

TAX COMPETITION IN EUROPE

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THE PARTICIPANTS

BELGIUM

LUXEMBOURG

NETHERLANDS

SWITZERLAND

THE STARTING LINE - JANUARY 2000

BELGIUM

CORPORATE TAX	40%
DIVIDEND TAX	25%
TAX ON ROYALTIES	10%
TAX ON INTEREST	10%
PARTICIPATION EXEMPTION:	
DIVIS 95% EXEMPT PLUS GAINS EXEMPT	
US TREATY DIVIDEND RATE	5%
CANADIAN TREATY DIVIDEND RATE	15%
OTHER: COORDINATION CENTRES	

LUXEMBOURG

CORPORATE TAX (LUX CITY)	28%
DIVIDEND TAX	25%
TAX ON ROYALTIES	28%
TAX ON INTEREST	28%
PARTICIPATION EXEMPTION:	
YES GAINS AND DIVIDENDS	
US TREATY DIVIDEND RATE	5%
CANADIAN TREATY DIVIDEND RATE	5%
OTHER: 1929 HOLDING	

NETHERLANDS

CORPORATE TAX	35%
DIVIDEND TAX	25%
TAX ON ROYALTIES	35%
TAX ON INTEREST	35% / 7%
PARTICIPATION EXEMPTION:	
YES, GAINS AND DIVIDENDS	
US TREATY DIVIDEND RATE	5%
CANADIAN TREATY DIVIDEND RATE	5%
OTHER:	
80% DEDUCTION GROUP FINANCE	

SWITZERLAND

CORPORATE TAX 8.5% & CANTON ETC

DIVIDEND TAX 35%

TAX ON ROYALTIES 8.5%

TAX ON INTEREST 8.5%

PARTICIPATION EXEMPTION:

YES, GAINS AND DIVIDENDS

US TREATY DIVIDEND RATE 5%

CANADIAN TREATY DIVIDEND RATE 5%

OTHER: VARIOUS CANTONAL RELIEFS

THE FINISH LINE?

CORPORATE TAX RATES

BELGIUM	34% DOWN 6%
LUXEMBOURG	28.6% INCL. LUX CITY NO CHANGE
NETHERLANDS	25.5% DOWN 9.5%
SWITZERLAND	<u>±</u> 25% (ZURICH)

DIVIDEND TAX

BELGIUM 25%/NIL IF TREATY
AND 15% HOLDING (WAS 25%)

LUXEMBOURG 0 % FOR TREATY
PARTNERS WITH SIMILAR TAX (WAS 25%)

NETHERLANDS 15% (WAS 25%)

SWITZERLAND 35%

TAX ON ROYALTIES RECEIVED

BELGIUM ON PATENTS (80% EXEMPT FROM 2008)	6.8%
LUXEMBOURG SOFTWARE, PATENTS ETC (80% EXEMPT FROM 2008)	5.7%
NETHERLANDS ON PATENTS (80% EXEMPT FROM 2008)	5.1%
SWITZERLAND (CANTONAL AGREEMENT/TYPE OF CO)	0%/± 25%

TAX ON INTEREST RECEIVED

BELGIUM	34%
LUXEMBOURG	28.6%
NETHERLANDS	25.5%
OR	5%?
OR	0%?
SWITZERLAND	0%/26%
(CANTONAL AGREEMENT AND TYPE OF CO)	

PARTICIPATION EXEMPTION

BELGIUM 95% DIVIS EXEMPT, CAPITAL GAINS EXEMPT, € 1.2 M OR 10% HELD >1 YEAR. NOT FOR SPECIAL TAX REGIMES

LUXEMBOURG EXEMPT € 1.2 M (GAINS 6M) OR 10% HELD \geq 1 YEAR

NETHERLANDS EXEMPT 5% HOLDING, NOT MAJORITY PASSIVE ASSETS. NO MINIMUM TAX REQUIREMENT

SWITZERLAND DIVIDENDS EFFECTIVELY EXEMPT CHF 2 M OR 20%, CAPITAL GAINS 2 YEAR HOLDING, 20% SOLD

US TREATY DIVIDEND RATE

BELGIUM	0% / 5%
LUXEMBOURG	0% / 5%
NETHERLANDS	0% / 5%
SWITZERLAND	5%

CANADIAN TREATY DIVIDEND RATE

BELGIUM	5%
LUXEMBOURG	0% / 5%
NETHERLANDS	5%
SWITZERLAND	5%

OTHER BENEFITS

BELGIUM

EQUITY DEDUCTION

OTHER BENEFITS

LUXEMBOURG

CAPITAL DUTY ABOLISHED

OTHER BENEFITS

NETHERLANDS

CAPITAL DUTY ABOLISHED

OTHER BENEFITS

SWITZERLAND

“PARENT SUBSIDIARY” DIRECTIVE

CAPITAL DUTY ABOLISHED

INFORMATION EXCHANGE