

**FIRST SUPPLEMENT  
TO THE BASE PROSPECTUS  
DATED 16 MAY 2011**

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**Deutsche Bank Aktiengesellschaft**



**x-markets**

(Frankfurt am Main, Germany)

Programme for the issuance of Notes, Certificates and Warrants

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This document constitutes a supplement (the "**Supplement**") to the base prospectus dated 16 May 2011 (the "**Base Prospectus**"), pursuant to article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 on prospectuses for securities (the "**Law**"), and should be read in conjunction with the Base Prospectus.

Terms defined in the Base Prospectus have the same meaning in this Supplement.

This Supplement contains updated information relating to the Base Prospectus. Any Base Prospectus information not supplemented herein should be regarded as unchanged. This Supplement shall be published on the Issuer's website ([www.x-markets.db.com](http://www.x-markets.db.com)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Base Prospectus is revised in this respect with effect from and including the date of this Supplement.

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that 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. Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any statement in the Base Prospectus, the statements in (a) above will prevail.

In accordance with Article 13 paragraph 2 of the Law, investors who have already agreed to purchase or subscribe for securities before the supplement is published shall have the right, exercisable within a time limit of two working days after the publication of this supplement to withdraw their acceptances. This withdrawal right will only apply to those investors who have agreed to purchase or subscribe the securities in accordance with Final Terms issued under the Base Prospectus before the publication of this supplement and for which the offering period has not yet elapsed or admission to trading on a regulated market has not yet been obtained as of the date of this Supplement.

**This Supplement is dated 17 August 2011.**

- 1. PUBLICATION OF DEUTSCHE BANK, AG INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011**

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On 26 July 2011, the Issuer published its Interim Report as of June 30, 2011. By virtue of this Supplement the Interim Report as of June 30, 2011 is incorporated by reference in, and form part of, the Base Prospectus. Copies of all documents incorporated by reference in the Base Prospectus are also available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

Section "C. Documents incorporated by reference" in Chapter III "General Information on the Prospectus" (Page 41), shall be deleted and replaced as follows:

**1. Documents Incorporated by Reference**

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF, or, in respect of the registration document (the "**Registration Document**") dated 12 April 2011 of Deutsche Bank Aktiengesellschaft, approved by the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – BaFin), shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- a) the Registration Document (English and German language versions);
- b) the Financial Report of the Issuer as of 31 December 2009 (English and German language versions);
- c) the unaudited consolidated financial statements of Deutsche Bank for the 6 months ended 30 June 2011 (English and German language versions); and
- d) the unaudited consolidated financial statements of Deutsche Bank for the 3 months ended 31 March 2011 (English and German language versions).

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

**2. Cross Reference List**

Specific items contained in "Documents Incorporated by Reference".

- (a) The following information is set forth in the Registration Document:

<b>Registration Document</b>	<b>English language version</b>	<b>German language version</b>
<b>Persons Responsible</b>	4	4
<b>Statutory Auditors</b>	4	4
<b>Risk Factors</b>	4	4
<b>Information about Deutsche Bank</b>	7	8
<b>Business Overview</b>	7	8
<b>Organisational Structure</b>	9	10
<b>Trend Information</b>	9	10
<b>Administrative, Management and Supervisory Bodies</b>	11	12
<b>Major Shareholders</b>	12	13
<b>Financial Information concerning Deutsche Bank's</b>	12	

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<b>Registration Document</b>	<b>English language version</b>	<b>German language version</b>
<b>Assets and Liabilities, Financial Position and Profits and Losses</b>		13
Historical Financial Information / Financial Statements	13	14
Auditing of Historical Annual Financial Information	13	14
Legal and Arbitration Proceedings	13	14
Significant Change in Deutsche Bank Group's Financial Position	19	21
<b>Material Contracts</b>	19	21
<b>Third Party Information and Statement by Experts and Declaration of any Interest</b>	19	21
<b>Documents on Display</b>	19	21
<b>Financial Report 2010 of the Deutsche Bank Group</b>	F-I	F-I
<b>Consolidated Financial Statements 2010</b>	F-I-149	F-I-149
Consolidated Statement of Income	F-I-151	F-I-151
Consolidated Statement of Comprehensive Income	F-I-152	F-I-152
Consolidated Balance Sheet	F-I-153	F-I-153
Consolidated Statement of Changes in Equity	F-I-154	F-I-154
Consolidated Statement of Cash Flows	F-I-156	F-I-156
Notes to the Consolidated Financial Statements	F-I-157	F-I-157
Independent Auditors' Report	F-I-372	F-I-372
<b>Annual Financial Statements 2010</b>	F-II	F-II
Balance Sheet as of December 31, 2010	F-II-50	F-II-143
Income Statement for the period from January 1 to December 31, 2010	F-II-52	F-II
Notes to the Accounts	F-II-53	F-II-50
Auditors' Report	F-II-143	F-II-53

(b) The following information is set forth in the Financial Report of the Issuer as of 31 December 2009:

<b>Audited Consolidated Financial Statements 2009</b>	<b>English language version</b>	<b>German language version</b>
Consolidated Statement of Income	139	139
Consolidated Statement of Recognized Income and Expense	140	140
Consolidated Balance Sheet	141	141
Consolidated Statement of Changes in Equity	142	142
Consolidated Changes in Cash Flows	144	144
Notes to the Consolidated Financial Statements including Table of Content	145	145
Independent Auditors' Report	310	310

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- (c) The following information is set forth in the unaudited consolidated financial statements for the six months ended 30 June 2011:

<b>Financial Statements for the six months ended 30 June 2011</b>	<b>English language version</b>	<b>German language version</b>
Review Report	46	46
Consolidated Statement of Income	47	47
Consolidated Statement of Comprehensive Income	48	48
Consolidated Balance Sheet	49	49
Consolidated Statement of Cash Flows	52	52
Basis of Preparation	53	53
Information on the Income Statement	63-64	63-64
Information on the Balance Sheet	65-71	65-71

- (d) The following information is set forth in the unaudited consolidated financial statements for the three months ended 31 March 2011:

<b>Financial Statements for the three months ended 31 March 2011</b>	<b>English language version</b>	<b>German language version</b>
Review Report	36	36
Consolidated Statement of Income	37	37
Consolidated Statement of Comprehensive Income	38	38
Consolidated Balance Sheet	39	39
Consolidated Statement of Cash Flows	42	42
Basis of Preparation	43	43
Information on the Income Statement	49-50	49-50
Information on the Balance Sheet	51-56	51-56

Any other information contained in the documents incorporated by reference referred to in this Cross Reference List but not listed above, is incorporated by reference for information purposes only.

The documents specified above and incorporated by reference shall be available at the registered office of the Issuer and in Luxembourg at the office of Deutsche Bank Luxembourg S.A. at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg or at the Issuer's listing agent in Luxembourg, Banque de Luxembourg S.A., at 14, Boulevard Royal L-2449, Luxembourg.

The documents incorporated by reference shall also be available for viewing on the website of the Luxembourg Stock Exchange: [www.bourse.lu](http://www.bourse.lu)."

In chapter "III.D General Information", sub-section "2. Material Adverse Change in Deutsche Bank's Financial Position and Significant Change in Deutsche Bank's Financial or Trading Position" (page 44),

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shall be deleted and replaced as follows:

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**2. Material Adverse Change In Deutsche Bank's Financial Position And Significant Change In Deutsche Bank's Financial Or Trading Position**

Save as disclosed herein (including the documents incorporated by reference) there has been no material adverse change in the prospects of Deutsche Bank since 31 December 2010, nor significant change in the financial or trading position of Deutsche Bank since 30 June 2011.”

**2. ADDITION OF DEUTSCHE BANK AG, SUCURSAL EN ESPAÑA AS AN ISSUER**

**I**

In chapter "I", the line item headed "**Issuer**" (page 11) shall be amended by deleting the text which reads "or in Milan ("**Deutsche Bank AG, Milan Branch**")" and replacing it with the following:

"in Milan ("**Deutsche Bank AG, Milan Branch**") or in Spain ("**Deutsche Bank AG, Sucursal en España**")"

**II**

In chapter "I", the line item headed "**Agent(s)**" (page 11) shall be amended by inserting the following text between the words "Deutsche Bank AG, Milan Branch" and "or Deutsche Bank AG, Zurich Branch":

", Deutsche Bank AG, Sucursal en España"

**III**

In the section headed "**Information about the Issuer**" in chapter "I", the sub-section "**History and Development of the Bank**" (page 15) shall be amended on the tenth line of the first paragraph by inserting the word ", Madrid" between the words "Tokyo" and "and an Asia-Pacific Head Office in Singapore".

**IV**

In chapter "I", the section headed "**Information about the Issuer**" (page 16) shall be amended by inserting the following text as a new sub-section after the sub-section entitled "**Deutsche Bank AG, Milan Branch**":

**"Deutsche Bank AG, Sucursal en España**

Securities may be issued by Deutsche Bank AG, acting through its Spanish branch ("**Deutsche Bank AG, Sucursal en España** "). On 27th March 1979, after obtaining the relevant approvals from the Bank of Spain to establish a place of business in Spain, Deutsche Bank AG granted the deed of incorporation of Deutsche Bank AG Spanish branch before the notary public of Madrid Mr. Francisco Lucas Fernandez under number 1024 of his official records.

Deutsche Bank AG Sucursal en España is registered in the Madrid Commercial Registry under page 129, volume 5097, book 4247, section 3, sheet 40.393 bearing number 0145 of the official registry of Bank of Spain. Deutsche Bank AG, Sucursal en España is an authorised person to conduct wholesale banking business and investments services. As of today's date Deutsche Bank AG Sucursal en España renders equity and derivative brokerage services as well as portfolio management services for the investment companies of the Private Wealth Management clients (under a delegation agreement executed with DWS Investment Services (Spain) SGIIC, S.A)."

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**V**

In chapter "**III.A FORM OF DOCUMENT - PUBLICATION**", section "**2. Publication**" (page 38) shall be amended by deleting the word "and" from the [●] line of the second paragraph as it appears immediately prior to the words "its Milan branch" and replacing it with a "," and by inserting the following text into the final sentence at the end of the second paragraph after the text which reads "at Via Santa Margherita, 4, Milano, Italy":

", and its Spanish branch at Paseo De La Castellana, 18, 28046 Madrid, Spain"

**VI**

In chapter "**III.B GENERAL DESCRIPTION OF THE PROGRAMME**", the line item headed "**Issuer**" (page 40), shall be amended by deleting the text which reads "or Milan ("**Deutsche Bank AG, Milan Branch**")" and replacing it with the following:

"Milan ("**Deutsche Bank AG, Milan Branch**") or Spain ("**Deutsche Bank AG, Sucursal en España**")"

**VII**

In chapter "**III.E DEUTSCHE BANK AKTIENGESELLSCHAFT**", the section entitled "**History and Development of the Bank**" (page 45) shall be amended by inserting the word ", Madrid" into the second paragraph between the words "Tokyo" and "and an Asia-Pacific Head Office in Singapore".

**VIII**

In chapter "**V FORM OF FINAL TERMS**", the heading of the pro forma final terms which reads "**DEUTSCHE BANK AG [LONDON BRANCH][MILAN BRANCH]**" (page 118) shall be amended by inserting the following text after the text which reads "**[LONDON BRANCH][MILAN BRANCH]**":

"**[SUCURSAL EN ESPAÑA]**"

**IX**

In chapter "**V. PART A PRODUCT TERMS**", the line item headed "**Issuer**" (page 122) shall be amended by inserting the following text after the text which reads "[Deutsche Bank AG, Milan Branch]":

" [Deutsche Bank AG, Sucursal en España]"

**X**

In chapter "**V. PART A PRODUCT TERMS**", the line item headed "**Business Day Locations**" (page 205) shall be amended by inserting the words "or Madrid" between the text which reads "include Milan" and "where appropriate".

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**XI**

In chapter "**V. PART A PRODUCT TERMS**", the line item headed "**[Payment Day Locations]**" (page 205) shall be amended by inserting the words "or Madrid" between the text which reads "include Milan" and "where appropriate".

**XII**

Chapter "**VI. PART A GENERAL TAXATION INFORMATION**" (page 234) shall be amended by the insertion of a new section 6 as follows:

**"6. Spain**

*The following is a summary of current Spanish law and practice relating to the taxation of the Securities. The statements herein regarding Spanish taxes and withholding taxes in Spain are based on the laws in force as well as administrative interpretations thereof in Spain as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective holders or beneficial owners of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership and disposition of the Securities.*

**Tax Treatment of Securities Issued by Entities Other Than Deutsche Bank AG, Sucursal en España**

**(A) NOTES AND CERTIFICATES**

**(i) *Individuals with tax residence in Spain***

Personal Income Tax

Personal Income Tax (hereinafter, "**PIT**") is levied on an annual basis on the worldwide income obtained by Spanish tax resident individuals, whatever its source and wherever the relevant payer is established. Therefore any income that a Spanish holder of the Notes and Certificates may receive under the Notes and Certificates will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes and Certificates obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (to the extent that they represent a return on investment derived from the transfer of own capital to third parties).

Both of these aspects of income will be included in the savings part of the taxable income subject to PIT at two different tax rates. Any amount included in the savings part of the PIT taxable income up to EUR 6,000 will be taxed at a rate of 19 per cent and the excess over such amount will be subject to a rate of 21 per cent.

Spanish holders of the Notes and Certificates shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

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Income arising on the disposal, redemption or reimbursement of the Notes and Certificates will be calculated as the difference between (a) their disposal, redemption or reimbursement value and (b) their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Notes and Certificates may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses related to the management and deposit of the Notes and Certificates, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Notes and Certificates cannot be offset if the investor acquires homogeneous securities within the two-month period prior or subsequent to the transfer of the Notes and Certificates, until he/she transfers such homogeneous securities.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes and Certificates, if any.

Spanish Inheritance and Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Notes and Certificates upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60 per cent. although the tax situation may vary depending on any applicable regional tax laws.

Spanish Wealth Tax

Spanish tax resident individuals are subject to an annual Wealth Tax on 31 December on their total net wealth, regardless of the location of their assets or of where their rights may be exercised. However, according to Law 4/2008, of 23 December 2008, taxpayers benefit from a 100 per cent. tax credit on their Wealth Tax liability as from 2008. This tax credit in practical terms means that taxpayers are effectively tax exempt from Wealth Tax. Taxpayers do not have the obligation to file the annual tax return as a result of this change.

(ii) *Legal Entities with tax residence in Spain (Corporate Income Tax)*

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes and Certificates obtained by entities which are tax resident in Spain shall be computed as taxable income for Corporate Income Tax purposes ("**CIT**") for the tax period in which they accrue.

The general tax rate for limited liability companies is currently 30 per cent. However, small sized companies (those companies whose net business income is less than EUR10,000,000) could benefit from the reduced tax rate of 25 per cent. on the first EUR300,000 of their taxable profits. In addition to this, and for the tax year commencing in 2011, companies with a net business income lower than EUR5,000,000 and an average staff of less than 25 employees could benefit from the reduced tax rate of 20 per cent on the first EUR300,000 of their taxable profits, and any taxable profits in excess of this amount would be subject to the tax rate of 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes and Certificates, if any.



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(iii) *Individuals and Legal Entities with no tax residence in Spain*

A non-tax resident holder of Notes and Certificates who has a permanent establishment in Spain to which such Notes and Certificates are attributable is subject to Spanish Non-Residents' Income Tax ("**NRIT**") on any income obtained under the Notes and Certificates including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes and Certificates.

In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to resident corporate income taxpayers, as explained above.

**(B) WARRANTS**

(i) *Spanish resident individuals*

Personal Income Tax

The premium or amount paid for the subscription of the Warrants would not be considered as a deductible expense, but as the acquisition value, which would include the expenses and commissions, inherent to the acquisition, paid by the acquirer.

Income obtained by holders of the Warrants covered by this Base Prospectus on their transfer before the expiration date, will be considered as capital gains or losses. The gain or loss shall be calculated as the difference between the transfer value, once any expenses and commissions paid by the taxpayer have been deducted, and the acquisition value, as it has been defined above.

Upon the exercise of the Warrants, income obtained would be considered as capital gain or loss, being calculated as the difference between (i) the Cash Amount, once expenses have been deducted and commissions paid by the taxpayer, and (ii) the acquisition value defined above.

Failure to exercise any Warrants on the expiration date would give rise to a capital loss on the acquisition value.

Income derived from the transfer or exercise of the Warrants will be included in the savings part of the taxable income subject to PIT at two different tax rates. Any amount included in the savings part of the PIT taxable income up to EUR 6,000 will be taxed at a rate of 19 per cent and the excess over such amount will be subject to a rate of 21 per cent.

Spanish Inheritance And Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Warrants upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60 per cent., although the tax situation may vary depending on any applicable regional tax laws.

Spanish Wealth Tax

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Spanish tax resident individuals are subject to an annual Wealth Tax on 31 December on their total net wealth, regardless of the location of their assets or of where their rights may be exercised. However, according to Law 4/2008, of 23 December 2008, taxpayers benefit from a 100 per cent tax credit on their Wealth Tax liability as from 2008. This tax credit in practical terms means that taxpayers are effectively tax exempt from Wealth Tax. Taxpayers do not have the obligation to file the annual tax return as a result of this change.

(ii) *Legal Entities with tax residence in Spain (Corporate Income Tax)*

As a general rule, income obtained either through the transfer or the exercise of the Warrants and obtained by taxpayers subject to CIT will be included in their taxable income under general provisions.

(iii) *Individuals and Legal Entities with no tax residence in Spain*

As a general rule, income obtained by a permanent establishment located in Spain of a non-resident would be subject to taxation in a similar way than that applicable to Spanish tax resident corporate income taxpayers, as explained above.

(C) **SPANISH WITHHOLDING TAX**

The Issuer should not be obliged to deduct withholdings on account of Spanish income taxes since it is not a Spanish tax resident entity and does not have a permanent establishment in Spain to which the issue of the Notes and Certificates is connected. Income from Warrants will always be exempt from withholding in Spain.

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Notes and Certificates or intervenes as manager on the collection of any income under the Notes and Certificates, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Notes and Certificates.

The current withholding tax in Spain is 19 per cent. Amounts withheld in Spain, if any, can be credited against the final Spanish PIT liability, in the case of Spanish resident individuals, or against Spanish final CIT liability, in the case of Spanish corporates, or against final NRIT, in the case of Spanish permanent establishments of non-resident entities. However, holders of the Notes and Certificates who are Corporate Income Taxpayers or Non-Residents' Income Taxpayers acting through a Spanish permanent establishment can benefit from a withholding tax exemption when the Notes and Certificates are admitted to trading on an organised stock exchange in an OECD state (the "**OECD Exemption**").

Non-Spanish tax resident investors, acting without a permanent establishment in Spain, who hold the Securities through such Spanish resident (or based) depositary or manager, should also evidence their non-Spanish tax resident status by delivering (and renewing on an annual basis) a certificate of tax residence issued by the competent authorities of their jurisdiction of residence prior to the relevant payment is made or becomes due.

Furthermore, such financial institution may become obliged to comply with the formalities set out in Spanish tax regulations when intervening in the transfer or reimbursement of the Notes and Certificates.

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**Tax Treatment of Securities Issued by Deutsche Bank AG, Sucursal en España**

**(A) INDIRECT TAXES**

Whatever the nature and residence of the investor, the acquisition and transfer of the Securities will be exempt from indirect taxes in Spain, i.e. exempt from Transfer Tax and Stamp Duty and exempt from Value Added Tax.

**(B) Notes and Certificates**

*(i) Individuals with tax residence in Spain*

Personal Income Tax

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes and Certificates obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (to the extent that they represent a return on investment derived from the transfer of own capital to third parties).

Both of these aspects of income will be included in the savings part of the taxable income subject to PIT at two different tax rates. Any amount included in the savings part of the PIT taxable income up to EUR 6,000 will be taxed at a rate of 19 per cent and the excess over such amount will be subject to a rate of 21 per cent.

Spanish holders of the Notes and Certificates shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Notes and Certificates will be calculated as the difference between (a) their disposal, redemption or reimbursement value and (b) their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Notes and Certificates may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses related to the management and deposit of the Notes and Certificates, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Notes and Certificates cannot be offset if the investor acquires homogeneous securities within the two-month period prior or subsequent to the transfer of the Notes and Certificates, until he/she transfers such homogeneous securities.

Withholding will apply at the applicable rate (currently 19 per cent.) in respect of interest payments made under the Notes and Certificates. In addition, income obtained upon transfer, redemption or repayment of the Notes and Certificates may also be subject to PIT withholdings. In any event, holders who are resident for tax purposes in Spain may credit any withholding tax suffered on income obtained under the Notes and Certificates against their final PIT liability for the relevant fiscal year.

Financial institutions (either resident in Spain or acting through a permanent establishment in Spain), acting as depositary of the Notes and Certificates or intervening as manager in the collection of any income under the Notes and Certificates, may become obliged to comply with

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the formalities set out in the regulations developing the Law on Spanish PIT when intervening in the transfer or reimbursement of the Notes and Certificates.

Spanish Inheritance and Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Notes and Certificates upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60 per cent. although the tax situation may vary depending on any applicable regional tax laws.

Spanish Wealth Tax

Spanish tax resident individuals are subject to an annual Wealth Tax on 31 December on their total net wealth, regardless of the location of their assets or of where their rights may be exercised. However, according to Law 4/2008, of 23 December 2008, taxpayers benefit from a 100 per cent. tax credit on their Wealth Tax liability as from 2008. This tax credit in practical terms means that taxpayers are effectively tax exempt from Wealth Tax. Taxpayers do not have the obligation to file the annual tax return as a result of this change.

(ii) *Legal Entities with tax residence in Spain*

Corporate Income Tax

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes and Certificates obtained by entities which are tax resident in Spain shall be computed as taxable income for the tax period in which they accrue.

The general tax rate for limited liability companies is currently 30 per cent. However, small sized companies (those companies whose net business income is less than EUR10,000,000) could benefit from the reduced tax rate of 25 per cent. on the first EUR300,000 of their taxable profits. In addition to this, and for the tax year commencing in 2011, companies with a net business income lower than EUR5,000,000 and an average staff of less than 25 employees could benefit from the reduced tax rate of 20 per cent on the first EUR300,000 of their taxable profits, and any taxable profits in excess of this amount would be subject to the tax rate of 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Any income arising from the Notes and Certificates is, as a general rule, subject to withholding tax at the applicable rate (currently 19 per cent.). However, in accordance with Section 59(s) of regulations developing the Law on CIT, Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident funds and Spanish tax resident pension funds) can also benefit from the OECD Exemption.

The Spanish Directorate General of Taxes (*Dirección General de Tributos*) issued a ruling dated 27 July 2004 in which it determined that Spanish issues may benefit from the OECD Exemption if the relevant securities are both admitted to trading on an organised stock exchange in an OECD state and placed in an OECD State other than Spain. In case that this requirement is not met, the Issuer will be required to make the corresponding withholdings.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant holders of Notes and Certificates against their final CIT liability.

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Financial institutions (either resident in Spain or acting through a permanent establishment in Spain), acting as depositary of the Notes and Certificates or intervening as manager in the collection of any income under the Notes and Certificates, may become obliged to comply with the formalities set out in the regulations developing the Law on CIT when intervening in the transfer or reimbursement of the Notes and Certificates.

**Inheritance and Gift Tax**

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes and Certificates by inheritance, gift or legacy are not subject to Spanish Inheritance and Gift Tax but must include the market value of the acquired Notes and Certificates in their taxable income for Spanish CIT purposes.

(iii) *Individuals and Legal Entities with no tax residence in Spain*

Non-Resident Income Tax — Non-Resident Investors acting through a Permanent Establishment in Spain

Ownership of the Notes and Certificates by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes and Certificates form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes and Certificates are, generally, the same as those previously set out for Spanish CIT taxpayers. See “—*Legal Entities with tax residence in Spain—Corporate Income Tax.*”

Non-Resident Income Tax — Non-Spanish Tax Resident Investors not acting through a Permanent Establishment in Spain

Both interest payments periodically received and income derived from the transfer, redemption or reimbursement of the Notes and Certificates obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes and Certificates, through a permanent establishment in Spain, are regarded as Spanish sourced income and subject to NRIT at the tax rate of 19%.

However, interest and other income deriving from the Notes and Certificates will be tax exempt in Spain when obtained by persons who are resident for tax purposes in a Member State of the European Union (other than Spain) or by a permanent establishment of the said residents in another Member State of the European Union (other than Spain), provided that such income is not obtained through a country or territory regarded as a tax haven (pursuant to Royal Decree 1080/1991, of 5 July) and provided further that said resident provides the Issuer with a certificate of tax residence issued by the competent authorities of their jurisdiction of residence prior to the date on which relevant payment is made or becomes due. Such certificate is valid for a one-year period.

Holders of Notes and Certificates who are resident for tax purposes in a jurisdiction which has ratified a Treaty for the avoidance of Double Taxation with Spain (“DTT”) will be subject to NRIT on income obtained from the Notes and Certificates at the reduced rates or exemption set out in the DTT, if any. Such holders will have to evidence their tax residence by delivering to the Issuer, prior to the date on which relevant payment is made or becomes due, a tax residence certificate within the meaning of the applicable DTT issued by the competent

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authorities of their jurisdiction of residence or, as the case may be, the equivalent document set out in the order which further develops the applicable DTT. Such certificate of tax residence is valid for a one-year period.

The Issuer will withhold from any interest payment and any income arising from the reimbursement of the Notes and Certificates at the general rate applicable from time to time, which is currently 19 per cent., or at the reduced rate set out in the applicable DTT, unless the application of a tax exemption is evidenced, as described above.

Inheritance and Gift Tax

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over Notes and Certificates by inheritance, gift or legacy, will be subject to Spanish Inheritance and Gift Tax in accordance with the applicable Spanish rules, unless they reside in a country for tax purposes with which Spain has entered into a treaty for the avoidance of double taxation in relation to inheritance tax. In such case, the provisions of the relevant treaty for the avoidance of double taxation will apply.

Non-Spanish tax resident entities which acquire ownership or other rights over Notes by inheritance, gift or legacy are not subject to Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), without prejudice to the provisions of any applicable treaty for the avoidance of double taxation entered into by Spain and the investor's country of residence. In general, treaties for the avoidance of double taxation provide for the taxation of this type of income in the country of residence of the beneficiary.

**(C) WARRANTS**

*(i) Spanish resident individuals*

Personal Income Tax

The premium or amount paid for the subscription of the Warrants would not be considered as a deductible expense, but as the acquisition value of the Warrants, which would include the expenses and commissions inherent to the acquisition, paid by the acquirer.

Income obtained by holders of the Warrants on their transfer before the expiration date will be considered as capital gains or losses for PIT purposes. The gain or loss shall be calculated as the difference between the transfer value, once any expenses and commissions paid by the taxpayer have been deducted, and the acquisition value, as it has been defined above.

Upon the exercise of the Warrants, income obtained would be considered as capital gain or loss, being calculated as the difference between (i) the cash settlement amount, once expenses and commissions paid by the taxpayer have been deducted, and (ii) the acquisition value defined above.

Failure to exercise any Warrants on the expiration date would give rise to a capital loss on the acquisition value.

Income derived from the transfer or exercise of the Warrants will be included in the savings part of the taxable income subject to PIT at two different tax rates. Any amount included in the savings part of the PIT taxable income up to EUR 6,000 will be taxed at a rate of 19 per cent and the excess over such amount will be subject to a rate of 21 per cent.

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Spanish Inheritance and Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Warrants upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60 per cent., although the tax situation may vary depending on any applicable regional tax laws.

Spanish Wealth Tax

Spanish tax resident individuals are subject to an annual Wealth Tax on 31 December on their total net wealth, regardless of the location of their assets or of where their rights may be exercised. However, according to Law 4/2008, of 23 December 2008, taxpayers benefit from a 100 per cent tax credit on their Wealth Tax liability as from 2008. This tax credit in practical terms means that taxpayers are effectively tax exempt from Wealth Tax. Taxpayers do not have the obligation to file the annual tax return as a result of this change.

(ii) *Legal Entities with tax residence in Spain*

Corporate Income Tax

As a general rule, income obtained either through the transfer or the exercise of the Warrants and obtained by taxpayers subject to CIT will be included in their taxable income under general provisions.

Inheritance and Gift Tax

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Warrants by inheritance, gift or legacy are not subject to Spanish Inheritance and Gift Tax but must include the market value of the acquired Warrants in their taxable income for Spanish CIT purposes.

(iii) *Individuals and Legal Entities with no Tax Residence in Spain*

Non-Resident Income Tax - Non-Resident Investors acting through a Permanent Establishment in Spain

Ownership of the Warrants by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Warrants form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Warrants are, generally, the same as those previously set out for Spanish CIT taxpayers. See "*Legal Entities with tax residence in Spain - Corporate Income Tax.*"

Non-Resident Income Tax - Non-Spanish Tax Resident Investors not acting through a Permanent Establishment in Spain

Any income obtained from the transfer or exercise of the Warrants by individuals or entities who are not resident in Spain for tax purposes and do not act, with respect to the Notes and Certificates, through a permanent establishment in Spain, are regarded as Spanish sourced income and subject to NRIT, at the tax rate of 19%.

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However, such income will be tax exempt in Spain when obtained by persons who are resident for tax purposes in a Member State of the European Union (other than Spain) or by a permanent establishment of the said residents in another Member State of the European Union (other than Spain), provided that such income is not obtained through a country or territory regarded as a tax haven (pursuant to Royal Decree 1080/1991, of 5 July).

Holders of Warrants who are resident for tax purposes in a jurisdiction which has ratified a DTT will be subject to NRIT in accordance with the terms of the applicable DTT which generally grant the jurisdiction of tax residence the right to tax such income.

**(D) SPANISH WITHHOLDING TAX**

Any income arising from the Warrants will be exempt from withholding tax."

, and the existing section 6 "EU Savings Directive" and section 7 "Switzerland" shall be renumbered accordingly.

**XIII**

Chapter "VI. PART B GENERAL SELLING AND TRANSFER RESTRICTIONS" (page 238) shall be amended by the insertion of a new section 6 as follows:

**"6. Kingdom of Spain**

The Securities may not be offered, sold or re-sold in the Kingdom of Spain other than in compliance with the requirements of Law 24/1988, of 28 July, on the Spanish Securities Market (as amended from time to time) by Royal Decree 1310/2005, of 4 November, on admission to listing and on issues and public offers of securities (as amended from time to time) and any other regulation developing them which may be in force from time to time."

, and the existing section 6 "Switzerland", section 7 "Luxembourg" and section 8 "General" shall be renumbered accordingly.

**XIV**

In the section titled "**NAMES AND ADDRESSES**" on the final page, the list of addresses shall be amended by inserting the following centred text after the address for Deutsche Bank AG, Milan Branch, but above the addresses of the Paying Agent in Luxembourg and the Listing Agent in Luxembourg:

**"Deutsche Bank AG, Sucursal en España**

Paseo De La Castellana, 18

28046 Madrid, Spain"

**3. CHANGES TO THE MANAGEMENT AND SUPERVISORY BOARD**

On 25 July 2011 the Supervisory Board decided on a new leadership for the Bank:

- Dr. Josef Ackermann, Chairman of the Management Board and the Group Executive Committee (GEC), will retire from the Management Board effective at the conclusion of the Annual General Meeting 2012;



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- Juergen Fitschen and Anshu Jain, both members of the Management Board, will be nominated as Co-Chairmen of the Management Board and the Group Executive Committee effective at the conclusion of the Annual General Meeting 2012;
- Mr. Fitschen's contract as member of the Management Board will be extended by three years until the Annual General Meeting 2015. Mr. Jain's contract will be extended for five years until March 31, 2017. In addition, Rainer Neske's contract as a member of the Management Board will also be extended by five years until the same date.
- Dr. Clemens Boersig, Chairman of the Supervisory Board, has announced that he will retire from the Supervisory Board effective at the conclusion of the Annual General Meeting 2012. He will continue to serve the Bank in his other mandates and join its European Advisory Board;
- The Bank is working towards Dr. Ackermann being elected to the Supervisory Board to replace Dr. Boersig at the annual general meeting 2012 and to become its chairman. Deutsche Bank will take all necessary steps to fulfil the legal pre-conditions for this move.

**4. REGISTERED SECURITIES**

**I**

In chapter "I", "**Form of Securities**" (page 13), shall be deleted and replaced as follows:

"

**Form of Securities:**

Unless otherwise specified in the Final Terms (and save for Italian Securities, Swedish Securities, Finnish Securities and Norwegian Securities), the Securities will be represented by a global security (the "**Global Security**").

In the case of a Global Security governed under German law, such Global Security will be in bearer form. In the case of:

- (i) Notes governed under English law, the Global Security will be in bearer form or registered form, as specified in the Final Terms;
- (ii) Notes governed under German law, the Global Security will be in bearer form; and
- (iii) all Certificates and Warrants, the Global Security will be in non-bearer form (save that if governed under German law and if deposited with a clearing agent in Germany, the Global Security will be in bearer form for the purposes of German law).

No definitive Securities will be issued.

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An investor will need to be able to hold the Securities (directly or through an intermediary). Securities may only be held directly through the relevant Clearing Agent. Where Securities are held indirectly, an investor will depend on the relevant intermediary(ies) through which it holds the Securities for receipt of payments, notices and for all other purposes in connection to the Securities. In case of physically settled Securities an investor will need to be able to hold (directly or through an intermediary) the relevant assets deliverable on settlement of the Securities."

**II**

In chapter "**III.B General Description of the Programme**", the line item headed "**Form of Securities**" (page 40), shall be deleted and replaced as follows:

"

**Form of Securities:** Unless otherwise specified in the Final Terms (and save for Italian Securities, Swedish Securities, Finnish Securities and Norwegian Securities), the Securities will be represented by a global security (the "**Global Security**").

In the case of a Global Security governed under German law, such Global Security will be in bearer form. In the case of:

- (i) Notes governed under English law, the Global Security will be in bearer form or registered form, as specified in the Product Terms;
- (ii) Notes governed under German law, the Global Security will be in bearer form; and
- (iii) all Certificates and Warrants, the Global Security will be in non-bearer form (save that if governed under German law and if deposited with a clearing agent in Germany, the Global Security will be in bearer form for the purposes of German law).

No definitive Securities will be issued."

**III**

In chapter "**IV. §3 Settlement**", under sub-section "(3) **Settlement / Payment details**", the second paragraph (page 57) shall be deleted and replaced as follows:

"

The Issuer will be discharged of its payment and/or delivery obligations by payment and/or delivery to, or to the order of, the relevant Clearing Agent or Physical Delivery Clearing

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System in respect of the amount so paid or delivered (provided that in the case of Notes, such payment and/or delivery shall be deemed to be made for and on behalf of (i) the bearer of the Global Security if the Notes are in bearer form or (ii) the person shown on the Register as the holder of such Notes if the Notes are in registered form)."

**IV**

In chapter "**IV.§7 Form of Securities, Transferability, Status, Securityholders**", sub-section "(1)(a) **General**" (page 86) shall be deleted and replaced as follows:

"

**(1) Form**

**(a) General**

Unless paragraphs (b), (c), (d) or (e) below apply, the Securities governed by the Conditions are represented by a global security (the "**Global Security**"). In the case of:

- (i) Notes in respect of which the Governing Law is specified in the Product Terms to be English Law, the Global Security will be in bearer form or registered form, as specified in the Product Terms;
- (ii) Notes in respect of which the Governing Law is specified in the Product Terms to be German Law, the Global Security will be in bearer form; and
- (iii) all Certificates and Warrants, subject as provided below, the Global Security will be in non-bearer form.

The Product Terms of each Series of Securities will be attached to the relevant Global Security which will be marked with the relevant ISIN. No definitive Securities will be issued.

**(A) English law governed Securities**

If the Governing Law is specified in the Product Terms to be English Law, on or prior to the issue date of the Securities, the Global Security will be (I) deposited with a depository (or if more than one Clearing Agent, common depository) for the Clearing Agent(s) and, (II) if the Notes represented by the Global Security are in registered form, registered in the name of the Clearing Agent or a nominee (or if more than one Clearing Agent, common nominee) of the Clearing Agent(s).

**(B) German law governed Securities**

If the Governing Law is specified in the Product Terms to be German Law on or prior to the issue date of the Securities, the Global Security will be deposited with a Clearing Agent in Germany and will be in bearer form for the purposes of German law.

Unless paragraphs (b), (c), (d) or (e) below apply where Multi-Series is stated to be applicable in the Product Terms, each Series shall be represented by a separate Global Security. These General Conditions shall be deemed to apply to each Series

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separately and references to Securities and related expressions in these General Conditions shall be deemed to be references to the relevant Series."

**V**

In chapter "**IV.§7 Form of Securities, Transferability, Status, Securityholders**", sub-section "(4)(a) **English law governed Securities**" (page 87) shall be deleted and replaced as follows:

"

**(4) Securityholders and Title**

**(a) English law governed Securities**

If the Governing Law is specified in the Product Terms to be English Law, each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the holder of a particular amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the amount of Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such amount of the Securities (and the terms "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly) for all purposes other than, in the case of Notes represented by a Global Security, with respect to payments or delivery obligations in respect of such Notes, for which purpose (i) in the case of Notes in bearer form, the bearer of the Global Security and (ii) in the case of Notes in registered form, the person shown on the Register as the holder of such Notes (being the relevant Clearing Agent, or nominee or common nominee (as applicable) of the Clearing Agent(s)), in each case shall be treated by such Issuer and any Agent as the holder of such Notes in accordance with and subject to the terms of the Global Security."

**VI**

In chapter "**IV.§8 Agents**", the following new sub-section "(3) **Registrar**" shall be inserted immediately after sub-section "(2) **Definitions in respect of §8 and, if applicable, other Conditions**:" (page 89):

**"(3) Registrar**

In the case of Notes represented by a Global Security in registered form, the Issuer reserves the right at any time to vary or terminate the appointment of the Registrar, provided that no termination of appointment of the Registrar shall become effective until a replacement Registrar shall have been appointed. The Registrar will maintain a register (the "**Register**") on the terms as agreed between the Issuer and the Registrar, such terms to include that the register shall at all times be physically located outside the United Kingdom. The Registrar acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. Any calculations or determinations in respect of the Securities made by the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders. The "**Registrar**" shall

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be such entity specified as such in the Product Terms."

**VII**

In chapter "**IV.§11 Presentation Period and Limitation**", the first paragraph (page 92) shall be deleted and replaced as follows:

"

Any payments will, subject as provided below, be made in the manner provided in §3 and otherwise in the manner specified in the Global Security, if applicable.

Where the Securities are specified in the Product Terms to be Notes represented by a Global Security in bearer form, payments of both principal and interest shall be made against presentation or surrender, as the case may be, of the Global Security, if applicable, at the specified office of any Agent. A record of each payment made will be made on the Global Security by the relevant Agent, if applicable and such record shall be prima facie evidence that the payment in question has been made.

Where the Securities are specified in the Product Terms to be Notes represented by a Global Security in registered form, payments of both principal and interest shall be made to the person shown on the Register at the close of business on the business day before the due date for payment (being the relevant Clearing Agent, or nominee or common nominee (as applicable) of the Clearing Agent(s)) as the holder of such Notes, and if no further payment falls to be made on the Notes, on surrender of the Global Security to or to the order of the Registrar. A record of each payment made will be made in the Register by the relevant Agent, if applicable and such record shall be prima facie evidence that the payment in question has been made. For the purpose of this paragraph, "business day" means a day on which the relevant Clearing System(s) is (or are, if applicable) open for business."

**VIII**

In chapter "**IV. Index of Definitions**" the following entry shall be inserted immediately below the definition "**Reference Source**" (page 116):

"

Register	§8(3)
Registrar	§8(3)

"

**IX**

In chapter "**V. Form of Final Terms**", under sub-section "**Notes**" of "**Part A**", the line item headed "**[Form of Securities]**" (page 205) shall be deleted and replaced with the following line items:

"

[Form of Securities] [If Notes governed under German Law, Certificates or Warrants, insert:] [Global Security] [If Notes in bearer form (governed under English Law) insert:] [Global Security in bearer form] [If Notes in registered form (governed under English Law) insert:] [Global Security

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in registered form] [Italian Securities] [Swedish Securities] [Finnish Securities] [Norwegian Securities] [ ]  
[Registrar] [Clearstream Banking AG in Frankfurt am Main, Germany] [Deutsche Bank Luxembourg S.A.] []  
[If not applicable delete line item. Only to be applied where Global Security in registered form is applicable]"

**X**

In chapter "VI.A. General Taxation Information" under section "4. United Kingdom" and sub-section "(A) Notes", the following wording shall be inserted immediately above the paragraph headed "Reporting of Information" (page 221):

"

**Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

(i) Exempt Loan Capital

There should be no stamp duty, SDRT or other UK transfer or registration tax on an issue or transfer of Notes which constitutes exempt loan capital.

Exempt loan capital means any Note which:

- (a) constitutes "loan capital" within the meaning of section 78 Finance Act 1986. A Note should constitute "loan capital" if the holder has the right in all circumstances to be paid on redemption an amount equal to substantially all of the amount subscribed for the Note, whether with or without any additional amount that may be payable on redemption. Our view is that a Note should also be regarded as loan capital if the Note gives the holder the right in all circumstances to be paid on redemption an amount equal to at least 10 per cent. of the amount subscribed for the Note;
- (b) does not carry rights to acquire shares or securities (by way of exchange, conversion or otherwise) that are not exempt loan capital;
- (c) has not carried and does not carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the relevant security;
- (d) has not carried and does not carry a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property; and
- (e) has not carried and does not carry a right to a premium which is not reasonably comparable with amounts payable on securities listed on the London Stock Exchange.

Sections (ii) and (iii) below relate only to Notes which do not constitute exempt loan capital. They set out the limited circumstances in which stamp duty or SDRT could arise on an issue or transfer of Notes which do not constitute exempt loan capital.

(ii) Issue of Notes

Under current UK law as drafted, SDRT could arise on an issue of Notes where the Notes satisfy both of the following conditions:

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- (a) the Notes give the holders of Notes a right to allotments of or to subscribe for, or an option to acquire, or an interest in (or in dividends or other rights arising out of) stocks, shares or certain types of loan capital in a company which are either:
- (i) interests in a United Kingdom incorporated company; or
  - (ii) are shares and are "paired" (within the meaning of s.99 Finance act 1986) with shares issued by a United Kingdom incorporated company ("**paired shares**"); and

(b) the Notes are issued into a clearance system or depositary system.

However, even where such Notes are issued, on the basis of the decision of the European Court of Justice in the case of *HSBC Holdings plc and Vidacos Nominees Ltd v HMRC* (Case C-569/07), and our understanding of current HMRC practice, SDRT should not, even in relation to the above Notes, be payable in relation to the issue of Notes into Euroclear Bank S.A./N.V., Clearstream Banking AG in Frankfurt am Main, Germany or any other similar clearance service based within the EU.

Where such SDRT arises it would be chargeable at 1.5 per cent. of the issue price

Stamp duty could be payable on the issue of Notes in bearer form if bearer Notes are issued in the UK which are denominated in sterling but which do not constitute "loan capital" within the meaning of section 78 Finance Act 1986. Where such stamp duty arises it would be chargeable at 1.5 per cent. of the value of the Notes.

(iii) Transfer

SDRT should generally not be payable in relation to an agreement to transfer a Note which is held within a clearance service unless the relevant clearance service has made an election under section 97A Finance Act 1986 which applies to the Notes.

In the case of Notes held outside a clearance service or Notes held within a clearance service where a section 97A election has been made, no SDRT should be payable in relation to any agreement to transfer a Note unless either:

- (a) there is a register of the Notes kept in the UK; or
- (b) the Note gives the holder of such Note a right to allotments of or to subscribe for, or an option to acquire, or an interest in (or in dividends or other rights arising out of) stocks, shares or certain types of loan capital in a company which are either:
  - (i) interests in a United Kingdom incorporated company; or
  - (ii) which are registered in a register kept in the United Kingdom; or
  - (iii) are shares and are "paired" (within the meaning of s.99 Finance act 1986) with shares issued by a United Kingdom incorporated company.

Where SDRT is payable, it would be payable at a rate of 0.5 per cent. of the consideration given under an agreement to transfer such Notes, unless the transfer was to a depositary for a clearance service or to a person issuing depositary receipts (or to an agent or nominee of such a person) where SDRT may be payable at a rate of 1.5 per cent.

Where Notes are transferred by means of a document, stamp duty could be chargeable but, save in the circumstances set out in the next two paragraphs, it is unlikely, as a practical matter, that any stamp duty would have to be paid.

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As noted above, no stamp duty liability will arise on the issue of Notes in bearer form which are denominated in sterling and which are not loan capital if issued outside the United Kingdom. However, in such cases, on the first transfer by delivery in the United Kingdom of any such Note, a stamp duty liability at 1.5 per cent. of the value of such Note is likely to arise and is required to be paid.

A transfer of the Notes to a depository for a clearance service or to a person issuing depository receipts (or to an agent or nominee of such a person) could give rise to stamp duty at a rate of 1.5 per cent."