

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 17 OF THE  
MARKET ABUSE REGULATION (EU) 596/2014**

**Announcement by BlackRock Greater Europe Investment Trust plc  
Adjustments to Net Asset Value of BlackRock Greater Europe Investment Trust plc  
Issued on 11 June 2020**

**Summary**

The Board of BlackRock Greater Europe Investment Trust plc (the “**Company**”) is pleased to announce a positive adjustment of 72 basis points to the net asset value (“**NAV**”) of the Company for 10 June 2020 due to the recognition of an expected receipt of tax reclaims on foreign income and the release of related provisions in the Company’s accounts, as explained below.

As the Board has determined that the future receipt of these tax reclaims is now virtually certain, an increase of £2,573,002 (reflecting both the expected tax refund and release of a related provision in the accounts, explained below) has been applied as revenue through the Company’s profit and loss account for 10 June 2020.

**Background**

The Company’s investments include shares issued by both UK companies and non-UK companies. Until 2009, while dividends paid to the Company by UK companies were not subject to UK corporation tax, dividends paid to the Company by non-UK companies were subject to UK corporation tax, although credit could be given for any withholding tax suffered. A number of cases challenging this difference in treatment, on the basis that it was illegal under European Union law, were commenced against the UK tax authorities (“**HMRC**”). The litigation most relevant to the Company was commenced in 2003 in the UK High Court, pursuant to the terms of a group litigation order (“**GLO**”). The Prudential Assurance Company Limited ultimately became the test case under the GLO.

The Company took a number of measures to protect its investors in relation to this matter, including filing tax returns for accounting periods to 31 August 2007, 31 August 2008 and 31 August 2009 (the “**relevant accounting periods**”) on the basis that foreign dividends were exempt from UK corporation tax, and commencing proceedings against HMRC in the UK High Court (which led to the Company enrolling in the GLO in 2013). In 2018, the Company also filed related statutory claims for double tax relief.

On 25 July 2018, the UK Supreme Court handed down its judgment in the Prudential case, ruling that dividends on non-UK portfolio shareholdings were taxable but that credit should be given for the underlying foreign tax at the foreign nominal corporate income tax rate of the source country. Litigation is ongoing in relation to the validity of various procedural defences raised by HMRC which will be relevant to the Company’s ability to be able to succeed in its existing High Court claim.

The Company has, however, now received correspondence from HMRC accepting the entitlement of the Company to a repayment of UK corporation tax suffered in the relevant accounting periods in relation to dividends from non-UK companies. While the amount of the repayment has not been formally agreed with HMRC, and as such a degree of residual uncertainty remains, the Company now considers receipt of a repayment is sufficiently certain that it should make an accrual for accounting purposes to reflect such treatment.

The corporation tax refund expected to be received by the Company following HMRC’s acceptance of the claims for the relevant accounting periods amounts to £1,400,356.

HMRC’s acceptance of the claims also permits us to release a related accounting provision which was in place should the Company be required to pay additional corporation tax in relation to foreign withholding tax adjustments. This provision is no longer required and results in an additional credit of £1,172,646 for the Company. The aggregate impact of reflecting both the release of these provisions and the expected tax refunds amounts to £2,573,002.

The accounting rules applicable to the Company determine that an uncertain tax receivable shall be accrued in the NAV of the Company when, in the view of the Board, the successful future receipt of such receivable is virtually certain. The Board's current assessment is that the future receipt of the tax reclaims described above is virtually certain and so meets this threshold.

Consequently, the aggregate amount of £2,573,002 was applied as revenue through the Company's profit and loss account for 10 June 2020.

The person responsible for making this announcement is Caroline Driscoll, Company Secretary.

**For further information, please contact:**

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