



TRANSNATIONAL TAXATION NETWORK

# MEMBER INSIGHTS

MARCH 2026



EDITORIAL TEAM

Jeff Hagen  
Ricky Gutiérrez

# MESSAGE FROM THE EDITORS



Dear **TTN** Members,  
*In this edition of TTN Member Insights...*

In September 2025, TTN very much enjoyed its conference in Dublin, Ireland, hosted by **Vivian Nathan** with Baker Tilly. We experienced traditional Irish folk music, toured the Jameson Distillery, and enjoyed the technical portion of the conference as well as the tax talks were highly informative. This edition is filled with photos from the conference, as well as some fantastic articles. First, **Melina Mavridou** (Dusseldorf, Germany) describes new obligations for companies with cross-border business relationships in her article *Germany's New Transaction Matrix (2025): Key Requirements for International Companies*. Next, **Chiara Faneli**, from Studio Pagani (Milan, Italy), writes in her article, *Generational Transition as both a Challenge and an Opportunity*, about the use of family pacts and family holdings in Italy as alternatives to trusts. Finally, **Aldona Leszczynska-Mikulska** and her co-author **Filip Szydłowski** (Poland) wrote the article *Ownership and Transfer of Shares in Polish Holding Companies, Alternatives Investment Companies, and Family Foundations*, which provides integral advice related to these types of transactions in

Poland. The Polish Family Foundation, based on this article, seems particularly attractive to learn more about for foreign investment.

Also in this edition, **Gordon Milfsud** (Malta) is featured in our "Member Spotlight" column. Gordon speaks about his 22 proud years with TTN as well as how he perceives Malta's role in OECD Pillar 2. We also welcome two new members, **Patryk Karczewski** (Dubai) and **Gabriel Biris** (Romania), and one new associate member **Paula Fleuri** (Portugal).

In addition to featuring photos of our conference in Dublin, we preview our TTN Americas conference as well, this coming May 14-16 in Mexico City, Mexico, hosted by TTN President **Arturo Brook**. This conference will be focused on Cross-Border Tax Planning and will not be one to miss as the Saturday social activity will be a visit to the pyramids! We also welcome you to join us September 24-26 in Madrid for the TTN Europe Conference in Madrid, Spain, hosted by **Carolina Moron**.

Thank you for reading this edition of TTN Member Insights. We look forward to your continued submission of articles and tax knowledge. Please send us a message should you wish to write for the next edition.

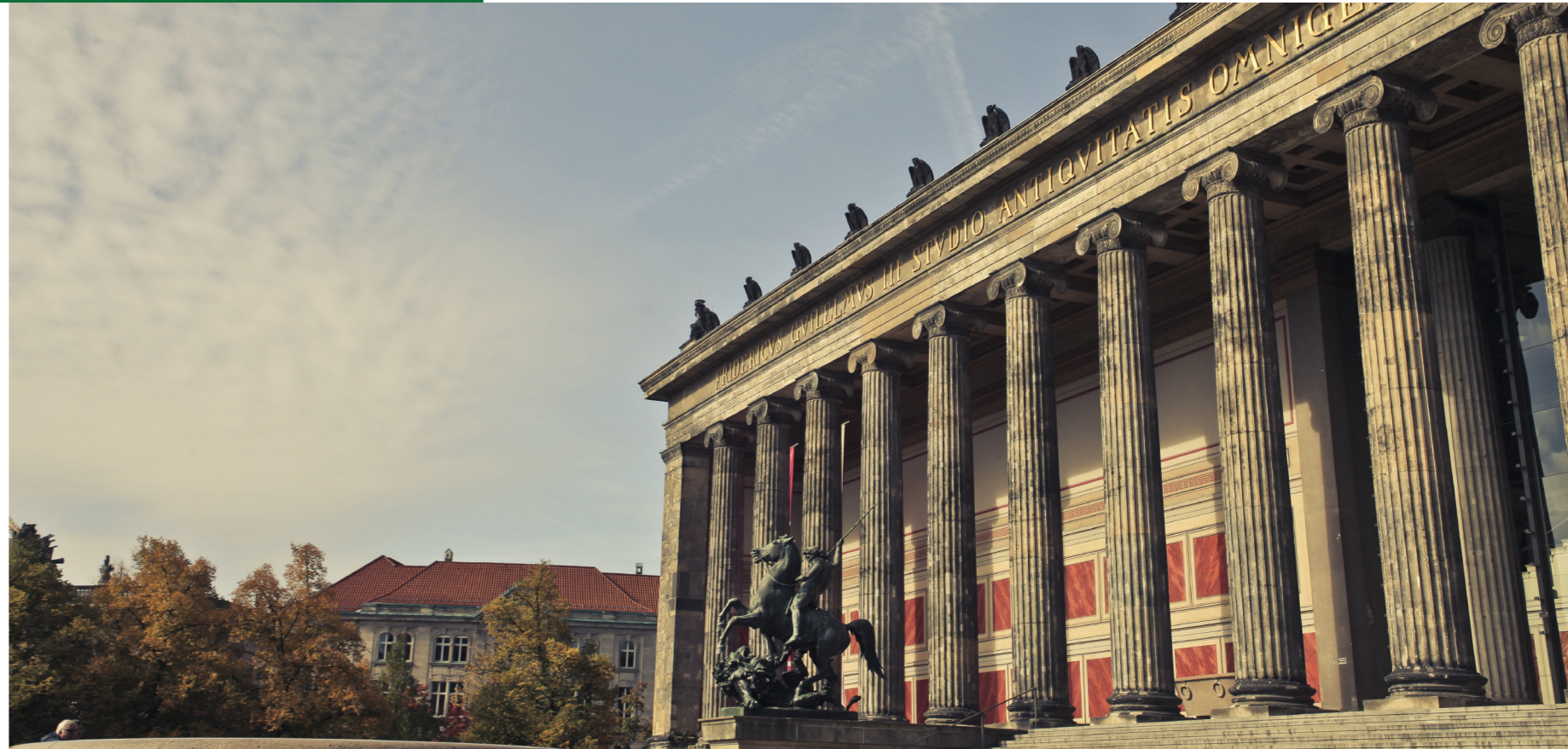
Sincerely,  
*The Editors*

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# GERMANY'S NEW TRANSACTION MATRIX (2025):

## KEY REQUIREMENTS FOR INTERNATIONAL COMPANIES

*By Melina Mavridou*

*From January 1, 2025, German tax law introduced a new obligation for companies with cross-border business relationships: the transaction matrix. It is part of the revised transfer pricing documentation.*

*In addition to the new legal regulation, the Federal Ministry of Finance (BMF) has published a fact sheet on the transaction matrix and thus provided clarity on some points of the new regulation.*

*In this article, I will give you an overview of the transaction matrix.*

*Overview*

### **Who Must Comply with Germany's Transfer Pricing Documentation Rules?**

The obligation to keep transfer pricing documentation arises from Section 90 (3) of the German Fiscal Code (AO). According to this, companies with cross-border business relationships with related parties or permanent establishments are obliged to keep comprehensive documentation in order to demonstrate that the business relationship is at arm's length.

Since the new regulation, the documentation consists of three components:

- 1- transaction matrix (Section 90 para. 3 sentence 2 no. 1 AO)
- 2- factual documentation (description of the actual circumstances)
- 3- appropriateness documentation (justification of the transfer prices)

The documentation must be complete, truthful and comprehensible. The aim is to enable the tax authorities to make a proper assessment of the pricing between affiliated companies.

What is the transaction matrix - and why was it introduced in 2025?

### **The transaction matrix is part of the transfer pricing documentation.**

It is a structured, tabular overview of international business transactions with affiliated companies. It provides the tax authorities with key information on

the scope, pricing and contractual basis of cross-border transactions at a glance.

The transaction matrix is used to identify key audit areas with the aim that the transfer pricing documentation can (subsequently) be prepared in a targeted manner.

### **Mandatory Information: What must be included in the transaction matrix?**

The following information is mandatory:

- Type and subject of the transaction (e.g. contract manufacturing for the 2025 financial year)
- Parties involved (service provider and recipient with function)
- Volume and fees in euros
- Contractual basis (only naming, no document)
- Transfer pricing method (e.g. cost-plus method)
- Tax countries concerned
- Deviation from standard taxation, e.g. if a preferential regime applies abroad

Transactions are not subject to standard taxation, for example, if a preferential tax regime (e.g. license box) applies in connection with the corresponding transaction.

### **Submission Deadline: When and how must the transaction matrix be filed?**

The obligation to submit the transaction matrix is based on Section 90 (4) AO. The transaction matrix

must be submitted within 30 days of notification of a tax audit without a separate request.

This applies to:

- the master documentation if size classes are exceeded,
- the records of extraordinary business transactions, and
- the transaction matrix.

**Important:** This obligation also applies if the audit relates to previous years. An audit order in 2025 therefore also triggers a retroactive obligation for transactions from previous years – with a 30-day deadline.

**Example:** If a tax audit for the years 2019-2022 is announced on March 10, 2025, the transaction matrix must be submitted by April 9, 2025 at the latest.

Outside of external audits, the tax authorities can also request the documents at any time. This also applies to the transaction matrix.

## Penalties: What happens if the transaction matrix is missing?

Anyone who fails to submit the transaction matrix by the deadline faces a statutory surcharge of EUR 5,000 in accordance with Section 162 (4) AO.

## Practical tip

The transfer pricing documentation already contains the information to be documented with the transaction matrix.

With the new regulation, companies with cross-border business relationships are obliged to make this information available to the tax audit in a separate document.

The transaction matrix allows the tax audit to decide which areas to focus on and whether transfer pricing documentation is requested at all.

## Relief for companies

The previous regulation has been eased by the fact that only a transaction matrix, master documentation and records of exceptional business transactions must be submitted within 30 days without being requested. Previously, the transfer pricing documentation (local file) also had to be submitted within the deadline and **uninvited**.

The transfer pricing documentation must now be submitted **upon separate request**, but then also within 30 days.



## The problem

In practice, it is not realistic to keep the transaction matrix and prepare the transfer pricing documentation within 30 days. This means that there is a de facto obligation to submit both “documents”: the transaction matrix and the transfer pricing documentation.

The transaction matrix is not an optional extra – it becomes a mandatory element of the transfer pricing documentation.

## My recommendation

All required documentation should be prepared before an upcoming tax audit, namely: the master documentation (if size classes are exceeded), the records of extraordinary business transactions, the transaction matrix and the transfer pricing documentation in the form of the local file.

Prepare in good time – collect the relevant data now to avoid sanctions.

# GENERATIONAL TRANSITION AS BOTH A CHALLENGE AND AN OPPORTUNITY

*By Chiara Fanelli*

In recent months, we have observed an exponential increase in specialized press articles addressing the topic of “generational transition.”

We believe this is not mere coincidence, but rather a reflection of a widespread need shared by many entrepreneurs facing the delicate stage of deciding the future of their business.

It is a crucial topic, yet extremely complex. It is not only about the ability to transfer economic wealth, but, above all, about passing on to future generations a set of intangible values - impossible to quantify or monetize - such as entrepreneurial vision, work culture, sense of belonging, determination, and resilience.

Experience gained from real-life cases and studies conducted over the years clearly shows that without this dual transfer, a successful generational transition is highly unlikely.

According to the latest data from the AUB Observatory - one of the leading research centers on Italian family businesses - over 90% of Italian SMEs (Small and Medium-sized Enterprises) are family-owned, of which 65% have a turnover of at least € 20 million. This percentage rises to 78.8% among smaller companies.

However, the data also reveal that only half of the companies undergoing a generational transition each year successfully pass to the second generation, with the success rate decreasing even further for the third generation.

## **Why is this so challenging?**

The reasons are varied but almost always consistent: family conflicts, lack of preparation or determination of successors, and conflicting visions of work.



For this reason, many entrepreneurs tend to postpone the transition, fearing the tensions that may inevitably spill over into the household, affecting not only parents and children but also in-laws and other family members. The problem is that what is avoided for too long eventually becomes urgent, often turning into a full-blown emergency that must be managed.

Nevertheless, this situation is not irreparable. In fact, as is often the case, a difficulty can become a valuable opportunity to demonstrate foresight, define a clear vision, and develop a plan that may even achieve superior performance, with positive effects on growth, profitability, and innovation.

It is precisely at this stage that our role as advisors becomes crucial. We must go beyond providing technical expertise - no matter how excellent it may be - and also facilitate dialogue between generations, helping to reconcile the founders' often sacrifice-driven, practical approach with the heirs' more flexible and innovative outlook.

We, too, are called upon to adapt our approach.

Nonetheless, particularly in the Italian context, the legal framework offers several specific instruments that can provide valuable support in advisory work

Below we report just a few examples

**Family Pact:** a contract regulated by the Italian Civil Code, allowing an entrepreneur to transfer the business or company shares to selected heirs only. This enables the entrepreneur to decide in advance which children are willing and able to continue the business, while other heirs are compensated financially, ensuring balance among all parties involved. The pact also provides a clear tax advantage, as donations of the business or shares to descendants are exempt from gift tax, provided the heirs commit to continuing the business for at least five years from the pact's signing (cf. art. 3, para. 4-ter, Legislative Decree no. 346/1990).

**Trusts:** a well-known and widely used international instrument, the trust allows the entrepreneur to separate and protect their assets by placing them in the care of a trusted individual responsible for managing them in the beneficiaries' interest. Although Italy recognizes the effects of trusts following the ratification of the 1985 Hague Convention, this tool is still approached cautiously by Italian entrepreneurs, likely due to cultural and legal unfamiliarity with relinquishing control over



*Since 2023, I have been collaborating as a legal counsel with Studio Associato Pagani, a Milan-based professional firm, providing corporate and tax advisory services to companies and private clients.*

*I manage pre-litigation and litigation matters with the Italian Tax Authorities (Agenzia delle Entrate, Agenzia delle Entrate Riscossione, Guardia di Finanza, Agenzia delle Dogane), assist in legal due diligence for M&A transactions, and offer commercial advice on contractual matters.*

one's assets. We firmly believe that, in this case too, advisors play a key role in promoting greater adoption and confidence in trusts within Italy.

**Family Holdings:** these represent an excellent tool for ensuring stable governance and gradually planning the succession of new generations.

When properly combined, these instruments can act as a compass to guide both the family and the business in the right direction without losing their way.

Our firm and professionals are naturally ready to accompany clients on this journey combining expertise with a deep understanding of the people behind the business.

# OWNERSHIP AND TRANSFER OF SHARES IN POLISH HOLDING COMPANIES, ALTERNATIVE INVESTMENT COMPANIES, AND FAMILY FOUNDATIONS

*By Aldona Leszczyńska-Mikulska, Filip Szydłowski  
Tax Team GWW*

*In recent years, the Polish legal system has introduced several structures enabling entrepreneurs and investors to efficiently manage assets, optimize taxation, and plan succession. Among the most relevant are the Polish Holding Company (PHC), the Alternative Investment Company (AIC), and the Polish Family Foundation (PFF). Each of these structures provides a distinct legal and tax framework for holding and transferring shares, with material consequences for investment strategy, exit planning, and long-term wealth structuring.*

## **Polish Holding Company (PHC)**

A Polish Holding Company is designed primarily to perform an ownership and control function by holding shares or stocks in subsidiaries. One of its key advantages is access to corporate income tax (CIT) exemptions applicable to both dividend income and capital gains.

First, dividends received by a PHC from its subsidiaries may be exempt from CIT, provided that the PHC holds at least 10% of the shares or stocks for an uninterrupted period of at least two years.

Second, a PHC may benefit from a CIT exemption on capital gains derived from the sale of shares or stocks in a subsidiary, provided that all of the following conditions are met:

- 1- the PHC held at least 10% of the shares or stocks for at least two years prior to the sale;
- 2- the shares or stocks are sold to an unrelated entity;
- 3- the PHC submits a formal statement of intent to apply the exemption to the tax authorities at least five days prior to the transaction; and
- 4- no more than 50% of the value of the subsidiary's assets (directly or indirectly) consists of real estate located in Poland or rights thereto.

If any of these conditions are not satisfied, the capital gain is subject to standard CIT at a rate of 19%.

From a corporate law perspective, the transfer of shares by a holding company is relatively straightforward, subject primarily to internal corporate approvals (e.g. shareholder resolutions or management board consent), depending on the company's legal form and articles of association.

## **Alternative Investment Company (AIC)**

An Alternative Investment Company operates under a distinct regulatory framework, combining elements of corporate law with investment fund regulations. An AIC may acquire shares in private companies or financial instruments while maintaining its status as a regulated investment vehicle.

One of the most significant tax incentives available to an AIC is the CIT exemption on capital gains from the sale of shares or stocks, provided that:

- 1- the AIC held at least 5% of the shares or stocks in the target company;
- 2- the holding period was continuous and lasted at least two years prior to the sale; and
- 3- the target company does not derive 50% or more of its asset value (directly or indirectly) from real estate located in Poland or rights thereto.

Additionally, where the AIC operates in the form of a capital company, it may also benefit from the standard dividend exemption regime applicable to parent companies. In this case, the AIC must hold at least 10% of the shares or stocks for a minimum of two years, with the important distinction that the holding period may be completed after the dividend is received.

Further incentives apply at the investor level. Individuals investing in an AIC (or in companies dependent on an AIC) may deduct 50% of eligible investment costs, up to PLN 250,000 per year, subject to additional statutory conditions. Notably, this deduction may be claimed at the investment stage, significantly enhancing the attractiveness of AIC structures for private investors.

From a regulatory standpoint, share transfers conducted by an AIC are subject to enhanced formal and reporting obligations, including notifications to the Polish Financial Supervision Authority (KNF). Although this reduces transactional flexibility compared to a PHC, it ensures greater transparency and investor protection, particularly relevant for institutional investors.

## Polish Family Foundation (PFF)

In contrast to PHCs and AICs, the primary purpose of a Polish Family Foundation is long-term asset protection and intergenerational succession planning, rather than active investment. A PFF may hold shares in companies and exercise ownership rights strictly in accordance with its statutory objectives.

The foundation's statute may precisely regulate the sale of shares, voting rights, and distributions to beneficiaries. Although the sale or transfer of shares by a family foundation is legally permissible, it must be consistent with the foundation's purpose and typically requires resolutions of its governing bodies. Consequently, transactional flexibility within a PFF is significantly more limited than in a holding company or an AIC.

From a tax perspective, a family foundation may accumulate and reinvest profits without current taxation. Importantly, current tax practice and individual rulings confirm that capital gains derived by a PFF from the sale of shares are not subject to CIT, provided that the activity remains ancillary to its statutory objectives.

## Comparative Perspective and Conclusion

From a tax advisory perspective, the key differences between these structures become particularly apparent at the share transfer and exit stage:

1- Polish Holding Companies offer a high degree of



transactional flexibility combined with attractive CIT exemptions, making them well-suited for centralized ownership and planned exits.

2- Alternative Investment Companies enable tax-efficient portfolio investments and sophisticated funding structures, albeit at the cost of increased regulatory and reporting requirements.

3- Polish Family Foundations prioritize asset protection and succession planning, significantly restricting transactional freedom while ensuring long-term stability and controlled wealth transfer; capital gains from share disposals remain tax-neutral at the foundation level.

Participation exemption (minimum shareholding in a company that allows the application of the tax exemption)		
PHC	AIC	PFF
10%	5%	0%
There are NO value thresholds for the shareholdings being sold		

**Ultimately, the optimal structure depends on the owner's strategic objectives. Where liquidity and centralized control over exits are paramount, a PHC may be the preferred solution. For institutional investment efficiency and diversification, an AIC may offer superior advantages. For long-term wealth preservation and family succession, the family foundation remains the most effective instrument.**

**A carefully selected and properly implemented ownership structure can materially enhance both tax efficiency and corporate governance within Polish asset management frameworks.**

# MEMBER SPOTLIGHT

## Gordon Mifsud



### **1. Can you tell us about your practice and how you came to join TTN?**

I am the founder and Managing Director of IMS in Malta, which was established in 1985. Last year marked an important milestone as IMS celebrated its 40th anniversary.

Today, IMS operates as an international service provider, supporting clients across four continents. The firm delivers tax, corporate administration, and accounting services across a range of sectors, including family offices, manufacturing, e-commerce, gaming, shipping, aviation, and leasing.

I have joined TTN in 2004, following an introduction by members of the board.

### **2. You are a long time TTN member. Can you describe how TTN has changed over the years? Has it been for the better?**

My 22-year journey with TTN has been both professionally and personally rewarding. It has given me the opportunity to connect with a wide range of professionals, each bringing diverse experiences and perspectives. This has been a valuable learning experience, not only in developing international tax knowledge but also in understanding best professional practices and approaches within the profession.

Over the years, the global landscape has evolved, with regulatory expectations becoming increasingly sophisticated and compliance-driven. TTN has successfully adapted to these changes, and I believe it continues to reflect and respond effectively to today's regulatory and professional environment.

### **3. What are some of your interests outside of the practice of law?**

I have always been actively involved in sport, participating in a variety of disciplines including hockey, tennis, squash, and football. Until recently, I served as President of the Malta Field Hockey Association. Today, I regularly play padel and occasionally take part in masters' hockey. At the age of 69, I remain passionate about sport and intend to continue playing for as long as possible.

I have also maintained a long-standing interest in Leonardo da Vinci. I regularly visit exhibitions and attend specialised lectures on the subject in various countries.

### **4. What are some tax changes you expect or will be monitoring under the new Trump administration, and what impact do you perceive these changes could have on your practice?**

OECD Pillar 2 is the first issue that comes to mind. While steps towards harmonisation have already begun, Malta currently benefits from a derogation from its full implementation. We continue to closely follow international developments, particularly as there appear to be emerging uncertainties regarding the extent to which harmonisation will ultimately be adopted by all jurisdictions.

Malta and IMS are active in the international residence and mobility area. Changes in tax regulations across different countries are increasingly influencing the mobility of individuals. With the growing trend of individuals relocating from their home countries for a variety of reasons, including tax considerations, these regulatory developments require careful monitoring to properly assess their impact on each individual's circumstances.

# DUBLIN

## 25-27 SEPTEMBER 2025



The conference attendees in Dublin.



Barbara Ingenbleek, Ricky Gutierrez, and Ángel Aguado at the Thursday evening welcome cocktail.



The TTN Executive Board meets at Baker Tilly before the conference.



Host Vivian Nathan at the Friday evening dinner following the conference.



Saturday Tour of Dublin



Carolina Moran, Arturo Brook,  
and Barbara Boshius



Tour of Jameson Distillery – Rain could not stop the fun!



Traditional Irish music at the pub.

# UPCOMING TTN CONFERENCE

# MEXICO CITY-MEXICO

## 14-16 MAY

## *YOU'RE CORDIALLY INVITED TO*

## *TTN AMERICAS*

## *CONFERENCE 2026*

**Discover the vibrant spirit of Mexico City!** 🇲🇽

Please join us for an unforgettable adventure in the bustling heart of Mexico: Mexico City! This dynamic metropolis is known for its colorful streets, rich history, world-famous cuisine, and unique blend of tradition and modernity.

Let yourself be captivated by Mexican culture and join us for a special experience in this unforgettable city. We can't wait to create amazing memories together!



# MEXICO CITY, MEXICO

## PROGRAM

### THURSDAY MAY 14TH: CULTURAL PROGRAM AND DINNER

3:00 PM - 5:00 PM:

PRIVATE GUIDED TOUR OF THE MUSEO NACIONAL DE ANTROPOLOGÍA

6:00 PM - 8:30 PM:

WELCOME COCKTAIL AT CANTINA LA ÚNICA

### FRIDAY MAY 15TH: CONFERENCE DAY AND DINNER

9:00 AM - 6:00 PM:

TTN 2026 AMERICAS CONFERENCE AT JW MARRIOTT HOTEL

6:30 PM - 10:00 PM:

DINNER AT HOTEL V65 TERRACE

### SATURDAY MAY 16TH: SOCIAL DAY AND LUNCH

8:30 AM - 2:00 PM:

VISIT THE WORLD-FAMOUS PYRAMIDS IN TEO-TIHUACAN

## INFORMATION

**TTN - Transnational Taxation Network** is a multi-disciplinary association of tax, accounting and trust practitioners who have extensive knowledge of international tax matters. Our network provides information and advise through our members in various international jurisdictions.

The group meets at different international locations twice per year. These meetings provide opportunities for the members to discuss matters of international tax and to discuss trends and analysis of international tax matters.

For more information:

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THE NEXT CONFERENCE IN EUROPE WILL TAKE PLACE IN MADRID IN SEPTEMBER 2026.