U.S. Holders of ADSs will be treated as the beneficial owners of the underlying common stock represented by the ADSs.

As described in more detail below, based on our Consolidated Financial Statements and relevant market data, we believe that we did not meet the definition of a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes with respect to our 2023 taxable year. In addition, based on our Consolidated Financial Statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market data, we do not anticipate we will be a PFIC for any future taxable year. However, our status for the 2023 taxable year and future taxable years will depend on our income and assets (which for this purpose depends in part on the market value of the ADSs or common shares) in those years. See the discussion below under "Passive Foreign Investment Company."

Prospective purchasers should consult their own tax advisors concerning the U.S. federal, state, local, foreign and other tax consequences of acquiring, owning and disposing of ADSs or common stock, in light of their particular circumstances.

Distributions on the Common Stock or ADSs

Subject to the discussion below under "Passive Foreign Investment Company," the gross U.S. Dollar amount of any distribution of cash or property (without deduction for any tax withheld), other than certain pro rata distributions of common stock, we make on the common stock or ADSs out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be includible in a U.S. Holder's gross income as ordinary dividend income when the distribution is actually or constructively received by such U.S. Holder, or by the depository in the case of ADSs. Distributions that exceed our current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the common stock or ADSs and thereafter as capital gain. However, we do not calculate earnings and profits in accordance with U.S. tax principles. Accordingly, all distributions by us to U.S. Holders will generally be treated as ordinary dividend income. Any dividend will not be eligible for the dividends-received deduction generally granted to U.S. corporations in respect of dividends received from U.S. corporations. The amount of any distribution of property other than cash will be the fair market value of such property on the date of such distribution.

The U.S. Dollar amount of dividends received by certain non-corporate U.S. Holders will generally be taxable at favorable rates as opposed to being taxable at ordinary income rates if the dividends are "qualified dividends." Dividends paid on ADSs or common stocks will be treated as qualified dividends if (i) certain holding period requirements are met, (ii) either the Treaty is a qualified treaty for purposes of the "qualified dividend" rules, or the dividends are with respect to ADSs readily tradable on a U.S. securities market, and (iii) we were not, in the taxable year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a "passive foreign investment company," or PFIC. The Treaty has been approved for purposes of the qualified dividend rules, and we expect to qualify for benefits under the Treaty so long as there is substantial and regular trading in our common stock on the IDX. We are considered a qualified foreign corporation with respect to the ADSs because our ADSs are listed on the NYSE.

Based on our Consolidated Financial Statements and relevant market data, we believe that we did not meet the definition of a PFIC for U.S. federal income tax purposes with respect to our 2022 taxable year. In addition, based on our Consolidated Financial Statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market data, we do not anticipate we will be a PFIC for any future taxable year. However, our status for the 2022 taxable year and future taxable years will depend on our income and assets (which for this purpose depends in part on the market value of the ADSs or common shares) in those years. See the discussion below under "Passive Foreign Investment Company."

U.S. Holders of ADSs or common stock should consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

The amount of the dividend distribution paid in any foreign currency that a U.S. Holder must include in its income will be the U.S. Dollar value of the foreign currency payments made, determined at the spot rate on the date the dividend distribution is actually or constructively received, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the U.S. Holder includes the dividend payment in income to the date it converts the payment into U.S. Dollars will be treated as ordinary income or loss from U.S. sources.

Dividends paid by us generally will constitute income from sources outside the United States for U.S. foreign tax credit limitation purposes and will be categorized as "passive category income" or, in the case of certain U.S. Holders, as "general category income" for U.S. foreign tax credit purposes. Subject to certain complex limitations, it is possible that any Indonesian tax withheld from distributions to a U.S. Holder in accordance with the Treaty generally may be deductible or creditable, at such U.S. Holder's option, in computing such U.S. Holder's federal income tax liability. However, U.S. Treasury regulations released in January 2022 tightened the standards for determining whether a foreign tax is creditable, and we have not determined whether this Indonesian withholding tax would be creditable under these regulations. Accordingly, U.S. Holders should consult their tax advisors regarding the creditability of this Indonesian tax. If a U.S. Holder elects to claim a deduction, rather than a foreign tax credit, for a particular taxable year, such election will apply to all foreign taxes paid or accrued by or on behalf of the U.S. Holder in the particular year.

A U.S. Holder may not be able to claim a foreign tax credit (and instead may claim a deduction) for non-U.S. taxes imposed on dividends paid on the ADSs or common stock if such U.S. Holder (i) held the ADSs or common shares for less than a specified minimum period during which such U.S. Holder was not protected from risk of loss with respect to such shares, or (ii) is obligated to make payments related to the dividends (for example, pursuant to a short sale). The rules relating to the U.S. foreign tax credits are complex and U.S. Holders may be subject to various limitations on the amount of foreign tax credits that are available. U.S. Holders should consult their own tax advisors regarding the effect of these rules in their particular circumstances.

In the event we are required to withhold Indonesian income tax on dividends paid to U.S. Holders on the ADSs or common stock (see discussion under "Indonesian Taxation"), a U.S. Holder may be able to claim a reduced rate of Indonesian withholding tax if such U.S. Holder is eligible for benefits under the Treaty. Any amount of tax withheld that could have been reduced under the Treaty will not be eligible for credit against the U.S. Holder's U.S. federal income tax liability, even if the tax would otherwise be creditable. U.S. Holders should consult their own tax advisors about the eligibility for reduction of Indonesian withholding tax.

Sale or Other Disposition of ADSs or Common Stock

Subject to the discussion below under "Passive Foreign Investment Company," upon a sale, exchange or other disposition of the ADSs or common stock, a U.S. Holder will generally recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. Dollar value of the amount realized and the U.S. Holder's adjusted tax basis, determined in U.S. Dollars, in such ADSs or common stock. Gain or loss recognized upon the sale or other disposition of ADSs or common stock will generally be long-term capital gain or loss if the U.S. Holder's holding period for such ADSs or common stock exceeds one year. The deductibility of capital losses is subject to limitations.

A U.S. Holder that receives foreign currency from a sale or disposition of ADSs or common stock generally will realize an amount equal to the U.S. Dollar value of the foreign currency determined on (i) the date of receipt of payment in the case of a cash-basis U.S. Holder, and (ii) the date of disposition in the case of an accrual-basis U.S. Holder. If our ADSs or common stock are treated as traded on an "established securities market," a cash-basis taxpayer or, if it so elects, an accrual-basis taxpayer, will determine the U.S. Dollar value of the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realized. Any currency exchange gain or loss realized on a subsequent conversion of the foreign currency into U.S. Dollars for a different amount generally will be treated as ordinary income or loss from sources within the United States. However, if such foreign currency is converted into U.S. Dollars on the date received by the U.S. Holder, a cash-basis or electing accrual-basis U.S. Holder should not recognize any gain or loss on such conversion.

The creditability of any Indonesian taxes imposed on a disposition is subject to the same uncertainty described above in connection with the Indonesian withholding tax on dividends (see discussion under "Distributions on the Common Stock or ADSs"). Moreover, any gain or loss will generally be U.S. source gain or loss for foreign tax credit limitation purposes and as a result of the U.S. foreign tax credit limitation, foreign taxes, if any, imposed upon a disposition of the ADSs or common stock may not be creditable. U.S. Holders should consult their own tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of ADSs or common stock, including the creditability of such tax, and the availability of a foreign tax credit or deduction in respect of such tax.

Passive Foreign Investment Company

The Code provides special, generally adverse, rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges, and other dispositions, including pledges, of shares of stock of, a PFIC. In general, a foreign corporation is a PFIC for any taxable year in which, after applying relevant look-through rules with respect to the income and assets of subsidiaries:

- 75% or more of its gross income for such year consists of passive income, such as dividends, interest, rents, royalties, and gains from the sale of assets that give rise to passive income; or
- 50% or more of the average quarterly value of its gross assets during such year consists of assets that produce, or are held for the production of, passive income.

"Passive income" for this purpose includes, for example, dividends, interest, royalties, rents and gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income. Passive income does not include rents and royalties derived from the active conduct of a trade or business. If the stock of a non-U.S. corporation is publicly traded for the taxable year, the asset test is applied using the fair market value of the assets for purposes of measuring such corporation's assets. If we own, directly or indirectly, at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests, as owning our proportionate share of the other corporation's assets and receiving our proportionate share of the other corporation's income for purposes of the PFIC income and asset tests.

We do not believe we were a PFIC for prior taxable years. Based on the current and anticipated composition of our assets and income and the current expectations regarding the price of the ADSs and common stock, we do not believe that we are a PFIC for our 2022 taxable year, and we do not expect to become a PFIC for future taxable years. This is a factual determination, however, that must be made annually at the end of the taxable year. Therefore, it may be possible that we are classified as a PFIC for our 2022 taxable year or for another future taxable year. Changes in the nature of our income or assets or a decrease in the trading price of the ADSs or common stock may cause us to be considered a PFIC in the current or any subsequent year.

If we were a PFIC in any taxable year that a U.S. Holder held the ADSs or common stock, and any entity in which we own or are treated as owning equity interests is also a PFIC (any such entity, a "Lower-tier PFIC"), the U.S. Holder will be deemed to own the U.S. Holder's proportionate share of the Lower-tier PFIC and will be subject to U.S. federal income tax according to the rules described in the following paragraph on (i) certain distributions by the Lower-tier PFIC, and (ii) a disposition of equity interests of the Lower-tier PFIC, in each case as if the U.S. Holder owned its proportionate share of the Lower-tier PFIC directly, even though the U.S. Holder will not receive the proceeds of those distributions or dispositions.

Generally, if we are a PFIC for any taxable year during which a U.S. Holder owns ADSs or common stock, gain recognized by a U.S. Holder upon a sale or other disposition (including, under certain circumstances, a pledge) of the ADSs or common stock will be allocated ratably over the U.S. Holder's holding period for such ADSs or common stock. The amounts allocated to the taxable year of the sale or other disposition and to the years before we became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as applicable, and an interest charge will be imposed on the resulting tax liability for each relevant taxable year. Further, such U.S. Holder generally would be subject to special rules with respect to "excess distributions" made by us on the ADSs or common stock and with respect to gain from a U.S. Holder's disposition of the ADSs or common stock. An "excess distribution" generally is defined as the excess of the distributions a U.S. Holder receives with respect to the ADSs or common stock in any taxable year, over 125% of the average annual distributions that such U.S. Holder has received from us during the shorter of the three preceding years, or such U.S. Holder's holding period for the ADSs or common stock. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the disposition of the ADSs or common stock ratably over such U.S. Holder's holding period for the ADSs or common stock. The portion of the excess distribution or gain allocated to a prior taxable year, other than a year prior to the first year in which we became a PFIC, would be taxed at the highest U.S. federal income tax rate on ordinary income in effect for such taxable year, and a U.S. Holder would be subject to an interest charge (at the rate generally applicable to an underpayment of tax) on the resulting tax liability, determined as if the tax liability had been due with respect to such particular taxable year. The portion of the excess distribution or gain that is not allocated to prior taxable years, together with the portion allocated to the years prior to the first year in which we became a PFIC, would be included in a U.S. Holder's gross income for the taxable years of the excess distribution or disposition and taxed as ordinary income.

If we were a PFIC in any year during a U.S. Holder's holding period, we would generally continue to be treated as a PFIC with respect to such U.S. Holder's investment unless the U.S. Holder has made certain elections under the PFIC rules, such as a mark-to-market election or a "qualified electing fund" ("QEF") election. U.S. Holders should consult their tax advisors regarding the availability and advisability of making a mark-to-market election in their particular circumstances. There is no law, regulation or administrative guidance that provides for a right to make mark-to-market election for equity interests in any Lower-tier PFIC the shares of which are not regularly traded on a qualified exchange. As a result, even if a U.S. Holder makes a mark-to-market election with respect to such U.S. Holder's ADSs or common stock, such U.S. Holder could nevertheless be subject to the PFIC rules described in the preceding paragraph with respect to such U.S. Holder's indirect interest in any Lower-tier PFIC.

If we are a PFIC (or treated as a PFIC with respect to a U.S. Holder) for a taxable year in which we pay a dividend or for the prior taxable year, the favorable tax rate described above with respect to dividends paid to certain non-corporate U.S. Holders will not apply.

Prospective investors should assume, however, that a QEF election will not be available because we do not expect to provide U.S. Holders with the information needed to make such an election. U.S. Holders should consult with their own tax advisors concerning the consequences to them if we are or become a PFIC, including but not limited to any reporting requirements and the availability and applicability of any election that may be available to mitigate adverse consequences, in light of such U.S. Holders' particular circumstances.

If we were regarded as a PFIC, a U.S. Holder of ADSs or common stock generally would be required to file an information return on Internal Revenue Service ("IRS") Form 8621 for any year in which the U.S. Holder received a direct or indirect distribution with respect to the ADSs or common stock, recognized gain on a direct or indirect disposition of the ADSs or common stock, or made an election with respect to the ADSs or common stock, reporting distributions received and gains realized with respect to the ADSs or common stock. In addition, if we were regarded as a PFIC, a U.S. Holder would be required to file an annual information return (also on IRS Form 8621) relating to the U.S. Holder's ownership of the ADSs or common stock. This requirement would be in addition to other reporting requirements applicable to ownership in a PFIC.

The rules applicable to owning stock of a PFIC are complex. We encourage U.S. Holders to consult their own tax advisors concerning the U.S. federal income tax consequences of holding the ADSs or common stock that would arise if we were considered a PFIC.

Backup Withholding Tax and Information Reporting Requirements

U.S. backup withholding tax and information reporting requirements generally apply to certain payments made to certain non-corporate holders of stock. Information reporting generally will apply to payments of dividends on and to proceeds from the sale or redemption of ADSs or common stock made within the United States or by a U.S. payor or U.S. middleman to a holder of ADSs or common stock (other than an "exempt recipient," including a corporation, a payee that is not a U.S. person that provides an appropriate certification, and certain other persons).

A payor will be required to withhold backup withholding tax from any payments of dividends on, or the proceeds from the sale or redemption of, ADSs or common stock within the United States or by a U.S. payor or U.S. middleman to a U.S. Holder, other than an exempt recipient, if such U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. The backup withholding tax is not an additional tax and may be credited against a U.S. Holder's regular U.S. federal income tax liability or, if in excess of such liability, refunded by the IRS if a timely refund claim is filed with the IRS.

Information With Respect To Foreign Financial Assets

Certain U.S. Holders may be required to report information with respect to such holder's interest in "specified foreign financial assets" (as defined in Section 6038D of the Code), including stock of a non-U.S. corporation that is not held in an account maintained by certain financial institutions, if the aggregate value of all such assets exceeds certain dollar thresholds. Persons who are required to report specified foreign financial assets and fail to do so may be subject to substantial penalties. U.S. Holders are urged to consult their own tax advisors regarding the foreign financial asset reporting obligations and their possible application to the holding of the ADSs or common stock.

The discussion above is a general summary only. It is not intended to constitute a complete analysis of all tax considerations applicable to an investment in ADSs or common stock. Each prospective U.S. Holder should consult with such U.S. Holder's own tax advisor concerning the tax consequences to such U.S. Holder of an investment in ADSs or common stock, in light of such U.S. Holder's particular circumstances.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.