Holding Companies - Europe

A European Comparison - Other European Countries - 2004

Country	Austria	Belgium	Cyprus	Czech Republic	France	Germany	Gibraltar	Greece	Ireland	Italy	Luxembourg	Malta	Netherlands	Portugal	Spain	Sweden	Switzerland	United Kingdom
Information up-to-date as at:	Consultatio Wirtschaftsprüfungs-gesellschaft, 1-1-	BATN, 1-1-2004	AGN Joannides & Co, 1-1-2004	Schaffer & Partner sro, 1-1-2004	Caderas Martin SA, 1-1-2004	Schaffer & Partner, 1-1-2004	Knights, 1-1-2004	Orion SA, 1-1-2004	Gorman, 01-04-2004	Carnelutti,1-1-2004	AGN Horsburgh & Co, 1-1-2004	Merciecа, 01-01-2004	DRV, 1-1-2004	AGN Auditum, 1-1-2004	AGN Satorray Planas SL, 1-1-2004	Frejs Revisionsbyra AB, 1-1-2004	Aeberli Treuhand AG, 1-1-2004	Shipleys, 26-03-2004
Tax declaration deadline	**September**	**September**	**December**	**March**	**April**	**May**	**June**	**May**	**June**	**Octover**	**May**	**March** 1)	**June**	**May**	**July**	**May**	**September**	**December** 1)
Standard Corporate Tax Rate	**34.00 %**	**34.00 %**	**10.00 %**	**28.00 %**	**34.33 %**	**26.37 %**	**0.00 %** 1)	**35.00 %**	**12.50 %**	**33.00 %**	**30.38 %**	**35.00 %**	**34.33 %**	**25.00 %**	**35.00 %**	**28.00 %**	**7.83 %**	**30.00 %**
Pre Tax Cash Available to Parent	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €	2,540,000.00 €
Withholding Tax on Interest Paid	00.00 €	37,500.00 €	00.00 €	00.00 €	00.00 €	00.00 €	00.00 €	50,000.00 €	50,000.00 €	31,250.00 €	00.00 €	00.00 €	00.00 €	50,000.00 €	37,500.00 €	00.00 €	00.00 €	50,000.00 €
Withholding Tax on Dividend Paid	487,500.00 €	305,148.00 €	00.00 €	301,500.00 €	247,836.64 €	549,294.38 €	00.00 €	00.00 €	346,726.00 €	551,971.81 €	411,922.41 €	00.00 €	508,131.25 €	525,000.00 €	330,375.00 €	624,000.00 €	780,946.25 €	00.00 €
Corporate Tax	340,000.00 €	255,680.00 €	100,000.00 €	280,000.00 €	637,755.81 €	92,822.40 €	00.00 €	962,500.00 €	556,369.94 €	245,660.00 €	230,388.00 €	-10,000.00 €	257,475.02 €	190,000.00 €	87,500.00 €	210,000.00 €	58,725.00 €	233,000.00 €
Net Cash received by Parent Company	**1,712,500.00 €**	**1,941,672.00 €**	**2,440,000.00 €**	**1,958,500.00 €**	**1,654,407.50 €**	**1,897,883.25 €**	**2,540,000.00 €**	**1,527,500.00 €**	**1,586,904.00 €**	**1,711,118.25 €**	**1,897,689.50 €**	**2,550,000.00 €**	**1,774,393.75 €**	**1,775,000.00 €**	**2,084,625.00 €**	**1,706,000.00 €**	**1,700,328.75 €**	**2,257,000.00 €**
Profit Before Interest and Tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Withholding Tax on Interest Paid	0.00 %	1.48 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	1.97 %	1.97 %	1.23 %	0.00 %	0.00 %	0.00 %	1.97 %	1.48 %	0.00 %	0.00 %	1.97 %
Withholding Tax on Dividend Paid	19.19 %	12.01 %	0.00 %	11.87 %	9.76 %	21.63 %	0.00 %	0.00 %	13.65 %	21.73 %	16.22 %	0.00 %	20.01 %	20.67 %	13.01 %	24.57 %	30.75 %	0.00 %
Corporate Tax	13.39 %	10.07 %	3.94 %	11.02 %	25.11 %	3.65 %	0.00 %	37.89 %	21.90 %	9.67 %	9.07 %	-0.0-39 %	10.14 %	7.48 %	3.44 %	8.27 %	2.31 %	9.17 %
Net Cash received by Parent Company	**67.42 %**	**76.44 %**	**96.06 %**	**77.11 %**	**65.13 %**	**74.72 %**	**100.00 %**	**60.14 %**	**62.48 %**	**67.37 %**	**74.71 %**	**100.39 %**	**69.86 %**	**69.88 %**	**82.07 %**	**67.17 %**	**66.94 %**	**88.86 %**
Dividends Exemption																		
Percentage	100.00	95.00 %	100.00	0.00 %	95.00 %	95.00 %	100.00	100.00	0.00 %	95.00 %	100.00	0.00 %	100.00	100.00	100.00	100.00 1	100.00	0.00 %

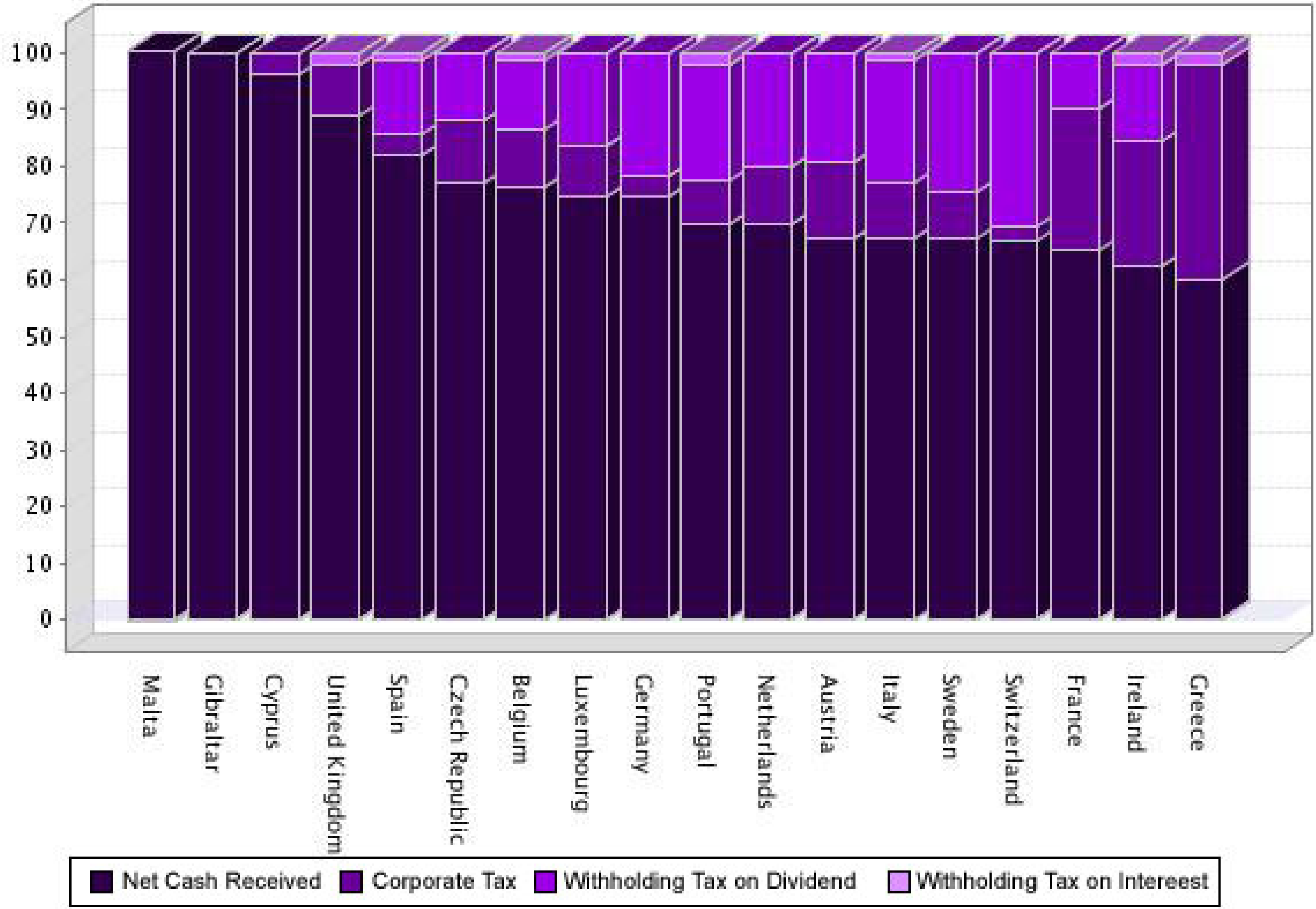
Exempt	%		%				%	%			%		%	%	%	%)	%	
Minimum Holding	10.00 %	10.00 % 1)	1.00 %	0.00 %	5.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	10.00 % 1)	0.00 %	5.00 %	10.00 %	5.00 % 1)	10.00 % 2)	20.00 %	0.00 %
Minimum Holding Period (months)	12.00 %	12.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	12.00 %	0.00 %	0.00 %	12.00 %	12.00 %	12.00 %	0.00 %	0.00 %
Capital Gains Exemption																		
Percentage Exempt	100.00 %	100.00 %	100.00 %	0.00 %	44.65 % 1)	95.00 %	100.00 %	0.00 %	0.00 % 1)	100.00 %	100.00 %	0.00 %	100.00 %	50.00 %	100.00 %	100.00 % 3)	0.00 %	0.00 % 2)
Minimum Holding	10.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	10.00 % 2)	0.00 %	5.00 %	10.00 %	5.00 % 2)	10.00 % 4)	0.00 %	10.00 %
Minimum Holding Period (months)	12.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	12.00 %	12.00 %	0.00 %	0.00 %	12.00 %	12.00 %	12.00 %	0.00 %	12.00 %
Other Conditions																		
Maximum Passive Income Allowed	50.00 %	100.00 % 2)	100.00 %	0.00 %	0.00 %	100.00 %	100.00 %	0.00 %	0.00 %	0.00 %	100.00 %	100.00 %	100.00 %	0.00 %	100.00 % 3)	100.00 %	0.00 %	100.00 %
Subject to Tax (minimum rate)	15.00 %	15.00 % 3)	5.00 %	0.00 %	0.00 %	5.00 %	0.00 %	25.00 %	0.00 %	0.00 %	15.00 % 3)	0.00 %	10.00 %	0.00 %	0.00 % 4)	15.00 %	0.00 %	30.00 %
Trading Activities Allowed	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	-	Y
Interest Expense Deduction																		
Debt Equity Ratio	N	7:01:00 4)	N	4:01:00	N		N			5:01:00	6:01:00		3:01:00	2:01:00	3:01:00	N	-	
Related Interest Expense Allowed	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	-	Y
Withholding Tax on Interest Paid	0.00 %	15.00 %	0.00 %	15.00 %	0.00 %	0.00 %	0.00 %	20.00 %	0.00 %	12.50 % 1)	0.00 %	0.00 %	0.00 %	20.00 % 1)	15.00 % 5)	0.00 %	0.00 %	20.00 % 3)
Other Deductions																		
Investment Cost write-down	Y 1)	N	N	N	N	Y	Y	N	N	N	Y	Y	Y	N	Y	N 5)	-	N
Goodwill write-off	N 2)	N	N	Y	Y	Y	Y	N	N	N	Y 4)	N	Y	N	Y	Y	-	N
Participation Exemption applies to:																		
Partnerships	Y	N	N	N	Y	N	N	N	N	Y	Y	N	N	N	N	N	-	N
Permanent Establishment Of EU Company	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	N	N	N	Y	N	-	Y
Permanent Establishment Of Treaty Company	N	Y	Y	N	Y	Y	N	N	N	Y	Y	N	N	N	Y	N	-	Y
Branch of Foreign Company	Y	Y	Y	N	Y	Y	N	N	Y	Y	Y	N	N	N	Y	N	-	Y
Resident Company	Y 3)	Y	Y	N	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	-	Y
Company Legal Form	**GmbH**	**SPRL**	**Ltd**	**sro**	**SARL**	**GmbH**	**Ltd**	**LTD**	**Ltd**	**SRL**	**Sarl**	**LTD**	**BV**	**LDA**	**SL**	**AB**	**-**	**LIMITED**
Minimum Capital (Euros)	35,000.00 €	18,500.00 €	01.00 €	6,000.00 €	7,500.00 €	25,000.00 €	140.00 €	18,000.00 €	02.00 €	10,000.00 €	12,400.00 €	1,500.00 €	18,000.00 €	5,000.00 €	3,006.00 €	11,000.00 €	00.00 €	01.00 €
Time to Form (weeks)	1	0	1	12	3	4	1	2	2	1	2	0	2	16	3	2	0	1
Shareholders	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y
Minimum Number	1	1	1	1	2	1	1	1	1	1	1	1	1	1	1	1	0	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY	ANY	ANY	ANY	ANY	ANY	ANY 2)	ANY	ANY	ANY	ANY	-	ANY
Corporate or	BOTH	BOTH 5)	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	-	BOTH

Individual		)																
Directors	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y
Minimum Number	1	1	1	1	1	1	1	1	2	1	1	1	1	1	1	1	0	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY	ANY	ANY	1 Irish or bond	ANY	ANY	ANY	ANY	ANY	ANY	ANY	-	ANY
Corporate/Individual	INDIVIDUAL	BOTH	BOTH	INDIVIDUAL	INDIVIDUAL	INDIVIDUAL 1)	BOTH	BOTH	individual	BOTH	NONE	BOTH	BOTH	BOTH	BOTH	BOTH	-	BOTH
Company Legal Form	**AG**	**SA**			**SA**	**AG**	**Plc**	**SA**	**PLC**	**SPA**	**SA**		**NV**	**SA**	**SA**	**AB Public**	**-**	**PLC**
Min Capital (Euros)	70,000.00 €	61,500.00 €	00.00 €	00.00 €	37,000.00 €	50,000.00 €	70,000.00 €	60,000.00 €	38,000.00 €	120,000.00 €	31,000.00 €	00.00 €	45,500.00 €	50,000.00 €	60,102.00 €	55,000.00 €	00.00 €	74,500.00 €
Time to Form (weeks)	2	0	0	0	3	8	1	3	2	1	2	0	2	16	3	2	0	2
Shareholders	Y	Y			Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	-	Y
Minimum Number	1	2	0	0	7	1	7	2	1	1	3	0	1	5	1	1	0	1
Nationality	ANY	ANY			ANY	ANY	ANY	ANY	ANY	ANY	ANY		ANY	ANY	ANY	ANY	-	ANY
Corporate or Individual	BOTH	BOTH			BOTH	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH		BOTH	BOTH	BOTH	BOTH	-	BOTH
Directors	Y	Y			Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	-	Y
Minimum Number	1	2	0	0	3	1	2	3	2	1	3	0	1	1	1	3	0	1
Nationality	ANY	ANY			ANY	ANY	ANY	ANY	1 Irish or bond	ANY	ANY		ANY	ANY	ANY	ANY 6)	-	ANY
Corporate/Individual	INDIVIDUAL	BOTH			BOTH	INDIVIDUAL 2)	BOTH	BOTH	BOTH	BOTH	BOTH		BOTH	BOTH	BOTH	INDIVIDUAL	-	BOTH
Capital Tax																		
Capital Contribution Tax	1.00 %	1.00 %	0.00 %	0.00 %	0.00 % 2)	0.00 %	0.00 %	1.10 %	1.00 %	0.00 %	1.00 %	0.00 % 3)	0.55 %	0.00 %	1.00 %	0.00 %	0.00 %	0.00 %
Exemptions possible	N	Y	N	N	Y	N	N	N	Y	N	Y	N	Y	N	Y	N	-	Y
Withholding Tax :																		
Number of Tax Treaties	60+	87	40	100+	100	88	0	34	40+	60+	46	30+	100+	43	47	100+	-	120+
Offshore Parent Company	25.00 %	15.00 %	0.00 %	25.00 %	25.00 %	25.00 %	0.00 %	0.00 %	20.00 %	27.00 %	20.00 %	0.00 % 4)	25.00 %	25.00 %	15.00 %	30.00 %	0.00 %	0.00 %
Treaty Co Parent (maximum)	10.00 %	15.00 %	0.00 %	15.00 %	15.00 %	15.00 %	0.00 %	25.00 %	15.00 %	15.00 %	0.00 % 5)	0.00 %	15.00 %	15.00 %	15.00 %	15.00 %	0.00 %	0.00 %
Non-Resident Individual	25.00 %	25.00 % 6)	0.00 %	25.00 %	25.00 %	25.00 %	0.00 %	0.00 %	20.00 %	27.00 %	20.00 %	0.00 %	25.00 %	25.00 %	15.00 %	30.00 %	0.00 %	0.00 %
Resident Individual	25.00 %	25.00 % 7)	15.00 %	25.00 %	0.00 %	25.00 %	0.00 %	0.00 %	20.00 %	0.00 % 2)	20.00 %	0.00 %	25.00 %	15.00 %	15.00 %	30.00 %	0.00 %	10.00 %
Income Tax Exemption for Resident Individual	100.00 %	100.00 %	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %	0.00 %	40.00 %	50.00 %	0.00 %	100.00 %	50.00 %	0.00 %	100.00 %	0.00 %	0.00 %
Parent Subsidiary Directive																		
Withholding Tax	0.00 %	0.00 %	0.00 %	15.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Minimum Holding	25.00 %	25.00 %	0.00 %	25.00 %	25.00 %	25.00 %	25.00 %	20.00 %	10.00 %	25.00 %	10.00 % 6)	0.00 %	25.00 %	25.00 %	25.00 %	25.00 %	0.00 %	0.00 %
Minimum Period (Months)	12 4)	12	0	0	12	12	4	0	12	12	12	0	12	12	12	12	0	0
Disclosure																		
Disclosure of Beneficial Owner	Y	N	N	Y	Y 3)	Y 3)	N	Y	Y	Y	Y 7)	N	Y	Y 2)	Y	Y	-	Y
Banking Secrecy	Y 5)	Y	Y	Y	Y 4)	Y	Y	Y	Y	Y 3)	Y	Y	Y	Y	N	N	-	Y
File Statutes	Y	Y	Y	Y	Y 5)	Y 4)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y
File Accounts	Y	Y	Y	Y	Y 6)	Y 5)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y

	)		)	

Notes:

Austria	1) For seven years by investments in domestic companies 2) optionally for investmenst in non-domestic companies if capital gains and dividends are treated as taxable income. 3) If the branch is subject to unlimited taxation in Austria. 4) 25% or 10% in case of reciprocity. 5) To the tax authorities.
Belgium	1) 10% or 1,200,000. 2) Intermediary holding or investment company allowed if more than 90% of income would have qualified. 3) More than 15%, except for the EU companies (i.e. 12.5% Irish tax is ok). 4) Applies to borrowings from tax exempt companies only. 5) In case a corporate is the sole shareholder, one share at least has to be transfered to an individual. 6) 25% or 15%. 7) 25% or 15%.
France	1) Capital gain is taxable at a specia rate of 19%. 2) However, a fix tax of 230 is due. 3) To the tax authorities. 4) To the tax authorities. 5) To the commercial court. 6) To the commercial court.
Germany	1) Any with residence permit. 2) Any with residence permit. 3) To the tax authorities. 4) Depends on the size criterias. 5) Depends on the size criterias.s
Gibraltar	1) If the company is on resident owned and controlled, incorporated in Gibraltar or if the company is exempted, then the annual tax is GBP 225.
Ireland	1) New legislation is introduced during 2004 whereas capital gains on shareholding will be exempted
Italy	1) if the holding is resident in a tax haven 2) If the resident individual holds more then 20% of 3) it is compulsory to be registered at the Italian E
Luxembo urg	1) 10% or 1,200,000. 2) 10% or 6,000,000. 3) More than 15%. 4) For ten years. 5) 0% to 15%. 6) 10% or 1,200,000. 7) To banks.
Malta	1) or nin months from accounting date 2) Dividends and capital gains are taxed at 35%. Non malta resident shareholders receive a full refund of tax paid by the company if investment in holding qualifies 3) Scale rate with a minimum of 360 4) Dividends are distributed net of tax and no withho
Portugal	1) 20% or 15%. 2) To the tax authorities.
Spain	1) 5% or 6,000,000. 2) 5% or 6,000,000. 3) As long as final subsidiary carries business activities. 4) Direct tax. 5) Betwee 15% and 0%.
Sweden	1) Differs between listed and non listed companies. 2) More than 10%. 3) Capital gains are only on shares that are attributable to business activity. 4) More than 10%. 5) No, if in subsidiaries, otherwise yes. 6) 50% must be resident inside the EU.
United Kingdom	1) 12 months after accounting year has ended 2) capital gains are exempted if the selling comapny is not an investment company and this company has owed 10 percent or more of hte shares for 12 months during the last 24 months and the sold shares are of a trading company 3) between 0 and 20 percent



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Malta
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Spain
Czech Republic
Belgium
Luxembourg
Germany
Portugal
Netherlands
Austria
Italy
Sweden
Switzerland
France
Ireland
Greece
Net Cash Received
Corporate Tax
Withholding Tax on Dividend
Withholding Tax on Intereest