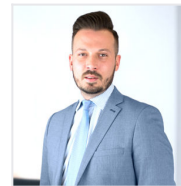




General Electric Completes 1-for-8 Reverse Stock Split

AUTHOR / KEY CONTACT



Luke Marshall
Associate

✉ Luke.Marshall@La-law.com
☎ 01202 702615

In July of last year, General Electric Company (GE) completed a 1-for-8 reverse stock split of its common stock. This reduced the number of outstanding shares of GE common stock from approximately 8.8 billion to approximately 1.1 billion. The new post-split stock began trading on various stock markets on 2 August 2021.

Those who reside in the UK who were shareholders of pre-split GE common shares should have received correspondence from the US-based transfer agent, EQ Shareowner Services (EQ), informing them of the stock split. To convert the pre-split shares to the new post-split shares, EQ will have requested the completion of a letter of transmittal together with the return of any original GE share certificates for cancellation.

As part of the letter of transmittal, the person signing must ensure their signature is accompanied by a Medallion Signature Guarantee (Medallion). For UK deceased estates, the executor(s) will be required to sign the letter of transmittal on behalf of the deceased shareholder and ensure they obtain a Medallion through an authorised provider in the UK.

For further information on what a Medallion is, please [click here](#).

Following submission of a completed letter of transmittal, shareholders of pre-split GE shares will receive new adjusted shares based on the ratio of 1-for-8, meaning that for every eight pre-split shares held, one new post-split share will be issued. The post-split shares will be issued in book-entry format, also known as electronic format, meaning that instead of receiving a physical share certificate representing your holding, you will receive a paper share statement confirming the number of new post-split shares. GE will not issue share certificates for the new post-split shares.

If the number of pre-split shares held was not evenly divisible by eight, shareholders will receive a cheque in lieu of receiving a fractional share.

Unless a valid W-8BEN form was registered and active on the shareholding account, most international shareholders will find that any fractional sale proceeds will have withholding tax deducted.

Unfortunately, the deduction of withholding tax is something that we frequently see in estates. Examples include executors that have not been able to finalise the death registration on a holding prior to a stock split, or before

a merger or acquisition completing and did not file a valid W-8BEN form with the papers that have been submitted.

Regardless of any stock action, executors can find that dividends or sale proceeds on US shareholdings can be subject to withholding tax of up to 30% if a valid W-8BEN form is not included as part of the death registration process or if one is completed incorrectly.

If you are attending to an estate where the deceased held GE shares and you require assistance with the death registration process, please get in touch with the [International Private Client](#) team at Lester Aldridge who would be happy to discuss how we may be able to assist you.