LOYENS LOEFF

ATTORNEYS AT LAW • TAX ADVISERS • CIVIL LAW NOTARIES

European Holding Regimes 2012

Comparison of Selected Countries

Introduction

We are pleased to present the seventh edition of our European Holding Regimes publication, which provides a concise and practical tool to compare the main features of certain European holding company regimes. Initially developed as an internal tool for our tax practitioners, the popularity of such tool has led to the decision to share its usefulness on a wider basis with our friends and clients. We hope that you will find this annual update of the publication useful and that it will find its permanent place on your desk.

We have again included a list of the income tax treaties concluded by each of the jurisdictions, in order to give an idea of the extent of the treaty network of each jurisdiction.

The European jurisdictions included in this publication were selected based on a number of factors, including the overall tax aspects of the regime and the frequency of their use in our practice. Nevertheless, the inclusion (or non-inclusion) of particular jurisdictions does not entail judgment by Loyens & Loeff in favor of (or against) certain jurisdictions. As additional countries implement holding company regimes, and existing holding company regimes are amended, this is an area that is continuously in development. The selected countries are included in alphabetical order.

This publication is intended as a tool for an initial comparison of the most relevant tax aspects of the selected holding company regimes, and should not be used as a substitute for obtaining local tax advice.

With respect to the selected jurisdictions in which Loyens & Loeff has offices with a domestic practice (Belgium, Luxembourg, the Netherlands and Switzerland), such offices have provided the information contained herein. With respect to the United Kingdom, the information was gathered from publicly available sources and reviewed by various local tax experts. With respect to the other jurisdictions, we obtained the information from the firms listed below. We gratefully acknowledge the contributions of each of those firms. Additional information regarding the holding company regime in the selected jurisdictions may be obtained by contacting one of the Loyens & Loeff offices at the addresses shown on the back cover or one of the contributing firms via their website shown below or the contact persons listed on the last page of this publication.

Cyprus	Andreas Neocleous & Co	www.neocleous.com
Denmark	Kromann Reumert	www.kromannreumert.com
Hungary	Gide Loyrette Nouel	www.gide.com
Ireland	Matheson Ormsby Prentice	www.mop.ie
Malta	Francis J. Vassallo & Associates	www.fjvassallo.com
Spain	Cuatrecasas	www.cuatrecasas.com
Sweden	Mannheimer Swartling	www.mannheimerswartling.se

The information contained in this publication is based on the applicable laws in effect as per January 1, 2012.

Loyens & Loeff New York
Veronique Sway, editor

Table of contents

Part I: Belgium, Cyprus, Denmark, Hungary, Ireland and Luxembourg

Part II: Malta, the Netherlands, Spain, Sweden, Switzerland and the United Kingdom

European Holding Regimes 2012

Part I

1. Tax on capital contributions

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
There is a flat fee of EUR 25.	Registration of a limited company is subject to a registration fee of EUR 102 plus capital duty of 0.6% of the authorised capital and of any subsequent increases in authorised capital. An annual company maintenance fee of €350 is payable to the Registrar of Companies. **Exemptions** All contributions with regard to a merger or reorganization are exempt. This also applies where non-EU member states are involved. Dormant companies and certain others are exempt from the company maintenance fee.	There is no capital contribution tax in Denmark in connection with subscription for shares.	There is no capital tax in Hungary. Stamp duty is levied on the registration of a company in the Company Register and on any changes made to the data so registered. Stamp duty is, for instance, levied in an amount of: • HUF 100,000 in the case of the registration of a private stock company or a limited liability company; • HUF 600,000 in the case of registration of a public stock company or a European Company; • HUF 100,000 in the case of the registration of any other entity with legal personality; • HUF 50,000 in the case of the registration of a branch office, and • HUF 50,000 in the case of registering a representative office. If the registered capital of the company is amended, the stamp duty is levied at 40% of the above amount due upon the incorporation of the company (see above).	There is no capital contribution tax in Ireland in connection with subscription for shares.	There is no tax on capital contributions in Luxembourg.

2. Corporate income tax

2.1 Corporate income tax ('CIT') rate

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
33.99% (33% increased by a crisis surcharge of 3%). The 'notional interest deduction' may further reduce the effective rate to, e.g. 10%, depending on the company's equity position. The notional interest deduction allows Belgian companies to deduct a notional amount from their taxable income. The notional amount is calculated on the company's equity position (the equity position has, however, to be reduced by among others the net fiscal value of shares qualifying as fixed financial assets). Specific conditions apply.	The general applicable tax rate is 10%. **Special Defense Contribution Tax** Interest received other than in, or closely related to, the ordinary course of business is subject to a 15% special defense contribution tax ('SDC Tax') on the amount received, without any deduction for costs of earning the interest. The SDC Tax is withheld at source if it concerns interest income received from Cyprus, otherwise by assessment on the basis of a tax return. Interest received in, or closely related to, the ordinary course of business is not subject to SDC Tax, but is subject to corporate income tax at the general rate of 10% mentioned above.	25%	The CIT rate is 10% up to a tax base of HUF 500 million and 19% for the excess. **Licensing incentive** 50% of royalty revenues are exempt from CIT regardless of whether received from a related or unrelated party. **Minimum tax** If both the pre-tax profit and the tax base of an entity are less than the 'minimum tax base', i.e. 2% of the entity's total revenues reduced by the cost of goods sold, the cost of intermediary services and adjusted by certain items (e.g. income attributable to a permanent establishment abroad), the minimum tax base will apply, unless the taxpayer chooses to provide a special declaration detailing its cost and income structure proving that its general tax base is accurate. **Local business tax** Hungarian companies are also subject to a turnover-based municipality tax at a maximum rate of 2% of the modified turnover.	The rate is 12.5% on the profits of trading income and 25% on the profits of passive income. However, certain trading dividends from foreign subsidiaries located in an EU member state or in a country with which Ireland has a double tax treaty or whose principal class of shares (or the shares of a 75% parent company) is traded on a recognized stock exchange are taxed at 12.5%. This relief also applies to countries with which Ireland has signed a double taxation treaty but which has not yet been ratified (Armenia, Bosnia and Herzegovina, Kuwait, Morocco, Panama and Saudi Arabia).	Effective combined maximum rate applicable to profits is 28.8% consisting of national corporate income tax, municipal business tax and contribution to the unemployment fund. **Minimum tax** An annual minimum flat tax of EUR 1,575 (including surcharge) applies to Luxembourg companies whose assets consist for more than 90% of financial fixed assets, transferable securities and cash items, unless such a company conducts activities that require regulatory or ministerial approval. **Net wealth tax** Annual net wealth tax (0.5%) levied on the net assets of a company as per January 1 of each year. Participations that qualify for the participation exemption on dividends are exempt from net wealth tax. See 2.2 below for the applicable conditions, except for the 12 months holding period requirement which is not applicable for the exemption from net wealth tax.

2.2 Dividend regime (participation exemption)

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
95% of dividends received are exempt from CIT if the participation meets the following cumulative conditions: • minimum participation of at least 10% or with acquisition value of EUR 2.5 million; • held (or commitment to hold) in full property for at least 12 months; • subject-to-tax requirement: dividends will not be exempt if distributed by: a) a company that is not subject to Belgian CIT or to a similar foreign CIT or that is established in a country the normal tax regime of which is substantially more advantageous than the normal Belgian tax regime; b) a finance company, a treasury company or an investment company subject to a tax regime that deviates from the normal tax regime; c) a company receiving foreign non-dividend income that is subject to a separate tax regime deviating from the normal tax regime in the company's country of residence;	In principle all dividends derived from a foreign participation are fully exempt from tax, unless the "passive dividend" rules apply. No minimum participation or minimum holding period requirement applies. The "passive dividend" rules apply if more than 50% of the paying company's activities result directly or indirectly from investment income and the foreign tax is significantly lower than the tax rate payable in Cyprus. Both conditions must be met for the rules to be triggered. If they do apply, the dividend will be subject to 20% SDC Tax. The 50% test requires a quantitative assessment of the foreign subsidiary's activities. The test is applied on a company to company level with reference to direct and indirect activities. Where no tax is payable by the foreign subsidiary because of a local tax exemption, the tax burden of the foreign subsidiary for the purposes of the tax burden aspect of the "passive dividend" test is zero. SDC tax is payable on the full dividend if the "passive	Dividend income is exempt from taxation if the Danish holding company holds either (i) at least 10% of the shares of the subsidiary and the taxation of dividends is reduced or eliminated pursuant to the EU Parent-Subsidiary Directive or pursuant to a double tax treaty, or (ii) shares in a company in which the shareholder of the company and the company are jointly taxed or meet the criteria for international joint taxation (consolidated companies), usually implying that the holding company controls, directly or indirectly, more than 50% of the votes. Special rules apply if the subsidiary or a subsidiary on a lower level can deduct the dividend payment to the Danish holding company. If either condition (i) or (ii) is met, all dividends derived from the shares are tax exempt. It is irrelevant whether the subsidiary is subject to taxation, but special rules apply if the participation is deemed a 'CFC'. Danish CFC taxation (mandatory joint taxation of the Danish parent and its foreign subsidiary) generally applies:	Dividends received by Hungarian companies either from Hungarian or from foreign subsidiaries are exempt from corporate income tax, except for dividends received from a CFC. A foreign company will constitute a CFC if: (i) either (a) it has a shareholder who is a Hungarian tax resident private individual holding an interest (voting rights) of at least 10% or a 'dominant' quota during the majority of the days of the tax year, or (b) the majority of its revenues during the tax year are derived from Hungarian sources; and (ii) either (a) the ratio of the corporate income tax paid (payable) by the foreign company (decreased by any tax refunded) and the tax base is less than 10%, or (b) no corporate income tax is due as the foreign company's tax base is zero or negative despite its positive profits. As an exception, a foreign company meeting the above conditions will not constitute a CFC if: (i) it is seated or resident in an EU member state,	Ireland operates a 'credit' system as opposed to a participation exemption. The law provides for a system of onshore pooling of tax credits to deal with the situation where foreign tax on dividends exceeds the Irish tax payable (being either at the 12.5% or 25% rate). Foreign tax includes any withholding tax imposed by the source jurisdiction on the dividend itself as well as an amount of underlying foreign tax. The onshore pooling system enables companies to mix the credits for foreign tax on different dividend streams for the purpose of calculating the overall credit. Thus, any excess 'credit' on one dividend may be credited against the tax payable on another dividend received in the accounting period. Foreign underlying tax includes corporation tax levied at state and municipal level and withholding tax. In this respect, it is possible to look through any number of tiers of subsidiaries. Where the relevant rate of taxation on dividends received in Ireland is 12.5% or 25%, as the case may be, to the extent that credits received for foreign tax equal or exceed the applicable	Dividends are fully exempt from CIT if the participation meets the following cumulative conditions: • a minimum participation of at least 10% or with an acquisition price of at least EUR 1.2 million; • the participation is (i) fully subject to Luxembourg CIT or a comparable foreign tax (i.e. a tax rate of at least 10.5% and a comparable tax base) or (ii) is an EU entity qualifying under the EU Parent-Subsidiary Directive; and • on the distribution date, the holding company must have held a qualifying participation continuously for at least 12 months (or must commit itself to hold such a participation for at least 12 months). Note that many tax treaties concluded by Luxembourg grant a participation exemption for dividends under conditions different than those listed above. Once the minimum threshold and holding period are met, newly acquired shares of a qualifying participation will immediately qualify for the participation exemption. Dividends (excluding

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
d) a company realizing profits through one or more foreign branches subject in global to a tax assessment regime that is substantially more advantageous than the Belgian regime; e) an intermediary company (re) distributing dividend income of which 10% or more is 'contaminated' pursuant to the above rules. The Belgian tax authorities have published a list of countries the standard tax regime of which is deemed to be substantially more advantageous than the Belgian regime. Generally, this will be the case if the standard nominal tax rate or the effective tax rate is lower than 15%. However, the tax regimes of EU countries are deemed not to be more advantageous, irrespective of the applicable rates. Note that under circumstances exceptions to one or some of the subject-to-tax requirements are available for e.g. EU-based finance companies and investment companies that redistribute at least 90% of their net income. Also for certain intermediary	dividend" rules are triggered. **EU subsidiaries** Dividends derived from an EU passive investment subsidiary may be caught within the ambit of the "passive dividend" rules described above. However, the effect is mitigated by the fact that a tax credit is available in Cyprus for the underlying corporate income tax suffered by the EU passive investment subsidiary and any lower tier subsidiaries. **Finance subsidiaries** Financing activities that fulfill the conditions set out in paragraph 2.1 above for interest to be treated as arising in the ordinary course of business are considered to be trading activities and the resultant income is not considered to be passive income. Consequently, dividends derived from a group financing company which fulfils such conditions are exempt from the SDC Tax.	• the parent company holds directly or indirectly more than 50% of the votes in the subsidiary; • the subsidiary's financial income exceeds 1/2 of the subsidiary's total taxable income (calculated on the basis of Danish tax rules); and • the value of the subsidiary's financial assets on average during the income year, exceeds 10% of the subsidiary's total assets. Only financial income taxable in accordance with Danish legislation should be taken into account in the calculation of whether more than 1/2 of the income in a subsidiary is of a financial nature. Holdings in the same country are consolidated in relation to the financial income test for CFC purposes. Valuation of the subsidiary's financial assets is calculated on the basis of book values. If the conditions for exemption are not met, the Danish parent company may obtain credit relief for tax paid by the foreign subsidiary and for any dividend withholding tax levied.	an OECD member state or a treaty country, and has a 'real economic presence' there (meaning that at least 50% of the company's group-level revenues derives from manufacturing, processing or e.g. commercial services performed by using its own assets and employees), or (ii) at least 25% of the foreign company's shares are held on each day of the tax year by a company or its affiliate that has been listed on a recognized stock exchange for at least five years on the first day of the tax year. The CFC related circumstances should be evidenced by the taxpayer. Although dividends are exempt from CIT, dividend income is taken into account when determining the tax base for the purpose of the minimum tax (see 2.1 above), if applicable. Consequently, at least 2% of the dividends received may be subject to CIT at the rates specified under 2.1 above. **CFC's undistributed profits** In certain cases, the undistributed profit of a CFC due to a direct Hungarian corporate shareholder of at least 25% or having a 'dominant' quota becomes	Irish rate of 12.5% or 25%, then there will be no tax payable in Ireland. The pooling of dividends will apply separately to dividends taxed at the 12.5% rate and dividends taxed at the 25% rate. Unused credits can be carried forward indefinitely and offset similarly in subsequent accounting periods. The credit system applies where the Irish holding company holds a 5% shareholding in the relevant subsidiary. These provisions apply to dividends received from all countries. Apart from the above-discussed credit system, dividends received by a portfolio investor which form part of such investor's trading income are exempt from Irish corporation tax. Portfolio investors are companies which hold not more than 5% of the share capital (either directly or together with a connected person) and not more than 5% of the voting rights of the dividend paying company.	liquidation distributions) derived from a participation which meets the second condition (subject-to-tax requirement), but not (all of) the remaining conditions, are exempt for 50%. Such exemption only applies if the participation is resident in a treaty country or is a qualifying entity under the EU Parent-Subsidiary Directive.

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
companies, exceptions to the exclusion from the participation exemption may apply. The same is true for companies with low taxed foreign branches.			taxable in the shareholder's hands, pro-rated to his quota held on the last day of the tax year. This rule does not apply – i.e. the undistributed profit triggers no CIT – if a Hungarian tax resident private individual shareholder holds an interest (voting rights) of at least 10% or has a 'dominant' quota in the aforementioned Hungarian corporate shareholder of the CFC. Naturally, when actually distributed later on, the previously taxed CFC income will not be taxed for a second time. In addition, upon the subsequent alienation of such shares due to the reduction of the CFC's capital or the termination of the CFC without succession, the earlier tax on the undistributed profits will become recoverable. **Local business tax** Dividends received are not subject to local business tax.		

2.3 Gains on shares (participation exemption)

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
Gains realized by the holding company on the alienation of shares are fully exempt from Belgian CIT, provided the shares relate to participations that meet the ‘subject-to-tax’ requirement as described under 2.2 above. No other requirements apply. Only the net gain realized will be exempt, i.e. after the deduction of the alienation costs (e.g. notary fees, bank fees, commissions, publicity costs, consultancy costs etc.). **Unrealized Gains** Unrealized gains are exempt from CIT (i) to the extent that they are booked in an unavailable reserve account and (ii) to the extent that - should the gains not be booked - they do not correspond to previously deducted losses. If shares are later disposed of, the reserve account can be released without triggering any CIT, provided the gain relates to a participation that meets the ‘subject-to-tax’ requirement described above.	In principle any profits from the disposal of securities (shares, bonds, debentures, founder’s shares and other company securities) are exempt from taxation. Gains from the sale of shares of unlisted companies owning immovable property in Cyprus are subject to capital gains tax at 20% to the extent that the gains are derived from such property.	Gains realized on the disposal of shares are fully exempt from CIT under the same conditions as described under 2.2 above for dividends. However, if the shareholder is considered to be professionally trading in shares, gains are taxed, even if the conditions are met. Capital gains on shares which do not meet the requirements for exemption are subject to 25% tax. The gain is taxed as ordinary company income. Gains on listed shares are generally taxable according to the mark-to-market principle. According to the mark-to-market principle, each year’s taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on accrual basis even if no shares have been disposed of and no gains or losses have been realized. With respect to gains on unlisted shares, the shareholder may elect taxation according to the realization principle.	Gains realized on a shareholding in another (Hungarian or foreign) company are in principle subject to CIT (10%/19%). However, capital gains on the sale of qualifying participations and on the transfer of qualifying participations by way of a contribution in kind are exempt from CIT, unless held in a CFC. To qualify for the exemption, the participation should be a so called ‘registered’ or ‘reported’ participation: • the participation is at least 30%; • has been held for at least one year; and • has been reported to the tax authority within 60 days of acquisition. Other than the above, there is a CIT exemption for gains on shares realized due to a • reduction of capital, or • a termination without legal succession, excluding again all CFC subsidiaries. This exemption is also available for qualifying participations even if sold within one year. A deferral of CIT can also be sought on gains in the case of a preferential transformation or preferential	The disposal of shares in a subsidiary company (referred to in the law as the ‘investee’) by an Irish holding company (referred to in law as the ‘investor’) is exempt from Irish capital gains tax in certain circumstances. An equivalent exemption applies to the disposal of assets related to shares, which include options and securities convertible into shares. The exemption is subject to the following conditions: • the investor must directly or indirectly hold at least 5% of the investee’s ordinary share capital, be beneficially entitled to not less than 5% of the profits available for distribution to equity holders of the investee company and be beneficially entitled to not less than 5% of the assets of the investee company available for distribution to equity holders. Shareholdings held by other companies which are in a 51% group with the investor company may be taken into account; • the shareholding must be held for a continuous period of at least twelve months in the 2 years prior to the disposal; • the investee company business must consist	Gains (including currency exchange gains) realized on the alienation of a participation are exempt from CIT under the following conditions: • a minimum participation of 10% or with an acquisition price of at least EUR 6 million was held; • the participation is (i) fully subject to Luxembourg CIT or a comparable foreign tax (i.e. a tax rate of at least 10.5% and a comparable tax base) or (ii) is an EU entity qualifying under the EU Parent-Subsidiary Directive; and • the holding company has held a qualifying participation continuously for at least 12 months (or must commit itself to hold such a participation for at least 12 months). Once the minimum threshold and holding period are met, newly acquired shares of a qualifying participation will immediately qualify for the participation exemption. The capital gains exemption described in this paragraph does not apply to the extent of the previously deducted expenses, write-offs and capital losses relating to the respective participation

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
			exchange of shares under certain conditions, largely in line with the EC Merger Tax Directive. Special rules may apply to the gains on the sale of shares if the shares are held in a company that owns local real estate which was formerly qualified as agricultural land and such real estate represents more than 75% of the total value of the company's assets (adjusted by certain items).	wholly or mainly of the carrying on of a trade or trades or alternatively, the test may be satisfied on a group basis where the business of the investor company, its 5% subsidiaries and the investee (i.e. the Irish holding company and its subsidiaries) when taken together consist wholly or mainly of the carrying on of a trade or trades; and • the investee company must be a qualifying company. A qualifying company is one that: (i) does not derive the greater part of its value from Irish land/ buildings, minerals, mining and exploration rights; and (ii) is resident in the EU (including Ireland) or in a double taxation agreement jurisdiction or jurisdiction with which Ireland has signed a double taxation treaty but which has not yet been ratified (Armenia, Bosnia and Herzegovina, Kuwait, Morocco, Panama and Saudi Arabia).	(recapture). Such a recapture can in principle be offset against any carry forward losses resulting from previously deducted expenses, write-offs and capital losses.

2.4 Losses on shares

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
Losses incurred on a participation, both realized and unrealized, cannot be deducted, except for (realized) losses incurred upon liquidation of the subsidiary up to the amount of the paid-up share capital of that subsidiary.	Losses incurred on the disposal of shares are not tax deductible unless the shares are in an unlisted company holding real estate in Cyprus. A loss on the shares of such a company is deductible from current year capital gains deriving from the disposal of (i) Cyprus real estate or (ii) shares of an unlisted company which holds Cyprus real estate. Unused losses may be carried forward to subsequent years for offset against future taxable capital gains.	Losses on shares are not deductible if the losses concern shares which meet the requirements for the participation exemption as set forth under 2.2 above. In other cases, the losses are deductible. Deductible losses on unlisted shares, for which the realization principle has been elected, may be set off against losses on other unlisted shares not meeting the requirements for the participation exemption. Deductible losses on listed shares, and on unlisted shares taxed according to the mark-to-market principle, may be deducted against other income. Deductible losses may be carried forward indefinitely, but may not be carried back.	Capital losses on shares are generally deductible. However, the impairment, the losses and even FX losses realized on participations in a CFC or on qualifying participations are not deductible for corporate income tax purposes.	Depreciation on the value of the underlying subsidiary shares is not tax deductible. In certain circumstances where the taxpayer suffers an entire loss, destruction, dissipation or extinction of an asset, the taxpayer may make a claim to the Inspector of Taxes responsible for that taxpayer and when the Inspector is satisfied that the value of the asset has become negligible, the Inspector may allow a claim whereby the taxpayer is deemed to have sold and immediately reacquired the asset for consideration of an amount equal to the value specified in the claim, thus crystallizing a capital loss. This capital loss is only deductible against capital gains. However, where the disposal would have qualified for relief from capital gains taxation under the exemption referred to under 2.3 above a claim for loss of value cannot be made. Capital losses incurred on the transfer of shares are only deductible against capital gains.	Write-offs and capital losses on a participation (including currency exchange losses) are deductible, except if it concerns a write-off in relation to a pre-acquisition dividend. Note that the deducted write-offs and capital losses may be recaptured in a future year if a capital gain is realized on the alienation of the respective participation (see under 2.3 above).

2.5 Costs relating to the participation

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
Costs relating to the acquisition and/or the management of the participation are deductible under the normal conditions. Such costs include interest expenses related to acquisition debt.	The general position is that all outgoings and expenses wholly and exclusively incurred by a company in the production of its taxable income and evidenced by adequate supporting documentation will be allowed as deductible, and there are no specific limitations for the deduction of expenses related to the acquisition of a participation. There are no thin capitalization rules in Cyprus. Currency gains are taxable, and taxpayers in Cyprus are required to opt for one of two methods of taxation of exchange gains and losses of a revenue nature. The method chosen must then be followed consistently for all future transactions and accounting periods. The two methods are: (i) currency exchange results, whether realized or unrealized, are chargeable to tax in case of a profit or deductible in case of a loss; or (ii) only realized currency exchange results, whether profit or loss, are taken into account in computing taxable income.	A Supreme Court decision from late 2011 seems to lay down that general business expenses related to the participation may not be deductible if income from the participation is tax exempt. A further Supreme Court decision relating to this matter is expected early 2012. Expenses closely related to acquiring shares may only be added to the cost base of the shares. Regarding interest expenses, thin capitalization rules and two additional rules limiting the deductibility of net financing expenses apply: • *Thin capitalization* A Danish company with debt from a controlling lender in excess of a 4:1 debt-to-equity ratio at the end of a tax year cannot deduct interest expenses or capital losses relating to the excess debt, unless it is proven that a third party would have supplied the debt as well under the same terms. Capital losses may be carried forward and set off against capital gains on the debt excess. Interest on controlled debt not exceeding DKK 10,000,000	Costs relating to the participation are generally deductible, but thin capitalization rules apply to interest expenses. Thin capitalization rules apply to both related and third party debts. Interest paid on debts is non-deductible to the extent that a debt-to-equity ratio of 3:1 is exceeded. Debt to financial institutions is excluded for the purpose of this calculation. Taxpayers are able to deduct from the liability considered for thin capitalization purposes the amount of certain receivables (i.e. the liabilities are considered on a net basis). The thin capitalization rules also apply to interest free liabilities in respect of which a market rate of interest is imputed as a result of transfer pricing adjustments. Interest expenses on acquisition loans are generally deductible at holding company level. Care should however be taken if the acquisition is followed by a debt push down via an upstream merger of the holding company and the subsidiary. However, interest paid to a CFC may not be deductible if the business nature of the	Certain expenses related to managing investment activities of 'investment companies' are allowed against the companies total profits. An investment company is defined as any company whose business consists wholly or mainly in the making of investments, and the principal part of whose income is derived from those investments. This can include holding companies whose investment in this case is the subsidiaries. Interest payments relating to the financing of the acquisition of the subsidiaries are as a main rule deductible. However, as an anti-abuse measure, interest relief is generally not available when the interest is paid on a loan obtained from a related party, where the loan is used to acquire ordinary share capital of a company that is related to the investing company, or to on-lend to another company which uses the funds directly or indirectly to acquire capital of a company that is related to the investing company. **Thin capitalization** If securities are issued by the Irish holding company to certain non-resident group	Costs relating to the participation are generally deductible. However, the deduction of such costs is permitted only to the extent they exceed the exempt dividend and capital gains income of that year from the respective participation. Note that the deducted costs may be recaptured in a future year if a capital gain is realized on the alienation respective participation (see under 2.3 above). Currency exchange gains and losses on loans to finance the acquisition of subsidiaries are taxable/ deductible.

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
		is deductible. • *Interest ceiling* A Danish company is only allowed to deduct net financing expenses equal to an amount calculated as the tax value of certain qualifying assets multiplied by a standard rate which is currently 4.5%. • *EBIT-rule* A Danish company is only allowed to reduce its taxable income before deduction of net financing expenses by 80% as a result of net financing expenses.	expenses cannot be proven by the debtor. Similar rules apply to other payments made to a CFC.	companies, any 'interest' paid in relation to the securities is re-classified as a distribution and therefore will not be deductible. The rules relating to dividend withholding tax will then apply. This rule does not apply to interest paid to a company resident in an EU jurisdiction (other than Ireland) or a country with which Ireland has signed a double tax treaty. The taxpayer company may elect that this rule does not apply in a situation where interest is paid by that company in the ordinary course of a trade carried on by that company.	

2.6 Tax rulings

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
The application of the participation exemption regime does not require obtaining a ruling, although in principle this would be possible.	Although there is no general advance tax ruling system, the tax authorities may issue binding advance clearance at the taxpayer's request.	Binding advance tax rulings are available and are either issued by the tax authority or by the Danish National Tax Board, depending on the character, importance and implications, etc. of the matter.	Binding advance tax rulings may be requested in relation to any type of tax in relation to a future transaction which is described in detail. The relevant ministry must issue a ruling within 60 days (or, in case an accelerated procedure is requested, within 30 days). The fee for the ruling is 1% of the transaction value, with a minimum of HUF 1 million and a cap of generally HUF 8 million. In case of an accelerated procedure, the fee is double. The ruling is effective until the legislation or the transaction changes. As an exception, the CIT related conclusions of the ruling may be effective irrespective of tax law changes for three years upon request if certain conditions are met. The fee for such ruling is three times the general fee capped at HUF 15 million. APAs are available to set transfer prices with the tax authorities.	The application of the holding company regime does not require an advance ruling. However, if there is doubt as to the application of the regime, for example, whether the group can be regarded as a trading group for the purpose of a capital gains tax relief, the opinion of the Revenue Commissioners may be sought. This opinion is not binding and ultimately the status of the company will be decided by the individual Inspector of Taxes responsible for that company. However, where full facts are disclosed to the Revenue Commissioners it would be unlikely that the individual Inspector would come to a different view.	The application of the participation exemption regime does not require obtaining advance clearance from the Luxembourg tax authorities. However, such authorities are in general willing to grant advance clearance concerning the application of the participation exemption (e.g. the comparable tax test and other interpretations of the law) and other tax matters that may be relevant for a holding company (e.g. financing). In respect of debt-funded intragroup finance activities, certain conditions must be met in order to obtain advance clearance.

3. Withholding taxes payable by the holding company

3.1 Withholding tax on dividends paid by the holding company

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
25%, which may be reduced by virtue of tax treaties to 15%, 10%, 5% or, in limited circumstances, 0%. For dividends on registered shares issued on or after January 1, 1994, a reduced domestic dividend withholding tax rate of 21% applies under certain conditions. A reduction to 0% applies if the distribution is made to a parent company established in the EU or a tax treaty country, provided that the tax treaty (or another agreement) contains an exchange of information clause and provided that the EU/tax treaty parent company: • holds a participation of at least 10% of the share capital of the dividend distributing company for a period of at least one year (or commitment to hold); • is a tax resident in an EU country/a tax treaty country under that country's domestic tax law and under the tax treaties concluded by that country with third countries; • is incorporated in a legal form listed in the annex to the EU Parent-Subsidiary Directive or a similar form	No dividend withholding tax is levied in Cyprus on overseas distributions to non-residents.	28%, which may be reduced by virtue of tax treaties. **Exemption** According to domestic law, no Danish withholding tax is due on dividends paid by a Danish company if the foreign parent qualifies as a 'company' and the conditions for the participation exemption described under 2.2 above are met. However, if the Danish company and the foreign parent company meet the criteria for international joint taxation (consolidated companies), and the ownership percentage is less than 10%, it is required that the company receiving the dividends is resident of an EU or EEA country and that taxation of dividends is reduced or eliminated pursuant to the EU Parent-Subsidiary Directive or pursuant to a double tax treaty. If the foreign parent company is a company as defined in art. 2, 1, a) of the EU Parent-Subsidiary Directive (certain transparent entities) no withholding tax applies irrespective of the size of participation.	Hungary does not impose withholding taxes on dividend distributions if the recipient is a corporate entity. In the case of dividend distributions to an individual shareholder, withholding tax is in principle levied at a rate of 16%, unless limited by e.g. a double tax treaty to a lower rate.	20%, which may be reduced by virtue of tax treaties to 0% - 15%. **Exemptions** Pursuant to the implementation of the EU Parent-Subsidiary Directive, dividend withholding tax is not due on dividends paid by Irish resident companies to companies resident in other EU jurisdictions who hold at least 5% of the ordinary share capital, provided the anti-abuse provision mentioned under 5 below is met. In addition, domestic exemptions apply if: • the individual shareholder is resident in an EU member state (other than Ireland) or a jurisdiction with which Ireland has a double taxation treaty that is in force or that is signed but not yet ratified (Armenia, Bosnia and Herzegovina, Kuwait, Morocco, Panama and Saudi Arabia); • the parent company is resident in an EU member state (other than Ireland) or a jurisdiction with which Ireland has a double taxation treaty that is in force or that is signed	The domestic dividend withholding tax rate is generally 15%, which may be reduced by virtue of tax treaties to, generally, 5%. A domestic exemption applies if: (a) the dividend distribution is made to (i) a fully taxable Luxembourg resident company, (ii) an EU entity qualifying under the EU Parent-Subsidiary Directive, (iii) a Luxembourg branch or EU branch of such EU entity or a Luxembourg branch of a company that is resident of a treaty country, (iv) a Swiss resident company subject to Swiss corporate income tax without being exempt, or (v) a company which is resident in a country with which Luxembourg has concluded a tax treaty and which is subject to a tax comparable to the Luxembourg corporate tax (i.e. a tax rate of 10.5% and a comparable tax base); and (b) the recipient of the dividend has held or commits itself to continue to hold a direct participation in the

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
(for a tax treaty country); and • is, in its country of tax residence, subject to corporate income tax or a similar tax without benefiting from a regime that deviates from the normal tax regime. Dividend payments to a Belgian permanent establishment of an EU or tax treaty parent company are also exempt from dividend withholding tax (under the same conditions as mentioned above). No branch tax is levied on repatriation of branch profits to the head office. Distributions upon liquidation of the holding company trigger withholding tax at a rate of 10% to the extent that the liquidation proceeds exceed the paid-up capital. Distributions related to the redemption of shares by the holding company are subject to a withholding tax at the rate of 21%. Such redemption by the holding company is restricted to maximum 20% of its own shares. The tax authorities may seek to apply anti-abuse provisions if a regular dividend distribution is made in the form of a redemption of shares. For resident individuals,		**Reduction** Withholding tax on dividends paid to foreign companies may be reduced to 15% if the following conditions are met: • shareholding of less than 10%. If the parent is resident outside the EU, shareholdings of associated companies are included to determine whether the 10% threshold is met; and • the parent is resident in a foreign jurisdiction which exchanges information with the Danish tax authorities pursuant to a double tax treaty or another international treaty, convention or administrative agreement concerning assistance in tax cases. **Dissolution proceeds** Dissolution proceeds from a Danish company to a foreign parent company paid in the calendar year in which the Danish company is finally dissolved are treated as capital gains, i.e. no withholding tax applies, but gains may be taxable if the shares are attributable to a Danish permanent establishment, cf. section 4 below. However, such dissolution proceeds are treated as dividend payments, subject to the dividend rules described under 3.1 above, if		but not yet ratified (Armenia, Bosnia and Herzegovina, Kuwait, Morocco, Panama and Saudi Arabia) and is not ultimately controlled by Irish residents; • the parent company is not resident in Ireland and is ultimately controlled by residents of an EU member state (other than Ireland) or a jurisdiction with which Ireland has a double taxation treaty that is in force or that is signed but not yet ratified (Armenia, Bosnia and Herzegovina, Kuwait, Morocco, Panama and Saudi Arabia); or • a company not resident in an EU member state or a jurisdiction with which Ireland has signed a tax treaty can also qualify for the exemption if the principal class of shares in the company or its 75% parent are substantially and regularly traded on a recognized stock exchange in the EU (including Ireland) or in a jurisdiction with which Ireland has a double taxation treaty that is in force or that is signed but not yet ratified (Armenia, Bosnia and Herzegovina, Kuwait, Morocco, Panama and Saudi Arabia). **Remark** In relation to the domestic	Luxembourg company of at least 10% or EUR 1.2 million for an uninterrupted period of at least 12 months. The liquidation of a Luxembourg company is treated as a capital transaction and is, therefore, not subject to dividend withholding tax. A repurchase and cancellation by the Luxembourg company of part of its own shares forming the entire participation of a shareholder, who thereby ceases to be a shareholder, is not subject to dividend withholding tax. A liquidation of a Luxembourg company or a repurchase of shares may, however, trigger non-resident capital gains tax (see under 4 below).

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
an additional 4% taxation applies to dividends subject to the 21% withholding tax. This additional 4% taxation only applies to individuals in receipt of annual interest and dividends exceeding a total net amount of EUR 20,000. Certain income is not taken into account in determining this threshold. The above-mentioned EU/ tax treaty country exemptions also apply to the 21%/10% withholding tax. Share capital and share premium can be repaid without triggering any withholding tax, provided that these items were unavailable for (dividend) distributions to the shareholders and that the reimbursement is made following the procedure for a capital reduction (share capital) or a change of by-laws (share premium), as laid down in Belgian company law. If these conditions are not fulfilled and the repayment qualifies as a dividend, the above reductions and exemptions may apply.		the receiving company: (i) owns at least 10% if the share capital and a dividend payment to the parent company would be taxable in Denmark; or (ii) owns less than 10% of the share capital, but has controlling influence on the company being liquidated and a dividend payment to the parent company would be taxable in Denmark (unless the receiving company is resident in a country within the EU or EEA and a dividend payment should have been reduced or eliminated pursuant to the EU Parent-Subsidiary Directive or pursuant to a double tax treaty if the parent company had held 10% or more of the share capital). Furthermore, distributions of liquidation proceeds by Danish companies are treated as dividends in the following two situations: (i) distributions to foreign individuals if the individual is resident outside the EU or EEA and has controlling influence on the company being liquidated; and (ii) dissolution proceeds distributed prior to the year in which the company is finally dissolved, in which case		exemptions above, the Irish company may pay a dividend free from withholding taxes as long as the recipient company or individual makes a declaration in the specified form in relation to its entitlement to the domestic exemption. There is no minimum shareholding requirement. **Liquidation Proceeds** Liquidation distributions are not subject to dividend withholding taxes. See however, under 4 below regarding capital gains tax upon liquidation.	

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
		the distribution is subject to the dividend rules described under 3.1 above.			

3.2 Withholding tax on interest paid by the holding company

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
21%, which may be reduced to 0-10 % by virtue of tax treaties and domestic exemptions (e.g. registered bonds and interest payments to banks). 15% for government bonds issued and subscribed between November 24, 2011 and December 2, 2011 and interest from saving deposit accounts exceeding the annual tax exempt threshold (i.e., for tax year 2013, EUR 1,830 per taxpayer). For resident individuals, an additional 4% taxation applies to interest subject to the 21% withholding tax. This additional 4% taxation only applies to individuals in receipt of annual interest and dividends exceeding a total net amount of EUR 20,000. Certain income is not taken into account in determining this threshold. 0% withholding tax on interest payments to qualifying EU companies ('Beneficiary'), provided that: (i) the Beneficiary holds or commits to hold directly or indirectly at least 25% of the share capital of the debtor (or vice versa) for a period of at least one year; or (ii) a third EU company holds	No withholding tax is levied on interest paid by the Cyprus company to non-resident recipients.	Generally, Denmark does not levy withholding tax on outbound interest payments (including profit dependent payments). However, a 25% interest withholding tax is generally levied if the interest is paid to controlled or controlling lenders resident in a non-EU/EEA country with which Denmark has not concluded an income tax treaty.	There is no withholding tax on interest paid to a corporate entity.	Withholding tax (20%) is levied on 'yearly interest' paid by an Irish person. It is not applicable to short-term interest (i.e. interest on a debt of less than a year). **Exemption** A number of exemptions apply, including: • Interest paid by a company or an investment undertaking (in the ordinary course of a trade or business carried on by that person) to a company resident for tax purposes in a member state of the EU (other than Ireland) or a jurisdiction with which Ireland has a double taxation treaty that is in force or that is signed but not yet ratified (Armenia, Bosnia and Herzegovina, Kuwait, Morocco, Panama and Saudi Arabia) and which jurisdiction imposes a tax which generally applies to interest receivable from foreign territories, except where such interest is paid to that company in connection with a trade or business which is carried on in Ireland by that company through a branch or agency. • The EC Interest and Royalty Directive has been implemented into	Non-existent for payments to non-residents, except for: • profit-sharing interest which, under certain circumstances, is subject to 15% withholding tax (subject to reduction under tax treaties); and • interest payments that fall within the scope of the EC Savings Directive, which are subject to Luxembourg withholding tax at a rate of 35%. Such withholding tax generally applies to interest paid to, or for the benefit of, EU resident individuals, unless certain disclosure requirements are met. Interest payments made to Luxembourg resident individuals are subject to 10% Luxembourg withholding tax.

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
or commits to hold directly or indirectly at least 25% of respectively the share capital of the Belgian debtor and that of the Beneficiary for a period of at least one year. Interest payments to a non-EU branch of an EU company do not qualify for the 0% rate.				Irish law. It eliminates withholding tax on cross border interest and royalty payments between associated companies in the EU. Two companies are associated if one owns at least 25% of the other or at least 25% of each company is owned by a third company.	

3.3 Withholding tax on royalties paid by the holding company

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
15%, which may be reduced by virtue of tax treaties. 0% withholding tax to qualifying EU companies under similar conditions as set forth under 3.2 above.	No withholding tax is levied on royalties paid by the Cyprus company unless the rights are used in Cyprus, in which case there is a 10% withholding tax.	25% withholding tax applies to industrial royalties, which may be reduced by virtue of tax treaties. There is no withholding tax on artistic royalties. Royalties paid to an affiliated company within the EU are exempt from taxation within the conditions of the EC Interest and Royalty Directive.	No withholding tax applies to royalty payments made to a corporate entity.	Withholding tax is only applicable to patent royalties, at the rate of 20%. The rate may be reduced to between 0% and 15% by virtue of a tax treaty. **Exemptions** • The EC Interest and Royalty Directive has been implemented into Irish law. It eliminates withholding tax on cross border interest and royalty payments between associated companies in the EU. Two companies are associated if one owns at least 25% of the other or at least 25% of each company is owned by a third company. • A domestic exemption applies to royalties paid by a company (in the course of a trade or business carried on by that company) to a company resident for tax purposes in a member state of the EU (other than Ireland) or a jurisdiction with which Ireland has a double taxation treaty that is in force or that is signed but not yet ratified (Armenia, Bosnia and Herzegovina, Kuwait, Morocco, Panama and Saudi Arabia) and which jurisdiction imposes a tax which generally	None, with the exception of royalties paid for certain artistic, literary and sport related activities conducted in Luxembourg paid to a non-resident not being a qualifying EU resident covered by the EC Interest and Royalty Directive.

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
				applies to royalties receivable from foreign territories, except where such royalties are paid to that company in connection with a trade or business which is carried on in Ireland by that company through a branch or agency.	

4. Non-resident capital gains taxation

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
Gains realized by non-resident entities in respect of shares in a Belgian company are not taxable. Gains realized by non-resident individuals in respect of shares in a Belgian company are taxable under certain circumstances (if there is no adequate treaty protection).	In principle, capital gains realized on the transfer of shares by non-residents are fully exempt from taxation in Cyprus. Only if the Cyprus company in which the shares are held owns immovable property situated in Cyprus will capital gains tax be due on the transfer of the shares.	Capital gains realized by a non-resident shareholder on the sale of shares in a Danish company are not subject to Danish taxation, unless the shares are attributable to a Danish permanent establishment of such shareholder in which case the rules described under 2.3 above apply.	Gains realized by non-residents on the transfer of shares in a Hungarian resident company are, in principle, not taxable in Hungary. However, if non-residents have a shareholding in 'real estate companies', they are generally subject to CIT in Hungary on the capital gain realized upon the alienation of the participation and the withdrawal of shares through capital decrease. A taxpayer qualifies as a 'real estate company' (except if it is listed on a recognized stock exchange) if: • the value of its Hungarian real estate exceeds 75% of the market value of its total assets (or if this ratio is met at a specific group level); and • any of the shareholders of the taxpayer or of a group member are resident on at least one day of the tax year in a non-treaty country or in a treaty country where the double tax treaty allows Hungary to tax such capital gains.	Gains realized by non-residents on the disposal of shares in an Irish company are not taxable, except when the shares in the Irish company derive their value or the greater part of their value directly or indirectly from land, minerals, mining or exploration rights in Ireland. However, if the shares in the Irish company are quoted on a stock exchange such capital gains tax does not apply. Liquidation proceeds are subject to capital gains tax in the hands of the shareholder of the liquidated company, in circumstances where the conditions for the capital gains tax exemption described in 2.3 above are not met at the moment of liquidation.	Gains realized by non-residents on the alienation of a substantial interest in a Luxembourg company (more than 10%), including distributions received upon liquidation, are taxable if the gain is realized within a period of 6 months following the acquisition of the shares. Other rules apply if the non-resident transferor was resident in Luxembourg for more than 15 years in the past.

5. Anti-abuse provisions / CFC rules

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
See under 2.2 above for the subject-to-tax rules under the participation exemption, which can be seen as an anti-abuse rule. No CFC rules as such exist. Belgian tax law is familiar with the sham doctrine and it also contains a general anti-abuse provision which is aimed at combating purely tax driven structures.	There are no CFC rules in Cyprus but, as described in 2.2 above, “passive dividend” rulesapply to dividends received from investment companies in low-tax jurisdictions. The Assessment and Collection of Taxes Law contains general anti-avoidance provisions including the disregarding of artificial or fictitious transactions.	See under 2.2 above regarding Danish CFC legislation. Denmark has anti-double dip provisions. Furthermore, the Danish Supreme Court has on several occasions applied a ‘substance-over-form’ approach. Historically, the Danish tax authority has not questioned the entitlement of intermediary holding companies and financing companies to Danish treaty benefits etc., but recently the Danish tax authority has taken an increasing interest in beneficial ownership issues. The Danish Tax Tribunal and the Danish High Court have rendered decisions on a few beneficial owner cases, regarding both dividend withholding tax and interest withholding tax. Danish law on this subject remains entirely unclear and a Supreme Court decision must be awaited to obtain clairity. A company which is treated as a ‘check-the-box’ company is generally considered a Danish permanent establishment. A Danish tax transparent entity or a branch will be	As a general rule, the ‘substance over form principle’ prevails in the tax treatment of all transactions. See under 2.2 above for CFC legislation, and see under 2.5 above for thin capitalization rules and restrictions on the deductibility of interest paid to a CFC.	Ireland has no specific anti-abuse rules. The benefits of the exemption implemented pursuant to the EU Parent-Subsidiary Directive can be denied where shares in the Irish holding company are not ultimately controlled by residents of an EU or a tax treaty jurisdiction and the Irish holding company does not exist for bona fide commercial reasons and forms part of an arrangement or scheme, the main purpose of which is the avoidance of liability to income tax. However, the domestic Irish exemptions from interest and dividend withholding tax have no such anti-abuse provisions and may still be relied on in many circumstances. Ireland has a general anti-avoidance provision that allows the Revenue to re-characterize transactions as tax avoidance schemes. However, to date, this has not been regularly invoked by the Revenue and there would have to be a strong tax avoidance motive to justify an attack by the Revenue. Ireland has no CFC or thin-capitalization rules (see under 2.5 above). **Remark** Ireland has introduced	No specific anti-abuse rules. Luxembourg tax law is, however, familiar with two general anti-abuse concepts, namely simulation and abuse of law. Another provision that can be seen as aiming to combat abuse is the comparable tax requirement for foreign participations not qualifying under the EU Parent-Subsidiary Directive (see paragraphs 2.2 and 2.3 above).

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
		regarded as a separate tax entity, provided certain criteria are met, regardless of whether or not the tax transparent entity constitutes a permanent establishment in Denmark. The Danish tax transparent entity or branch will be treated as a separate tax entity, if: (i) the foreign direct owners of the Danish entity own more than 50% of the share capital or the votes, and (iia) the relevant foreign jurisdiction considers the Danish entity to be a separate tax entity (for instance 'check-the box-entities') or (iib) Denmark has not entered into a double tax treaty with the relevant foreign jurisdiction which provides for a reduction or elimination of withholding tax on dividends and the foreign jurisdiction is not a member of the EU.		transfer pricing rules, applicable to accounting years beginning on or after January 1, 2011, which apply to arrangements between associated companies where the results of those arrangements relate to the trading activities of either of those entities.	

6. Income tax treaties[1]

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
As of January 1, 2012, Belgium has income tax treaties in force with the following countries:	As of January 1, 2012, Cyprus has income tax treaties in force with the following countries:	As of January 1, 2012, Denmark has income tax treaties in force with the following countries:	As of January 1, 2012, Hungary has income tax treaties in force with the following countries:	As of January 1, 2012, Ireland has income tax treaties in force with the following countries:	As of January 1, 2012, Luxembourg has income tax treaties in force with the following countries:
1. Albania	1. Armenia	1. Argentina	1. Albania	1. Albania	1. Armenia
2. Algeria	2. Austria	2. Armenia	2. Armenia	2. Australia	2. Austria
3. Argentina	3. Azerbaijan	3. Australia	3. Austria	3. Austria	3. Azerbaijan
4. Armenia	4. Belarus	4. Austria	4. Australia	4. Bahrain	4. Bahrain
5. Australia	5. Belgium	5. Bangladesh	5. Azerbaijan	5. Belarus	5. Barbados
6. Austria	6. Bulgaria	6. Belarus	6. Belarus	6. Belgium	6. Belgium
7. Azerbaijan	7. Canada	7. Belgium	7. Belgium	7. Bulgaria	7. Brazil
8. Bangladesh	8. China (People's Rep.)	8. Brazil	8. Bosnia and Herzegovina	8. Canada	8. Bulgaria
9. Belarus	9. Czech Republic	9. Bulgaria	9. Brazil	9. Chile	9. Canada
10. Bosnia and Herzegovina	10. Denmark	10. Canada	10. Bulgaria	10. China (People's Rep.)	10. China (People's Rep.)
11. Brazil	11. Egypt	11. Chile	11. Canada	11. Croatia	11. Czech Republic
12. Bulgaria	12. France	12. China (People's Rep.)	12. China (People's Rep.)	12. Cyprus	12. Denmark
13. Canada	13. Germany	13. Croatia	13. Croatia	13. Czech Republic	13. Estonia
14. Chile	14. Greece	14. Cyprus	14. Cyprus	14. Denmark	14. Finland
15. China (People's Rep.)	15. Hungary	15. Czech Republic	15. Czech Republic	15. Estonia	15. France
16. Croatia	16. India	16. Egypt	16. Denmark	16. Finland	16. Georgia
17. Cyprus	17. Ireland	17. Estonia	17. Egypt	17. France	17. Germany
18. Czech Republic	18. Italy	18. Faroe Islands	18. Estonia	18. Georgia	18. Greece
19. Denmark	19. Kuwait	19. Finland	19. Finland	19. Germany	19. Hong Kong
20. Ecuador	20. Kyrgyzstan	20. Georgia	20. France	20. Greece	20. Hungary
21. Egypt	21. Lebanon	21. Germany	21. Germany	21. Hong Kong	21. Iceland
22. Estonia	22. Malta	22. Greece	22. Greece	22. Hungary	22. India
23. Finland	23. Mauritius	23. Greenland	23. Hong Kong	23. Iceland	23. Indonesia
24. France	24. Moldova	24. Hungary	24. Iceland	24. India	24. Ireland
25. Gabon	25. Montenegro	25. Iceland	25. India	25. Israel	25. Israel
26. Georgia	26. Norway	26. India	26. Indonesia	26. Italy	26. Italy
27. Germany	27. Poland	27. Indonesia	27. Ireland	27. Japan	27. Japan
28. Ghana	28. Qatar	28. Ireland	28. Israel	28. Korea (Rep.)	28. Korea (Rep.)
29. Greece	29. Romania	29. Isle of Man (individuals)	29. Italy	29. Latvia	29. Latvia
30. Hong Kong	30. Russia	30. Israel	30. Japan	30. Lithuania	30. Liechtenstein
31. Hungary	31. San Marino	31. Italy	31. Kazakhstan	31. Luxembourg	31. Lithuania

[1] Only comprehensive income tax treaties potentially relevant for holding companies are included.

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
32. Iceland	32. Serbia	32. Jamaica	32. Korea (Rep.)	32. Macedonia	32. Malaysia
33. India	33. Seychelles	33. Japan	33. Kuwait	33. Malaysia	33. Malta
34. Indonesia	34. Singapore	34. Kenya	34. Latvia	34. Malta	34. Mauritius
35. Ireland	35. Slovakia	35. Korea (Rep.)	35. Lithuania	35. Mexico	35. Mexico
36. Israel	36. Slovenia	36. Kyrgyzstan	36. Luxembourg	36. Moldova	36. Moldava
37. Italy	37. South Africa	37. Latvia	37. Macedonia	37. Montenegro	37. Monaco
38. Ivory Coast	38. Sweden	38. Lithuania	38. Malaysia	38. Netherlands	38. Mongolia
39. Japan	39. Syria	39. Luxembourg	39. Malta	39. New Zealand	39. Morocco
40. Kazakhstan	40. Tajikistan	40. Macedonia	40. Mexico	40. Norway	40. Netherlands
41. Korea (Rep.)	41. Thailand	41. Malaysia	41. Moldova	41. Pakistan	41. Norway
42. Kuwait	42. Turkmenistan	42. Malta	42. Mongolia	42. Poland	42. Panama
43. Kyrgyzstan	43. Ukraine	43. Mexico	43. Montenegro	43. Portugal	43. Poland
44. Latvia	44. United Kingdom	44. Montenegro	44. Morocco	44. Romania	44. Portugal
45. Lithuania	45. United States	45. Morocco	45. Netherlands	45. Russia	45. Qatar
46. Luxembourg	46. Uzbekistan	46. Netherlands	46. Norway	46. Serbia	46. Romania
47. Macedonia		47. New Zealand	47. Pakistan	47. Singapore	47. Russia
48. Malaysia		48. Norway	48. Philippines	48. Slovak Republic	48. San Marino
49. Malta		49. Pakistan	49. Poland	49. Slovenia	49. Singapore
50. Mauritius		50. Philippines	50. Portugal	50. South Africa	50. Slovak Republic
51. Mexico		51. Poland	51. Romania	51. Spain	51. Slovenia
52. Moldova		52. Portugal	52. Russia	52. Sweden	52. South Africa
53. Mongolia		53. Romania	53. San Marino	53. Switzerland	53. Spain
54. Montenegro		54. Russia	54. Serbia	54. Turkey	54. Sweden
55. Morocco		55. Serbia	55. Singapore	55. United Arab Emirates	55. Switzerland
56. Netherlands		56. Singapore	56. Slovak Republic	56. United Kingdom	56. Thailand
57. New Zealand		57. Slovak Republic	57. Slovenia	57. United States	57. Trinidad and Tobago
58. Nigeria		58. Slovenia	58. South Africa	58. Vietnam	58. Tunisia
59. Norway		59. South Africa	59. Spain	59. Zambia	59. Turkey
60. Pakistan		60. Sri Lanka	60. Sweden		60. United Arab Emirates
61. Philippines		61. Sweden	61. Switzerland		61. United Kingdom
62. Poland		62. Switzerland	62. Taiwan		62. United States
63. Portugal		63. Taiwan	63. Thailand		63. Uzbekistan
64. Romania		64. Tanzania	64. Tunisia		64. Vietnam
65. Russia		65. Thailand	65. Turkey		
66. Rwanda		66. Trinidad and Tobago	66. Ukraine		
67. San Marino		67. Tunisia	67. United Kingdom		
68. Senegal		68. Turkey	68. United States		
69. Serbia		69. Uganda	69. Uruguay		
70. Singapore		70. Ukraine	70. Uzbekistan		
71. Slovak Republic		71. United Kingdom	71. Vietnam		
72. Slovenia		72. United States			
73. South Africa		73. Venezuela			
74. Spain		74. Vietnam			

Belgium	Cyprus	Denmark	Hungary	Ireland	Luxembourg
75. Sri Lanka 76. Sweden 77. Switzerland 78. Taiwan 79. Tajikistan 80. Thailand 81. Tunisia 82. Turkey 83. Turkmenistan 84. Ukraine 85. United Arab Emirates 86. United Kingdom 87. United States 88. Uzbekistan 89. Venezuela 90. Vietnam		75. Zambia			

European Holding Regimes 2012

Part II

1. Tax on capital contributions

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
There is no capital contribution tax in Malta. There is, however, a company registration fee of EUR 245 – 2,250, depending on the amount of the authorized share capital.	There is no tax on capital contributions in the Netherlands.	No tax is due on capital contributions made to a Spanish company upon incorporation or thereafter (whether or not the contribution entails a capital increase).	There is no tax on capital contributions in Sweden.	1% of the amount contributed (fair market value) with a minimum equal to the nominal value of the shares issued. **Exemptions** • Share capital up to an amount of CHF 1,000,000. • Immigration of a company. • On the basis of the New Merger Law and a Practice Note issued by the Swiss federal tax authorities concerning the tax consequences of this law, exemptions are available for: (i) mergers, divisions transformations, and (ii) contributions of separate business activity or qualifying participations. For exemptions based on the Merger Law and the Practice Note, it is advisable to obtain an advance tax ruling.	There is no tax on capital contributions in the UK. However, stamp duty or stamp duty reserve tax is payable at 0.5% on the transfer of shares in a UK incorporated company, unless an exemption is applicable.

2. Corporate income tax

2.1 Corporate income tax ('CIT') rate

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
35% The combined overall effective rate may be reduced to between 0% and 10% by application of Malta's full imputation system and refund mechanism. Malta operates a full imputation system such that dividends distributed carry a credit in favor of a recipient shareholder (resident or non-resident) equivalent to the amount of underlying CIT paid by the distributing company on the profits out of which the dividend was distributed. Additionally, part of that underlying CIT paid may be refunded to the recipient shareholder (resident or non-resident), depending on the nature and source of the profits out of which the dividend was distributed. **Foreign tax credit** Foreign tax actually paid or deemed to have been paid can be credited against Malta tax due on the foreign income. The tax credit cannot be higher than the Malta tax on that income. The claim of relief for foreign	25% Reduced rate of 20% for the first EUR 200,000 of taxable profits.	30% Companies with annual turnover under EUR 10 million in the previous year: 25% on the first EUR 300,000, and 30% on the excess. Companies with annual turnover under EUR 5 million in the tax year: 20% on the first EUR 300,000 and 25% on the excess. Applicable only if certain requirements (e.g. maintenance of workforce) are met.	26.3%	Taxes are levied at 3 levels, the federal level and the cantonal and municipal levels. Taxes are deductible for calculating taxable income. Consequently, effective tax rates are lower than the nominal rates. **Federal** The federal nominal corporate income tax rate is 8.5%. The effective rate of federal CIT is approximately 7.8%. **Cantonal and municipal** Tax rates vary per canton and municipality. The combined nominal cantonal and municipal rate generally varies between 10 and 25%. The municipal tax is levied as a percentage of the cantonal tax and follows the same rules. **Total** Generally, the total (federal and cantonal/municipal) effective CIT rate will not exceed 25%. **Net wealth taxes** Annual cantonal and municipal tax on net equity. The rates generally vary between 0.05% and 0.5%.	The main corporation tax rate is 26% (reduced to 25% for accounting periods starting after April 1, 2012) and applies to companies with profits exceeding GBP 1.5 million. Qualifying companies with taxable profits not exceeding GBP 300,000 are taxed at a small companies' rate of 20%. Qualifying companies with taxable profits ranging between GBP 300,000 and GBP 1.5 million are taxed at the main 26% rate of corporation tax, but receive marginal relief to the extent their taxable profits are below GBP 1.5 million. The above limits for determining the applicable tax rate are divided between associated companies, broadly those under common control. Furthermore, dividends received (including from materially connected companies or subsidiaries) from associated companies will be taken into account as well for the above limits, even if they are not subject to corporation tax in

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
tax paid/deemed to be paid, affects the level of refund that may be claimed by the shareholder upon a distribution of profits.					themselves. Preferential tax rates apply to inter alia insurance companies, building societies, authorized unit trust and open-ended investment companies.

2.2 Dividend regime (participation exemption)

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
In general, all dividends received are subject to tax at the rate of 35%. However, in case of a company receiving dividends from a 'participating holding' (provided certain anti-abuse provisions are also satisfied, see below), there are two options: 1. benefiting from the participation exemption, in which case no tax is paid on such dividends; or 2. paying tax at the rate of 35%, in which case, upon a distribution of dividends by the Malta company from the dividends derived from a 'participating holding', the shareholder can claim a 100% refund of the tax paid by the company on such dividends. Therefore, Malta tax on dividends received from a 'participating holding' is, in both scenarios, effectively zero. A company has a 'participating holding' if any one of the following six conditions is satisfied: (i) the company has a direct holding of at least 10% of the equity shares or capital of a	Dividends are fully exempt from CIT under the participation exemption if the following requirements are met: (i) the holding company itself or a related party holds a participation of at least 5% of the nominal paid-up share capital (or, in certain circumstances, 5% of the voting rights) of a company with a capital divided into shares (the 'Minimum Threshold Test'); and (ii) one of the following three tests is met: a. the holding company's objective with respect to its participation is to obtain a return that is higher than a return that may be expected from regular asset management (the 'Motive Test'); b. the direct and indirect assets of the subsidiary generally consist for less than 50% of 'low-taxed free passive investments' (the 'Asset Test'); or c. the subsidiary is subject to an adequate levy according to Dutch tax standards (the 'Subject-To-Tax Test'). <u>Ad i.</u> If a qualifying participation	Dividends are fully exempt from CIT under the following conditions: a) the shareholding must be either 5% of the capital directly or indirectly held, or the acquisition value of the foreign subsidiary must exceed EUR 6 million; b) the shareholding must be held uninterruptedly for 12 months. This requirement will be met for dividends distributed before that period elapses provided that the shares are committed to be held for the full 12 month period. The period in which the subsidiary was held within the group is taken into account with respect to this 12 month period; c) the subsidiary must be a foreign (non-Spanish) resident entity and it must not be resident in a tax haven (unless the tax haven is in an EU Member State, provided that it is proven that the incorporation and activity of the subsidiary in such tax haven obey to valid business reasons and it carries out business activities). The foreign subsidiary must be subject to a tax of identical or similar nature	Dividends received from a Swedish or foreign corporation are fully exempt from CIT if either of the following two requirements are met: • the shares are non-listed; or • the shares are listed and (i) represent at least 10% of the voting rights or pertain to the business of the shareholder or an affiliated company; and (ii) have or will be held for at least 12 months. If the distributing company is resident in another EU member state, a shareholding representing 10% of the share capital is sufficient, provided the holding period requirement mentioned under (ii) is met. The participation exemption does not apply to shares held as inventory, unless the distributing company is resident in another EU member state. Furthermore, in certain circumstances CFC rules may apply (see under 5. below).	For dividends, relief from federal and cantonal/ municipal income tax is granted ("Participation Reduction") in case: • the dividends derive from a participation of which at least 10% of the nominal share capital is held; • the dividends derive from profit rights to at least 10% of the profits or reserves; or • the shares have a fair market value of at least CHF 1 million. Relief is granted in the form of a reduction of tax for the part that is attributable to the "net dividends" (and "net capital gains"; see under 2.3 below). The 'net dividends' (and "net capital gains") are calculated as the sum of dividends (and capital gains) derived from qualifying participations less a proportional part of the finance expenses and less related general expenses. Related general expenses are deemed to be 5% of the participation income, unless a lower amount can be demonstrated. On the cantonal/municipal level, a holding company can benefit from a special tax regime entailing a full tax exemption on all its income (the "Holding Status"),	Dividends received by a UK company (other than a small company) are fully exempt from corporation tax regardless of whether the distributing company is located in the UK or outside the UK, provided that (i) the dividend distribution falls within one of the five below-described exempt classes, (ii) the below-described anti-avoidance rules do not apply, and (iii) the CFC rules described under 5 below do not apply. No minimum holding period applies. The classes of exempt dividends are: • dividend distributions received from a company (alone or jointly) controlled by the UK recipient in terms of powers or economic rights. A targeted anti-avoidance rule applies which tries to prevent schemes that seek to obtain the benefit of this exempt class without exposing profits to the CFC regime by manipulation of the ownership of a foreign company; • dividend distributions in respect of non-redeemable ordinary shares. Certain types of foreign companies do not issue share capital;

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
company which confers an entitlement to at least 10% of any two of: - the right to vote; - the profits available for distribution; and - assets available for distribution on a winding up; (ii) the company is an equity shareholder which holds an investment representing a total value of at least EUR1,164,000 which is held for an uninterrupted period of at least 183 days; (iii) the company is an equity shareholder in a company and is entitled at its option to call for and acquire the entire balance of the equity shares in the company; (iv) the company is an equity shareholder in a company and is entitled to sit on the board of directors of that company, or to appoint a person as director of that company; (v) a company is an equity shareholder in a company and has acquired such equity shareholding for the furtherance of its own business and does not hold it as trading stock; (vi) the company is an equity shareholder in a company and is entitled to a right of first refusal exercisable in the event of a proposed disposal,	drops below the threshold of 5%, this requirement will be considered to be met for a period of three years, provided that the participation qualified for the participation exemption for an uninterrupted period of at least one year prior thereto. <u>Ad ii.a</u> The Motive Test is a facts-and-circumstances test that will be met when the holding company aims to add value to the subsidiary (as opposed to holding the shares passively). This is generally considered to be the case, for instance, if the holding company interferes with the management of the subsidiary or if the holding company (or its parent company) fulfills an essential function for the benefit of the business enterprise of the group. If more than 50% of the consolidated assets of the subsidiary consist of shareholdings of less than 5%, or if the subsidiary (together with its subsidiaries) predominantly functions as a group financing, leasing or licensing company, the Motive Test is deemed to be failed. <u>Ad ii.b</u> An asset is a 'low-taxed free passive investment' if (i) it is a passive investment that	as the Spanish CIT, including any foreign taxes that are levied on any type of income of the subsidiary, even if partially. If the foreign subsidiary resides in a treaty country with an exchange of information clause, this requirement is considered to have been met and no evidence is required to be provided by the taxpayer; d) the subsidiary must (directly or indirectly) be engaged in an active trade or business carried out abroad. The subsidiary meets this requirement if 85% of its gross revenues arise from income from business activities outside Spain which is not considered passive income under the Spanish CFC rules; Such income will be deemed to be obtained outside Spain when the foreign subsidiary operates trade, services, credit and insurance operations outside the Spanish territory with sufficient personnel and material resources to carry out such activities abroad.		provided that: i) the statutory purpose of the company is the long term management of participations; ii) the company has no commercial activities in Switzerland; and iii) the company's assets consist for at least 2/3 of participations or it has at least 2/3 participation income. Companies not qualifying for the Holding Status can still benefit from tax relief in the form of the Participation Reduction on the federal and cantonal/municipal level under the above-mentioned conditions.	Although this does not necessarily prevent these distributions being included in this class of exempt dividends, it is essential to consider the facts of each case separately. This exempt class covers any percentage of non-redeemable ordinary shares held. A targeted anti-avoidance rule applies which tries to prevent schemes in which the shareholder obtains quasi-preference or quasi-redeemable shares; • dividend distributions received from a company in which the UK recipient, together with connected persons, (i) holds 10% or less of the issued share capital, (ii) is entitled to less than 10% of the profits available for distribution to shareholders and (iii) would be entitled to less than 10% of the assets available for distribution on a winding-up. An anti-avoidance rule applies which targets manipulation of the maximum threshold of 10%; • dividends received on shares of any kind, provided no part of the distributable profits of the paying company is derived from transactions designed to achieve a

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
redemption or cancellation of all of the equity shares or capital of the company. In all above cases, an ‘equity shareholding’ is a participation in the share capital of a company (which is not a property company as defined) which entitles the holder to at least two of: - the right to vote; - the right to profits available for distribution; and - the right to assets available for distribution on a winding up. Other considerations: • the income of the company in which the ‘participating holding’ is held does not need to be subject to tax in any foreign jurisdiction (subject to the anti-abuse provisions mentioned hereunder); • there is no minimum holding period (with the exception of a ‘participating holding‘ which qualifies as such on the basis of the minimum investment of EUR1,164,000); • the Malta company is not required to become involved in the management of the company. The participation exemption and the full refund with	is not reasonably required within the enterprise carried out by its owner and (ii) the income from such asset is effectively taxed at a rate of less than 10%. Real estate is always considered to be a good asset for purposes of the Asset Test (regardless of its function within the owner’s enterprise and regardless of taxation). For purposes of the 50% threshold of the Asset Test, the fair market value of the assets is decisive. Assets that are used for group financing, leasing or licensing activities are generally deemed to be passive, unless they form part of an active financing or leasing enterprise as described in Dutch law, or are for 90% or more financed with loans from third parties. <u>Ad ii.c</u> Generally a participation is considered to be subject to an adequate levy if it is subject to a tax on profits levied at a rate of at least 10%. However, certain tax base differences, such as the absence of any limitations on interest deduction, a too broad participation exemption, deferral of taxation until distribution of profits, or deductible dividends, may cause a profit tax to disqualify as an				reduction in UK tax. If a paying company has any such profits, this exempt class is not available and will not be until all these “tainted” profits have been fully paid out in taxable form; • dividends received in respect of shares that are accounted for as liabilities in accordance with UK generally accepted accounting practice and are treated as loan relationships for UK tax purposes, provided that they are not held for an unallowable purpose. The above classes of dividend which are exempt from corporation tax are relatively broad and most “normal” dividends of UK and foreign companies will be exempt from UK corporation tax on receipt; subject to relevant anti-avoidance rules. As a general anti-avoidance rule, the dividend payment must not be tax deductible in the source jurisdiction. Furthermore, the distribution must not be made as part of a tax advantage scheme (i) whereby a tax deduction is obtained or taxable income is given up in return for the distribution or a right to receive the distribution, or (ii) where goods and services are paid for on

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
respect to a 'participating holding' are only applicable if certain anti-abuse provisions are satisfied. In order to satisfy the anti-abuse provisions, the company in which the participation is held must satisfy any one of the following conditions: • the company is resident or incorporated in a country or territory that forms part of the EU; • the company is subject to tax at a rate of at least 15%; • the company does not derive more than 50% of its income from passive interest or royalties. Alternatively, if none of the above three conditions are met, the anti-abuse provisions will also be satisfied if the following two conditions are met: • the Malta company's equity investment in the subsidiary is not a portfolio investment; and • the subsidiary or its passive interest or royalties have been subject to foreign tax at a rate of at least 5%. Dividends received by a Malta company from a company that is not a participating holding are not eligible to benefit from the participation exemption or the full refund. Such dividends are taxed at a rate of 35%	adequate levy, unless the effective tax rate according to Dutch tax standards is at least 10%. If the Minimum Threshold Test, as referred to in 2.2 (i) hereof, is met but the remaining conditions of the participation exemption are not, a credit will be granted for the underlying tax paid by the participation at a maximum rate of 5% (except for qualifying EU participations, for which the actual tax can be credited). The participation exemption applies not only to participations, but under certain circumstances also extends to: (i) hybrid loans granted to a qualifying shareholding, and (ii) based on case law, option rights and warrants (if, upon exercise, the holder would have a qualifying participation).				terms that differ from the arm's length price and the reason for the difference is that one of the parties expects to receive a distribution, or (iii) whereby a company for which a distribution would represent a trade receipt diverts the distribution to a connected company which would want to claim an exemption for the dividend. It is possible for the UK recipient to elect out of exemption treatment, as a consequence of which foreign tax credit rules may apply on dividends received from foreign companies. This election may be beneficial where the terms of a double tax treaty would apply a higher rate of withholding tax if the dividend is exempt in the hands of the UK recipient compared to if a dividend is not exempt. Special conditions apply for a full exemption from corporation tax for dividends received by a UK company which is a small company within the meaning of Commission Recommendation 2003/361/EC of May 6, 2003, i.e. a company which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet does not

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
and upon the distribution of a dividend by the Malta company, the shareholder may claim a 6/7 or 2/3 refund of the Malta tax paid (as applicable). Dividends received from a participating holding that do not satisfy the anti-abuse provisions are equally not entitled to benefit from the participation exemption or the full refund. Such dividends are taxed a rate of 35% and upon the distribution of a dividend by the Malta company, the shareholder may claim a 5/7 or a 2/3 refund of the Malta tax paid (as applicable).					exceed EUR 10 million. For this purpose, the figure for group companies (referred to as 'partner enterprises' or 'linked enterprises') are in principle taken into account in determining the amount of employees, turnover and annual balance sheet.

2.3 Gains on shares (participation exemption)

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
The same rules apply to capital gains as to dividends, except that the anti-abuse provisions referred to under 2.2 above do not apply in the context of capital gains.	Gains realized on the alienation of a participation (including foreign exchange results) are fully exempt from CIT under the same conditions as described under 2.2 above for dividends. Gains realized on certain hybrid loans, option rights and warrants may also be exempt pursuant to the participation exemption. See under 2.2 above.	Capital gains derived from the sale of a foreign subsidiary are fully exempt from Spanish CIT if (i) the conditions listed under 2.2 above are met in each and every holding period, except for requirement a) thereof and (ii) the sale of the interest in the foreign subsidiary does not take place to a resident of a tax haven.	Full exemption if the requirements described under 2.2 above are met.	For capital gains, relief from federal and cantonal/ municipal income tax is granted in the form of the Participation Reduction (see 2.2 above) under the following conditions: • the shares disposed of represent at least 10% of the participation's nominal share capital or the capital gain derives from profit rights to at least 10% of the profits or reserves; and • the shares or profit rights disposed of must have been held for at least 12 months. If, after the sale of part of a qualifying participation, the remaining participation falls below the 10% threshold, relief from federal tax will still apply if the fair market value of the remaining participation is at least CHF 1,000,000. On the cantonal/municipal level, a holding company can qualify for the Holding Status, entailing a full tax exemption on all its income. See 2.2 above for the conditions. Companies not qualifying for the Holding Status can still benefit from tax relief in the form of the Participation Reduction on the federal and cantonal/municipal level	Capital gains on shares derived by a UK company are subject to UK corporation tax, unless the capital gains qualify for a full exemption under the substantial shareholdings exemption rules. To qualify for the substantial shareholdings exemption, the investing UK company must have owned 10% or more of the ordinary shares in the investee company and must be beneficially entitled to 10% or more of the investee company's profits available for distribution and of its assets on a winding-up throughout an uninterrupted period of at least 12 months in the two years preceding the date of the disposal. Furthermore, both the investing UK company and the investee company must be a trading company, a member of a trading group or a holding company of a trading sub-group from the beginning of the 12 month qualifying period up to, and immediately after, the disposal. The jurisdiction of residence or incorporation of the investee company is not relevant.

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
				if the conditions mentioned above are met. **Transfer stamp tax** The transfer of ownership of taxable securities which involve Swiss securities dealers can be subject to transfer stamp tax at a rate of 0.15% on Swiss securities and 0.3% on foreign securities, calculated on the fair market value of the securities transferred. Shares, participation certificates and profit sharing certificates in Swiss or in foreign corporations, as well as participations in limited liability companies or cooperatives are considered taxable securities. Swiss companies owning taxable securities with a book value in excess of CHF 10 million qualify as securities dealers for purposes of the transfer stamp tax. A number of exemptions are available to facilitate intra-group reorganizations.	Special rates relative to the substantial shareholdings exemption apply in the case of joint ventures, group reorganizations etc. An anti-avoidance measure applies to deny the substantial shareholdings exemption in case of an arrangement from which the sole or main benefit that could be expected to arise is that the gain on the disposal of shares would be exempt.

2.4 Losses on shares

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
Deductible capital losses may only be offset against taxable capital gains realized in the current and following years. Capital losses incurred by a company may not be used to offset capital losses incurred by another company that belongs to the same group of companies.	Losses on shares qualifying for the participation exemption are not deductible, except in the event of a liquidation of the participation (subject to stringent conditions). Losses on certain hybrid loans, option rights and warrants may also be non-deductible pursuant to the participation exemption. See under 2.2 above.	Losses incurred on a transfer of shares are deductible. However, the depreciation in the value of the underlying shares upon a dividend distribution is not tax deductible.	Capital losses are not deductible if capital gains would have been tax exempt. A capital loss on taxable shares may be offset only against taxable capital gains on shares and other securities that are taxed as shares.	Losses are deductible, unless anti-abuse rules apply. Losses can be carried forward for 7 years. Loss carry back is not possible. In case of a subsequent realization of a capital gain, any earlier depreciation needs to be recovered before applying the participation reduction.	Losses on a disposal of shares in respect of which the conditions of the substantial shareholdings exemption are met do not qualify as an allowable loss for tax purposes. If such conditions are not met, losses on a disposal of shares generally qualify as allowable capital losses which may be offset only against taxable capital gains in the current year and in future years. No carry back of capital losses is possible. An anti-avoidance measure applies which provides that a capital loss arising on a disposal in connection with arrangements having a main purpose of obtaining a tax advantage will not qualify as an allowable capital loss. Accounting provisions or write offs on shareholdings can generally not be taken into account for tax purposes. Exceptionally, where the market value of a shareholding has become negligible, a claim can be made to treat the asset as having been sold and reacquired at its negligible value, thus establishing a capital loss that could in principle be set off against capital gains on other assets, unless the capital loss does not qualify as an allowable loss for tax purposes.

2.5 Costs relating to the participation

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
There are no thin capitalization rules in Malta. The general rule is that an expense is deductible if it is wholly and exclusively incurred in the production of the company's income and it is not specifically disallowed. Interest expenses are generally deductible if the Revenue Authorities are satisfied that the interest was paid on debt employed to t generate taxable income If, in any year, the interest expense exceeds the income derived from the employment of such debt, the excess interest expense may not be carried forward to subsequent years to offset income generated in subsequent years.	Costs relating to the acquisition or the sale of a participation are not deductible. Other costs relating to the participation, such as interest expenses on acquisition debt, are in principle tax deductible. However, the deduction of expenses on acquisition debt may be restricted pursuant to one of the following rules: • the *acquisition debt rules*, which restrict, under certain circumstances, the deduction of expenses on debt incurred in connection with the acquisition, or increase, of an interest in a Dutch target company, where the target company (i) is included in a corporate income tax consolidation with the acquirer, or (ii) enters into a legal (de)merger with the acquirer as a result of which the acquisition debt and the assets of the target company are, for corporate income tax purposes, held by the same entity; • the *thin capitalization rules*, which restrict the deduction of related party debt expenses if the taxpayer forms part of a	Costs, including interest payments related to the financing of the acquisition and/or maintenance of the participation, are deductible. **Thin capitalization rules** A debt-to-equity ratio of 3:1 should be observed for loans granted by foreign related parties. A higher ratio can be requested from the Spanish tax authorities provided that certain conditions are met. The thin capitalization rules do not apply if the related non-resident lender is a tax resident in an EU Member State (not qualified as tax haven, e.g. Cyprus).	Interest is tax deductible even if incurred on loans that have been used to acquire shares covered by the participation exemption, except in certain intra-group debt push-down reorganizations. There are no thin capitalization rules that limit interest deductibility. Acquisition costs must generally be capitalized into the book value of the shares and are therefore generally not tax deductible. The Swedish rules on interest deductibility are currently under review and there may be changes during 2012.	All expenses are in principle deductible. However, due to the method used for calculating the Participation Reduction (see under 2.2 above), expenses that are allocable to dividends and capital gains derived from qualifying participations are effectively not deductible. Certain debt-to-equity ratios and safe harbor interest rules may apply.	Costs relating to the acquisition or sale of the participation are generally not deductible against income profits, but may be deducted from capital gains on disposal (if not covered by the substantial shareholdings exemption). However, interest expenses on debt incurred to purchase or to fund participations (whether located in the UK or not) are in principle tax deductible, provided the level of debt taken on and the interest payable comply with arm's length terms, do not breach the unallowable purpose rule (i.e. debt should be within business or commercial purposes of the debtor) and provided no other specific rule limiting the deductibility of interest applies. A specific rule limiting the deductibility of interest is the world wide debt cap measure which operates to restrict the aggregate tax deduction for UK companies (within a worldwide group) where the UK group is 'overleveraged' in relation to the worldwide group. The debt cap rules must be applied where the UK net debt exceeds 75% of the gross debt of the worldwide group. This measure applies to companies that are part of

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
	'group' and is considered to be financed excessively with debt. Generally speaking, debt financing is considered excessive to the extent the debt-to-equity ratio of the taxpayer exceeds the higher of (i) 3:1 (and the excessive portion of the debt is greater than EUR 500,000) or (ii) the debt-to-equity ratio of the consolidated group to which it belongs; • the *anti-base erosion rules* which restrict, under certain circumstances, the deduction of expenses on related party debt incurred in connection with certain tainted transactions, including the distribution of a dividend to a related party, or the acquisition of shares in a company which is a related party following the acquisition; • the *hybrid debt criteria*, as developed under case law. Currency exchange gains with respect to borrowings to finance the participation are in principle taxable, whereas currency exchange losses incurred on such borrowings are generally deductible. Subject to advance confirmation from the Dutch tax authorities, the participation exemption will apply upon request to gains				a group of entities that is large. A group is 'large' if any member of the group is not within the category of micro, small and medium-sized enterprises, (i.e. enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million).

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
	and losses on financial instruments entered into by the Dutch holding company to hedge its currency risk with respect to its participations or acquisition debt.				

2.6 Tax rulings

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
It is possible to seek an advance revenue ruling from the Revenue Authorities on, inter alia, the following issues: (i) confirmation that the domestic general anti-avoidance provisions contained in article 51 of the Malta Income Tax Act do not apply to a given transaction; (ii) confirmation that an equity shareholding qualifies as a participating holding on the basis that it is or will be held for the furtherance of the Malta company's business; (iii) the tax treatment of a transaction concerning a particular financial instrument or other security; (iv) the tax treatment of any transaction which involves international business. These rulings guarantee the tax position for a period of five years and may be renewed for a further five-year period. They will also survive any changes of legislation for a period of two years after the entry into force of a new law. Additionally, an informal ruling procedure has been	The application of the participation exemption regime does not require obtaining an advance tax ruling ('ATR'), although this is possible. ATRs are regularly granted in relation to the participation exemption and non-resident taxation (see under 4 below).	Binding rulings can be obtained in relation to the interpretation and/or application of the provisions regulating the Spanish holding company.	Taxpayers can obtain advance tax rulings from the Council for Advance Tax Rulings (Skatterätts-nämnden). It normally takes 4-6 months to obtain a ruling. Both the taxpayer and the Tax Agency can appeal a ruling to the Supreme Administrative Court (Högsta Förvaltningsdomstolen), in which case the proceeding typically takes another 12 months. Normally, however, there is no reason to obtain a tax ruling in a holding company context. A fee of SEK 1,000 to 20,000 is charged for obtaining an advance tax ruling, depending on the case.	The application of the Participation Reduction does not require obtaining a tax ruling. The cantonal/municipal Holding Status (see 2.2 and 2.3 above) can be claimed in the tax return and does not require a tax ruling. However, in practice, it is advisable to request a tax ruling for application of the Holding Status in advance.	It is not common practice to obtain advance tax rulings. However, under specific statutory provisions, advance clearance may be obtained for certain transactions. The most common example is a clearance letter for a share-for-share or share-for-debt exchange between two companies to defer any gains. It is also possible to ask for a non-statutory clearance in respect of recent tax legislation where there is genuine uncertainty as to the meaning of the legislation and the matter has a commercial importance to the company seeking the clearance.

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
developed in practice whereunder a taxpayer may obtain written guidance from the local tax authorities in respect of one or more specific transactions. Any such guidance obtained would, in practice, be considered binding by the local tax authorities, but would not survive a change of law.					

3. Withholding taxes payable by the holding company

3.1 Withholding tax on dividends paid by the holding company

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
No withholding tax is levied in Malta on dividend distributions to a non-resident shareholder, provided that such shareholder is not directly or indirectly owned and controlled by, and does not act on behalf of, an individual who is ordinarily resident and domiciled in Malta.	15%, which may be reduced by virtue of tax treaties to 0-10%. As a general rule, distributions made by a Dutch cooperative are not subject to dividend withholding tax pursuant to the domestic rules. However, if the cooperative directly or indirectly holds shares in a (Dutch or foreign) company (i) with one of the main purposes to avoid a Dutch dividend withholding tax or foreign tax liability of another person and (ii) the membership interest in the cooperative is not attributable to an enterprise of the member of the cooperative, all profit distributions to such member are subject to dividend withholding tax. Furthermore, if the membership interest is attributable to an enterprise of the member of the cooperative and the cooperative directly or indirectly holds shares in a Dutch company with one of the main purposes to avoid a Dutch dividend withholding tax liability of another person, profit distributions to such member are subject to dividend withholding tax	No withholding tax is levied on the part of the dividend relating to income from qualifying subsidiaries (i.e. if conditions listed under 2.2 above are met) when distributed to a non-resident shareholder, provided that the shareholder is not resident in a tax haven. Otherwise, the general withholding tax rate applicable for outbound dividends to non-resident shareholders is 21% (to be reduced to 19% from tax period 2014 onwards), which rate is usually reduced to 0 - 15% by virtue of tax treaties or by virtue of the implementation of the EU Parent-Subsidiary Directive in Spanish domestic law if all the applicable requirements are met.	30%, however, generally, no withholding tax is imposed if the following conditions are met: • the dividend would have been tax exempt under Swedish law if the receiving company were Swedish (see under 2.2 above for conditions); and • the receiving company is taxed in a way similar to a Swedish company or is resident in a country with which Sweden has a tax treaty. Dividends are also exempt from withholding tax if the receiving company is resident in another EU member state, holds at least 10% of the share capital of the distributing company, and the receiving company meets the requirements in article 2 of the EU Parent-Subsidiary Directive. Dividends are also exempt from withholding tax if the receiving company is a fund management company, as defined in Swedish law, resident within the EEA or in a state with which Sweden has a tax treaty if the treaty includes an article on exchange of information in taxation matters.	35%, generally (partially or fully) refunded by virtue of tax treaties. For qualifying parent companies a reduction or exemption at source is possible. A full refund can be obtained if the distribution is made to a Swiss resident company (normally no withholding needed – declaration procedure) or, under certain conditions, a Swiss branch (credit system). Furthermore, under the tax treaties with various countries, an exemption at source is available for qualifying parent companies. Certain strict requirements should be met (beneficial ownership test). On the basis of the Savings Agreement concluded between Switzerland and the EU, a full refund or exemption at source may be obtained for dividends paid by a Swiss subsidiary to an EU parent company provided that: • the EU parent company holds at least 25% of the nominal share capital of the Swiss subsidiary for at least two years; • the parent company is resident for tax purposes in an EU Member State	The UK does not generally levy withholding tax on dividend payments. Dividends paid by a UK company carry an imputed tax credit of one-ninth of the cash dividend. This is in general non-refundable, although it may give rise to a small rebate under certain of the UK's income tax treaties.

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
	to the extent that the Dutch company had profit reserves at the time it was acquired by the cooperative. Under the domestic rules, a 0% rate applies if the distribution is made to (i) a parent company which is able to invoke the Dutch participation exemption with regard to the dividend distribution, or (ii) a qualifying EU, Icelandic, Liechtenstein or Norwegian parent company owning generally at least 5% of the nominal share capital (or, under circumstances, the voting rights) of the company distributing the dividend. Liquidation distributions and payments upon repurchase of shares are treated as ordinary dividends to the extent they exceed the average fiscally recognized capital contributed to the shares of the Dutch company. An exemption may apply for the repurchase of listed shares. Under Dutch tax treaties liquidation distributions and payments upon a repurchase of shares are sometimes classified as a capital gain and not as			and the distributing company is resident for tax purposes in Switzerland; • under any double tax agreements with a third State neither company is resident for tax purposes in that third State; and • both companies are subject to corporation tax without being exempt and both have the form of a limited company. For an exemption at source approval must be requested in advance which is valid for 3 years. Switzerland will continue to apply its strict anti-abuse provisions (beneficial owner test) also under the Savings Agreement. Contributed informal capital and share premium can be repaid free of dividend withholding tax, provided that certain strict formalities are complied with (it must be booked in a separate account in the books of the company, and it must be reported to the Federal Tax Administration).	

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
	a dividend. As a result, if such treaty is applicable, the Netherlands may not be allowed to tax the proceeds upon liquidation or repurchase of shares.				

3.2 Withholding tax on interest paid by the holding company

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
No withholding tax is levied on interest payments by a Malta company to a non-resident, unless: • the said non-resident is engaged in trade or business in Malta through a permanent establishment situated in Malta and the interest is effectively connected therewith; or • the said non-resident is owned and controlled by, directly or indirectly, or acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.	None, unless interest is paid on a debt instrument that is treated as equity for Dutch tax purposes. In that case, dividend withholding tax is due at a rate of 15% (subject to reduction under tax treaties). A reduction to 0% is available under the same conditions as mentioned under 3.1 above for dividend distributions. Under certain circumstances, a non-resident recipient of Dutch source interest income may be subject to non-resident corporate income taxation in the Netherlands; see under 4 below.	21% withholding tax (to be reduced to 19% from tax period 2014 onwards), reduced under tax treaties to 0-15%. 0% to tax residents in an EU Member State (not qualified as tax haven, e.g. Cyprus), provided that they do not obtain such interest through a permanent establishment in Spain.	There is no withholding tax on interest.	Withholding tax at a rate of 35% is levied on interest payments by for instance banks and similar financial institutions, or interest paid on issued bonds and similar securities. Interest paid by an ordinary holding company on an intercompany loan is in principle (in case properly structured and documented) not subject to withholding tax, unless the loan is profit sharing. The withholding tax rate can be reduced by virtue of a tax treaty. On the basis of the Savings Agreement between the EU and Switzerland, Switzerland levies 35% withholding tax on saving interests paid by Swiss paying agents to a non disclosed EU resident individual.	The UK levies 20% withholding tax on interest payments made to non-residents. However, there are a few exemptions. No UK withholding tax is due on interest paid on quoted Eurobonds. In addition, interest payments on bank deposits may be made free of withholding tax, provided a declaration of non-residence is filed with the bank. Withholding tax on interest may be reduced to zero under the provisions of the EC Interest and Royalty Directive. Furthermore, a reduced interest withholding tax rate may apply pursuant to a double tax treaty with the UK.

3.3 Withholding tax on royalties paid by the holding company

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
No withholding tax is levied on royalty payments by a Malta company to a non-resident, unless: • the said non-resident is engaged in trade or business in Malta through a permanent establishment situated in Malta and the royalties are effectively connected therewith; or • the said non-resident is owned and controlled by, directly or indirectly, or acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.	None.	24.75% withholding tax (to be reduced to 24% from tax period 2014 onwards), which can generally be reduced under a tax treaty. No withholding tax applies between associated companies in the EU pursuant to the provisions of the EC Interest and Royalty Directive.	Royalties are not subject to withholding tax, but they are subject to income tax in the hands of the payee unless a tax treaty limits Sweden's tax claim. As regards royalty payments between EU member states, the EC Interest and Royalty Directive applies.	None.	The UK levies 20% withholding tax on patent royalty payments and payments for copyrights made to non-residents, as well as on certain other classes of regular payments to non-residents. The UK has implemented the provisions of the EC Interest and Royalties Directive.

4. Non-resident capital gains taxation

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
Capital gains realized by a non-resident on the transfer of certain shares or securities in a Malta company would be exempt from Malta tax, unless: • it is a 'property company' as defined by law; • the said non-resident is owned and controlled by, directly or indirectly, or acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.	Capital gains realized by non-residents on the alienation of shares in a Dutch company are subject to Dutch taxation if the following conditions are cumulatively met: • the non-resident holds at the time of the alienation directly or indirectly an interest of 5% or more in the Dutch company (a 'substantial interest'); • the substantial interest is not attributable to an enterprise carried out by the non-resident; and • in the case of non-resident *entities* only, the substantial interest is held with one of the main purposes to avoid a Dutch personal income tax and/or Dutch dividend withholding tax liability of another person. The presence of an enterprise is determined on the basis of a facts-and-circumstances test which, in practice, is easily met. If the above-mentioned conditions are met, the non-resident taxation also applies to distributions made by the Dutch company, as well as income derived from loans granted by the non-resident to the Dutch company.	Capital gains realized by non-residents on the transfer of shares in a Spanish holding company are not subject to Spanish taxation, to the extent that the capital gains realized relate to retained earnings from exempt income (obtained from qualifying subsidiaries) or to the increase in value of the qualifying subsidiaries, provided that the seller (non-resident shareholder) is not resident in a tax haven. In case non-resident capital gains taxation applies, the applicable rate is 21% (to be reduced to 19% from tax period 2014 onwards). **Other Exemptions** Qualifying exchanges of shares, mergers, spin-offs and contributions of assets. **Liquidation** The dissolution/winding up of the Spanish holding, triggers the same corporate income tax consequences as described above in relation to a transfer of shares.	Capital gains on shares realized by non-residents are generally exempt from CIT, unless there is a permanent establishment in Sweden to which the shares are attributable.	Gains realized by non-resident individuals or companies on the disposal of shares in a Swiss company are normally not subject to Swiss taxation. However, based on Swiss jurisprudence, in certain situations tax free capital gains may be re-qualified as a taxable dividend distribution.	Capital gains realized by a non-resident shareholder on the sale of shares in a UK company are not subject to UK taxation, unless the shares are attributable to a UK permanent establishment of the shareholder.

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
	If the non-resident taxation applies to a non-resident individual, 25% personal income tax is levied on all income derived from the substantial interest (including capital gains and dividends) on a net basis. If the non-resident taxation applies to a non-resident entity which holds the substantial interest to avoid (among others) a Dutch personal income tax liability, corporate income tax is levied at 25% on all income from the substantial interest (on a net basis). If the non-resident taxation applies to a non-resident entity which holds the substantial interest only to avoid a Dutch dividend withholding tax liability, corporate income tax is effectively levied at 15% over - only - dividend income from the substantial interest (on a gross basis).				

5. Anti-abuse provisions / CFC rules

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
In general, there are no CFC rules or thin capitalization rules. However, the Malta Income Tax Act provides for a number of anti-avoidance measures (such as in articles 42, 46 and 51). Probably the most encompassing is article 51 which is of general application and states that artificial or fictitious schemes can be disregarded. It is possible, however, to obtain advance certainty on whether article 51 will be invoked by the Revenue. Article 42 contains an 'abuse of law' concept in the limited context of domestic investment income provisions. Article 46 provides, inter alia, for the recharacterization into dividends of amounts advanced by a company to shareholders or repaid by a company in settlement of shareholders' loans. Anti-abuse provisions as set out under 2.2 above apply in participating holding scenarios.	An annual mark-to-market revaluation applies to a substantial (25% or more) investment in a low-taxed subsidiary of which the assets consist, directly or indirectly, for 90% or more of 'low-taxed free passive investments'. Anti-abuse rules with respect to the deductibility of interest apply. See under 2.5 above. An exemption or reduction of Dutch dividend withholding tax may be denied based on the so-called 'anti-dividend-stripping' rules in the Dividend Tax Act. The rules described under 3.1 above, which subject certain distributions by a Dutch cooperative to Dutch dividend withholding tax, effectively constitute an anti-abuse measure. The same applies to the non-resident capital gains taxation rules described under 4 above. A general concept of abuse of law *(fraus legis)* applies based on case law.	The Spanish legislation has CFC rules, thin-capitalization rules and anti-tax haven provisions. However, CFC rules are not applicable when the foreign company is tax resident in an EU Member State, provided that it is proven that the incorporation and activity of the foreign company obey to valid business reasons and it carries out business activities. Likewise, thin capitalization rules are not applicable when the foreign company is tax resident in an EU Member State not qualified as tax haven. Anti-treaty shopping rules are included in some treaties. Look through rules exist.	CFC rules may apply if: • the income of a foreign legal entity is taxed at a tax rate lower than 14.465% (calculated under Swedish law); and • the Swedish shareholder holds or controls, directly or indirectly, alone or together with certain affiliated persons, at least 25% of the capital or voting rights of the foreign legal entity. However, no CFC taxation takes place if the foreign legal entity is a tax resident, and liable to income tax, in one of the countries listed in a 'white list', provided that the income in question has not been expressly excluded. Also, certain income from shipping activities is excluded from CFC taxation. After the ECJ ruling Cadbury Schweppes (C-196/04) the Swedish CFC rules were modified, and income from a real establishment in the EU can no longer be subject to CFC taxation. A permanent establishment that is taxed separately from its parent company, and in another state or jurisdiction than the one in which the parent company is taxed, is for CFC purposes deemed to	The 1962 Anti-Abuse Decree is a unilateral measure. It contains specific anti-abuse rules for foreign controlled or dominated Swiss companies that claim the benefits of Swiss tax treaties for income which they receive from abroad. Also under certain tax treaties, anti-abuse rules apply.	The UK currently does not have general anti-avoidance legislation. HMRC (UK Revenue) do, however, have an anti-avoidance group who is responsible for the development of anti-avoidance policy. They have a list of 'common features' of avoidance against which a particular transaction will be assessed, including transactions having little economic substance. In addition, HMRC require anybody undertaking tax planning which meet certain conditions to make disclosure thereof. In the 2009 Finance Act, several additional anti-avoidance measures have been enacted. The UK has CFC rules that tax undistributed profits of a non-resident company if it is UK-controlled and is established in a low tax jurisdiction (broadly less than 75% of the UK equivalent tax). The CFC rules do not apply to a company resident in a country explicitly excluded by HMRC (which includes most EU states, with some exceptions). In addition, further exemptions include: • the motive test: where it can be demonstrated that the activities of the non-resident company were

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
			be a separate foreign legal entity resident in the state or jurisdiction where it is situated.		carried out for bona fide commercial motives; • the exempt activities test: where it can be demonstrated that the non-resident company is engaged in real commercial transactions, mainly with non-connected parties; • the de *minimis* test: where the non-resident company's chargeable profits in an accounting period do not exceed GBP 50,000 (or, for accounting periods beginning January 1, 2011, GBP 200,000). The CFC rules are expected to be amended in the course of 2012.

6. Income tax treaties[1]

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
As of January 1, 2012, Malta has income tax treaties in force with the following countries:	As of January 1, 2012, The Netherlands has income tax treaties in force with the following countries:	As of January 1, 2012, Spain has income tax treaties in force with the following countries:	As of January 1, 2012, Sweden has income tax treaties in force with the following countries:	As of January 1, 2012, Switzerland has income tax treaties in force with the following countries:	As of January 1, 2012, the UK has income tax treaties in force with the following countries:
1. Albania	1. Albania	1. Albania	1. Albania	1. Albania	1. Antigua and Barbuda
2. Australia	2. Argentina	2. Algeria	2. Argentina	2. Algeria	2. Argentina
3. Austria	3. Armenia	3. Argentina	3. Australia	3. Argentina	3. Australia
4. Barbados	4. Aruba	4. Australia	4. Austria	4. Armenia	4. Austria
5. Belgium	5. Australia	5. Austria	5. Bangladesh	5. Australia	5. Azerbaijan
6. Bulgaria	6. Austria	6. Barbados	6. Barbados	6. Austria	6. Bangladesh
7. Canada	7. Azerbaijan	7. Belarus	7. Belarus	7. Azerbaijan	7. Barbados
8. China (People's Rep.)	8. Bahrain	8. Belgium	8. Belgium	8. Bangladesh	8. Belarus
9. Croatia	9. Bangladesh	9. Bolivia	9. Bolivia	9. Belarus	9. Belgium
10. Cyprus	10. Barbados	10. Bosnia and Herzegovina	10. Bosnia and Herzegovina	10. Belgium	10. Belize
11. Czech Republic	11. Belarus	11. Brazil	11. Botswana	11. Bulgaria	11. Bolivia
12. Denmark	12. Belgium	12. Bulgaria	12. Brazil	12. Canada	12. Bosnia and Herzegovina
13. Egypt	13. Bosnia and Herzegovina	13. Canada	13. Bulgaria	13. Chili	13. Botswana
14. Estonia	14. Brazil	14. Chile	14. Canada	14. China (People's Rep.)	14. Brunei
15. Finland	15. Bulgaria	15. China (People's Rep.)	15. Chile	15. Colombia	15. Bulgaria
16. France	16. Canada	16. Colombia	16. China (People's Rep.)	16. Croatia	16. Canada
17. Germany	17. China (People's Rep.)	17. Costa Rica	17. Croatia	17. Czech Republic	17. Chile
18. Georgia	18. Croatia	18. Croatia	18. Cyprus	18. Denmark	18. China (People's Rep.)
19. Greece	19. Curaçao	19. Cuba	19. Czech Republic	19. Ecuador	19. Croatia
20. Hungary	20. Czech Republic	20. Czech republic	20. Denmark	20. Egypt	20. Cyprus
21. Iceland	21. Denmark	21. East Timor	21. Egypt	21. Estonia	21. Czech Republic
22. India	22. Egypt	22. Ecuador	22. Estonia	22. Faroe Islands	22. Denmark
23. Ireland	23. Estonia	23. Egypt	23. Faeroe Islands	23. Finland	23. Egypt
24. Isle of Man	24. Finland	24. El Salvador	24. Finland	24. France	24. Estonia
25. Italy	25. France	25. Estonia	25. France	25. Georgia	25. Falkland Islands
26. Jersey	26. Georgia	26. Finland	26. Gambia	26. Germany	26 Faroe Islands
27. Jordan	27. Germany	27. France	27. Germany	27. Ghana	27. Fiji
28. Korea (Rep.)	28. Ghana	28. Georgia	28. Greece	28. Greece	28. Finland
29. Kuwait	29. Greece	29. Germany	29. Hungary	29. Hungary	29. France
30. Latvia	30. Hong Kong	30. Greece	30. Iceland	30. Iceland	30. Gambia
31. Lebanon	31. Hungary	31. Hungary	31. India	31. India	31. Georgia

[1] Only comprehensive income tax treaties potentially relevant for holding companies are included.

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
32. Libya	32. Iceland	32. Iceland	32. Indonesia	32. Indonesia	32. Germany
33. Lithuania	33. India	33. India	33. Ireland	33. Iran	33. Ghana
34. Luxembourg	34. Indonesia	34. Indonesia	34. Israel	34. Ireland	34. Greece
35. Malaysia	35. Ireland	35. Iran	35. Italy	35. Israel	35. Grenada
36. Montenegro	36. Israel	36. Ireland	36. Jamaica	36. Italy	36. Guyana
37. Morocco	37. Italy	37. Israel	37. Japan	37. Ivory Coast	37. Hong Kong
38. Netherlands	38. Japan	38. Italy	38. Kazakstan	38. Jamaica	38. Hungary
39. Norway	39. Jordan	39. Jamaica	39. Kenya	39. Japan	39. Iceland
40. Pakistan	40. Kazakhstan	40. Japan	40. Korea (Rep.)	40. Kazakhstan	40. India
41. Poland	41. Korea (Rep.)	41. Kazakhstan	41. Latvia	41. Korea (Rep.)	41. Indonesia
42. Portugal	42. Kosovo	42. Korea (Rep.)	42. Lithuania	42. Kuwait	42. Ireland
43. Qatar	43. Kuwait	43. Kyrgyzstan	43. Luxembourg	43. Kyrgyzstan	43. Israel
44. Romania	44. Kyrgyzstan	44. Latvia	44. Macedonia	44. Latvia	44. Italy
45. San Marino	45. Latvia	45. Lithuania	45. Malaysia	45. Lithuania	45. Ivory Coast
46. Serbia	46. Lithuania	46. Luxembourg	46. Malta	46. Luxembourg	46. Jamaica
47. Singapore	47. Luxembourg	47. Macedonia	47. Mauritius	47. Macedonia	47. Japan
48. Slovak Republic	48. Macedonia	48. Malaysia	48. Mexico	48. Malaysia	48. Jordan
49. Slovenia	49. Malawi	49. Malta	49. Montenegro	49. Mexico	49. Kazakhstan
50 South Africa	50. Malaysia	50. Mexico	50. Namibia	50. Moldova	50. Kenya
51. Spain	51. Malta	51. Moldova	51. Netherlands	51. Mongolia	51. Kiribati
52. Sweden	52. Mexico	52. Morocco	52. New Zealand	52. Montenegro	52. Korea (Rep.)
53. Syria	53. Moldova	53. Netherlands	53. Norway	53. Morocco	53. Kuwait
54. Tunisia	54. Mongolia	54. New Zealand	54. Pakistan	54. Netherlands	54. Kyrgyzstan
55. United Arab Emirates	55. Montenegro	55. Norway	55. Philippines	55. New Zealand	55. Latvia
56. United Kingdom	56. Morocco	56. Pakistan	56. Poland	56. Norway	56. Lesotho
57. United States	57. New Zealand	57. Panama	57. Portugal	57. Pakistan	57. Libya
	58. Nigeria	58. Philippines	58. Romania	58. Philippines	58. Lithuania
	59. Norway	59. Poland	59. Russia	59. Poland	59. Luxembourg
	60. Oman	60. Portugal	60. Serbia	60. Portugal	60. Macedonia
	61. Pakistan	61. Romania	61. Singapore	61. Qatar	61. Malawi
	62. Panama	62. Russia	62. Slovak Republic	62. Romania	62. Malaysia
	63. Philippines	63. Saudi Arabia	63. Slovenia	63. Russia	63. Malta
	64. Poland	64. Serbia	64. South Africa	64. Serbia	64. Mauritius
	65. Portugal	65. Slovak Republic	65. Spain	65. Singapore	65. Mexico
	66. Qatar	66. Slovenia	66. Sri Lanka	66. Slovak Republic	66. Moldova
	67. Romania	67. South Africa	67. Switzerland	67. Slovenia	67. Mongolia
	68. Russia	68. Sweden	68. Taiwan	68. South Africa	68. Montserrat
	69. Serbia	69. Switzerland	69. Tanzania	69. Spain	69. Morocco
	70. Singapore	70. Tajikistan	70. Thailand	70. Sri Lanka	70. Myanmar
	71. Saint Martin	71. Thailand	71. Trinidad and Tobago	71. Sweden	71. Namibia
	72. Saudi Arabia	72. Trinidad and Tobago	72. Tunisia	72. Tajikistan	72. Netherlands
	73. Slovak Republic	73. Tunisia	73. Turkey	73. Thailand	73. New Zealand
	74. Slovenia	74. Turkey	74. Ukraine	74. Trinidad and Tobago	74. Nigeria

Malta	The Netherlands	Spain	Sweden	Switzerland	United Kingdom
	75. South Africa	75. Turkmenistan	75. United Kingdom	75. Tunisia	75. Norway
	76. Spain	76. Ukraine	76. United States	76. Ukraine	76. Oman
	77. Sri Lanka	77. United Arab Emirates	77. Venezuela	77. United Kingdom	77. Pakistan
	78. Suriname	78. United Kingdom	78. Vietnam	78. United States	78. Papua New Guinea
	79. Sweden	79. United States	79. Zambia	79. Uruguay	79. Philippines
	80. Switzerland	80. Uruguay	80. Zimbabwe	80. Uzbekistan	80. Poland
	81. Taiwan	81. Venezuela		81. Venezuela	81. Portugal
	82. Tajikistan	82. Vietnam		82. Vietnam	82. Quatar
	83. Thailand				83. Romania
	84. Tunisia				84. Russia
	85. Turkey				85. Saudi Arabia
	86. Uganda				86. Serbia and Montenegro
	87. Ukraine				87. Sierra Leone
	88. United Kingdom				88. Singapore
	89. United States				89. Slovak Republic
	90. Uzbekistan				90. Slovenia
	91. Venezuela				91. Solomon Islands
	92. United Arab Emirates				92. South Africa
	93. Vietnam				93. Spain
	94. Zambia				94. Sri Lanka
	95. Zimbabwe				95. St. Kitts and Nevis
					96. Sudan
					97. Swaziland
					98. Sweden
					99. Switzerland
					100. Taiwan
					101. Tajikistan
					102. Thailand
					103. Trinidad and Tobago
					104. Tunisia
					105. Turkey
					106. Turkmenistan
					107. Tuvalu
					108. Uganda
					109. Ukraine
					110. United States
					111. Uzbekistan
					112. Venezuela
					113. Vietnam
					114. Zambia
					115. Zimbabwe

Contact details contributing firms

CYPRUS
Andreas Neocleous & Co.
Neocleous House
195 Arch. Makarios III Ave.
P.O. Box 50613
3608 Limassol
Cyprus
www.neocleous.com

Elias Neocleous
T: +357 2511 0000
F: +357 2511 0001
eliasn@neocleous.com

DENMARK
Kromann Reumert
Sundkrogsgade 5
2100 Copenhagen
Denmark
www.kromannreumert.com

Arne Møllin Ottosen
T: +45 701 212 11
F: +45 701 213 11
ao@kromannreumert.com

HUNGARY
Gide Loyrette Nouel Hungary
Tax Services
Roosevelt tér 7-8.
1051 Budapest
Hungary
www.gide.com

François d'Ornano
T: +36 1 411 74 00
F: +36 1 411 74 40
ornano@gide.com

Eszter Kamocsay-Berta
T: +36 1 411 74 00
F: +36 1 411 74 40
eszter.kamocsay-berta@gide.com

Lilla Pusztai
T: +36 1 411 74 00
F: +36 1 411 74 40
lilla.pusztai@gide.com

IRELAND
Matheson Ormsby Prentice
70 Sir John Rogerson's Quay
Dublin 2
Ireland
www.mop.ie

John Ryan
T: +353 1 232 20 00
F: +353 1 232 33 33
john.ryan@mop.ie

Alan Connell
T: +353 1 232 24 33
F: +353 1 232 33 33
alan.connell@mop.ie

MALTA
Francis J. Vassallo & Associates Limited
259, St. Paul Street
Valletta VLT
1213 Malta
Malta
www.fjvassallo.com

Francis J. Vassallo
T: +356 22 99 31 00
F: +356 22 99 31 01
francis@fjvassallo.com

SPAIN
Cuatrecasas
Paseo de Gracia 111
08008 Barcelona
Spain
www.cuatrecasas.com

Josep Marsal
T: +34 93 290 55 00
F: +34 93 290 55 67
josep.marsal@cuatrecasas.com

Javier Rodríguez
T: +1 212 784 88 07
F: +1 212 758 10 28
javier.rodriguez@cuatrecasas.com

SWEDEN
Mannheimer Swarting Advokatbyrå AB
Norrlandsgatan 21
Box 1711
111 87 Stockholm
Sweden
www.mannheimerswartling.se

Martin Nilsson
T: +46 8 595 061 10
F: +46 8 595 060 01
martin.nilsson@msa.se

Loyens & Loeff offices

AMSTERDAM
Fred. Roeskestraat 100
1076 ED Amsterdam
The Netherlands
T: +31 20 578 57 85

ARNHEM
Utrechtseweg 165
6862 AJ Oosterbeek
The Netherlands
T: +31 26 334 72 72

ARUBA
ARFA Building, Suite 201
J.E. Irausquin Boulevard 22
Oranjestad
Aruba
T: +297 582 48 37

BRUSSELS
Woluwe Atrium
Neerveldstraat 101-103
1200 Brussels
Belgium
T: +32 2 743 43 43

CURAÇAO
Landhuis Arrarat
Presidente Romulo Betancourt
Boulevard 2
Willemstad
Curaçao
T: +599 9 434 11 00

DUBAI
Dubai International Financial
Centre (DIFC), Gate Village
Building # 10, Level 2
P.O. Box 506647
Dubai
United Arab Emirates
T: +971 4 437 27 00

EINDHOVEN
Parklaan 54a
5613 BH Eindhoven
The Netherlands
T: +31 40 239 44 44

FRANKFURT
Barckhausstraße 10
60325 Frankfurt am Main
Germany
T: +49 69 97 15 70

GENEVA
Rue du Rhône 59,
(1st floor)
1204 Geneva
Switzerland
T: +41 22 818 80 00

HONG KONG
28/F, Wyndham Street
Central, Hong Kong
China
T: +852 3763 9300

LONDON
26 Throgmorton Street
London EC2N 2AN
United Kingdom
T: +44 20 782 630 70

LUXEMBOURG
18-20 Rue Edward Steichen
K-Point Building
2540 Luxembourg
Luxembourg
T: +352 46 62 30

NEW YORK
555 Madison Avenue
27th Floor
New York, NY 10022
U.S.A.
T: +1 212 489 06 20

PARIS
1, avenue Franklin D. Roosevelt
75008 Paris
France
T: +33 1 49 53 91 25

ROTTERDAM
Blaak 31
3011 GA Rotterdam
The Netherlands
T: +31 10 224 62 24

SINGAPORE
80 Raffles Place
14-06 UOB Plaza 1
Singapore 048624
Singapore
T: +65 653 230 70

TOKYO
15F Tokyo Bankers Club Bldg.
1-3-1 Marunouchi, Chiyoda-ku
100-0005 Tokyo
Japan
T: +81 3 32 16 73 24

ZURICH
Dreikönigstrasse 55
8002 Zurich
Switzerland
T: +41 43 266 55 55

Loyens & Loeff is an independent full service law firm with integrated corporate law and tax practices. The Benelux based firm has a strong international focus, with approximately 800 lawyers working in six offices in the Netherlands, Belgium and Luxembourg and twelve offices in the world's major financial centres. Loyens & Loeff maintains close relations with prominent international law firms. As such, the firm is the logical choice for large and medium-size corporates, banks and other financial institutions, operating internationally.

12-02-EN-EHR

www.loyensloeff.com