What are ADRs?
American Depositary Receipts (ADRs) are dollar-denominated securities which represent ownership of equity in non-US companies. ADRs trade, clear and settle like any US shares and are held in US custody.

Benefits of ADRs
- ADRs allow US investors to trade locally in non-US companies;
- Dividends are paid in US dollars and the dividend tax re-claim process is taken care of by the depositary bank, typically reducing dividend tax to the US level (with the actual tax rate depending on the investor’s individual circumstances);
- Global custodian safekeeping fees are eliminated when holding ADRs which usually make holding ADRs less expensive.

Overview of Roche’s ADR program
Roche’s ADR is on OTCQX International Premier under the symbol RHHBY. Currently, eight (8) ADRs represent one (1) underlying non-voting equity security. The Roche ADR facility was initiated in 1992 when one (1) ADR represented one hundredth (1/100) of one underlying non-voting equity security. The current ADR ratio is a result of several splits and ratio changes.

Are ADRs unique to Roche?
No. There are thousands of other non-US companies that have ADRs trading on US secondary markets, including well-known global issuers. For a list of companies with ADR programs, please go to www.adr.com.

What is the role of Roche’s depositary bank?
As Roche’s depositary bank, J.P. Morgan issues and cancels Roche’s ADRs, serves as transfer agent, maintains the register of ADR holders, helps reclaim Swiss withholding taxes on cash dividends for ADR holders, and distributes dollar-denominated dividends to ADR holders.

How liquid are Roche ADRs?
In 2019, the average daily trading volume in Roche ADRs was 1,227,495 ADRs. It should be noted that the supply of Roche ADRs is not limited to their US trading. Through J.P. Morgan, Roche’s depositary bank, registered broker-dealers can have ADRs issued or cancelled when an investor wishes to acquire or dispose of them. Accordingly, ADR liquidity is generally equivalent to that of the underlying securities traded in the issuer’s home market. Sometimes issuance and cancellation can be advantageous to trading ADRs in the US market.