



B #:	7686-18
Date:	01/12/2018
To:	All Participants
Category:	Dividends
From:	Supervisor, Stock Dividend Department
Attention:	Dividend Managers, Cashiers, and Reorganization Managers
Subject:	Optional Dividend: Iberdrola S.A. CUSIP: 450737101 Record Date: 01/12/2018 Payable Date: 02/14/2018 Rate: 0.560 Euro per ADR equating to an approximate gross rate of USD \$0.667744 DTC EDS Cut-Off: 01/18/2018 at 8:00 P.M. EST

*****WARNING TIME CRITICAL*****

CLIENTS SHOULD SUBMIT ELECTION INSTRUCTIONS THROUGH THE CORPORATE ACTION WEB INSTRUCTION TAB.

RECORD DATE POSITION INFORMATION SHOULD BE CONFIRMED THROUGH THE CA WEB.

If there are any questions regarding this Important Notice or the processing of CA Web related instructions participants should contact DTC’s Customer Help Line at (888) 382-2721.

If there are any questions regarding the Global Tax Important Notice accompanying this Important Notice please contact Danette Moore at Globe Tax, Telephone # 212-747-9100 or via e-mail at SpainESP@globetax.com.

***Important Legal Information:** The Depository Trust Company (“DTC”) does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages. To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php


IBERDROLA S.A. has announced an Optional dividend. JPMorgan Chase acts as the sole Depository bank for the company's American Depositary Receipt ("ADR") program.

On ADR Pay Date Participants who elect Cash for the optional election through CA Web will receive this dividend net of the full Spanish statutory withholding tax rate of 19% and may follow the withholding tax reclaim procedures outlined below to obtain treaty benefits. All DR holders electing for Stock will not be subject to Spanish dividend withholding tax and therefore no additional entitlement is possible. All DR holders electing Proceeds who are properly disclosed, with the exception of holders disclosed as being Spanish resident individuals, will not be subject to Spanish dividend withholding tax and therefore no additional entitlement is possible. Spanish resident individuals who properly disclose will be subject to 19% dividend withholding tax. Proceeds elections should be made through CA Web via the Relief At Source process.

Cash beneficial owners may reclaim the difference between the statutory rate and the beneficial owner's rate of entitlement by submitting the required documentation to J.P.Morgan. There will be one "Quick Refund" filing deadline as stipulated below, all claims submitted after this date should be submitted through the Standard "Long-Form" filing procedure.

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DIVIDEND EVENT DETAILS	
COUNTRY OF ISSUANCE	SPAIN
ISSUE	IBERDROLA S.A.
CUSIP#	450737101
UNDERLYING ISIN	ES06445809E7
DEPOSITARY	JPMORGAN CHASE
ADR RECORD DATE	JANUARY 12, 2018
ORD PAY DATE	JANUARY 29, 2018
ADR PAY DATE	FEBRUARY 14, 2018
RATIO (ADR to ORD)	1 : 4
ORD RATE	EUR 0.140
STATUTORY WITHHOLDING RATE	19%
	NOT AVAILABLE

****PLEASE NOTE****

A DISCLOSURE PROCESS HAS BEEN IMPLEMENTED FOR ALL ELECTIONS MADE ON THE "SALE OF RIGHTS" OPTION ON DTCC. ALL DISCLOSED, NON-SPANISH RESIDENTS WILL BE EXEMPT FROM WITHHOLDING ON THIS ELECTION. ALL DISCLOSED SPANISH RESIDENT INDIVIDUALS ELECTING ON THE SALE OF RIGHTS WILL BE WITHHELD AT 19%. DISCLOSURE CAN BE COMPLETED USING ESP BY SELECTING "RIGHTS" IN THE "ELECTION OPTION" FIELD.

ALL CERTIFICATES OF RESIDENCY AND 6166 DOCUMENTS MUST BE VALID FOR THE 2018 TAX YEAR.

FEES & DEADLINES

FILING METHOD	PAYMENT METHOD	MINIMUM RECLAIM VALUE (USD)	CUSTODIAL FEE	TAX RELIEF FEE	MINIMUM FEE PER BENEFICIAL OWNER	FINAL SUBMISSION DEADLINE (ESP)
RELIEF AT SOURCE (FEE APPLICABLE TO 0% PROCEEDS ELECTIONS ONLY)	VIA DTC	NO MINIMUM	NO FEE	UP TO \$0.0075 PER ADR	NO MINIMUM FEE	JANUARY 18, 2018, 8:00PM EDT (ESP SUBMISSION ONLY; NO COVER LETTER REQUIRED)
QUICK REFUND (CASH OPTION ONLY)	VIA CHECK OR ACH	\$150.00	The greater of 60 EUR or 5% of the reclaim	UP TO \$0.0075 PER ADR	\$25.00	JANUARY 29, 2018, 8:00PM EDT
						<u>DOCUMENTATION DEADLINE:</u> JANUARY 30, 2017 5:00PM EDT
LONG FORM	VIA CHECK OR ACH	\$150.00	The greater of 60 EUR or 5% of the reclaim	UP TO \$0.0075 PER ADR	\$25.00	Decmeber 20, 2021

Warning and Disclaimer:

The information and data contained in this Notice is based on information obtained from multiple sources believed to be reliable. However, J.P. Morgan and its agents do not warrant or guarantee the accuracy or completeness of, nor undertake to update or amend, this information or data. We and our agents expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any of this information or data. The information contained in this Notice is subject to change, including in the and subject to discretion of third parties, and/or pre-emption or being superseded by local market rules, and practices o actions taken by non-U.S. agents or tax authorities. Deadlines often differ from statutory deadlines. You should file claims as soon as possible, and at least six months prior to the specified deadline.


ELIGIBILITY MATRIX – QUICK REFUND & LONG FORM

RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS – CASH OPTION ONLY	DOCUMENTATION REQUIRED	SIGNATURE REQUIRED
UNFAVORABLE - 19%	0%	NON-TREATY COUNTRIES	NONE	1. N/A
FAVORABLE - 18%	1%	BELARUS, KYRGYZSTAN, TURKMENISTAN, UKRAINE	1. EXHIBIT I 2. IRS FORM 6166 (TAX YEAR 2017)	1. YES – DTC PARTICIPANT 2. N/A
FAVORABLE - 15%	4%	ALL U.S. ENTITIES	1. EXHIBIT I 2. IRS FORM 6166 (TAX YEAR 2017)	1. YES – DTC PARTICIPANT 2. N/A
FAVORABLE - 15%	4%	ALGERIA, ANDORRA, ARGENTINA, AUSTRALIA, AUSTRIA, BELGIUM, BOLIVIA, BRAZIL, BULGARIA, CANADA, CROATIA, CUBA, CZECH REPUBLIC, ECUADOR, ESTONIA, FINLAND, FRANCE, GERMANY, HUNGARY, ICELAND, INDIA, INDONESIA, IRELAND, ITALY, JAPAN, KAZAKHSTAN, LITHUANIA, LUXEMBOURG, MACEDONIA, MEXICO, MOROCCO, NEW ZEALAND, NORWAY, PHILIPPINES, POLAND, PORTUGAL, ROMANIA, RUSSIAN FEDERATION, SLOVAKIA, SLOVENIA, SOUTH AFRICA, SOUTH KOREA, TUNISIA, TURKEY, UNITED ARAB EMIRATES, VIETNAM	1. EXHIBIT I 2. CERTIFICATE OF RESIDENCE (TAX YEAR 2017)	1. YES – DTC PARTICIPANT 2. N/A
FAVORABLE - 15%	4%	AUSTRIA, NETHERLANDS, SWEDEN, SWITZERLAND	1. EXHIBIT I 2. CERTIFICATE OF RESIDENCE (TAX YEAR 2017) 3. PETICION DE REDUCCION (QUICK REFUND) 4. PETICION DE DEVOLUCION (STANDARD LONG-FORM)	1. YES – DTC PARTICIPANT 2. N/A 3. YES – DTC PARTICIPANT w/ POA 4. YES – DTC PARTICIPANT w/ POA
FAVORABLE - 12%	7%	COSTA RICA, EL SALVADOR, EGYPT	1. EXHIBIT I 2. CERTIFICATE OF RESIDENCE (TAX YEAR 2017)	1. YES – DTC PARTICIPANT 2. N/A
FAVORABLE - 10%	9%	ALBANIA, ARMENIA, BOSNIA-HERZEGOVENA, CHILE, CHINA, DOMINICAN REPUBLIC, GEORGIA, GREECE, HONG KONG, IRAN, ISRAEL, JAMAICA, LATVIA, MOLDOVA, NIGERIA, PAKISTAN, PANAMA, SENEGAL, SERBIA, THAILAND, TRINIDAD AND TOBAGO, UZBEKISTAN, VENEZUELA	1. EXHIBIT I 2. CERTIFICATE OF RESIDENCE (TAX YEAR 2017)	3. YES – DTC PARTICIPANT 4. N/A
FAVORABLE - 10%	9%	UNITED KINGDOM	1. EXHIBIT I 2. CERTIFICATE OF RESIDENCE (TAX YEAR 2017) 3. PETICION DE REDUCCION (QUICK REFUND) 4. PETICION DE DEVOLUCION (STANDARD LONG-FORM)	1. YES – DTC PARTICIPANT 2. N/A 3. YES – DTC PARTICIPANT w/ POA 4. YES – DTC PARTICIPANT w/ POA
FAVORABLE - 5%	14%	BARBADOS, COLOMBIA, CYPRUS, KUWAIT, MALAYSIA, MALTA, SAUDI ARABIA, SINGAPORE, URUGUAY	1. EXHIBIT I 2. CERTIFICATE OF RESIDENCE (TAX YEAR 2017)	1. YES – DTC PARTICIPANT 2. N/A
EXEMPT - 0%	19%	BENEFICIARIES LISTED IN EXHIBIT II PENSION FUNDS OF CANADA, PANAMA, SWITZERLAND, UNITED KINGDOM PENSION FUNDS OF EUROPEAN UNION	1. EXHIBIT I 2. INCORPORATION DOCUMENT (FOR BENEFICIARIES ON EXHIBIT II ONLY) 3. CERTIFICATE OF RESIDENCE (FOR LISTED PENSION FUNDS ONLY – TAX YEAR 2017) 4. ANNEX VI (EU PENSIONS ONLY) 5. POWER OF ATTORNEY (IF PARTICIPANT IS SIGNING ANNEX VI ON BEHALF OF BENEFICIARY)	1. YES – DTC PARTICIPANT 2. N/A 3. YES – DTC PARTICIPANT w/ POA 4. YES – DTC PARTICIPANT w/ POA

*Note: All documents listed in [BLUE FONT](#) are generated by GlobeTax's ESP website after submission of beneficial owner data.

DESCRIPTION OF VARIOUS DOCUMENTATION	
DOCUMENT NAME	DESCRIPTION
EXHIBIT I (ESP COVER LETTER)	- Listing of beneficial owner information (name, address, tax identification number, number of shares)
IRS FORM 6166	<p>https://www.irs.gov/individuals/international-taxpayers/form-6166-certification-of-u-s-tax-residency</p> <ul style="list-style-type: none"> - Must mention the treaty between the country of residence and Spain - Must state the tax year/period which encompasses the dividend's local pay date - If you have submitted an original 6166 for this security during this tax year, only a copy of the 6166 needs to be provided.
CERTIFICATE OF RESIDENCY	<ul style="list-style-type: none"> - Certified by tax administration of beneficiary's country of residence, stating (in English or Spanish) the name and tax payer identification number of the beneficial owner - Must mention the treaty between the country of residence and Spain - Must state the tax year/period which encompasses the dividend's local pay date - If you have submitted an original COR for this security during this tax year, only a copy of the COR needs to be provided.
PETICION DE REDUCCION & PETICION DE DEVOLUCION	<ul style="list-style-type: none"> - Certified by tax administration of beneficiary's country of residence, stating (in English or Spanish) the name and tax payer identification number of the beneficial owner - Must mention the treaty between the country of residence and Spain - Must state the tax year of the dividend's local pay date
INCORPORATION DOCUMENT	- A copy of the statutes of the entity where it is mentioned that it is a supranational organization.
DIVA (CA WEB) SCREEN SHOT	- A DTCC terminal screen shot indicating the participant's record date position
ANNEX VI	<ul style="list-style-type: none"> - Can be signed by the beneficiary, or legal representative if a POA is provided - Includes the name, residence, and tax payer identification number of the beneficial owner and the legal representative of the pension fund

CONTACT DETAILS	
PRIMARY CONTACT	DANETTE MOORE
DOMESTIC PHONE (U.S.)	1-800-915-3536
DOMESTIC FAX (U.S.)	1-800-985-3536
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
EMAIL ADDRESS	DANETTE_MOORE@GLOBETAX.COM
GROUP EMAIL	SPAINESP@GLOBETAX.COM
COMPANY	GLOBETAX SERVICES INC.
STREET ADDRESS	ONE NEW YORK PLAZA, 34 TH FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	EILEEN CHAN



powered by **GLOBETAX**

J.P. Morgan Chase offers ESP powered by GlobeTax, an electronic withholding tax submission system. This system allows for the secure and simple transfer of beneficial owner level data from the Participant to GlobeTax and creates applicable documentation on the Participants behalf.

Submit the data online through the web site below, print the documents on letterhead, sign them, and mail them to J.P. Morgan Chase/ GlobeTax along with the necessary required documents.

These claims should be submitted through the following website. (Requires a one-time registration)

<https://esp.globetax.com/>

Please contact Ms. Danette Moore at 212-747-9100 or via e-mail at SpainESP@globetax.com if you have any questions about this process.

FREQUENTLY ASKED QUESTIONS (FAQs)

QUICK REFUND QUESTIONS

Is the quick refund process free of charge?	No. This tax quick refund assistance service is wholly voluntary and discretionary and outside the terms and conditions of any applicable deposit agreement. Fees will be charged for this service of up to this service of up to \$0.0075 per depositary receipt with a minimum of \$25.00, and any other charges, fees or expenses payable by or due to JPMorgan Chase or its agents, including the custodian or to tax authorities or regulators. Fees paid to JPMorgan Chase may be shared with its agents and affiliates.
What is the minimum claim value in USD necessary to be eligible for a reclaim?	The minimum reclaim value must be at least \$150.00.
How long does it take to receive payment on quick refund reclaims?	Approximately 10-12 weeks from the quick refund deadline

GENERAL QUESTIONS

Is the long form process free of charge?	No. This tax assistance service is wholly voluntary and discretionary and outside the terms and conditions of any applicable deposit agreement. Fees will be charged for this service of up to \$0.0075 per depositary receipt with a minimum of \$25.00, and any other charges, fees or expenses payable by or due to JPMorgan Chase may be shared with their agents. Including the custodian or to tax authorities or regulators. Fees paid to JPMorgan Chase may be shared with their agents and affiliates.
What is the minimum claim value in USD necessary to be eligible for a reclaim?	The minimum reclaim value must be at least \$150.00.
How long does it take to receive payment on standard long form reclaims?	Approximately one year
Can I submit one IRS form 6166 or certificate of residency for the same beneficiary for multiple pay dates?	Yes. As long as the COR has a tax year the same year as the local pay date it may be used again. You can access this information via ESP.
What is the difference between the Peticion de Reduccion and the Peticion de Devolucion?	The forms are similar; however, the Peticion de Reduccion is for the quick refund process and the Peticion de Devolucion is for the standard long form process
How long do I have to reclaim on this dividend?	Until June 4, 2021 . Anything received between the market deadline and the dividend's local pay date, we will try our best to file.
Will Globetax accept claims filed directly to them by beneficial owners?	Globetax only accepts claims filed by the DTCC participant who was holding the securities through DTC and only to the extent that DTC has reported these holdings to us as valid.
Are there special requirements on the certificate of residency for Canadian, Swiss, and UK pension funds?	The certificate of residency must explicitly mention the old DTT in which these type of persons were not tax exempted. Example: "Certifies that the pension scheme is resident in Canada in accordance of the article 10 of the DTT as modified by protocol signed between Canada and Spain on mm/dd/year."

FORMS AND ATTACHMENTS

**Double click on respective icon to view attachment.*

EXHIBIT I – COVER LETTER

***For Non-ESP users ONLY*



EXHIBIT I.PDF

APPENDIX A – EXCEL BREAKDOWN

***For Non-ESP users ONLY*



Microsoft Excel
Worksheet

EXHIBIT II – LIST OF TAX-EXEMPT ENTITIES



EXHIBIT II.pdf

PETICION DE DEVOLUCION & REDUCCI3N

NETHERLANDS: <http://www.minhap.gob.es/Documentacion/Publico/NormativaDoctrina/Tributaria/CDI/Formularios/Holanda-EE-RPB-Devolucion.pdf>

UK: <http://www.minhap.gob.es/Documentacion/Publico/NormativaDoctrina/Tributaria/CDI/Formularios/UK-EE-RU-Devolucion.pdf>

OTHERS: <http://www.minhap.gob.es/es-ES/Normativa%20y%20doctrina/Normativa/CDI/Paginas/Formularios%20CDI.aspx>