

European Holding Company Analysis

2017 (Extended)



Dear Nexia member,

We are pleased to present an updated version of the (Extended) European Holding Company Analysis, as per January 1, 2017.

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Last but not least I would like to express my gratitude to my secretary mrs. Eugenie Gerritse, for all the hard work she has done to complete this update.

This European Holding Company Analysis is meant as a practical tool for an initial comparison of relevant tax aspects of some holding company regimes. It should not be used as a substitute for obtaining local tax advice.

May 1, 2017

Maastricht, The Netherlands

Chris Leenders
International Tax Partner at Koenen en Co

COUNTRY (NOTES CODE)	AUSTRIA (A) ¹	BELGIUM (B)	CYPRUS (CY)	CZECH REPUBLIC (CZ)	DENMARK (DK)
RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
Type of Holding Company	Resident Company	Resident Company	Resident Company	Resident Company	Registered and/or resident company ¹
1 Treatment of Dividend Income <i>How is Dividend Income treated for tax purposes – in particular, is the dividend income either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Participation Exemption	95% Deduction ¹	Exempt from any Cyprus taxes subject to easily met conditions ^{1,2}	Participation Exemption	Participation Exemption ²
2 Minimum Participation for Dividend income <i>Minimum participation holding level (%) required to be satisfied</i>	10 %	At least 10% or € 2.500.000	No	10 %	At least 10%
3 Treatment of Capital Gains Income <i>How is Capital Gains Income treated for tax purposes – in particular, is the capital gain either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Optional Participation Exemption ²	Exempt from tax under a “participation” exemption, but only for small and medium sized companies. Tax rate for big sized companies: 0,412%	Exempt from taxation ³	Participation Exemption	Exempt from taxes

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4 Minimum Participation for Capital Gains <i>Minimum participation holding level (%) required to be satisfied</i>	10%	N/A	No	10%	10% for quoted shares 0% for unquoted shares
5 Minimum "ownership" period requirements <i>What are the minimum "ownership" period Requirements in respect of:</i> <i>(a) Dividend income</i> <i>(b) Capital gains</i> <i>derived from the participating holding?</i>	1 year 1 year	a) At least 1 year b) If less than 1 year, a tax rate of 25,75% applies (for all companies)	None None	12 months ¹	No minimum ownership period ³
6 "Active Business" Test on underlying participation <i>Does the underlying subsidiary require to be an active operating company or can the subsidiary be, itself, a passive holding company?</i>	The underlying subsidiary has to be an active one.	The underlying subsidiary can itself be a passive holding	No ²	No	No ⁴
7 "Subject to tax" Test on underlying participation Does the subsidiary require to be subject to taxation in its jurisdiction of registration? If so, what is the minimum acceptable level of taxation (% rate) in the jurisdiction of the holding company for the purposes of this test?	Yes Minimum 15%	Yes ² Similar to Belgian Corporate Income Tax 2	No ²	Yes Should be the subject of similar CITR higher than 0 %	Yes ⁵

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8 Corporate Rate of Taxation <i>Corporate tax rate in jurisdiction</i>	25%	33.99% ³	12.5%	19 %	22%
9 Withholding Tax – Dividend (Outgoing) <i>(a) Non-Treaty rate on Dividends</i> <i>(b) Treaty – range of withholding taxes</i>	27,5% 0% – 15%	15% ⁴ or 30%	0% ⁴ 0% ⁴	35 % 0 – 15 %	0% ⁶ / 27%
10 Withholding Tax - Dividends (Incoming) <i>General range of withholding taxes on dividends in the foreign source jurisdiction in terms of treaty network.</i>	0 – 15%	0% - 15%	0-15%	0 – 15 %	0% ⁵ - 15%
11 Withholding Tax - Liquidation of Holding Co. <i>Is a withholding tax imposed on the final distribution of assets of the holding company in liquidation?</i>	Yes	In general: 30% ⁴	0% ⁴	Yes/15 % Yes/35% Non-Treaty	No ⁶

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12 Interest Deductions & Thin Capitalisation Rules - Debt : Equity Ratios (a) Interest Deductions <i>Are Interest Expenses incurred on loans (received to finance the acquisition of the foreign participation) deductible against dividend income; capital gains or other income of the holding company?</i> (b) Debt : Equity Ratios <i>Are there restrictions on the level of non- equity capital financing of the holding company in the form of prescribed Debt: Equity ratios?</i> <i>Debt : Equity ratio:</i>	Yes Exemption: if acquired from a group company No ³ N/A ³	Deductible ⁵ Yes 1 : 1 ⁶ 5 : 1 ⁶	Yes, but subject to conditions i.e. Notional Interest Deduction(NID) available & actual interest expense deduction for 100% 'trading' subsidiaries ⁵ No N/A	Interest Expenses of foreign participation acquisition are non-tax deductible Yes 6 : 1 ² 4 : 1 ³	No ⁷ Yes ⁷ 4 : 1 ⁷
13 Controlled Foreign Corporation ("CFC") & "anti-abuse" regulations (a) CFC Regulations <i>Are CFC regulations applied?</i> <i>Are the regulations applied only to a prescribed "black list" of jurisdictions or with reference to the effective rate of tax imposed in the overseas jurisdiction?</i>	Yes Reference to effective rate	Yes Black list ⁷	No N/A	No such special local regulations N/A	Yes ⁴ N/A ⁴

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<i>(b) Other "anti-abuse" regulations</i> <i>Are "anti-abuse" provisions applied in regard to the EU Parent-Subsidiary Directive (90 / 435 / EEC)?</i>	Yes	No	Yes ⁶	No	No
14 Binding Advance Tax Rulings (pre- transaction) <i>Are Advance Tax Rulings available pre- transaction?</i> <i>Are these rulings granted only in respect of specific situations?</i>	Yes No	Yes ⁸ No	Yes ⁷ No ⁷	Yes ⁴ Yes ⁴	Yes No
15 Other taxes <i>(a) Capital Duty</i> <i>(b) Transfer Tax on shares</i> <i>(c) Annual Net Worth / Patrimonial Tax</i> <i>(d) Trade Tax</i>	Changes due to the Tax Reform 2016 Capital Duty is canceled with 01.01.2016 The transfer of at least 95 % of the substance of the partnership to new shareholders within five years is taxable as RETT	0% 0% 0% 0%	See below ⁸ 0% 0% 0%	No No No No	0% 0% 0% 0%

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16 Double Tax Treaty Network <i>(a) Number of treaties in operation</i> <i>(b) Is the holding company type excluded from any of the treaties?</i> <i>(c) Do any of the treaties include "anti-treaty shopping" provisions and/or detailed "beneficial ownership" tests?</i>	91 No Yes ⁵	89 No Yes	Over 55 No Yes ⁹	87 No No/Yes	75 No Yes ⁸
17 Substance requirements <i>What kind of substance requirements are in place for holding companies?</i>	No substance requirements	Real place of management no specific substance requirements	See note ¹⁰	No	None
18 Base Erosion Profit Shifting <i>What kind of tests have been introduced as a result of BEPS, other than the already mentioned?</i>	Austria uses the OECD Standard for BEPS	Mandatory T/P reporting	See note ¹¹	Completing form concerning related parties transactions and filing it together with income tax return with the Tax Office	Yes ⁹

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Type of Holding Company	Resident Company	Resident Company	Resident Company	Resident Company	Resident Company
1 Treatment of Dividend Income <i>How is Dividend Income treated for tax purposes – in particular, is the dividend income either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Participation Exemption	95 % Participation Exemption ¹	95% Participation Exemption ¹	a) Exempt from tax under a participation exemption for EC subsidiaries b) Taxable with credit for foreign tax credits ¹	Dividend income is taxable at the relevant corporate rate (see note GG1) and credit for foreign tax may be applicable in some cases.
2 Minimum Participation for Dividend income <i>Minimum participation holding level (%) required to be satisfied</i>	Unlisted shares: none Listed shares: 10% ¹	At least 5 % ²	10 %/ 15% ²	10%	No minimum participation holding level
3 Treatment of Capital Gains Income <i>How is Capital Gains Income treated for tax purposes – in particular, is the capital gain either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Participation Exemption ²	88 % Participation Exemption ³	95% Participation Exemption ³	Are treated as normal company income a)No b)Yes	There is no tax on capital gains in Guernsey
4 Minimum Participation for Capital Gains <i>Minimum participation holding level (%) required to be satisfied</i>	For tax exempt disposals: 10% ²	At least 5 % ⁴	N/A	N/A	N/A – no taxation on cap gains

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5 Minimum “ownership” period requirements <i>What are the minimum “ownership” period Requirements in respect of: (a) Dividend income (b) Capital gains derived from the participating holding?</i>	None 1 year in addition to other criteria to be met	2 years ⁵	Beginning of the calendar year ⁴ No	At least 2 years N/A	No Minimum ownership period N/A
6 “Active Business” Test on underlying participation <i>Does the underlying subsidiary require to be an active operating company or can the subsidiary be, itself, a passive holding company?</i>	Subsidiary has to be an active operating company. ²	No ⁶	Municipal tax only ⁵	N / A	N/A
7 “Subject to tax” Test on underlying participation <i>Does the subsidiary require to be subject to taxation in its jurisdiction of registration?</i> <i>If so, what is the minimum acceptable level of taxation (% rate) in the jurisdiction of the holding company for the purposes of this test?</i>	Yes ^{3, 4} 12,0% ⁴	Yes ⁷ 17,215% on services/royalties 8,6075% on interest	Yes ⁶ 25%	N / A	N/A

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8 Corporate Rate of Taxation <i>Corporate tax rate in jurisdiction</i>	20,0%	33.1/3%, 28% and 15% ⁸	15% ⁷	29%	Standard rate – 0% See note GG1 for other rates
9 Withholding Tax - Dividend (Outgoing) <i>(a) Non-Treaty rate on Dividends</i> <i>(b) Treaty – range of withholding taxes</i>	20,0% 0 – 20,0%	30% ⁹ 21% ⁹ 75% ⁹ 0%-20%	15% / 25% ⁸ 0 - 15%	15% 0% - 15% ²	0% 0%
10 Withholding Tax - Dividends (Incoming) <i>General range of withholding taxes on dividends in the foreign source jurisdiction in terms of treaty network.</i>	0 – 20 %	0%-20%	0% - 15%	0% - 15% or according to the relevant treaty	Guernsey has a growing network of Treaties. Dividend withholding rates are generally 0%, see note GG2
11 Withholding Tax - Liquidation of Holding Co. <i>Is a withholding tax imposed on the final distribution of assets of the holding company in liquidation?</i>	No	Yes ¹⁰	Yes ⁸	No	No

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<p>12 Interest Deductions & Thin Capitalisation Rules - Debt : Equity Ratios</p> <p><i>(a) Interest Deductions</i> Are Interest Expenses incurred on loans (received to finance the acquisition of the foreign participation) deductible against dividend income: capital gains or other income of the holding company?</p> <p><i>(b) Debt : Equity Ratios</i> Are there restrictions on the level of non- equity capital financing of the holding company in the form of prescribed Debt: Equity ratios?</p> <p>Debt : Equity ratio:</p>	<p>Yes, but interest deductions should be made according to the arm's length principle. In addition, restrictions on interest deductions effective from 1.1.2014 onwards ⁵</p> <p>No</p> <p>N/A</p>	<p>Yes Subject to conditions ¹¹</p> <p>Yes¹¹</p>	<p>Deductible ⁹</p> <p>No ¹⁰ tax EBITDA decisive</p> <p>N/A</p>	<p>a) Interest expenses on loans to finance the acquisition of foreign participation is not deductible when dividend income is not taxable.</p> <p>b) Yes, subject to thin capitalisation rules as below. If a loan is granted by a related party interest corresponding to loans exceeding the 30% of EBITDA and in case they do not exceed the amount of € 3.000.000 per year is not deductible.</p>	<p>Guernsey has no Thin Capitalisation rules. Interest payments are deductible as expenses in computing taxable profits.</p>
<p>13 Controlled Foreign Corporation ("CFC") & "anti-abuse" regulations</p> <p><i>(a) CFC Regulations</i> Are CFC regulations applied?</p> <p>Are the regulations applied only to a prescribed "black list" of jurisdictions or with reference to the effective rate of tax imposed in the overseas jurisdiction?</p>	<p>Yes ^{3, 4}</p> <p>With the reference to the effective rate of tax</p>	<p>Yes ¹²</p> <p>Effective rate of tax</p>	<p>Yes</p> <p>Effective Rate¹¹</p>	<p>CFC rules provide the inclusion in the taxable income of the Greek taxpayer (individual or legal entity) of "passive" income "resting" undistributed in other jurisdictions, provided certain conditions are cumulatively met. ³</p>	<p>No</p>

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(b) Other "anti-abuse" regulations <i>Are "anti-abuse" provisions applied in regard to the EU Parent-Subsidiary Directive (90 / 435 / EEC)?</i>	Yes ^{1, 5}	Yes ¹²	Yes ¹²	Yes. ⁴	There is a general provision against legal avoidance (s67 of The Income Tax (Guernsey) Law, 1975)
14 Binding Advance Tax Rulings (pre- transaction) <i>Are Advance Tax Rulings available pre- transaction?</i> <i>Are these rulings granted only in respect of specific situations?</i>	Yes Yes	Yes No	Yes ¹³ No ¹⁴	An Advanced Pricing Agreement (APA) is available which will enables companies to obtain advance approval of their transfer pricing practices for future transactions. The APA will cover any relevant criteria used for the determination of the intra-group pricing.	Yes Yes
15 Other taxes (a) Capital Duty (b) Transfer Tax on shares (c) Annual Net Worth / Patrimonial Tax (d) Trade Tax	0% 0% & 1,6% ⁶ 0% 0%	No in most cases Proportionnal taxation: 0,1 % to 5% ¹³ No ¹³ Yes ¹³	0% 0% 0% 12 - 17%	a) 1% b) the goodwill is treated as normaly income/0.2% on the sale value for listed companies. c) No/Annual Real Estate Tax d) Yes / Yearly small lump sum amount	None

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16 Double Tax Treaty Network <i>(a) Number of treaties in operation</i> <i>(b) Is the holding company type excluded from any of the treaties?</i> <i>(c) Do any of the treaties include "anti-treaty shopping" provisions and/or detailed "beneficial ownership" tests?</i>	118 tax treaties in total of which 75 are full tax treaties regarding avoidance of double taxation No No	More than 120 No Yes	95 No Yes ¹⁵	55 ⁵ No No	13 Full DTA's 13 Partial DTA's ² No No
17 Substance requirements <i>What kind of substance requirements are in place for holding companies?</i>	None	Yes Decision taken in France ¹⁴	EC jurisdiction applied	N/A	No specific guidelines but generally physical presence, establishment of genuine business or significant shareholder
18 Base Erosion Profit Shifting <i>What kind of tests have been introduced as a result of BEPS, other than the already mentioned?</i>	Currently none. Under discussion.	No other than the already mentioned	No dividend exemption if distribution is tax deductible for distributing subsidiary. Introduction of additional "Linking rules" in discussion.	The Greek Tax Administration Procedures Code, allows the Greek Tax Authorities to ignore or override "any artificial arrangement or series of artificial arrangements which lead to tax avoidance and tax privileges". New Hybrid Mismatch rules have been introduced.	Guernsey has general provisions against legal avoidance as stated in Section 67 of The Income Tax (Guernsey) Law, 1975

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Type of Holding Company	Resident Company	Resident Company	Resident Company	Resident Company	Resident Company
1 Treatment of Dividend Income <i>How is Dividend Income treated for tax purposes – in particular, is the dividend income either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Participation Exemption ¹	Exempt 95%	Taxable with credit for foreign tax & refund of Malta tax or Participation exemption in respect of participating holdings ¹	Participation exemption ¹	Dividend Income is generally tax free to a Norwegian company (see further the exceptions in the notes ¹)
2 Minimum Participation for Dividend income <i>Minimum participation holding level (%) required to be satisfied</i>	None	10 %	At least 10% or €1,164,000 (or equivalent in Foreign Currency) ²	At least 5%	N/A for EEA countries, see #1 above
3 Treatment of Capital Gains Income <i>How is Capital Gains Income treated for tax purposes – in particular, is the capital gain either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Participation exemption ²	Fully taxable unless the conditions for the participation exemption are met ¹ Participation exemption 95%	Taxable with credit for foreign tax & refund of Malta tax or Participation exemption in respect of participating holding ³	Participation exemption	Capital Gains Income relating to the alienation of shares in limited companies is generally tax free to a Norwegian company (see further the exceptions in the notes ²)
4 Minimum Participation for Capital Gains <i>Minimum participation holding level (%) required to be satisfied</i>	10% ²	None	At least 10% or €1,164,000 (or equivalent in Foreign Currency) ²	At least 5%	Same as under #2 above

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5 Minimum "ownership" period requirements <i>What are the minimum "ownership" period Requirements in respect of:</i> <i>(a) Dividend income</i> <i>(b) Capital gains</i> <i>derived from the participating holding?</i>	None 1 year ²	a) At least 1 year b) None (fully taxable), or 12+1 months in order to apply participation exemption rules	None or 183 days ² None or 183 days ²	None None	Same as under #1 and #2 above
6 "Active Business" Test on underlying participation <i>Does the underlying subsidiary require to be an active operating company or can the subsidiary be, itself, a passive holding company?</i>	No ¹	Yes, in order to apply participation exemption rules (never for real property business)	No	Yes ²	Only relevant if the subsidiary is resident in a low tax jurisdiction within the EEA. The subsidiary then has to be genuinely established in and genuinely conducting business in an EEA country in order for dividends and capital gains to be exempt as
7 "Subject to tax" Test on underlying participation <i>Does the subsidiary require to be subject to taxation in its jurisdiction of registration?</i> <i>If so, what is the minimum acceptable level of taxation (% rate) in the jurisdiction of the holding company for the purposes of this test?</i>	Yes (CFC rules) ¹ 9%	Yes The participated company must be resident in a "white list" country	No, unless outside EU ² No, unless outside EU ²	Yes ³ 10% ³	Yes, unless genuinely established in and genuinely conducting business in an EEA country Acceptable with 2/3 of Norwegian tax level

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8 Corporate Rate of Taxation <i>Corporate tax rate in jurisdiction</i>	Corporate tax: 9% ³	Corporate tax: 24% ¹ Regional Tax on Productivity: 4,65%	35% but refunds of Malta tax are applicable. Income from royalties on eligible patents may be exempt from Malta tax ⁴	25% ⁴	24%
9 Withholding Tax - Dividend (Outgoing) <i>(a) Non-Treaty rate on Dividends</i> <i>(b) Treaty – range of withholding taxes</i>	0% ⁴ 0% ⁴	0% - 26% 5% - 15% ^(2, 3)	0% ⁵ 0% ⁵	15% 0 – 15%	25%, except to EEA resident companies where the rate is 0% provided that the receiving company is genuinely established in and genuinely conducting business in an EEA country 0-25%
10 Withholding Tax - Dividends (Incoming) <i>General range of withholding taxes on dividends in the foreign source jurisdiction in terms of treaty network.</i>	0-20%	0%-26%	0 – 15%	0 – 15%	A highly developed treaty network with varying withholding tax rates
11 Withholding Tax - Liquidation of Holding Co. <i>Is a withholding tax imposed on the final distribution of assets of the holding company in liquidation?</i>	No ⁴	Yes	No but when profits are distributed from untaxed profits (profits allocated to the untaxed account), 15% withholding tax applies if dividend is paid to a recipient ⁶ .	Yes ⁵	Seen as capital gains and no withholding tax on outgoing liquidation dividend

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12 Interest Deductions & Thin Capitalisation Rules - Debt : Equity Ratios (a) Interest Deductions <i>Are Interest Expenses incurred on loans (received to finance the acquisition of the foreign participation) deductible against dividend income: capital gains or other income of the holding company?</i> (b) Debt : Equity Ratios <i>Are there restrictions on the level of non-equity capital financing of the holding company in the form of prescribed Debt: Equity ratios?</i>	<p>Yes</p> <p>Yes</p> <p>3:1 ⁵</p>	<p>Pure Holding: deducts 96% of interest expenses; Non-Pure Holding: deducts the interest expenses by 30% of EBITDA</p> <p>N/A</p> <p>Thin capitalization rules are not applicable in Italy</p>	<p>Yes</p> <p>No</p> <p>N/A</p>	<p>Yes ⁶</p> <p>No ⁶</p>	<p>Yes, to the extent that dividends and capital gains are taxable cf #1 and #2 above</p> <p>There are no specific Debt :Equity ratios for ordinary businesses (exception for petroleum sector). Deductibility of interests on loans and other credits from related parties is limited to 25 % of an adjusted EBITDA provided that net interest cost exceeds NOK 5 million.</p>
13 Controlled Foreign Corporation ("CFC") & "anti-abuse" regulations (a) CFC Regulations <i>Are CFC regulations applied?</i> <i>Are the regulations applied only to a prescribed "black list" of jurisdictions or with reference to the effective rate of tax imposed in the overseas jurisdiction?</i>	<p>Yes ¹</p> <p>Effective tax paid in the foreign country ¹</p>	<p>Yes</p> <p>The regulations apply both to "Black List" jurisdictions and to jurisdiction with low effective tax rate (lower than 13.75%)</p>	<p>No</p> <p>N/A</p>	<p>No</p> <p>N/A</p>	<p>Yes</p> <p>To the effective rate of tax imposed in the overseas jurisdiction ³</p>

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<p><i>(b) Other "anti-abuse" regulations</i></p> <p><i>Are "anti-abuse" provisions applied in regard to the EU Parent-Subsidiary Directive (90 / 435 / EEC)?</i></p>	Substance over form as a general rule prevails	Yes	Participation exemption on dividend income applies only to the extent that the profit distributed is not deductible by the subsidiary	Yes	<p>The EU Parent-Subsidiary Directive is not directly applicable to Norwegian tax law. However, Norway applies general arm's length and anti abuse principles for tax purposes</p> <p>If total net interest expenses exceed NOK 5 million, they will be compared with a calculated limit for deductability. It may result in interception of net interest expenses on liabilities to related parties.</p>
<p>14 Binding Advance Tax Rulings (pre- transaction)</p> <p><i>Are Advance Tax Rulings available pre- transaction?</i></p> <p><i>Are these rulings granted only in respect of specific situations?</i></p>	<p>Yes ⁶</p> <p>Applicable to all transactions</p>	<p>No</p> <p>N/A</p>	<p>Yes ⁷</p>	<p>Yes ⁷</p> <p>No</p>	<p>Yes</p> <p>Yes</p>

COUNTRY (NOTES CODE)	HUNGARY (HU)	ITALY (IT)	MALTA (MLT)	NETHERLANDS (NL)	NORWAY (NO)
RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
15 Other taxes <i>(a) Capital Duty</i> <i>(b) Transfer Tax on shares</i> <i>(c) Annual Net Worth / Patrimonial Tax</i> <i>(d) Trade Tax</i>	Flat rate ⁷ 0%/4%/2% (Shares) ¹⁰ 0% ¹⁰ 0-2% ⁸	No € 200 (Registration tax) No No	0% 2% increasing to 5% (if the company in which the shares are being transferred is a property company owning immovable property situated in Malta) ⁸ Certain exemptions apply 0% 0%	N/A 0%/2%/6% ⁸ 0% 0%	N/A N/A Net wealth tax VAT
16 Double Tax Treaty Network <i>(a) Number of treaties in operation</i> <i>(b) Is the holding company type excluded from any of the treaties?</i> <i>(c) Do any of the treaties include "anti-treaty shopping" provisions and/or detailed "beneficial ownership" tests?</i>	80 No Yes ⁹	94 No Domestic law	70 signed plus another 5 signed but not yet ratified and thus not yet in force No Some ⁹	135 No Yes, some ⁹	Several No Yes
17 Substance requirements <i>What kind of substance requirements are in place for holding companies?</i>	No (substance requirements are relevant when deciding if the subsidiary qualifies as a CFC) ¹	Formal requirements and facts and circumstances of the real activity done in the country	Management and control in Malta	No clear substance requirements, but some implicit substance ¹⁰	N/A

COUNTRY (NOTES CODE)	HUNGARY (HU)	ITALY (IT)	MALTA (MLT)	NETHERLANDS (NL)	NORWAY (NO)
RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
18 Base Erosion Profit Shifting <i>What kind of tests have been introduced as a result of BEPS, other than the already mentioned?</i>	Anti-hybrid provision ¹¹	Action 13 – CbCR ²	None yet	In case of multinational operation special TP-documentation is required groupwise if the groupturnover exceeds € 750.000.000.	Norway is actively participating in the BEPS-projects, including the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS. Norway has introduced detailed Country-by-Country reporting obligations.

COUNTRY (NOTES CODE)	POLAND (PL)	SLOVAK REPUBLIC (SK)	SLOVENIA (SL)	SPAIN (SP)	SWEDEN (SE)
RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
Type of Holding Company	Resident Company	Resident Company	Resident Company	Resident Company ETVE ¹	Resident Company
1 Treatment of Dividend Income <i>How is Dividend Income treated for tax purposes – in particular, is the dividend income either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Participation exemption under conditions ¹	Dividends from profits after 1 January 2004 are 100% not subject to tax. Other dividends from before are not subject to tax only if they fall under the general EU rules. Dividends from profits generated after 1 January 2017 are subject to tax if distributed from or to non-treaty state. See further the notes ¹	Participation Exemption or foreign tax credit ¹	Participation Exemption	Participation Exemption
2 Minimum Participation for Dividend income <i>Minimum participation holding level (%) required to be satisfied</i>	10% for EU based companies, 25% for Swiss based	Cfr general EU rules: 25%	No	At least 5% or € 20,000,000	Unquoted shares - None Quoted Shares - 10% or held for business reasons ¹
3 Treatment of Capital Gains Income <i>How is Capital Gains Income treated for tax purposes – in particular, is the capital gain either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Capital gain subject to flat 19% CIT rate, tax credit applicable ²	Fully taxed at normal income tax of 21% See further the notes ²	Exempt from taxation at 50% of capital gains under certain conditions ²	Participation Exemption	Participation Exemption

COUNTRY (NOTES CODE)	POLAND (PL)	SLOVAK REPUBLIC (SK)	SLOVENIA (SL)	SPAIN (SP)	SWEDEN (SE)
RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
4 Minimum Participation for Capital Gains <i>Minimum participation holding level (%) required to be satisfied</i>	Not applicable	25%	8% ²	At least 5% or € 20,000,000	Unquoted shares - None Quoted Shares - 10% or held for business reasons ¹
5 Minimum "ownership" period requirements <i>What are the minimum "ownership" period Requirements in respect of:</i> <i>(a) Dividend income</i> <i>(b) Capital gains</i> <i>derived from the participating holding?</i>	2 years for dividend income Not applicable for capital gains	a) N/A b) 24 calendar months at time of payment	None Minimum 6 months holding period	1 year 1 year	Unquoted shares: (a) None (b) None Quoted shares: (a) 1 year (b) 1 year or (ab) & (b): shares held for business ²
6 "Active Business" Test on underlying participation <i>Does the underlying subsidiary require to be an active operating company or can the subsidiary be, itself, a passive holding company?</i>	Yes ³	No further requirements	Subsidiary itself may be a passive holding company	Yes ²	No

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
7 "Subject to tax" Test on underlying participation <i>Does the subsidiary require to be subject to taxation in its jurisdiction of registration?</i> <i>If so, what is the minimum acceptable level of taxation (% rate) in the jurisdiction of the holding company for the purposes of this test?</i>	Yes 14.25% ⁴	No further requirements See further the notes ³	Yes 12.5%	Yes ³ 10%	Yes ³ 12.1%
8 Corporate Rate of Taxation <i>Corporate tax rate in jurisdiction</i>	19%	21%	19% ¹	25% ⁴	22 %
9 Withholding Tax - Dividend (Outgoing) <i>(a) Non-Treaty rate on Dividends</i> <i>(b) Treaty – range of withholding taxes</i>	19% 5-15%	35% 0 – 19% See further the notes ¹	15% 0%-15%	0 - 19% ⁵ 0 – 15% ⁵	30% ⁴ 0 – 15% ⁴

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
10 Withholding Tax - Dividends (Incoming) <i>General range of withholding taxes on dividends in the foreign source jurisdiction in terms of treaty network.</i>	19%	0 – 21%	0%-15%	0 – 15%	0 – 15%
11 Withholding Tax - Liquidation of Holding Co. <i>Is a withholding tax imposed on the final distribution of assets of the holding company in liquidation?</i>	Yes ⁵	No, in general. WHT is imposed only on distribution of assets to non-treaty states. See further the notes ⁴	Yes/15% ⁴	No	Yes ⁵
12 Interest Deductions & Thin Capitalisation Rules - Debt : Equity Ratios (a) Interest Deductions <i>Are Interest Expenses incurred on loans (received to finance the acquisition of the foreign participation) deductible against dividend income: capital gains or other income of the holding company?</i>	Yes ⁶	Sometimes ^{5, 6}	Yes ⁵	Sometimes ^{6.1}	Yes – if the conditions in the Swedish rules on limitation of interest deductions are met. Further, Sweden applies the arms-length principle.

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
<p><i>(b) Debt : Equity Ratios</i> <i>Are there restrictions on the level of non-equity capital financing of the holding company in the form of prescribed Debt: Equity ratios?</i></p> <p><i>Debt : Equity ratio:</i></p>	<p>Yes</p> <p>1 : 1 ⁷</p>	<p>Costs of credits and loans provided by related party will be tax-deductible up to 25% of EBITDA (earnings before interest, taxes, depreciation and amortization).</p>	<p>Yes ⁵</p> <p>4:1</p>	<p>See additional measure ^{6.2}</p>	<p>No ⁶</p>
<p>13 Controlled Foreign Corporation ("CFC") & "anti-abuse" regulations</p> <p><i>(a) CFC Regulations</i> <i>Are CFC regulations applied?</i></p> <p><i>Are the regulations applied only to a prescribed "black list" of jurisdictions or with reference to the effective rate of tax imposed in the overseas jurisdiction?</i></p>	<p>Yes ⁸</p> <p>Effective CIT rate</p>	<p>No</p> <p>35% withholding tax rate for non-treaty states + full transfer pricing documentation</p>	<p>No ⁶</p> <p>N/A</p>	<p>Yes</p> <p>Both ⁷</p>	<p>Yes ³</p> <p>Effective tax rate ⁴</p>

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
<p><i>(b) Other "anti-abuse" regulations</i></p> <p><i>Are "anti-abuse" provisions applied in regard to the EU Parent-Subsidiary Directive (90 / 435 / EEC)?</i></p>	Yes	<p>In general for foreign related parties: the OECD rules on transfer prices are applicable. and also the Act of Money laundering from criminal proceeds is effective.</p> <p>In the Slovak income act was added new paragraph regarding to "anti- abuse rule".</p> <p>See further the Notes^{7, 8}</p>	<p>Yes ⁷</p> <p>No</p>	Yes ⁸	None
<p>14 Binding Advance Tax Rulings (pre-transaction)</p> <p><i>Are Advance Tax Rulings available pre- transaction?</i></p> <p><i>Are these rulings granted only in respect of specific situations?</i></p>	<p>Yes ⁹</p> <p>Yes ⁹</p>	<p>According to the Act on administration of taxes and fees taxable entity may request Slovak financial directorate in writing for binding regulation on application of tax regulations.</p> <p>See further the Notes^{9,10}</p>	<p>Yes</p> <p>Yes</p>	<p>Yes ⁹</p> <p>Yes</p>	<p>Yes ⁷</p> <p>Applicable to the specific situation only</p>

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
15 Other taxes <i>(a) Capital Duty</i> <i>(b) Transfer Tax on shares</i> <i>(c) Annual Net Worth / Patrimonial Tax</i> <i>(d) Trade Tax</i>	Yes Yes N/A Yes ¹⁰	N/A	No No Yes ⁸ No	0% Progressive ¹⁰ 0% ¹¹ 0%	0% 0% 0% 0%
16 Double Tax Treaty Network <i>(a) Number of treaties in operation</i> <i>(b) Is the holding company type excluded from any of the treaties?</i> <i>(c) Do any of the treaties include "anti-treaty shopping" provisions and/or detailed "beneficial ownership" tests?</i>	89 No Yes ¹¹	(a) 66 (b) We are not aware of such exclusion (c) Most of the treaties include beneficial ownership tests for dividends, interests and royalties.	57 No Yes ⁹	93 ¹² No expressly even though it may be affected by some LOB clause. Yes ¹³	106 ⁸ Follow up in specific situation
17 Substance requirements <i>What kind of substance requirements are in place for holding companies?</i>	No particular requirements ¹²	registered seat of company or place of effective management	Majority participation in the capital of another company. Engagement in the establishment, financing and management of such companies. ¹⁰	See note 14 ¹⁴	No
18 Base Erosion Profit Shifting <i>What kind of tests have been introduced as a result of BEPS, other than the already mentioned?</i>	TPD rules ¹³	Transfer pricing regulations, as of 1.1.2015 also for local transactions ¹¹	No measures introduced yet	None	None

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
Type of Holding Company	Resident Company	Resident Company	Resident Company	Resident Company	Resident Company
1 Treatment of Dividend Income <i>How is Dividend Income treated for tax purposes – in particular, is the dividend income either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	Yes ¹ No	Exempt if the recipient company is small enterprise and the payer is resident in a treaty jurisdiction. If not small, exempt if the distribution falls into an exempt class. ¹ Can also elect to waive exemption. Otherwise, taxable with credit and withholding tax ²	Exempt from tax	a. Local-sourced dividend is not taxable b. Foreign-sourced dividend income received in Singapore is not taxable under certain circumstances ¹	Dividends from South African resident companies to other South African resident companies are exempt from normal income tax in terms of section 10(1)(k), and exempt from dividends tax. Dividends from foreign companies are partially exempt from tax in terms of section 10B
2 Minimum Participation for Dividend income <i>Minimum participation holding level (%) required to be satisfied</i>	At least 10% or CHF 1'000'000	None (although some of the exempt classes detailed in GB1 have participation requirements)	No such regulation	N/A	10%

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
3 Treatment of Capital Gains Income <i>How is Capital Gains Income treated for tax purposes – in particular, is the capital gain either</i> <i>(a) exempt from tax under a “participation exemption” or</i> <i>(b) taxable with credit for foreign tax credits</i>	<p>Yes ²</p> <p>No</p>	<p>Participation exemption for gains on disposal of shares in trading subsidiaries.</p> <p>If exemption not available, taxable with credit ³</p>	Exempt from tax	<p>Capital gains are in general not taxable in Singapore. Gains determined to be of an income nature are taxable. Having said that, gains derived from disposal of ordinary shares made during the period 1 June 2012 to 31 May 2022 are not taxable if the company has held at least 20% of the ordinary shares for at least 24 months continuously just prior to the disposal.</p>	<p>80% of a Capital Gain is included in the taxable income of a company. Foreign capital gain is taxable with credit for foreign tax subject to DTA</p>
4 Minimum Participation for Capital Gains <i>Minimum participation holding level (%) required to be satisfied</i>	<p>10% and holding period at least 1 year</p>	<p>10% minimum shareholding requirement for participation exemption</p>	No such requirement	<p>N/A (however see also item 3 above)</p>	N/A

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
5 Minimum "ownership" period requirements <i>What are the minimum "ownership" period Requirements in respect of: (a) Dividend income (b) Capital gains derived from the participating holding?</i>	None 1 year	12 month minimum ownership requirement for capital gains exemption. No minimum ownership requirement for dividend exemption.	No such requirement	(a) N/A (b) N/A (however see also item ₃ above)	a) None b) Shares 18 months, other assets none
6 "Active Business" Test on underlying participation <i>Does the underlying subsidiary require to be an active operating company or can the subsidiary be, itself, a passive holding company?</i>	No ³ Yes ³	Yes, if qualifying for capital gains exemption ³ No "active business" test on dividend exemption classes	No such requirement	Can be passive	Active or passive income
7 "Subject to tax" Test on underlying participation <i>Does the subsidiary require to be subject to taxation in its jurisdiction of registration?</i> <i>If so, what is the minimum acceptable level of taxation (% rate) in the jurisdiction of the holding company for the purposes of this test?</i>	No ⁴	No "subject to tax" test for either dividend or capital gains exemption	No such requirement	See note 2 ²	Yes 28%

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
8 Corporate Rate of Taxation <i>Corporate tax rate in jurisdiction</i>	Federal: 8.5% income tax rate Cantonal & communal: 0-20% income tax rate 0.0-0.5% capital tax rate ⁵	20% 19% from 1 April 2017 18% from 1 April 2020	16,5%	17% ³	28%
9 Withholding Tax - Dividend (Outgoing) <i>(a) Non-Treaty rate on Dividends</i> <i>(b) Treaty – range of withholding taxes</i>	35% 0 – 15% ⁶	0% ⁷ N/A	Zero Zero	NIL N/A	15% Schedule enclosed
10 Withholding Tax - Dividends (Incoming) <i>General range of withholding taxes on dividends in the foreign source jurisdiction in terms of treaty network.</i>	0 – 15% ⁷	Typically 0% - 15%	0% - 10%	0% -15%	Dividends from foreign companies can be partially exempt from tax in terms of section 10B in certain circumstance
11 Withholding Tax - Liquidation of Holding Co. <i>Is a withholding tax imposed on the final distribution of assets of the holding company in liquidation?</i>	Yes ⁸	No ⁷	None	No	Liquidation dividends from South African resident companies to other South African resident companies are exempt from dividends withholding tax

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
12 Interest Deductions & Thin Capitalisation Rules - Debt : Equity Ratios (a) Interest Deductions <i>Are Interest Expenses incurred on loans (received to finance the acquisition of the foreign participation) deductible against dividend income: capital gains or other income of the holding company?</i>	Yes	<p>Yes, subject to restrictions for transfer pricing, loans for "unallowable purposes" and worldwide debt cap provisions</p> <p>From 1 April 2017, there is a further restriction and interest can only be deducted up to 30% of EBITDA (or the group's external interest:EBITDA ratio if higher)</p> <p>Under the debt cap, interest deductions are restricted to gross finance costs of worldwide group per consolidated accounts</p> <p>See Note GB8 ⁸</p>	<p>No. Interest is used to finance capital investment. Income from capital investment not taxable.</p>	<p>Such interest expenses are generally deductible against dividend income as well as against any taxable gains from the disposal of investment(s) to the extent that the loan was used to fund the acquisition of the investment(s).</p>	No
(b) Debt : Equity Ratios <i>Are there restrictions on the level of non-equity capital financing of the holding company in the form of prescribed Debt: Equity ratios?</i> <i>Debt : Equity ratio:</i>	<p>Yes ⁹</p> <p>Yes ⁹</p>	<p>Yes, based on transfer pricing rules, advance thin capitalisation agreements are available. Further, the debt cap rules add a layer of further restrictions.</p> <p>No safe harbour debt : equity ratio</p>	<p>No restriction</p> <p>N/A</p>	<p>No</p> <p>N/A</p>	<p>No. The transaction has to be at arms length. A local financial institution should be willing to lend the company money on the same basis.</p>

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
<p>13 Controlled Foreign Corporation (“CFC”) & “anti-abuse” regulations</p> <p><i>(a) CFC Regulations</i> Are CFC regulations applied?</p> <p>Are the regulations applied only to a prescribed “black list” of jurisdictions or with reference to the effective rate of tax imposed in the overseas jurisdiction?</p> <p><i>(b) Other “anti-abuse” regulations</i> Are “anti-abuse” provisions applied in regard to the EU Parent-Subsidiary</p>	<p>No</p> <p>Yes¹⁰</p>	<p>Yes⁹</p> <p>The CFC rules only apply if the profits fall within the Gateway provisions and none of the exemptions apply.</p> <p>No</p>	<p>No such regulation</p>	<p>No</p> <p>General anti-avoidance rules and arm’s length requirement for related party transactions</p>	<p>Yes</p> <p>Effective rate of tax imposed</p> <p>N/A</p>
<p>14 Binding Advance Tax Rulings (pre- transaction)</p> <p>Are Advance Tax Rulings available pre- transaction?</p> <p>Are these rulings granted only in respect of specific situations?</p>	<p>Yes</p> <p>Yes</p>	<p>Non statutory clearances can be obtained where there is uncertainty about the application of the legislation. Statutory clearances are available for reorganisations.</p> <p>Advance Pricing Agreements and Advance Thin Capitalisation Agreements are also available</p>	<p>Yes</p> <p>Yes</p>	<p>Yes</p> <p>Yes</p>	<p>Yes</p> <p>Yes</p>

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
15 Other taxes (a) <i>Capital Duty</i> (b) <i>Transfer Tax on shares</i> (c) <i>Annual Net Worth / Patrimonial Tax</i> (d) <i>Trade Tax</i>	Usually exemptions can be applied for ¹¹ 1.5% ¹² / 3% ¹² 0% ¹³ 0%	0% 0.5% 0% ¹² 0% See also Note GB11	None 0.2% of the amount of the consideration or of financial statement value on every bought and sold note None None	N/A 0.2% N/A 7% ⁴	a) Transfer duty on immovable property. Between 0% – 13% depending on the property value. b) .25% to the taxable amount c) – d) Value Added Tax – 14%
16 Double Tax Treaty Network (a) <i>Number of treaties in operation</i> (b) <i>Is the holding company type excluded from any of the treaties?</i> (c) <i>Do any of the treaties include “anti-treaty shopping” provisions and/or detailed “beneficial ownership” tests?</i>	108 No Yes	138 No, although some treaties have a “subject to tax” requirement which may not be met if the participation exemption applies Yes, a minority include limitation on benefit articles. Most include beneficial ownership requirements.	33 Generally no Yes	81(Comprehensive), 8 (Limited) & 5 (Signed, not ratified) Generally no Yes	85 No Yes

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RELEVANT CRITERIA / DATE LAST UPDATE	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17
17 Substance requirements <i>What kind of substance requirements are in place for holding companies?</i>	None	None	None	In general none but certain double taxation treaties have substance requirements that need to be satisfied as a condition before the granting of treaty relief.	None Consider place of effective management
18 Base Erosion Profit Shifting <i>What kind of tests have been introduced as a result of BEPS, other than the already mentioned?</i>	None at the moment ¹⁴	A number of measures have been introduced including new hybrid mismatch rules, changes to the parent box, and a restriction on the deductibility of interest	None	Introduction of : (a) Contemporaneous transfer pricing requirements for related party transactions exceeding specified thresholds (effective 2015); (b) Prescribed reporting requirements for related party transactions which exceed a specified amount (effective Year of Assessment 2018) ; and (c) Country by Country Reporting (CbCR) for Singapore-based multinationals that meet certain specified conditions (effective for financial years beginning on or after 1 Jan 2017).	See note ²

A	AUSTRIA (A)
A1	Following analysis is valid for foreign subsidiaries of Holding Companies resident in Austria.
A2	Art. 56 (1) EG overrules national law, which still requires a minimum participation of 10 % in foreign subsidiaries
A3	Companies holding qualifying participations have an option to have capital gains, write-ups, capital losses and write-downs treated as taxable or deductible respectively. The option must be exercised in the year of acquisition of the participation and cannot be revoked.
A4	Although there are no formal thin-capitalization rules, debt financing by shareholders must comply with the arms-length principle.
A5	The 1% Capital Duty is on the incoming transfer only (eg Capital increase).

B	BELGIUM (B)
B1	In Belgium, provided the conditions for the participating holding are satisfied, 95% of the dividend income will be tax exempt and only 5% will be subject to Belgian corporate tax.
B2	Subsidiaries located in an EU Member State are generally considered to be subject in principle to a tax regime similar to the Belgian CIT. For subsidiaries located in a non-EU Member State, a nominal or effective tax rate of at least 15% is required. A list of countries with unusual tax rates exists.
B3	<p>The Standard rate of Belgian Corporate Income Tax of 33.99% is effective from January 1, 2004.</p> <p>Small & medium sized companies may be subject to reduced rate of CIT ranging from 24.98% to 35.54%:</p> <p>Taxable income:</p> <ul style="list-style-type: none"> • from € 0 to € 25,000: 24.98% • from € 25,00 to € 90,000: 31.93% • from € 90,000 to € 322,500: 35.54% • over and above € 322,500: standard rate of 33.99% <p>Qualifying capital gains on participations (shares): 25,75% if holding period is less than 1 year. 0,412% after 1 year but only for big sized companies. Small and middle sized companies are exempted after a holding periode of 1 year.</p> <p>As from January 1, 2006 a notional interest deduction (NID) regime (deemed interest, cost of capital) applies; as a result thereof the effective tax rate can be less than the rates mentioned above. Notional interest rates for 2017: 0,237% or 0,737% for small and middle sized companies.</p> <p>For no SME companies a fairness tax at a rate of 5.15% is due if, for the same taxable period, the company distributes dividends and the taxable base is reduced with previous year tax losses and current year NID.</p>

B4	<p>15% for SME's if certain conditions are met (only for dividends remunerating new capital paid-in cash as from July 1, 2013)</p> <p>All SME's are allowed to allocate part or total of their yearly "profit after taxes" to a "liquidation reserve". This reserve needs to be recorded on a separate equity account and will be (immediately) subject to a separate 10% tax.</p> <p>No additional taxation (withholding or personal tax) will be due provided the "liquidation reserve" is maintained until liquidation and hence distributed as a liquidation bonus.</p> <p>If the "liquidation reserve" is distributed as a dividend during the first 5 years, a 20% withholding tax will be due.</p> <p>If the "liquidation reserve" is distributed as a dividend after 5 years and before liquidation, a 5% withholding tax will be due. The FIFO method will apply for any withdrawal from the "liquidation reserve".</p>
B5	Interest expenses will be deductible provided, the interest rates are set at normal arms-length rates.
B6	Debt : Equity ratio of 5: 1 applies when interest is paid to companies exempt from taxation or taxed at a low rate. The Debt : Equity ratio of 1 : 1 applies in respect of loans from individual directors, shareholders and non-resident corporate directors. Equity ratio of 5 : 1 will also apply when interest is paid on loans to related companies (exemption for group financing companies can apply)
B7	<p>Belgium has a black list of "tax havens" and, as a consequence of which, the 95% dividend deduction rule will not apply to dividends received from investment of financing companies with a special tax regime; dividends relating to offshore activities subject to special tax regimes; dividends from foreign branches subject to special tax regimes; dividends received from "screen" companies.</p> <p>In such case, the dividends received will be subject to Belgian Corporate Income Tax at the ordinary tax rate and no tax credit is available for foreign withholding tax.</p>
B8	Tax rulings are available – with effect from January 1, 2003, a new system of tax rulings was introduced. No Rulings will be issued in respect of questions involving "tax haven" countries; special tax privileges; purely theoretical situations.

CY	CYPRUS (CY)
CY1	Dividends paid by a resident company to another resident company are not subject to tax in Cyprus. Dividends received by a resident company from a non-resident company are not subject to Corporate income tax (CIT). They are not subject to Special Defence Contribution (SDC) either - please refer to note 2 below for more details (There are anti-hybrid and general anti-avoidance provisions in the CIT legislation in relation to the distribution of profits from a subsidiary to a parent company within the EU).

CY2	<p>Dividend income from abroad is exempt from SDC. This exemption does not apply if:</p> <ul style="list-style-type: none"> i) more than 50% of the paying company's activities result directly or indirectly in investment income and ii) the foreign tax is significantly lower than the tax burden in Cyprus. "Significantly lower", means a tax burden rate below 6,25%. <p>When the exemption does not apply, the dividend income is subject to SDC at the rate of 17%. In such a rare case, a credit for foreign taxes will be granted.</p>
CY3	<p>Profits / Gains arising from transactions in 'titles' is unconditionally tax exempt. 'Titles' are defined in the law as shares, bonds, debentures, founder and other titles of companies or legal persons whether established in Cyprus or not and rights thereon. A list of qualifying "titles" has been published in a circular issued by the Commissioner of Income Tax and it includes futures / forwards, swaps on titles, depositary receipts, Repos, units in open or close C.I.S's, ICIS, UCITS, Investment Trusts & Funds, Mutual Funds, REITS and units in Stock Exchange Indices, participations in other companies etc. Participation exemption on such gains is unconditional – no minimum shareholding and no minimum holding period requirements.</p> <p>Capital Gains Tax (CGT) is imposed at the rate of 20% on gains from the disposal of immovable property situated in Cyprus including gains from the disposal of shares in companies which own such immovable property excluding shares listed in any recognized stock exchange- if immovable property has been acquired between 16 July 2015 to 31 December 2016, and is disposed at any time during or after that period (say, even in 10 years time!), any potential capital gain will be exempt from CGT. Also a set-off of capital losses resulting from the disposal of immovable property located in Cyprus or shares in companies owning such property against taxable capital gains of the same and future years without any time limits is possible.</p>
CY4	<p>No withholding or other Cyprus taxes of any nature are imposed on dividend and interest payments by a Cyprus Company to non-residents of Cyprus.</p> <p>Upon dissolution / liquidation, the accounting profits of the previous 5 years before dissolution that have not been distributed or deemed to have been distributed are deemed to be distributed upon dissolution. In such situations, a 17% SDC is payable to the tax authorities to the extent that the shareholders are Cyprus tax residents and Cyprus domiciled individuals. These provisions do not apply in the case of liquidation under reorganization or where the shareholders are non-residents of Cyprus or even when they are tax residents but non Cyprus domiciled.</p>
CY5	<p>Equity introduced to a company as from 1 January 2015 (new equity) in the form of paid-up share capital or share premium is eligible for an annual notional interest deduction (NID). The annual NID is calculated as an interest rate on the new equity. The relevant interest rate is the yield on 10 year government bonds (as at December 31 of the prior tax year) of the country where the funds are employed in the business of the company plus a 3% premium (subject to a minimum amount which is the yield on the 10 year Cyprus government bond as at the same date plus a 3% premium). Certain antiavoidance provisions apply - The NID deduction cannot exceed 80% of the taxable profit derived from assets financed by new equity (as calculated prior to the NID deduction) and thus the effective tax rate can be as low as 2,5%.</p> <p>As from 1 January 2012 onwards, Interest expense incurred by a Cyprus tax resident company to finance an equity investment into 100% (direct or indirect) subsidiary, will be treated as tax deductible provided that the subsidiary invests in business assets. If the subsidiary also invests in non-business assets, the interest expense incurred by the Cyprus tax resident parent company which corresponds to such assets will be treated as non-tax deductible (Loans to related parties are considered business assets).</p>
CY6	<p>The Cyprus tax framework has been harmonized with the European Directive 2011/96/EU and related amending directives.</p>

CY7	A ruling request should be submitted to the Tax Commissioner. In 2016 the Council of Ministers issued a decree stipulating the imposition of a €1.000 fee for the issuance of tax rulings without expedition and €2.000 fee for the issuance of tax rulings with expedition. Tax rulings filed with an expedition request will be issued within 21 working days. The taxpayer may not appeal against a ruling. Rulings obtained from the Tax Commissioner are not legally binding. Nevertheless, such rulings cannot be easily challenged. Each ruling is obtained on the facts and circumstances of the specific case and it should not be relied upon for other cases, no matter how similar they may be. Such rulings can be granted on specific and non-specific situations, subject to the circumstances of each transaction/case.
CY8	<p>Incorporation of a company in Cyprus should give rise to capital duty.</p> <ul style="list-style-type: none"> • Share Capital Authorization: this would be EUR 105 plus 0.6% on the value of the authorized share capital. • Share Capital Issue: there is no capital duty payable if the shares are issued at their nominal value. There is a EUR 20 flat duty if the shares are issued at a premium. <p>Upon subsequent increases of the authorized/issued share capital there is:</p> <ul style="list-style-type: none"> • Additional share capital authorized: A capital duty of 0.6% on the additional value of authorized share capital. • Additional share capital issued: There is a flat fee of EUR 20 on subsequent increases of issued share capital. <p>Capital tax planning should minimize capital tax costs to immaterial amounts. A Cypriot company may elect to authorize a typical share capital of 1000 ordinary shares and then utilize the share premium element on issuance (which only carries EUR 20 flat duty) to reach the desired value of share capital/share premium.</p>
CY9	The Cyprus-Russia & Cyprus-US double tax treaty contain 'limitation of benefits' provisions.
CY10	As per the tax legislation, a company is considered as a tax resident of Cyprus, if its management and control takes place in Cyprus. No other definition/explanation is included in the tax law but the Cyprus tax authorities would consider things like place of effective management i.e. board meetings to take place in Cyprus, key management and strategic decisions to be taken during those meetings, majority of directors to be tax residents of Cyprus etc.
CY11	Following the latest intellectual property (IP) amendments to the Cyprus Income Tax Law (ITL), the Cyprus Parliament approved, on 4 November 2016, the implementing Regulations (Regulations). With this development, the new Cyprus IP Box, which gives an 80% deduction on qualifying IP profits, is fully aligned with the OECD/G20 Base Erosion and Profit Shifting (BEPS) Action 5 report. The IP Regulations are effective as from 1 July 2016.

CZ	CZECH REPUBLIC (CZ)
CZ1	Beneficial treatment may be obtained during the 12 month period but the minimum ownership period must be fulfilled consequently.
CZ2	Applies on bank providing that they are related parties. If not related D/E rules shall not apply.

CZ3	For taxable period beginning in the year 2009.
CZ4	Branch - under certain conditions a ruling can be agreed with Financial office (based on cost plus, above common profits, or apportionment of the total profits of the founders and branch).

DK	DENMARK (DK)
DK1	Resident company is a company registered in another jurisdiction, but with daily management in Denmark
DK2	Taxable with no credit for foreign tax paid if dividend is from a company resident in a country where DK has no double taxation treaty.
DK3	From 2010.
DK4	In terms of Danish CFC legislation the danish holding company shall include the income of the subsidiary in the taxable income.
DK5	In terms of Danish domestic tax legislation, no taxation of dividend from the subsidiary if: (a) the Danish company owns at least 10% of the subsidiary, (b) the dividend is covered by the EU Parent/Subsidiary Directive (90/435/EEC) or by a tax treaty entered between Denmark and the country of residence of the subsidiary. The corporate tax rate will apply if any one of the above conditions is not satisfied.
DK6	Withholding tax of 27% is imposed if the parent company is resident in a country where DK has no double taxation
DK7	The limitation for the deductability of interest expenses is only related to debt to parties with a participation in excess of 50% and where the debt is more than DKK 10M (Euro 1,35m) by the end of the fiscal year. The limitation on deductability of the interest is only related to the proportion of the debt which should be converted to equity in order to avoid the thin capitalisation rules. Special but general rules apply if the Danish company group in all has net financial cost in excess of DKK 21,3M (Euro 2,8m).
DK8	The Denmark/United Kingdom and Denmark/U.S. treaties include beneficial ownership tests.

DK9	The Danish government has repeatedly acceded to the OECD's BEPS action plan. In some areas there are already within BEPS action plan implemented rules in Denmark that combat aggressive tax planning and double non-taxation. As something distinct from most other countries, Denmark has special rules that combat use of the interaction between the tax rules in other countries and in Denmark, for example rules that neutralize if a US parent company uses the "check-the-box" rule in the US, so that a Danish private limited company in the United States is considered a transparent company - In such cases, this Danish company will in Denmark be taxed as a transparent company, that is, as a branch (The Danish Corporation Tax Act § 2A).
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FI	FINLAND (FI)
FI1	Dividend income from unlisted companies is tax exempt if the distributing company is a resident company or a company which is mentioned in the Parent- Subsidiary Directive or a company resident in a EEA country which is liable to pay at least 10% tax on its income. However, dividend income is 100% subject to corporate tax if the distributing company is a listed company and the recipient is an unlisted company owning less than 10% of the share capital of the distributing listed company. If the ownership exceeds 10%, the dividend income is tax exempt. Dividend income from outside of EU and EEA is 100% subject to corporate tax. If there is a tax treaty, the tax treaty provisions have to be taken into account. Tax treaties usually prevent taxation of dividends if the recipient's ownership exceeds 10% or 25% However, the dividend income would not be tax exempt for the parent company in Finland if the dividends were tax deductible as a payment for the subsidiary
FI2	Capital Gains Income is taxed as ordinary business income (20 %). However, if the shares are held for business reasons, capital gains can be tax exempt, if certain conditions are met. These conditions include for example a minimum ownership of 10% and a minimum period of one year of ownership. In practice the requirements for the tax exemption are rarely met.
FI3	CFC regulations are not applicable for enterprises located in the EEA or in countries with whom Finland has a tax treaty and with whom the exchange of required information has been organized appropriately. The enterprise is considered to be located in the country in question when it has 1) reasonable premises and fixed assets for carrying out business actions; 2) enough competent employees from business point of view; 3) the employees can make the decisions concerning everyday activities by themselves.
FI4	Finnish CFC legislation imposes tax on Finnish companies owning shares (at least 50% of the voting rights/share capital – directly or indirectly) in foreign companies that are subject to corporate income tax which is 60% lower than that applicable in Finland. Minimum acceptable tax rate from January 2014 onwards = 12.0 %.
FI5	Deduction of interests shall be restricted if interest expenditures exceed interest incomes in particular cases concerning related enterprises. Applicable on tax years ending on or after 1.1.2014.
FI6	2.0 % for real estate shares

FR	FRANCE (FR)
F1	<p>The amended finance bill for 2015 modifies the tax treatment applying to certain distribution of dividends received by French companies under the dividend participation exemption regime following the CJEU Steria case C-386/14.</p> <p>For fiscal years starting on or after January, 1st 2016, distributions made within a French tax consolidated group are no longer exempted from the taxable fraction applying to qualified dividends under the participation exemption.</p> <p>In addition the rate of taxable fraction will be set at 1% for those distributions made within a French tax consolidated group. The taxable fraction of 1% will also apply to distributions received from a European Union (EU) or European Economic Area (EEA) Company with qualifying subsidiaries for French tax consolidation regime i.e. held at 95% or more.</p> <p>For all other cases, the rate of taxable fraction is still 5% of the amount distributed.</p> <p>Finally the dividend participation exemption regime will apply to not-for-profit organizations, for fiscal years ending on or after 31 December 2015, holding 2.5% of the capital and 5% of the voting rights of the issuing company, but the holding period is increased to five years.</p>
F2	As from 1st January 2017, parent/subsidiary regime is applicable when 5% of capital is held, regardless of voting rights or not.
F3	Amended Finance Bill for 2016 introduces a safe harbor clause for capital gain on shares of companies located in a non-cooperative state or territory. If companies are located in a non-cooperative state or territory, the participation exemption applied if the company proves that the share detention corresponds to an effective activity and has not for effect or purpose to localise the benefits in a non-cooperative state or territory in aims of tax evasion
F4	At least 5% of voting right should be held to benefit a participation exemption for capital gain.
F5	The exemption regime applies as from the acquisition of the shareholding. In case of dividends, the exemption regime is retroactively challenged if the shareholding is sold within the 2 year period. This 2 years period is increased to five years for holding detained by NFPO with a holding participation of 2.5% (see F1).
F6	The activity carried out by the underlying subsidiary does not matter, i.e., it may be an active company or a passive holding company.
F7	CFC rules require comparing the CIT effectively paid by the subsidiary in its country of residence and the CIT it would have paid in France if it had been a French tax resident. CFC rules may apply (refer note F10) where the subsidiary is subject to a low rate of tax (i.e. less than 50 % of the CIT standard rate of 33.1/3).
F8	Pursuant to Article 14 of the 2014 Finance Law, the exceptional contribution tax rate is increased from 5% to 10.7%. This measure applies to financial years closed after December 31, 2013. For the record, this exceptional contribution computed on the CIT applies to companies having a turnover exceeding € 250 million. 1. As from 1 January 2017, the exceptional contribution tax (10.7%) is suppressed. In addition, Finance Bill for 2017 introduces a gradual reduction of CIT tax rate to reach, in 2020, application of 28 % rate at all companies. In 2017, profits under € 75 000 will be taxed at the rate of 28% as long as the turnover is lower than € 50 M. In 2018, profits under € 500 000 will be taxed at the rate of 28%. In 2019, the 28% will apply to all companies with a turnover lower than € 1 Bn (if higher limited to a € 500 000 profit)

F9	<p>Rate of 30% = general tax rate.</p> <p>Rate of 21% = specific rate for individuals in the EU.</p> <p>Rate of 75% = for payments in a non-cooperative State or Territory. (incomes paid as from January, 1st 2013)</p>
F10	<p>The repayment of the initial share capital contribution is tax exempt. The excess is treated as a deemed dividend which may be subject to withholding tax depending on the application of the relevant tax treaty.</p>
F11	<p>The deductibility of the interest expenses incurred for the acquisition of qualified shares (titres de participation) is limited in situations where the holding company is unable to demonstrate that the decisions relating to the substantial shareholdings it has acquired are in fact taken in France by it or by another related French company, and not by other entities located abroad. If it is unable to demonstrate this, the holding company must add back a fixed portion of its interest expenses into its taxable income. Said fixed portion is equal to the interest expenses multiplied by the ratio: purchase price/average amount of debt over the financial year. Where the share purchase price is higher than the company's average amount of debt, the ratio should be limited to 1. This new mechanism is applicable to financial years starting on or after January 1, 2012. (Amendment Carrez : 209 IX).</p> <p>Please note that there is general thin capitalization rules with specific ratio (debt to equity ratio, interest coverage ration, interest test).</p>
F12	<p>The amended finance bill for 2015 introduces a safe-harbor clause for French parent companies receiving dividends from entities located in a Non Cooperative State or Territory (NCST) if they can establish that the activities of entities based in NCST relate to operations which purpose is not the localization of profits in a NCST, with a tax fraud intention.</p> <p>For fiscal years starting on or after 1 January 2016, the amended finance bill for 2015 implements in French domestic law the general anti-abuse clause set by the amended EU Parent-Subsidiary Directive 2015/121/EU from January, 27th 2015, which deny the application of the participation exemption regime and the WHT exemption to certain dividends paid and received by a French resident entity, if the tax scheme is not complying with the regime's purpose (i.e. "not put into place for valid commercial reasons which reflect economic reality).</p>

F13	<p>As from August 1st 2012, transfer of shares of SA, SAS are subject to proportional taxation of 0,1%, except if the sales involve company of the same tax consolidation group.</p> <p>A transfer of shares in a French S.a.r.l. (limited liability company) triggers a stamp duty at the rate of 3%, after a deduction of € 23,000, based on the price or market value of the shares. The rate will be fixed at 5% for a transfer of shares in real estate companies (sociétés à prépondérance immobilière).</p> <p>Only individuals are subject to wealth tax on properties located in France. Under certain conditions, some companies can be subject to a 3% tax based on the immovable properties and assets value located in France</p> <p>As from August 1st 2012, a tax applies to acquisition of capital on a regulated market at a rate of 0, 2 %. (Companies with an equity market capitalization exceeding € 1billion. This criterion is assessed on December 1st of the year before the year of taxation). For the operations performed on a high frequency basis, a 0,01% tax is based on the amount of certain orders. This tax is exclusive of the first one.</p>
F14	<p>The deductibility of the interest expenses incurred for the acquisition of qualified shares (titres de participation) is limited in situations where the holding company is unable to demonstrate that the decisions relating to the substantial shareholdings it has acquired are in fact taken in France by it or by another related French company, and not by other entities located abroad (Amendment Carrez: 209 IX).</p>

DE	GERMANY (DE)
DE1	<p>Income from dividends of domestic German corporations and of foreign corporations is 95 % exempt from tax. The remaining 5 % of the dividend income is taxable (deemed non-deductible costs). For municipal trade tax the same applies. Exceptions for financial institutes and insurance companies may be applicable. No dividend exemption in case the distribution is tax-deductible for the distributing subsidiary.</p>
DE2	<p>A minimum participation level of 10 % is required for corporate tax purposes. For municipal tax purposes, the participation exemption is granted provided that the participation is at least 15 % of the share capital of the participating holding, in case of a participation in an EU-company at least 10 %; in both cases unless a lower participation level of a double taxation treaty is applicable. Please see DE8.</p>
DE3	<p>Capital gains from the sale of shareholdings in domestic or foreign corporations are generally 95 % exempt from corporate tax and municipal trade tax (5% are deemed non-deductible costs). However, there are exceptions for gains arising from earlier tax deductible write-downs and for shares received in connection with contributions in kind on a bookvalue basis as well as for financial institutes and insurance companies. Please see DE8.</p>

DE4	The exemption from corporate taxation on capital gains income from the sale of shareholdings does not depend on a minimum ownership period. For corporate taxation on dividend income the minimum shareholding of 10 % the participation has to be held at the beginning of the calendar year (minimum shareholding not for capital gains but currently in discussion). For municipal trade tax purposes, the exemption on dividend income requires that the participation has been held at the beginning of the accounting year; in case of participation in non-EU companies participation from the beginning of the year is required. This is not necessary if a "participation exemption" of a Double Tax Treaty is applicable.
DE5	The exemption from corporate taxation on dividend income and on capital gains income from the sale of shareholdings does not require an active operating company. For municipal trade tax purposes, the exemption from trade tax on dividend income from foreign subsidiaries requires an active operating subsidiary; in case of participation in EU companies as an exception an active operating subsidiary is not required. If a "participation exemption" of a Double Tax Treaty without an active operating proviso is applicable, dividend income from foreign passive subsidiaries will be exempt from municipal trade tax.
DE6	Passive income from a foreign subsidiary must be subject to tax of at least 25 % (see DE 11 German CFC rules).
DE7	The rate of German corporate tax is 15 %. In addition a solidarity surcharge, amounting to 5.5 % of the 15 % corporate tax, is also levied. Accordingly, the effective tax rate is 15.825 %. The rate of municipal trade tax depends on the levy rate of the respective local community. The effective rate is normally between 12 % and 17%. The municipal trade tax is neither deductible in terms of its own calculation nor for corporate tax (no business expense). As a result, the overall nominal tax burden for corporations (corporate tax + solidarity tax + municipal trade tax) is normally between 28 % and 33 %.
DE8	The non-treaty rate of withholding tax on dividends paid from a German corporation is 25 % plus 5.5 % solidarity surcharge based on 25 %. Independent from a double tax treaty or the EU-Parent-Subsidiary Directive a refund of 10 % (effective withholding tax 15 %) can be claimed for by foreign corporate parents which are limited tax liable in Germany, provided the foreign corporation meets the substance requirements as described in note D12.
DE9	Interest expenses incurred on loans to finance the acquisition of the foreign participation are fully deductible for corporate tax purposes. In the case of municipal trade tax, only 75 % of the interest is deductible. In addition, as noted in note D1 above, 5 % of the dividend income and capital gains are taxable as it is considered as non-deductible business expenses. As 95 % is tax exempted, the deduction leads to a loss carry forward only in a pure holding.
DE10	The thin capitalisation rules have been modified as of 2008 and do not longer refer to debt:equity ratios. An interest barrier is introduced as of 2008 covering all interest expenses. If interest expenses exceed interest income, the exceeding amount is only deductible up to 30% of the EBITDA as defined for tax purposes. The non deductible interest can be carried forward. In case the interest is lower than 30 % of the respective EBITDA, the non-used EBITDA can be carried forward for a five-years-period. Nevertheless the thin capitalisation rules will not apply if the interest expenses do not exceed interest income of more than 3.000.000 €. A further exception is made for companies not belonging to a group. The thin capitalisation rules will also not apply if the company can prove that the own equity ratio is higher or less than 2 percentage points lower than the group equity ratio. Re-exceptions may be made in case of shareholder's financing. A positive EBITDA which is not set off against interest can be carried forward for five years. According to the Federal Tax Court (decisions of 18.12.2013, I B 85/13 and 13.03.2012, I B 111/11) the restriction of the interest deduction may not be in line with constitutional law.

DE11	In terms of German Controlled Foreign Company ("CFC") legislation, where the German corporation holds at least 50% of the share capital of a foreign subsidiary and the subsidiary is subject to a low level of taxation (tax rate under 25 %) and has passive income, as a rule the German corporation will be liable to German corporate income tax on the profits of the foreign subsidiary (special re-exceptions for EU/EEA-companies) irrespective of whether these are distributed by the foreign subsidiary. In the event that the foreign subsidiary distributes profits to the German corporation, the distributed dividend is exempt from German corporate tax. Germany does not operate a "black list" of jurisdictions.
DE12	The exemption from withholding tax under the EU Parent/Subsidiary Directive does not apply for dividends that are paid to a foreign holding company if in case of a direct shareholding the holding would not be entitled or if the holding does not generate its income from economic activities or there are no economical reasons for intermediation of holding and holding does not participate in business maintaining a substantial business organisation.
DE13	Binding Advance Tax Rulings, pretransaction, are available (with costs depending on the tax saving). However, these rulings are not granted only in specific situations but require that the taxpayer explains the reasons for the request for the ruling. As well advanced pricing agreements are available. There is to be a negotiating fee of € 20.000 (\$ 29.000) for each a.p.a.
DE14	Binding Advance Tax Rulings are not applicable with respect to anti-abuse questions or constructive dividends.
DE15	In terms of German domestic law, the exemption from withholding tax in terms of a Double Tax Treaty will not apply for dividends that are paid to a foreign holding company which does not exercise an active operation. For details see DE12. The domestic regulation is applicable only where there is no specific treaty provision which has to be checked for each treaty. Rules concerning "beneficial owner" are included only in some Double Tax Treaties, e.g. Italy, Norway, Sweden.

GR	GREECE (GR)
GR1	In order for the foreign tax credit to be recognised, a special application form must be submitted with evidence for the tax paid certified by the foreign tax administration.
GR2	For EU holding companies no dividend withholding tax is imposed provided that the dividend is covered by the EU Parent/Subsidiary Directive (90/435/EEC), unless there is a double deduction mismatch or group restructuring has occurred for non valid commercial purposes.
GR3	<ul style="list-style-type: none"> a) the taxpayer, on his/her own or jointly with related persons, holds, directly or indirectly, shares, participation or voting rights in the capital at a percentage exceeding 50% or is entitled to receive a percentage exceeding 50% of the profits of the said entity, b) the above legal entity is subject to taxation in a non-cooperative state or in a state with a "privileged" tax regime, c) it is not a public/listed company d) a percentage exceeding 30% of the net income before taxes realized by the legal entity falls in one or more of the following categories AND 50% of each

	An exemption is provided in case the CFC is tax resident in an EU or EEA Member State and an agreement for the exchange of information, as provided by Directive 2011/16/EU exists, unless the establishment or financial activity of the legal entity constitutes an artificial arrangement created in essence for tax avoidance.
GR4	Test for double deduction mismatch and hybrid mismatch has been introduced, moreover exemptions can be raised if group restructuring has occurred for non valid commercial purposes.
GR5	The double tax treaties between Greece and: Albania, Armenia, Austria, Azerbaijan, Belgium, Bulgaria, Canada, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, France, Finland, Germany, Georgia, Hungary, India, Ireland, Iceland, Israel, Italy, Korea, Kuwait, Latvia, Lithuania, Luxembourg, Mexico, Malta, Moldova, Morocco, Netherlands, Norway, Poland, Portugal, Qatar, Romania, Russian Federation, Saudi Arabia, Serbia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Tunisia, Turkey, Uzbekistan, Ukraine, USA, UK., Bosnia Herzegovina.

GG	GUERNSEY (GG)
GG1	<p>Resident Companies are subject to the standard rate of 0%, however certain income is taxable above 0% being:-</p> <ul style="list-style-type: none"> • Certain banking activities (10%) • Activities regulated by the Office of Utility Regulation (20%) • Guernsey Property Income (20%) • Importation and/or supply of hydrocarbon oil or gas in Guernsey and large retail business carried on in Guernsey where the Company has a taxable profit of more than £500,000.00 (20%) • Domestic insurance business, fiduciary business, insurance intermediary business, insurance manager business, fund administration business, provision of custody services by banks (10%) <p>Certain Companies may still be exempt companies, with no liability to tax. For further details: http://www.gov.gg/taxation/companies</p>
GG2	For full details on all Double Taxation Arrangements: https://www.gov.gg/dta .

HU	HUNGARY (HU)
HU1	<p>Foreign dividends are exempt from Hungarian corporate income tax, provided that the dividend is not accounted for by the company paying the dividend as an expenditure from its pre-tax profit and except the dividend is received from a Controlled Foreign Company (CFC). The foreign person (or the foreign permanent establishment) shall not be considered as a CFC if it disposes of adequate personnel, equipment, assets and space through which it performs substantive economic activity. A foreign person performs substantive economic activity if its revenue from its processing, agricultural, investment or commercial activity performed with its own assets and employees reaches 50 % of its total revenues. The above proportion shall be calculated consolidated with the associated enterprises of the foreign person or permanent establishment resident in the country of place of business of the foreign person or in the country where the permanent establishment qualifying as CFC is located.</p> <p>Corporate income tax shall be paid on the income calculated based on the CIT Act as if the CFC would be a resident taxpayer deriving from the following activities:</p> <ul style="list-style-type: none"> • interest or any other income generated by financial assets; • income deriving from intellectual property rights; • income from the holding and disposal of shares; • income from financial leasing; • income from insurance, banking and other financial activities; • income from a person that is deriving from supply of goods or services to associated enterprises or from acquisitions from associated enterprises if this person does not add economic value or the added economic value is marginal.
HU2	<p>Participation (except the participation in a CFC) of 10% or more has to be declared to the Hungarian tax Office within 75 days after acquisition of the participation. Otherwise, the rule cannot be used. The participation declared shall be held by the taxpayer under its assets for at least 1 year prior to the sale or retiring from the records as non-monetary, in-kind contribution.</p> <p>Capital gains which are not covered by a participation exemption are included in the company's total ordinary income and taxed at the ordinary corporate income tax rate of 9%.</p>
HU3	The corporate income tax rate is 9 % as of 1 January 2017.
HU4	<p>No withholding tax is imposed on dividend and interest payments to non-resident legal entities. Dividends and interest paid to individuals are subject to withholding tax at 15 % (or at a lower rate specified by the relevant double tax treaty).</p> <p>Final distribution of assets of the holding company in liquidation might be subject to 15% personal income tax as capital gain if the shareholder of the company is a Hungarian resident individual or a non-resident considering the provisions of the relevant double tax treaty with Hungary.</p>

	<p>Otherwise, personal income tax liability might only be withheld in Hungary in case of transfer or withdrawal of interest in a company qualifying as a company owning real estate (provided that the Treaty allows the taxation of the capital gains by the source country (e.g. gains derived from alienation of shares deriving directly or indirectly from immovable property situated in the source country).</p> <p>If the shareholder of the company is a foreign company, in general there is no withholding tax applicable. However, Hungarian corporate income tax liability might arise in case of transfer of shares of a company owning real estate (if the relevant treaty allows the taxation in the source country). For further information see comment HU10.</p>
HU5	<p>Hungarian tax law does not recognise interest paid on significant loan amounts as a justified expense (for tax purposes) incurred in the course of the company's business activities.</p> <p>Based on the CIT rules, the tax base is required to be increased with the proportionate interest amount related to any loan liability which is higher than 3 times the shareholders' equity.</p> <p>The above restrictions also apply in respect of quasi-loan transactions such as, for example, interest expense incurred in privately issued bonds and promissory notes issued for the settlement of liabilities. The above restrictions are, however, not applicable to debts and loans from credit institutions or financial companies and to liabilities to suppliers deriving from supply of goods or provision of services.</p>
HU6	<p>Binding tax rulings may be requested by both resident and non-resident companies on any type of tax. An application together with a detailed description of the transaction and the opinion on the tax treatment shall be made by the taxpayer to the Ministry of National Economy who is required to determine, within 90 days (the deadline can be extended by 60 days), whether any tax liability arises and, if possible, the tax base and the tax with regard to the future transaction. Such advance rulings shall be binding on the tax authority only for the particular case in question and under unaltered conditions, however, in general it will no longer be valid in the event of any future change /amendment to relevant tax law. Binding tax rulings may be used up to the last day of the fifth tax year following the date when the related decision (permission) was issued. Such permission may be extended once for another two years upon the taxpayer's request.</p> <p>The applicability of durable binding tax rulings issued for 3 years period shall not be affected by future changes in the relevant legislation, however, it is affected by changes in the facts. In general binding rulings can be requested for future transaction not started yet, however with certain conditions binding ruling can also be requested for currently performed transactions.</p> <p>The application shall be subject to a fee amounting to HUF 5,000,000, in an urgent procedure HUF 8,000,000. The fee for a durable advance tax ruling amounts to HUF 8,000,000, in an urgent procedure HUF 11,000,000. Prior personal consultation can be requested by the applicant for a fee of HUF 500,000. (A protocol shall be prepared on the result of the prior consultation, which shall not be binding).</p> <p>In case of advance tax rulings concerning the establishment of the fair market value (APA-Advance pricing arrangement) the fee amounts to 1% of the fair market value, or no less than HUF 500,000 and no more than HUF 10,000,000. The fee for a ruling amounts to HUF 500,000- HUF 7,000,000 for unilateral procedures, HUF 3,000,000 – 8,000,000 for bilateral procedures or 5,000,000 – 10,000,000 for multilateral procedures.</p> <p>If the tax cannot be assessed tentatively, a refund of 85 % (in case of APA 75%) of the fee paid is made to the applicant.</p>
HU7	<p>Capital duty on the registration of a company amounts to HUF 100,000 (in case of European public limited-liability companies to HUF 600,000). In the event of an increase in the subscribed capital of the company, the duty amounts to 40% of the duty on registration.</p>

HU8	<p>Local Business Tax:</p> <p>Business activities pursued on the effective territory of the local government are subject to local business tax. The company pursuing the activity is the subject of the tax. The tax liability commences at the same time that the business commences and all enterprises that are subject to local business tax are required to register with the local government authority within 15 days from the commencement of their activities.</p> <p>The annual local business tax rate is maximum 2% based on the net accounted sales revenues (decreased by the royalty revenues) and the revenues are reduced by the purchase value of goods sold, mediated services, subcontractor services, material expenses and direct costs of basic research and applied research and development. As of July 2016 the scope of royalty revenues deductible from the sales revenues is limited.</p> <p>The sum of cost of goods sold and mediated services deductible from the tax base will be limited to a percentage of the net sales revenue if the net sales revenue exceeds HUF 500 million, i.e. the decreasing item cannot exceed the following percentages of the net sales revenue within the following net sales revenue ranges:</p> <ul style="list-style-type: none"> • up to HUF 500 million net sales revenue: 100 %, • between HUF 500 million and 20 billion: 85 %, • between HUF 20 billion and 80 billion: 75 %, • above HUF 80 billion: 70 % <p>Related parties are obliged to calculate their local business tax liability based on a consolidated tax base if the aggregated amount of costs of goods sold plus mediated services exceeds 50 percent of their net sales revenue. As of 2017 the above consolidation of the tax base is only applicable for companies qualifying as related parties as a result of demerger following 1 October 2016.</p> <p>Advance payments are required to be made each year for the local business tax. However, newly incorporated companies are not obliged to effect an advance payment of local business tax in the first year of their activities.</p> <p>There is a reduction in the local business tax payable in relation to staff complement expansion. The tax may be reduced by HUF 1,000,000 / employee provided the average number of employees of the company has increased over the previous year.</p> <p>Other taxes:</p> <p>(I) Property Tax</p> <p>The local government may at its discretion impose a tax on property. For property tax, the tax base is either (a) the useful floor area of the property calculated in m² or (b) the adjusted market value of the property. The tax rate is either (a) HUF 1,100 per m² or (b) 3.6% of the adjusted market value.</p> <p>(ii) Land Tax</p> <p>For land tax, the tax base is either (a) the territory of the land calculated in m², or (b) the adjusted market value of the land. The tax rate is either (a) HUF 200 per m² or (b) 3% of the adjusted market value.</p> <p>(iii) Innovation Contribution</p> <p>Innovation contribution shall be paid by Hungarian companies on the basis of the local business tax at a rate of 0.3 %. Small and micro enterprises (as well as newly incorporated companies in the first year of activity) are exempt from the innovation contribution. A contribution advance is payable quarterly.</p>
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HU9	<p>The new Treaty concluded with the US (under ratification, not yet applicable) include Limitation on Benefits clause, while some recently concluded treaties use the Principle Purposes Test rules (e.g. treaties with Liechtenstein, Bahrein, Saudi-Arabia, Kosovo, Turkmenistan, Sultanate of Oman). Furthermore, according to the guidance of the National Tax and Customs Administration the explanations concerning beneficial ownership concept introduced in the Commentary to the OECD Model shall be applied concerning all existing Treaties concluded by Hungary (unless specified otherwise in the Treaty).</p>
HU10	<p>Transfer tax on the acquisition of holdings in a company with holdings in real estate properties located in Hungary</p> <p>Transfer tax payment liability might arise concerning the acquisition of holdings (stocks, business shares, cooperative shares, investor share certificates, converted investor shares) in a company with holdings in real estate properties located in Hungary, if the company with real estate holdings in Hungary is a business association, in whose balance sheet the value of the real estate located in Hungary represents more than 75 % of the aggregate value of the assets (excluding the liquid assets, pecuniary claims, 2015 the prepayments and accrued income and loans) or it has a –direct or indirect- share of not less than 75 % in an economic operator in whose balance sheet the value of the real estate located in Hungary represents more than 75 % of the aggregate value of the assets. As of 2014 the principal activity of the company is not relevant. The general rate of the duty for the acquisition of holdings in a company with holdings in real estate properties located in Hungary amounts to 4 % up to HUF 1 billion of the market value of each real estate property acquired, the amount of the market value exceeding HUF 1 billion per real estate shall be subject to 2 % transfer tax, however, the total amount of the tax payable may not exceed HUF 200 million per property.</p> <p>Corporate income tax payable by members of a company owning real estate</p> <p>The taxpayer qualifies as a company owning real estate if</p> <ul style="list-style-type: none"> • the value of the real estate located in Hungary represents more than 75% of the aggregate amount of book value of assets included in the taxpayer's financial statements or in each individual financial statement of the resident taxpayer or collectively with its non-resident related parties; and • its member, or any member of the group was resident in a country at least for one day of the tax year, with which the Republic of Hungary has not concluded a convention on the avoidance of double taxation, or the convention allows the taxation of capital gain in Hungary. <p>This provision does not apply to taxpayers registered on a recognised stock exchange. The tax base of a member of the company owning real estate is the positive amount of the consideration of the transfer of the business share or of the reduction of the share capital decreased by certain costs (e.g. cost of acquisition or costs related to the holding of the share). For the above purposes transfer means sale, contribution in kind or transactions without consideration (i.e. free-of- charge transfers).</p> <p>The rate of the corporate income tax is 9%.</p>
HU11	<p>As of 2015 a new principle addressing primarily hybrid mismatch arrangements was introduced by the Act on Rules of Taxation. Accordingly, in the case of relationships affected by international treaties, where in consequence of differences in the interpretation of the facts on hand or the provisions of the relevant international agreement between the states affected, having regard to incomes from such relationships, neither of those states considers such income taxable in its territory, Hungary shall not exempt such income from taxation.</p>

IT	ITALY (IT)
IT1	From Jan. 1st 2017, standard rate is 24,00%; Non operating companies are subjected to a 10,5% surcharge.
IT2	CbCR is expected for consolidated turnover higher than Euro750 millions.
IT3	The most common range is 5% - 15%; In rare cases the range is 0% - 40%.

MLT	MALTA (MLT)
MLT1	Dividends received from a non-Malta resident company is liable to Malta taxation at the rate of 35%. Credit relief may be available under a double tax agreement or in terms of unilateral credit relief including underlying tax relief (multi-layer & unlimited) and a flat rate foreign tax credit of 25% of the net foreign source income. As from January 1, 2007 Malta introduced a participation exemption. The holding company whose investment qualifies as a participating holding has the option of either applying the participation exemption, as a result of which income derived (i.e. dividends and/or capital gains) from a participating holding will be exempt from tax in Malta or opt for a full refund of the underlying Malta tax incurred.
MLT2	Under Malta tax law, a participating holding exists where a Maltese company holds at least 10% of the equity share capital of a nonresident company whose capital is divided into shares or : The Maltese company is an equity shareholder in the nonresident company and is entitled to purchase the balance of the shares of the nonresident company or has a right of first refusal over such shares; or The Maltese company is an equity shareholder in the nonresident company and is entitled to sit (or appoint a representative to sit) on the board of the nonresident company; or The investment in the nonresident company is at least Euro 1,164,000 or the equivalent amount in a foreign currency and the investment is held for at least 183 days; or The investment in the nonresident company is held for the furtherance of the Maltese company's own business and the holding is not held as trading stock for the purposes of a trade.

	<p>The above conditions will apply equally to a holding in a body of persons constituted, incorporated or registered outside of Malta, which is not resident in Malta, and is of a nature similar to a partnership en commandite, the capital of which is not divided into shares constituted under the Companies Act.</p> <p>The above conditions for participating holding status apply without limitation where the nonresident company is resident in another EU Member State or is subject to tax at a rate of at least 15% in any other jurisdiction.</p> <p>However, where more than 50% of the income of the nonresident company consists of passive interest or royalties (and the company is not resident in another EU Member State or is not subject to tax at a rate of at least 15%), the following conditions also must be satisfied to qualify for participating holding status and exempt dividend income under the Participation Exemption:</p> <p>The investment must not qualify as a portfolio investment; and the nonresident company must be subject to foreign tax at a rate that is not less than 5%.</p> <p>The above limitation is immediately applicable for holdings acquired on or after 1 January 2007. For holdings acquired before 1 January 2007, the limitation will only apply with effect from January 1, 2011.</p> <p>The equity holding must confer the holder to an entitlement to at least 10% of any two of i) right to vote, ii) profits available for distribution iii) assets available for distribution upon winding up.</p>
MLT3	<p>Capital gains on disposal of a non-Malta resident company are liable to Malta taxation at the rate of 35%. Credit relief may be available under a double tax agreement or in terms of unilateral credit relief including underlying tax relief (multi-layer & unlimited) and a flat rate foreign tax credit of 25% of the net foreign source income.</p> <p>As from January 1, 2007 Malta introduced a participation exemption. The holding company whose investment qualifies as a participating holding has the option of either applying the participation exemption, as a result of which income derived (i.e. dividends and/or capital gains) from a participating holding will be exempt from tax in Malta or opt for a full refund of the underlying Malta tax incurred.</p>
MLT4	<p>A qualifying patent is defined as a patent which is registered in Malta or elsewhere, in relation to which the research, planning, processing, experimenting, testing, devising, designing, development or similar activity leading to the relevant invention was carried out in Malta or elsewhere. An application needs to be submitted to the Malta Enterprise Corporation after which an entitlement certificate will be issued.</p> <p>During the Budget Speech for 2012, the Maltese Ministry of Finance has announced that this exemption will be extended on income received from certain copyrights on books, filmscripts, music and art. This has however not yet been legislated and no further information is available to date.</p>
MLT5	<p>In terms of domestic tax legislation (imputation tax system), no withholding tax is imposed on dividends paid by a Malta company to resident or non-resident shareholders.</p>

MLT6	<p>"recipient" shall mean:</p> <p>(i) a person who is resident in Malta during the year in which investment income is payable to him or which is payable to a person under subparagraphs (ii) or (iii) (other than a person who during that year carried on banking business under the Banking Act, or a person carrying on the business of insurance or any other company (hereinafter "owned and controlled company") which is owned and controlled, directly or indirectly, by such persons, excluding an owned and controlled company not carrying on the business of banking or insurance which is listed on a stock exchange recognised under the Financial Markets Act and in respect of which the Commissioner, at his discretion, has issued a determination that such company falls within the purport of this definition, or a company which is registered under article 24 of the Malta Financial Services Authority Act), or</p> <p>(ii) a receiver, guardian, tutor, curator, judicial sequestrator or committee acting on behalf of a person referred to in sub-paragraph (i) of this paragraph, or (iii) a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever shall for the time being be paid or applied to or for the benefit of a person referred to in sub-paragraph (i)</p>
MLT7	<p>Advance tax rulings are available in specified cases which include, inter alia, a determination as to whether a foreign investment in furtherance of the Malta company's own business qualifies as a "Participating Holding". Rulings are binding on the Malta Inland Revenue for a period of 5 years and renewable thereafter for a further period of 5 years. In terms of law, a ruling will survive any change of legislation for a period of 2 years from the date of change. Rulings are issued within 30 days of application or notice for additional information.</p>
MLT8	<p>A full exemption from share transfer tax is applicable in respect of Malta companies which are more than 50% beneficially owned by persons not resident in Malta and where the assets consist principally of assets situated outside of Malta.</p> <p>Furthermore a full exemption exists where a company proves to the Commissioner that it carries on, or intends to carry on, business or has, or intends to have, business interests to the extent of more than ninety percent outside Malta.</p>
MLT9	<p>The Malta / Denmark treaty includes "anti-treaty shopping" provisions which deny the application of the Dividend, Interest & Royalty articles where treaty shopping is evident. The Malta / Netherlands treaty denies the application of the reduced 5% withholding tax rate (levied in Netherlands) for majority shareholdings where anti-treaty shopping is evident. The Malta/Spain and Malta/Latvia treaties include 'anti-treaty shopping' provisions denying the benefit of any reduction in or exemption from taxes provided in those treaties. The Malta/USA Treaty which came into force on 23 November 2010 contains detailed limitation of benefits rules.</p>

NL	NETHERLANDS (NL)
NL1	In case of so called hybrid financial instruments like hybrid loans, the participation exemption only applies when the dividend received is in no way tax deductible at the payers' level.
NL2	The exemption applies to a participation in a subsidiary merely investing and/or undertaking passive intercompany financing provided that its results are taxed against a minimum level of taxation (10%) from a Dutch perspective.

NL3	There exists a "subject to tax" requirement for application of the "participation exemption". The minimum acceptable level of taxation is 10% (effectively) whereby the tax base is calculated according to Dutch standards.
NL4	The first € 200,000 are taxed at 20%. Chargeable income in excess of € 200,000 is taxed at 25%.
NL5	Liquidation distributions are treated in the same manner as dividend distributions and, hence, subject to dividend withholding tax where applicable.
NL6	The deduction of interest expenses on excessive loans obtained by a Dutch company that acquires a participation is limited. However, no limitation will apply if the acquiring costs of the participation do not exceed the equity of the acquirer or the attributable interest expenses do not exceed € 750.000. Please note that this new legislation only applies to situations in which the fiscal unit regime does not apply. Otherwise in fiscal unity structures different rules apply.
NL7	Besides Advance Tax Rulings (ATRs) which give clarity upfront about the fiscal consequences of the intended transactions in an international setting, there are also Advance Price Agreementens (APAs). These APAs give clarity upfront about the 'at arms-length' determination of a cross-border transaction between associated companies. The transfer-pricing guidelines are leading.
NL8	The acquisition of shares in a real estate company is subject to transfer tax if the acquisition gives the acquirer a substantial interest (at least one third of the subscribed share capital) in that company. A real estate company is a company whose purpose or actual activity is to invest in real estate or real estate rights and 70% or more of whose assets consists of real estate (or real estate rights) of which at least 30% is located in the Netherlands. Depending on the nature of the real estate the tax rate could be either 2% or 6%.
NL9	Amongst others: NL-Portugal, NL-US, NL-Malta, NL-Japan.
NL10	A company that is incorporated in the Netherlands is assumed to be a resident in the Netherlands (art. 2 lid 4 CITA). Besides that, the residency of a company is decided by means of all facts and circumstances. For companies this means that the place of effective management is decisive. Financial service companies are subject to special – more stringent – requirements.

NO	NORWAY (NO)
NO1	<p>Dividend Income is generally tax free to a Norwegian company, with the following main exceptions:</p> <ul style="list-style-type: none"> • 3% of dividend from EEA resident companies and from companies resident outside of the EEA where the Norwegian company has held 10% or more for 2 years or more is taxable. This does not apply to dividends received from a subsidiary of which the Norwegian holding company owns and controls more than 90 % of the shares and voting powers. • Dividend from companies resident outside of the EEA and where the 10 %/2 year-requirement is not met, is taxable with a credit for foreign taxes paid. • Dividend from "low tax countries" (countries with an average tax rate lower than 2/3 of Norwegian tax rates) are taxable. If the low tax country is an EEA- country, then the dividend is only taxable to the extent that the distributing company is not genuinely established and conducts genuine business activities in that EEA- country.
NO2	<p>Capital Gains Income relating to the alienation of shares in limited companies is generally tax free to a Norwegian company, with the following main exceptions:</p> <ul style="list-style-type: none"> • Capital gains income arising from shares in companies resident outside of the EEA where the Norwegian holding company has not held at least 10 % of the shares/voting powers for at least 2 years consecutively prior to alienation, is taxable. • Capital gains income arising from shares in companies resident in "low tax countries" (see #1 above) is taxable. If the low tax country is an EEA-country, then the capital gains income is only taxable to the extent that the company is not genuinely established and conducts genuine business activities in a EEA- country. • Capital losses relating to the alienation of shares are deductible to the same extent as capital gains income is taxable.
NO3	<p>There is also a "black list" showing countries that are always regarded as low tax jurisdictions.</p>

PL	POLAND (PL)
PL1	<p>The general principle is that a PL resident company is subject to PL corporation tax on its worldwide profits and gains. From 1 January 2014 tax provisions included in the Polish Act on Corporate Income Tax also apply to limited partnerships on shares.</p> <p>If the Polish company receives the dividends from the subsidiaries having a seat outside of the territory of Poland and if that income is taxable in a foreign state, that dividend is combined with the income earned in Poland in a tax return for the fiscal year.</p> <p>If this is the case, the amount equivalent to the tax paid on dividend in a foreign state is deducted from the tax due in Poland. However, the deducted amount must not exceed the part of the tax calculated before deduction that is proportionately associated with the income earned in a foreign state.</p> <p>In the case if the Polish company directly holds no less than 75% of shares in the equity of a foreign (excluding EU and Switzerland) company and Poland has binding double taxation agreement with this country, the amount of income tax, is also deductible.</p> <p>The dividends received by the Polish companies are exempt from income tax, excluding income received by the partner with unlimited tax liability, if all the following conditions are satisfied:</p> <ul style="list-style-type: none"> • the payer of dividends is a company having a registered seat in EU, whose entire income is subject to income tax in EU, • the Polish company (recipient) of dividends is a company that directly holds not less than 10 % of shares (25% for Switzerland) in the equity of a company (payer of dividend) for an uninterrupted period of two years • the receipt of dividend does not enjoy exemption from income tax . <p>Dividends paid by the Polish company are exempt if the following conditions are satisfied:</p> <ul style="list-style-type: none"> • the company receiving a dividend directly holds not less than 10% of the shares (25% for Switzerland) for an uninterrupted period of two years, • the receiving company is subject to unlimited tax liability in Poland or other EU state, and does not enjoy exemption from income tax irrespective of the sources from which the income is earned, • The tax certificate confirming the place of the tax residence of the recipient is required <p>If these conditions are not met, then the dividend is subject to 19% CIT rate.</p> <p>From 1st January 2016 the amendment to Polish CIT Act introduces an additional condition for applying tax exemption for dividend payment by a subsidiary to its parent company – the taxpayers will be obliged to confirm that the dividend does not result from an activity aimed mainly at acquiring the right to tax exemption or other artificial activity having no factual substance.</p>
PL2	Capital gains understood as income from sale of shares and stock
PL3	As of 1 January 2015 CFC rules have been introduced in Poland. In case the underlying subsidiary is a passive company and additional conditions are met, the income received by that company is subject to CIT taxation in Poland.
PL4	75% of the Polish flat CIT rate

PL5	The value of property gained as a result of the liquidation of a legal person is treated as income from share in the profits of legal persons. This income is taxed under the same regime as the dividends.
PL6	Interest accrued on loans assumed to finance acquisition of foreign participation is generally tax deductible, however cannot be deducted from dividend income (as in case of dividends 19% CIT is due on revenues).
PL7	New thin capitalisation rules have been introduced as of 1 January 2015, two methods applicable: (i) limited deductibility applies to loans granted by direct or indirect shareholders (minimum shareholding of 25%), endangered is interest related to the part of loan exceeding the equity amount; (ii) limited deductibility of interest due on all loans (from related and unrelated parties) with regard to interest exceeding the product of value of assets and the sum of reference NBP (Polish National Bank) rate and 1.25pp (with some additional limitations). "Old" thin cap rules applicable to loans taken up before 1 January 2015.
PL8	The CFC rules have been introduced as of 1 January 2015. In addition, special transfer pricing rules apply for transactions performed by taxpayers with subjects having the place of residence, seat or board of management within a territory of or in a country admitting detrimental tax competition – in case the value of such a transaction exceeds EUR 20,000 per year, taxpayers shall be obliged to prepare tax documentation of such transaction(s). On the list are the following jurisdictions: Andora, Anguilla, Antigua, Barbuda, Aruba, Bahama, Bahrain, Barbados, Belize, Bermudy, Gibraltar, Grenada, Guernsey, Liberia, Liechtenstein, Macau, Maledives, Monaco, The Netherlands Antilles, Panama, Montserrat.
PL9	Taxpayers have the right to apply to the Minister of Finance for a written interpretation of tax regulations (a tax ruling). The application can refer to both past of future transaction. A tax ruling is binding for tax authorities with regard to the specific applicant. No individual interpretation shall be issued regarding such elements of the state of affairs which, on the day of filing the application for interpretation, are the subject-matter of pending tax proceedings, tax control, control proceedings by a fiscal control authority or if, in this regard, the case has been settled as to its merits in a decision or ruling of a tax authority or fiscal control authority. Interpretation shall be issued within 3 months after filing relevant application. As of 15 July 2016 tax authorities have the right to refuse issuing a tax rulings in case they state that the question asked is aimed at tax avoidance, or aimed at achieving unauthorised tax benefit on the grounds of VAT law.
PL10	The Polish Tax on Civil Law Transactions applies for (a) equity increase (0.5%), (b) transfer of shares (1%), (d) sale of movable or immovable property, or property rights (1% or 2%). As a rule, application of Tax on Civil Law Transactions is excluded when a given transaction is subject to Value Added Tax..
PL11	The Polish agreements on avoidance of double taxation as a rule refer to a definition of the beneficial owner provided in the Model Convention OECD. The DTT between Poland and the US, signed on 13th February 2013 (however not ratified yet by the US) provides for beneficial owner test and LOB clause.
PL12	In practice having a registered seat in Poland is sufficient for Polish tax residence. CFC rules, described above, provide an exception to this rule (for a foreign holding company).
PL13	New Transfer Pricing regulations have been introduced based on the Act dated October 9th, 2015, and come in force as of January 1st, 2017. The proposed amendments include: (i) changes to the scope of the TP documentation (extension documentation requirements for new entities and events), (ii) obligation of preparing new type of TP documentation (local file, master file and country-by-country reporting), (iii) deadline for preparation of TP documentation.

SK	SLOVAK REPUBLIC (SK)
SK1	<p>Dividends from profits after 1st January 2004 distributed between legal entities are not subject to tax. This provision shall apply to any shares of profits, which are booked for the tax period after the 1st January 2004, and to any settlement shares and shares of liquidation balances, the entitlement to which arose after the 1st January 2004. If shares of profits for taxable periods up to 31st December 2003 are earned since 1st April 2004 by a taxable party with limited tax liability, such shares of profits shall be treated as income originating from a source in the territory of the Slovak Republic, which is entitled to the withholding tax (Section 43); such income shall not be liable to the tax if earned by a taxable party having their registered office in any member State of the European Union, who holds, at the time of payment, crediting, or other posting of such income to its favor, at least 25% direct shareholding on the registered capital of the party, by which the income is paid. If shares of profits for taxable periods up to 31st December 2003 are earned by a taxable party with unlimited tax liability from a party, which has its registered office in another member State of European Union, and if such a taxable party holds, at the time, when the income is paid, credited or otherwise posted to its favor, at least 25% direct shareholding on the registered capital of the party, by which the income is paid, such income shall not be liable to the tax starting from the effective date of the Treaty on Adhesion of the Slovak Republic to the European Union.</p> <p>In other cases, if the condition of at least 25% direct shareholding on the registered capital of the party is not fulfilled the Dividends could be taxed depending on the Double Taxation Avoidance Treaties within 0 – 21%.</p> <p>With effect from 1st January 2017, dividends distributed between legal entities from profits generated thereafter are subject to tax if paid from or to entities from non-treaty state. 35% tax rate shall apply in these cases.</p> <p>On the basis of income tax act tax deductibility of costs incurred by holding companies could be limited – as tax deductible are costs whose purpose is to acquired or keep taxable income. Dividends are generally exempted from taxation in Slovakia, thus costs of holding, especially when the purpose of holding is single income from dividends, do not pass the general test for tax deductibility.</p>
SK2	<p>The Capital Gains Income which is paid to the Slovak Tax Non-resident (to any member State of the European Union) can be exempt from the tax if following condition is fulfilled:</p> <p>Interest and other income from loans and credits, interest accruing on allotment certificates, bonds, deposit certificates, treasury bonds, deposit letters and other securities and deposits of equal ranking, which are earned from a source in the territory of the Slovak Republik by a legal entity, which is a taxable party of another member State of the European Union, and which is the ultimate beneficiary of such income, as long as such income is paid by a taxable party with unlimited tax liability, provided that up to the date of payment of the income and during at least twenty four immediately following months</p> <ol style="list-style-type: none"> 1. The taxable party, which pays such income, holds at least 25% direct interest in the registered capital of the ultimate beneficiary of such income, or 2. The ultimate beneficiary of such income holds at least 25% direct interest in the registered capital of the taxable party paying such income, or 3. Another legal entity with its registered office in any member State of the European Union holds at least 25% direct interest in the registered capital of the taxable party paying such income, and at the same time it holds at least 25% direct interest on the registered capital of the ultimate beneficiary of such income. <p>If there is no 25% direct interest in the registered capital of the taxable party the Capital Gains Income cannot be exempt from tax and then the Double Taxation Avoidance Treaties have to be considered.</p>

SK3	<p>The Amendment of the Income Tax Act with effect from 1st January 2014 introduces the institute of a tax licence (minimum tax) for specified corporate entities reporting a tax loss, zero or very low tax in a taxation period. It means the implementation of the so-called tax from loss and failure in business. The tax license will apply to business companies with the tax liability calculated in the tax return lower than the amount of tax license (see the table below).</p> <p>The tax licenses will not be paid by businesses using the trade license. The tax licenses will only apply to business companies to which the corporate income tax applies. With regard to the amount proposed, the tax licenses will have major impact on small businesses.</p> <table border="1" data-bbox="318 518 1288 715"> <thead> <tr> <th>Company type</th><th>Amount of annual tax license (minimum amount of income tax)</th></tr> </thead> <tbody> <tr> <td>A taxpayer with an annual turnover to EUR 500,000 – non VAT payer</td><td>€480</td></tr> <tr> <td>A taxpayer with the annual turnover to EUR 500,000 – VAT payer</td><td>€960</td></tr> <tr> <td>A taxpayer with the annual turnover of more than EUR 500,000</td><td>€2,880</td></tr> </tbody> </table> <p>According to the amended income tax act, tax license will cease to exist with effect from 1.1.2018.</p>	Company type	Amount of annual tax license (minimum amount of income tax)	A taxpayer with an annual turnover to EUR 500,000 – non VAT payer	€480	A taxpayer with the annual turnover to EUR 500,000 – VAT payer	€960	A taxpayer with the annual turnover of more than EUR 500,000	€2,880
Company type	Amount of annual tax license (minimum amount of income tax)								
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SK4	<p>In general, just corporate income tax is calculated from the tax base for the last tax period as at the end of the liquidation. The final distribution of assets of the holding company in liquidation is not subject to income tax. However, subject to tax are distributions of assets of the holding company in liquidation from and to entities from non-treaty states. Withholding tax 35% is imposed on distributions to non-treaty states.</p>								
SK5	<p>The Amendment of Income tax act has introduced a limit for the maximum amount of interest on loans and credits recognized as costs included in tax deductible expenditures provided that these are loans and credits granted by related legal entities (local and foreign). Such restriction also supports the related entities to make contributions to the basic capital instead of granting loans and credits and thus increase the guarantees for contingent liabilities. Under certain legal conditions income from the sale of securities could be exempt from the tax in the case of physical person from 1.1.2016.</p>								
SK6	<ul style="list-style-type: none"> • As of 1 January 2015, thin capitalisation rules for financing between related parties are introduced in Slovakia. • Costs of credits and loans provided by related party will be tax-deductible up to 25% of EBIDTA (earnings before interest, taxes, depreciation and amortization). • Activated interest in fixed assets remains unaffected by this prohibition of deduction. • Leasing companies, banks and insurance companies are exempt from this rule. 								
SK7	<p>COUNCIL DIRECTIVE 2014/86/EU of 8 July 2014 is amending Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States. On 27 January 2015, the European Council formally adopted a binding general anti-abuse rule to be included in the Parent-Subsidiary Directive (PSD). This new rule aims at preventing Member States from granting the benefits of the PSD to arrangements that are not “genuine,” i.e., that have been put into place to obtain a tax advantage without reflecting economic reality. The clause is formulated as a “de minimis” rule, meaning that Member States can apply stricter national rules, so long as they meet the minimum EU requirements. Slovak Republic has already implemented this .general anti- avoidance rule into national law.</p>								

SK8	If the taxpayer achieves a share of the profits on the basis of measure or several measure, which in the regards to all relevant circumstances can not be considered as real and their main purpose (or one of main purpose) is to obtain benefits for the taxpayer that is contrary to the object and purpose of the Slovak income tax; So this share of profit will be considered as subject of the tax.
SK9	According to the Slovak Income Tax Act a taxpayer may file with the tax administration a written request (charged by the Slovak Tax Authorities) asking to issue a decision on the approval of the use of a specific method of transfer pricing or means of price calculation (further only "valuation method"), not later than 60 days before the beginning of the tax period during which the agreed valuation method will apply. The tax administration shall issue a decision on the approval of the valuation method valid for not more than five tax periods. The approval can be prolonged by additional up to five tax periods under certain conditions. The enclosure related to the mentioned request are documentation according to Slovak income tax act and certain other information on transaction. Documentation 's content is set by Ministry of Finance of Slovak Republic.
SK10	The scope of tax regulations on application of which the binding regulation may be issued shall be stipulated by generally binding legal regulation issued by the ministry.
SK11	<p>Consideration of the economic effects of a regime to determine whether a potentially harmful regime is actually harmful.</p> <p>A regime that has been identified as being potentially harmful based on the above factor analysis may be considered not to be actually harmful if it does not appear to have created harmful economic effects.</p> <p>The following three questions can be helpful in making this assessment:</p> <p>Does the tax regime shift activity from one country to the country providing the preferential tax regime, rather than generate significant new activity?</p> <p>Is the presence and level of activities in the host country commensurate with the amount of investment or income? Is the preferential regime the primary motivation for the location of an activity?</p> <p>Following consideration of its economic effects, a regime that has created harmful effects will be categorised as a harmful preferential regime.</p>

SL	SLOVENIA (SL)
SL1	<p>The dividend income for tax purposes may be either exempt from tax under a "participation exemption" or credit of foreign paid tax may be used. In practice participation exemption is more beneficial. Exemption does not apply however when deduction of income paid out at the level of the payer is allowed.</p> <p>In addition to exemption of dividend income companies applying for the benefit must declare 5% of the dividends, which have been exempt as non-deductible expense.</p>

SL2	<p>Taxpayer may exempt 50 % of realized capital gains from its tax base under three conditions:</p> <ul style="list-style-type: none"> • taxpayer has at least 8% holding in the capital of the subsidiary; • duration of the 8% equity holding is at least six months; • taxpayer has employed at least one person for full-time in the last six months. <p>In addition to exemption of capital gains companies applying for the benefit must declare 5% of the capital gains, which have been exempt as non-deductible expense.</p>
SL3	Until the end of 2016 the corporate income tax rate was 17%. As of 1 January 2017 tax rate has increased 19%.
SL4	Withholding tax imposed on liquidation proceeds may be mitigated under Double tax treaties.
SL5	Interests on loans are not deductible if they are received from the shareholders who directly or indirectly owns at least 25% of the shares in the equity capital or voting rights at any time during the tax period and if the loan exceed at the same period of time the established debt: equity ratio (as of 2012 4:1), unless the taxpayer can prove that the loan would have been granted by an unrelated person.
SL6	In Slovenia no CFC Regulation exists.
SL7	Only general substance over form rules exist. Directive benefits do not apply if the main purpose or one of the main purposes of the transaction is to achieve tax advantage.
SL8	Tax on real estate was introduced in 2014 and replaced the previous compensation for the use of building lands and tax on real estate of higher value. In March 2014 constitutional court ruled that the tax on real estate was in conflict with Constitution and the old regime was reinstated (compensation for the use of building land). The tax on real estate of higher value is no longer in force as of 1 January 2015.
SL9	Limitation of benefits clause is provided in the Slovenian US treaty, anti treaty shopping provisions are provided in the treaties with UK and France.
SL10	A holding company is a company that owns the majority of shares of an independent legal entity and is mainly engaged in the establishment, financing and management of these legal entities. Following two presumptions apply: (1) The company under majority ownership of the holding company, is deemed dependent from the holding company and (2) The dependent company and the holding company together constitute a concern.

SP	SPAIN (SP)
SP1	ETVE= Enidades de Tenencia de Valores Extranjeros (ie: holding company for foreign participations).
SP2	If the underlying subsidiary is a passive holding company, the ETVE may be not allowed to apply the exemption if the requirements are not met in relation to the active operating company whose shares are indirectly held.
SP3	The subject to tax requirement is considered to be automatically satisfied in respect of countries with which Spain has entered into a double tax treaty including provision for exchange of information.
SP4	The corporate tax rate is 25%. New Companies which start a new business can apply a reduced rate (15%) during the first two years of profit.
SP5	Exemption from withholding tax applies provided the investments are qualified investments of EU resident.
SP6	<p>(6.1.): Interest expense between Group companies (even if they are not a consolidated Group for tax purposes) derived from financing to i) buy from other Group companies either a participation in any kind of entities or ii) make contributions to any other Group companies are non-deductible unless the taxpayer provides evidence that it responds to a valid economic reason.</p> <p>(6.2.): Characterization as dividends of participative loans granted by group of companies is applicable on those arising from participative loans granted after June 20, 2014.</p> <p>General Interest expense limitation rule applies as follows:</p> <ul style="list-style-type: none"> • the deduction of net interest expense is limited to 30% of taxable earnings before (net) interest, tax, depreciation and amortization (EBITDA). • a permanent establishment in Spain of companies residing abroad may not deduct any interest paid to Headquarters or other permanent establishments unless it is a permanent establishment of a Bank and interest is directly connected with its activity.
	<p>The interest expense limitation rule does not apply if one of the following exemption rules applies:</p> <ul style="list-style-type: none"> • the annual net interest expense is less than EUR 1 million (exemption threshold) • the entity is either a i) Bank or Insurance entity or ii) an Assets Securitization Fund or iii) a Mortgage Securitization Fund. • the net interest limitation rule will not apply in the fiscal year the entity is extinguished unless it is due to a restructuring operation. <p>There is an additional 30% limitation applicable mainly to M&A operations aimed to avoid taxpayer achieving a higher interest deduction by using tax consolidation rules or restructuring regime. This limitation applies before the general 30% rule and the 1 million exemption threshold have been applicable. This limitation will not be applicable if financing obtained to buy a participation in an entity is below 70% of the acquisition value of the participation. The interest expense limitation rule is applicable as of fiscal year 2012. The interest expense limitation rule replaced in 2012 the former Spanish thin-capitalization rules.</p>

SP7	<p>There are CFC rules in force. Article 100 CIT Law and article 91 PIT Law</p> <p>The existing CFC rules applicable till December 31, 2014 (for both Personal Income Tax and Corporate Income Tax) have been strengthened starting January 1, 2015 under the new CIT Law and amendments to PIT Law.</p> <p>Spanish CFC rules are applicable for income that is:</p> <ul style="list-style-type: none"> • considered as passive income. • taxed at a low level (taxation is supposed to be at low level, if the tax burden on the profits of the foreign corporation is less than 75% compared that the taxation it would have suffered in Spain). • obtained from a foreign corporation that is controlled by persons subject to taxation in Spain on a worldwide basis. • The first Spanish CFC rules were introduced back in 1995 for both individuals and legal entities. They have evolved until the current regime applicable as per January 1, 2015. <p>See also note SP4.</p>
SP8	<p>As of 1 January 2015, CFC rules will be also applicable to EU resident Companies unless the taxpayer is able to prove that i) its incorporation and operative responds to valid economic reasons and that performs effective economic activities or ii) it is a UCIT as per the EU Directive on UCITs. Article 100.16 CIT Law.</p>
SP9	<p>Advance tax rulings are always available. The ruling must be given within 6 months. If no reply is given within 6 months, approval is considered granted. Advance rulings bind both the tax administration and the taxpayer. If another taxpayer, other than that who asked for the tax ruling, applies the same criteria disclosed by the Spanish Tax Authorities, no sanction can be imposed.</p>
SP10	<p>Its scale is progressive and there is a 700.000€ general exemption (the exemption amount may vary depending on the autonomous region).</p>
SP11	<p>Transfer tax on shares, whose amount varies depending on the autonomous region, is triggered if more than 50% of assets of the acquired company consist of real estate located in Spain (unless treated as merchandise for accounting purposes) and acquiring Co purchases more than 50% of the capital.</p>
SP12	<p>Spain has 92 DTAs in force, 10 DTAs in process at different stages (Andorra – will be in force starting from 26 February 2016- Azerbaijan, Bahrain, Byelorussia, Cape Verde, Qatar, Montenegro, Namibia, Peru and Syria), 8 DTAs under negotiation (Austria, Belgium, Canada, Unistad States, Finland, India, Mexico and Rumania).</p>
SP13	<p>The 2013 Protocol to the DTA between Spain and the USA (which has not yet entered in force) will amend article 17 of the current DTA which already included a LOB clause.</p> <p>There are various LOB/PPT clauses which do not have the same wording in all DTAs (amongst others Dominican Republic, Kuwait, Uzbekistan, Sultanate of Oman, Argentina, Belgium, Switzerland, Bolivia, Croatia, Cuba, Slovenia, Estonia, Ireland, Island, Israel, Jamaica, Latvia, Lithuania, Malesia, Nigeria, Portugal, Russia, South Africa, Vietnam). The trend is to include a LOB/PPT clause in new DTAs to be signed by Spain.</p>
SP14	<p>A minimum level of substance is required for the ETVE comprising human resources for the management and administration of the foreign holdings.</p> <p>The ETVE shall be regarded as passive (and therefore the ETVE regime is not applicable) if more than 50% of its assets is formed by cash or financial assets (except shares > 5%).</p>

SE	SWEDEN (SE)
SE1	The 10% minimum participation requirement for quoted shares is not applicable if the shares held, are held for "business reasons". Shares held as inventory will not qualify for exemption. However, for shares qualifying under the EC parent/subsidiary directive, the non-inventory requirement does not apply. In addition, the distributing company must be regarded as an equivalent of a Swedish limited liability company.
SE2	For quoted shares, the capital gains tax exemption will still apply if the holding period is for less than 1 year provided the shares were held for "business reasons".
SE3	Swedish CFC legislation imposes tax on Swedish companies owning shares (at least 25% of the voting rights - directly or indirectly) in foreign companies that are subject to corporate income tax which doesn't amounts to 55 % of the tax rate applicable in Sweden (Swedish tax rate: 22%) - accordingly, minimum acceptable tax rate = 12,1%.
SE4	<p>In terms of domestic legislation, dividends paid by an unquoted Swedish resident company to a non-Swedish resident company shareholder are exempt from Swedish dividend withholding tax if the non-resident company:</p> <ul style="list-style-type: none"> • holds at least 25% of the capital of the Swedish company (no minimum holding period is required); and, • is subject to a taxation in its country of residence similar to the taxation to which Swedish companies are subject (min. 12,1% see note SE3 above). <p>In case the Swedish company is a quoted company, there is an additional requirement: the parent company must hold at least 10% of the voting rights of the Swedish company or the shareholding is held for "business reasons".</p>
SE5	No withholding tax will arise if the conditions for the dividend withholding tax exemption as set out in note SE5 are satisfied. Otherwise, the non-treaty withholding tax rate of 30% would apply or the reduced rate in terms of an applicable tax treaty with Sweden
SE6	Under civil law, if the equity falls below half of the registered share capital, the equity must be restored, otherwise the company must be liquidated.
SE7	Advance revenue rulings may be obtained, on application, on aspects of corporate income tax, real estate tax and VAT. Rulings may also be requested to ascertain whether the general anti-avoidance provisions will be applied.
SE8	Amongst other treaties, the treaty with the USA includes anti-treaty shopping provisions.

SW	SWITZERLAND (SW)
SW1	Companies are subject to the federal, cantonal and municipal tax. For dividend income they may claim for a participation relief for the above mentioned taxes. The tax relief is calculated by virtue of the ratio of the net qualifying dividend income to the total net profit.
SW2	Companies may claim for a participation relief for capital gain income for the tax on federal, cantonal and municipal level. The tax relief is calculated by virtue of the ratio of the net qualifying capital gain realized to the total net profit. Participation Exemption is granted on the difference between the sales price and the original value. Former depreciations recovered by the sale are, however, subject to ordinary taxation.
SW3	The subsidiary can be an active operating company as well as a passive holding company.
SW4	No specific requirements. However, Swiss tax authorities may intervene when they discover a fraudulent use. Basically, a fraudulent use requires <ul style="list-style-type: none"> • a situation/construction which makes from an economical point of view no sense • the construction is appropriate to save taxes • based on the construction taxes are saved indeed which were not the case without the use of the chosen construction
SW5	At the level of federal direct tax holding companies are subject to ordinary taxation at the statutory rate of 8.5% on the company's after tax profit (7.83% effectively). If solely income from participations (i.e., dividends and/or capital gains) qualifying for participation exemption is realized, the final tax burden can be zero (a small 'shadow tax' may be due depending on the level of debt financing). At the level of cantonal/municipal tax holding companies meeting the so-called "assets or income test" are fully exempt from tax. Ordinary taxation, however, applies on any potential income from own property in Switzerland. Depending on the location cantonal/municipal profit tax varies between 6% and 21%, but is a tax deductible cost. Capital tax varies between 0.0‰ and 0.5‰ whereas the rates applied to holding companies are even lower. Most cantons levy minimum capital taxes of e.g., CHF 100. Some cantons allow for a set-off of capital tax against profit tax.
SW6	The range goes from 0-15%. However the withholding tax of 35% is due. <ul style="list-style-type: none"> • The Swiss tax authority grants the possibility to fulfill the withholding tax duty by notification between related companies. Requirements: the foreign mother company is situated in a state with which Switzerland concluded a tax treaty and the participation equals to at least 10%. • Switzerland ratified the agreement on the taxation of savings income with the EU. Based on this treaty, on dividends paid out to companies situated within the EU the 0% rate is applicable. Requirements: <ul style="list-style-type: none"> • The beneficiary party is a company situated in a member state of the EU • The participation equals to at least 25% • After a 2 years period the dividend may be credited untaxed. Before expiration of this time limit, the withholding tax has to be paid in and can • normally be claimed back after expiration of the 2 years period.

SW7	It depends on the tax treaty. The country of the outgoing dividends levies the withholding tax. In Switzerland no additional withholding tax is due on incoming dividends.
SW8	Any liquidation proceeds are subject to taxation as if they were ordinary dividends i.e., a 35% withholding tax applies, but can be reduced depending on the applicable double taxation treaty. As of 1/1/2011 liquidation proceeds from a potential share premium or contribution in cash or kind, i.e. distributed out of funds formerly paid in by the shareholder, are no longer subject to withholding tax provided they were accounted for and listed in the company's financial statements separate from other company reserves.
SW9	<p>According to a circular issued by the Federal Tax Administration in 1997, the minimum equity results from the maximum debt financing as applicable to the different asset categories (safe-haven rules). For each asset category a specified maximum debt financing quota is accepted for debt granted from or guaranteed /secured by related parties. Consequently, the maximum debt-to-equity ratio results from the sum of the maximum amount of indebtedness as computed for the different assets categories divided by the company's total assets. The following are examples for the maximum percentage of indebtedness allowed: cash, 100%; accounts receivable, 85%; participations, 70%; manufacturing plants, 70%; and intangibles, 70%. For the calculation of the minimum equity the company's assets as listed in the balance sheet at the end of the business year are to be valued at their fair market value.</p> <p>For federal tax purposes, the thin-capitalization rules apply only to the disallowance of any potential interest deduction on debt exceeding the allowed maximum. At cantonal/communal level, the thin-capitalization rules also apply for the computation of a company's equity subject to capital tax. Finally, for the purpose of withholding tax, any excess interest payment qualifies as deemed dividend subject to withholding tax.</p> <p>A few cantons have explicit legal provisions concerning minimum capitalization requirements. Companies are deemed to have avoided tax if the equity is insufficient and if loaned funds are directly exposed to business risk. Most cantons, however, apply the federal thin-capitalization guidelines described above. In other cantons, a debt-equity ratio of 6:1 may be applied whereby non-interest-bearing debt is ignored. The 6:1 ratio is commonly applied to foreign controlled corporations that do not engage in industrial activities. Interest rates may not exceed arm's length rates. Safe haven rates are published on an annual basis.</p> <p>In certain cantons, specific debt-to-equity rules apply to real estate companies.</p>
SW10	<p>Switzerland doesn't know anti-abusive provisions applied with regard to the EU Parent-Subsidiary Directive. In general, Switzerland applies the following internal anti abuse rules:</p> <ul style="list-style-type: none"> • Transfer limit: a maximum of 50% of income for which tax relief is requested on the basis of a tax treaty may be used to satisfy contractual rights of claims of persons not entitled to benefit from the treaty. Companies carrying out an active business may use more than 50%. • Inappropriate profit distribution: a foreign controlled company is required to distribute a minimum of 25% of gross treaty-protected income every business year. • Thin capitalization rules • Income which benefits, by virtue of a fiduciary relationship, a person not entitled to benefit from a tax treaty is considered as abusive. • Income received by Swiss resident family foundations or partnerships not carrying on business in Switzerland is abusive if persons not entitled to benefit from a tax treaty hold an essential part of the interests. <p>As a general rule, the Swiss tax authority may request that persons making claims for relief provide the necessary information, certifications and other documentary proof. Should they consider that relief from foreign withholding tax by virtue of a Swiss tax treaty has been abusively obtained, treaty relief shall be refused.</p>

SW11	Group reorganizations (such as mergers, spin-offs, conversions, etc. but also the incorporation of a holding company by way of a contribution in kind of participations), regularly allow for an exemption from stamp duty. Up to the amount of CHF 1 million the initial issuance of share capital and/or the contribution into a company's reserves are free of stamp duty.
SW12	1.5‰ on certificates issued by a Swiss person. 3‰ on certificates issued by a foreign person. Long term bonds are taxed at 1.2‰ for each calendar year of duration. Medium term bonds are taxed at 0.6‰ for each calendar year of duration. Money market certificates are taxed at 0.6‰ for each day (max. one year) of duration.
SW13	An annual net worth tax is levied on a company's equity as per the closing of each business year (cf. section 8 on corporate taxation).
SW14	No BEPS-regulation have been introduced yet. BEPS-regulations are going to be part of further legislative adaptations.

GB	UNITED KINGDOM (GB)
GB1	The exempt classes are: <ul style="list-style-type: none"> • where the recipient controls the payer, • where the distribution is received in respect of non-redeemable ordinary shares of the payer, • where the recipient has less than 10% interest of the payer a.k.a. "portfolio holding", • where the distribution arises from a transaction not designed to avoid tax as one of the main purposes; or, • where the distribution arises from a share accounted for as a liability. There are also anti-avoidance rules that override all the above exemption classes.
GB2	Gross dividends are subject to tax at the UK corporate income tax rate, currently 20%. Credit relief for overseas taxes, restricted to the UK tax payable on the overseas profits, is available. Credit relief includes relief for underlying overseas taxation on the profits out of which the dividend was paid to the UK company provided the UK company owns at least 10% of the foreign company paying the dividend.
GB3	Capital gains are generally taxable, subject to the "substantial shareholding exemptions" for the sale of trading companies where the group owns at least a 10% shareholding for a period of at least 12 months. Where capital gains are taxable, credit relief would be available for overseas taxes paid but restricted to the UK tax payable on the overseas capital gains.
GB4	For the "substantial shareholding exemption" a minimum 10% shareholding must be held in the trading company disposed of.

GB5	For the "substantial shareholding exemption", the holding must have been held for at least 12 months within the two years prior to disposal.
GB6	The corporate tax rate for all companies is 20% from 1 April 2015.
GB7	In terms of domestic tax legislation (imputation tax system), no withholding tax is imposed on dividends or liquidation distributions paid by a UK company to resident or non-resident shareholders.
GB8	Debt cap restrictions apply to large groups of companies that fail the "gateway test". These rules seek to restrict the amount of interest deductions claimed. Gateway test: Broadly, if the net debt of any of the UK companies in the group is above £3m, and aggregate net debt is greater than 75% of worldwide group debt, the debt cap rules apply.
GB9	The Gateway provisions are designed to catch those profits that are artificially diverted from the UK. In addition, several entity exclusions could apply to exempt the tainted profits from CFC charges.
GB10	Statutory tax clearances are generally given in respect of transfer pricing issues, CFC legislation and proposed reorganisations.
GB11	Tax transfers on shares: Stamp Duty is paid at 0.5% of the value of the consideration (rounded up to the nearest £5) on each document to be stamped. Transfers for under £1,000 are exempt. Residential real estate is subject to Stamp Duty Land Tax, with a top rate of 15% for properties with value exceeding £0.5 million if purchased by a 'non-natural' person.
GB12	Certain residential property held by companies is subject to an annual tax. Transfer Tax on property 0%-15%.

SG	SINGAPORE (SG)
SG1	Foreign-sourced dividend income earned and received in Singapore by a Singapore tax resident company which satisfy following conditions are tax exempt in Singapore: i. In the year the dividends are received in Singapore, the headline (highest) corporate tax rate of the foreign jurisdiction from which the dividend is received is at least 15%; and ii. The dividends received in Singapore must have been subjected to tax in the foreign jurisdiction from which the dividend is received (i.e. either withholding tax and/or underlying tax is paid or payable); and iii. The Singapore tax authorities are satisfied that the tax exemption would be beneficial to the person resident in Singapore

SG2	For the purpose of claiming foreign-sourced dividend income exemption (refer to note 1 above), the subsidiary's income out of which the dividend was paid must be subjected to tax in the foreign jurisdiction from which the dividend was received (either in the form of withholding tax or underlying tax). If the subsidiary's income out of which the dividend was paid was not subjected to tax in the foreign jurisdiction, the "subject to tax" condition would still be regarded as being satisfied so long as the income was exempted from tax due to tax incentive(s) being granted for the carrying out of substantive business activities in that jurisdiction.
SG3	<p>Partial tax exemption scheme</p> <p>Effective from Year of Assessment 2008, a partial tax exemption is given to companies on normal chargeable income* (excluding Singapore franked dividends) of up to S\$300,000 as follows:</p> <p>Exempt amount</p> <p>First S\$ 10,000 @ 75% = S\$ 7,500</p> <p>Next S\$290,000 @ 50% = S\$145,000</p> <p>Total S\$300,000 S\$152,500</p> <p>* Normal chargeable income refers to income to be taxed at the prevailing corporate tax rate.</p> <p>Tax exemption scheme for new companies</p> <p>Full tax exemption on the first S\$100,000 of chargeable income and 50% tax exemption on the next S\$200,000 of chargeable income is available for a start-up company incorporated and tax resident in Singapore which has its total share capital beneficially held directly by no more than 20 shareholders:</p> <p>(a) where all the shareholders are individuals throughout the basis period; or</p> <p>(b) at least one shareholder is an individual holding at least 10% of the total number of issued ordinary shares.</p> <p>The full tax exemption is available for the first 3 consecutive Years of Assessment.</p> <p>This exemption scheme is not applicable to the following companies set up from 26 February 2013:</p> <p>(i) Investment holding companies that derive only passive incomes such as dividend and interest income; and</p> <p>(ii) Companies whose principal activity is that of developing properties for sale, investment or both.</p> <p>Corporate Tax Rebate</p> <p>Companies are granted a 30% Corporate Tax Rebate capped at S\$20,000 for each of the Years of Assessment 2016 and 2017 (for income derived in the financial years ended in 2015 and 2016 respectively).</p>
SG4	Singapore has a Goods and Service Tax (GST) which is a broad based consumption tax and is currently charged at 7%.

ZA	SOUTH AFRICA (ZA)
ZA1	<p>Dividends tax Dividends tax is levied on the shareholder at a rate of 15% on dividends paid. Where a dividend in specie is paid, the dividend tax is levied on the company declaring the dividend. Dividends tax is withheld by the company who is paying the dividend. The dividend tax withheld is payable at the end of the month following the month in which the dividend was paid.</p> <p>Dividend tax exemptions A dividend is exempt from dividends tax if the beneficial owner is: A South African Company; The South African Government and various quasi government institutions; Public benefit organisations Environmental rehabilitation trust; Pension, providend and similar funds; Medical schemes The first R200 000 of a dividend paid during a particular year of assessment for a shareholder in a registered micro business.</p>
ZA2	<p><i>In term of the anti-avoidance rules relating to the instrument, it focuses on debt-labeled instruments that (i) have features indicating that redemption for cash is unlikely within a reasonable period; or (ii) have features that enable a conversion into shares. These features will be tested on a continuous basis.</i></p> <p><i>The holder's ability to redeem the capital amount loaned within a reasonable period.</i></p> <p><i>The debt yield must be based on time value of money.</i></p>

Dividends Tax: Summary of withholding tax rates per South African Double Taxation Agreements currently in force

Version: 6

Updated: 2015-11-30

Note:
<ul style="list-style-type: none"> A summary of the rates and the relevant provisions relating thereto, are reflected in the table below – the full text of these Double Taxation Agreements (DTAs) is available on the SARS website (www.sars.gov.za > Legal & Policy). Only DTAs which are currently in force are listed below. The South African domestic rate is applicable to all countries which are not listed in the table below or where the DTA does not deal with the allocation of taxing rights with regard to dividends. Where South Africa is in the process of negotiating/renegotiating DTAs or Protocols with certain countries (see SARS website) either the present DTA rate (where there is a DTA in force dealing with dividends) or the South African domestic rate (where there is no DTA in force or the DTA does not deal with dividends) is applicable until such time as the new/renegotiated DTA or Protocol enters into force (or the specified effective date, whichever is applicable).

Version 6 - updates made to:

Mauritius (Republic of) - Renegotiated treaty entered into force

Kenya (Republic of) - Treaty entered into force

Cyprus (Republic of) - Protocol entered into force

Hong Kong (Special Administrative Region of the Peoples Republic of China) - Treaty entered into force

Country	Entry into force	Rate in DTA	Summary of requirements to qualify for a particular rate	Extract from DTA Article on Dividends
REST OF THE WORLD				
1 Australia (Government of)	12-Nov-08	5%	Minimum holding of 10% of voting power (directly) by a beneficial owner which is a company	10(2) However, those dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident for the purposes of its tax, and according to the law of that State, but the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner of those dividends is a company which holds directly at least 10 per cent of the voting power in the company paying the dividends; (b) 15 per cent of the gross amount of the dividends in all other cases.
		15%	Other beneficial owners	
2 Austria (Republic of)	06-Feb-97	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends; (b) 15 per cent of the gross amount of the dividends in all other cases.
		15%	Other beneficial owners	
3 Belarus (Republic of)	29-Dec-03	5%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
		15%	Other beneficial owners	
4 Belgium (Kingdom of)	09-Oct-98	5%	Minimum holding of 25% of capital (directly/indirectly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly or indirectly at least 25 per cent of the capital of the company paying the dividends; (b) 15 per cent of the gross amount of the dividends in all other cases.
		15%	Other beneficial owners	
5 Brazil (Federative Republic of)	24-Jul-06	10%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
		15%	Other beneficial owners	
6 Bulgaria (Republic of)	27-Oct-04	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
		15%	Other beneficial owners	

7	Canada	30-Apr-97	5%	SA: Minimum holding of 10% of capital (directly) by a beneficial owner which is a company (Canada: a beneficial owner which is a company controls a minimum of 10% of the voting power (directly/indirectly) - but excludes non-resident owned investment corporation resident in Canada)	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if a resident of the other Contracting State is the beneficial owner of the dividends the tax so charged shall not exceed: (a) except in the case of dividends paid by a non-resident owned investment corporation that is a resident of Canada, 5 per cent of the gross amount of the dividends if the beneficial owner is a company which: (i) controls directly or indirectly at least 10 per cent of the voting power in the company paying the dividends where that company is a resident of Canada; (ii) holds directly at least 10 per cent of the capital of the company paying the dividends where that company is a resident of South Africa; (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
8	China (People's Republic of)	07-Jan-01	5%	All beneficial owners	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 5 per cent of the gross amount of the dividends. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
9	Croatia (Republic of)	07-Nov-97	5%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
10	Cyprus (Republic of)	18-Sep-15	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
11	Czech Republic	03-Dec-97	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends; b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
12	Denmark (Kingdom of)	21-Dec-95	5%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
13	Finland (Republic of)	12-Dec-95	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(1) ... However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
14	France (French Republic)	01-Nov-95	5%	Minimum holding of 10% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends; (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
15	Germany (Federal Republic of)	28-Feb-75	7.5%	Minimum holding of 25% of voting shares (directly) by a beneficial owner which is a company	7(2) However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the law of that State, but the tax so charged shall not exceed: (a) 7.5 per cent of the gross amount of the dividends if the recipient is a company (excluding partnerships) which owns directly at least 25 per cent of the voting shares of the company paying the dividends; (b) 15 per cent of the gross amount of the dividends in cases not dealt with in subparagraph (a) if such dividends are subject to tax in the other Contracting State.
			15%	Other beneficial owners	
16	Greece (Hellenic Republic)	14-Feb-03	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends; b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	

17	Hong Kong (Special Administrative Region of the Peoples Republic of China)	20-Oct-15	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting Party of which the company paying the dividends is a resident and according to the laws of that Party, but if the beneficial owner of the dividends is a resident of the other Contracting Party, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends; (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
18	Hungary (Republic of)	05-May-96	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the recipient is a company which holds directly at least 25 per cent of the capital of the company paying the dividends; and (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
19	India (Republic of)	26-Nov-14	10%	All beneficial owners	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the dividends.
20	Indonesia (Republic of)	23-Nov-98	10%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
21	Iran (Islamic Republic of)	23-Nov-98	10%	All beneficial owners	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the dividends.
22	Ireland (Government of)	10-Feb-12	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
23	Israel (State of)	27-May-80	25%	All beneficial owners	10(2) However, such dividends may be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that Contracting State, but the tax so charged shall not exceed 25 per cent of the gross amount of the dividends.
24	Italy (Republic of)	02-Mar-99	5%	Minimum holding of 25% of capital by a beneficial owner which is a company & minimum twelve (12) month holding period prior to dividend payment	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which has owned at least 25 per cent of the capital of the company paying the dividends for a 12 month period ending on the date the dividend is declared; (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
25	Japan (Government of)	05-Nov-97	5%	Minimum holding of 25% of voting shares by a beneficial owner which is a company & minimum six (6) month holding period prior to end of accounting period during which the dividend is declared	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that Contracting State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which owns at least 25 per cent of the voting shares of the company paying the dividends during the period of six months immediately before the end of the accounting period for which the distribution of profits takes place; (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
26	Korea (Republic of Korea)	07-Jan-96	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
27	Kuwait (State of)	25-Apr-06	0%	No right to tax dividends in payor state	10(1) Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State who is the beneficial owner of such dividends shall be taxable only in that other Contracting State.
28	Luxembourg (Grand Duchy of)	08-Sep-00	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends; (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	

29	Malaysia (Government of)	17-Mar-06	5%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
30	Malta (Government of)	17-Dec-13 [Effective date iro dividends: 01-Apr-12]	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but: (a) where the dividends are paid by a company which is a resident of South Africa to a resident of Malta who is the beneficial owner thereof, the tax so charged shall not exceed: (i) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (ii) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
31	Mexico (United Mexican States)	22-Jul-10	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
32	Netherlands (Kingdom of the)	28-Dec-08	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
33	New Zealand (Government of)	23-Jul-04	5%	SA: Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident for the purposes of its tax, and according to the laws of that State, but the tax so charged shall not exceed: (a) in the case of New Zealand, 15 per cent of the gross amount of the dividends; (b) in the case of South Africa: (i) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (ii) 15 per cent of the gross amount of the dividends in all other cases.
			15%	SA: Other beneficial owners (New Zealand: 15% flat rate)	
34	Norway (Kingdom of)	12-Sep-96	5%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 25 percent of the capital of the company paying the dividends; b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
35	Oman (Sultanate of)	05-Nov-13 [Effective date iro dividends: 01-Apr-12]	0%	Paid to the "Government" of the other Contracting State	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases. 10(3) Notwithstanding the provisions of paragraph 2, dividends paid by a company which is a resident of a Contracting State to the Government of the other Contracting State shall be exempt from tax in the first-mentioned State. 10(4) For the purposes of paragraph 3, the term "Government" shall include: (a) in the case of the Sultanate of Oman: (i) the Central Bank of Oman; (ii) the State General Reserve Fund; (iii) the Omani Investment Fund; and (iv) any other statutory body or institution wholly owned by the Government of the Sultanate of Oman, as may be agreed from time to time between the competent authorities of the Contracting States.
			5%	Minimum holding of 10% of capital by a beneficial owner which is a company	
			10%	Other beneficial owners (excluding "Government")	
36	Pakistan (Islamic Republic of)	09-Mar-99	10%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	

37	Poland (Republic of)	05-Dec-95	5%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends; (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
38	Portugal (Portuguese Republic)	22-Oct-08	10%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company & minimum two (2) year uninterrupted holding period prior to dividend payment	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State the tax so charged shall not exceed: a) 15 per cent of the gross amount of the dividends; or b) 10 per cent of the gross amount of the dividends paid if the beneficial owner is a company that, for an uninterrupted period of two years prior to the payment of the dividend, owns directly at least 25 per cent of the capital stock (capital social) of the company paying the dividends.
			15%	Other beneficial owners	
39	Romania (Government of)	21-Oct-95	15%	All beneficial owners	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that Contracting State, but, if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed 15 per cent of the gross amount of the dividends.
40	Russia (Russian Federation)	26-Jun-00	10%	Minimum holding of 30% of capital (directly) by beneficial owners resident in the same state & minimum direct investment of \$100,000	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if residents of the other Contracting State hold at least 30 per cent of the capital of the company paying the dividends and have directly invested in the equity share capital (authorised fund) of that company an amount of not less than 100 000 United States dollars (US \$100 000) or the equivalent thereof in the currency of the first-mentioned State; and (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
41	Saudi Arabia (Kingdom of)	01-May-08	5%	Minimum holding of 10% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that Contracting State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 10 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
42	Singapore (Republic of)	05-Dec-97	0%	Paid to the "Government" of the other Contracting State	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases. 10(4) Notwithstanding the provisions of paragraphs 1 and 2, dividends paid by a company which is a resident of South Africa to the Government of Singapore shall be exempt from South African tax. 10(5) For the purposes of paragraph 4, the term "Government of Singapore" includes: (a) the Monetary Authority of Singapore and the Board of Commissioners of Currency; (b) the Government of Singapore Investment Corporation Pte Ltd; and (c) a statutory body or any institution wholly or mainly owned by the Government of Singapore, as may be agreed from time to time between the competent authorities of the Contracting States.
			5%	Minimum holding of 10% of capital by a beneficial owner which is a company	
			15%	Other beneficial owners	
43	Slovak Republic	30-Jun-99	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident, and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 25 per cent of the capital of the company paying the dividends; b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
44	Spain (Kingdom of)	28-Dec-07	5%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends; b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
45	Sweden (Kingdom of)	18-Mar-12	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	

46	Switzerland (Swiss Confederation)	27-Jan-09	5%	Minimum holding of 20% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 20 per cent of the capital of the company paying the dividends; or b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
47	Taiwan (Republic of China)	12-Dec-96	5%	Minimum holding of 10% of capital (directly) by any beneficial owner	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that Contracting State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner directly holds at least 10 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
48	Thailand (Kingdom of)	27-Aug-96	10%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall be calculated at a rate not exceeding: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
49	Turkey (Republic of)	06-Dec-06	10%	Minimum holding of 25% of capital (directly) by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company (excluding a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends; b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
50	Ukraine (Republic of)	29-Dec-04	5%	Minimum holding of 20% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds at least 20 per cent of the capital of the company paying the dividends; or b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
51	United Kingdom of Great Britain & Northern Ireland	13-Oct-11	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in the case of qualifying dividends paid by a property investment company which is a resident of a Contracting State; or (c) 10 per cent of the gross amount of the dividends in all other cases.
			15%	Qualifying dividends paid by a property investment company	
			10%	Other beneficial owners	
52	United States of America	28-Dec-97	0%	Contracting State, and any political subdivision or local authority etc - see article 10(8) for details	10(2) However, such dividends may also be taxed in the Contracting State of which the payor is a resident, and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the voting stock of the company paying the dividends; and b) 15 per cent of the gross amount of the dividends in all other cases. In the case of dividends paid by a Real Estate Investment Trust, subparagraph b) shall apply only if the dividend is beneficially owned by an individual holding a less than 10 per cent interest in the Real Estate Investment Trust; otherwise, the rate of withholding applicable under domestic law shall apply. 10(8) Notwithstanding paragraph 2, dividends may not be taxed in the Contracting State of which the payor is a resident if the beneficial owner of the dividends is: a) a Contracting State, and any political subdivision or local authority thereof; or b) a pension trust or fund of an entity described in subparagraph a) that is constituted and operated exclusively to administer or provide pension benefits described in Article 19 (Government Service) and that does not control the payor of the dividend.
			5%	Minimum holding of 10% of voting power (directly) by a beneficial owner which is a company	
			15%	Other beneficial owners	

Dividends Tax: Summary of withholding tax rates per South African Double Taxation Agreements currently in force

Version: 6

Updated: 2015-11-30

Note:

- A summary of the rates and the relevant provisions relating thereto, are reflected in the table below - the full text of these Double Taxation Agreements (DTAs) is available on the SARS website (www.sars.gov.za > Legal & Policy).
- Only DTAs which are currently in force are listed below.
- The South African domestic rate is applicable to all countries which are not listed in the table below or where the DTA does not deal with the allocation of taxing rights with regard to dividends.
- Where South Africa is in the process of negotiating/renegotiating DTAs or Protocols with certain countries (see SARS website) either the present DTA rate (where there is a DTA in force dealing with dividends) or the South African domestic rate (where there is no DTA in force or the DTA does not deal with dividends) is applicable until such time as the new/renegotiated DTA or Protocol enters into force (or the specified effective date, whichever is applicable).

Version 6 - updates made to:

Mauritius (Republic of) - Renegotiated treaty entered into force

Kenya (Republic of) - Treaty entered into force

Cyprus (Republic of) - Protocol entered into force

Hong Kong (Special Administrative Region of the Peoples Republic of China) - Treaty entered into force.

Country		Entry into	Rate in DTA	Summary of requirements to qualify for a particular rate	Extract from DTA Article on Dividends
AFRICA					
1	Algeria (Democratic People's Republic of)	12-Jun-00	10%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
2	Botswana (Republic of)	20-Apr-04	10%	Minimum holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
3	Congo (Democratic Republic of)	19-Jul-12 [See effective date in Article 28]	5%	Minimum Holding of 25% of capital by a beneficial owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company (other than a partnership) which holds directly at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
4	Egypt (Arab Republic of)	16-Dec-98	15%	All beneficial owners	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed 15 per cent of the gross amount of the dividends.
5	Ethiopia (Federal)	04-Jan-06	10%	All beneficial owners	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner

	Democratic Republic of)				of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the dividends.
6	Ghana (Republic of)	23-Apr-07	5%	Minimum holding of 10% of capital by q beneficial of owner which is a company	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
7	Kenya (Republic of)	19-Jun-15	10%	All beneficial owners	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the dividends.
8	Lesotho (Kingdom of)	09-Jan-97	15%	All beneficial owners	10(2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged to the beneficial owner shall not exceed 15 per cent of the gross amount of the dividends.
9	Malawi (Republic of)	02-Sep-71	-	No provision made for dividends in DTA	South African domestic rate applies
10	Mauritius (Republic of)	28-May-15	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged to the beneficial owner shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
11	Mozambique (Republic of)	19-Feb-09	8%	Minimum holding of 25% of capital by a beneficial owner which is a company	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 8 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or
			15%	Other beneficial	

				owners	(b) 15 per cent of the gross amount of the dividends in all other cases.
12	Namibia (Republic of)	11-Apr-99	5%	Minimum holding of 25% of capital by a beneficial owner which is a company	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
13	Nigeria (Federal Republic of)	05-Jul-08	7.50%	Minimum holding of 10% of capital by a beneficial owner which is a company	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 7,5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
14	Rwanda (Republic of)	03-Aug-10	10%	Minimum holding of 25% of capital by a beneficial owner which is a company	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 20 per cent of the gross amount of the dividends in all other cases.
			20%	Other beneficial owners	
15	Seychelles (Republic of)	15-May-12 [Effective date iro dividends 01-Apr-12]	5%	Minimum holding of 10% of capital by a beneficial owner which is a company	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 10 per cent of the capital of the company paying the dividends; or (b) 10 per cent of the gross amount of the dividends in all other cases.
			10%	Other beneficial owners	
16	Swaziland (Kingdom of)	08-Feb-05	10%	Minimum holding of 25% of capital by a beneficial owner which is a company	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 15 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	

17	Tanzania (United Republic of)	15-Jun-07	10%	Minimum holding 15% of capital by a beneficial owner which is a company	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 15 per cent of the capital of the company paying the dividends; or (b) 20 per cent of the gross amount of the dividends in all other cases.
			20%	Other beneficial owners	
18	Tunisia (Republic of)	10-Dec-99	10%	All beneficial owners	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed 10 per cent of the gross amount of the dividends.
19	Uganda (Republic of)	09-Apr-01	10%	Minimum holding of 25% of capital by a beneficial owner which is a company	10 (2) However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed: (a) 10 per cent of the gross amount of the dividends if the beneficial owner is a company which holds at least 25 per cent of the capital of the company paying the dividends; or (b) 20 per cent of the gross amount of the dividends in all other cases.
			15%	Other beneficial owners	
20	Zambia (Federation of Rhodesia & Nyasaland – with the Union of SA)	31-Aug-56	-	No provision made for dividends in DTA	South African domestic rate applies.
21	Zimbabwe (Southern Rhodesia)	03-Sep-65	-	No provision made for dividends in DTA	South African domestic rate applies.

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