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Corporate Tax - 2005

A European Comparison

| Country | Austria | Belgium | Cyprus | Czech Republic | Finland | France |
|--|------------|--------------|--------------|----------------|--------------|-----------------------|
| Information up-to-date as at: | Jan 1 2005 | Jan. 1, 2004 | Jan. 1, 2005 | Jan. 1, 2005 | Jan. 1, 2005 | Jan. 1, 2005 |
| Tax declaration deadline | September | June | December | March | April | April ¹⁾ |
| Standard Corporate Tax Rate | 25.00 % | 34.00 % | 10.00 % | 26.00 % | 26.00 % | 33.83 % |
| Accounting profit before tax | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 |
| Effective Corporate Tax Payable | €274.031 | €399.755 | €122.160 | €331.016 | €265.850 | €411.853 |
| Profit after Tax | €725.969 | €600.245 | €877.840 | €668.984 | €734.150 | €588.147 |
| Withholding tax (Company, non-treaty country) | €181.492 | €90.037 | €0 | €100.348 | €205.562 | €147.037 |
| Dividend Distributed | €544.477 | €510.208 | €877.840 | €568.636 | €528.588 | €441.110 |
| Accounting profit before tax | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % |
| Effective Tax Payable | 27.40 % | 39.98 % | 12.22 % | 33.10 % | 26.59 % | 41.19 % |
| Profit after Tax | 72.60 % | 60.02 % | 87.78 % | 66.90 % | 73.42 % | 58.81 % |
| Withholding tax (Company, non-treaty country) | 18.15 % | 9.00 % | 0.00 % | 10.03 % | 20.56 % | 14.70 % |
| Dividend Distributed | 54.45 % | 51.02 % | 87.78 % | 56.86 % | 52.86 % | 44.11 % |
| Percentage of accounting profit received by shareholder if it is: | | | | | | |
| An Individual who is: | | | | | | |
| Country Resident | 54.45 % | 51.02 % | 74.62 % | 56.86 % | 73.42 % | ¹⁾ 58.81 % |
| Treaty country resident | 61.71 % | 51.02 % | 87.78 % | 56.86 % | 66.07 % | 49.99 % |
| Non-treaty country resident | 54.45 % | 45.02 % | 87.78 % | 56.86 % | 54.33 % | 44.11 % |
| A company which is: | | | | | | |
| EU-resident | 72.60 % | 60.02 % | 87.78 % | 56.86 % | 73.42 % | 58.81 % |
| Treaty country resident | 65.34 % | 51.02 % | 87.78 % | 56.86 % | 66.07 % | 49.99 % |
| Non-treaty country resident | 54.45 % | 51.02 % | 87.78 % | 56.86 % | 54.33 % | 44.11 % |
| Adjustments-Add backs | | | | | | |
| Bad debts | | | | | | |
| general provision | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % |

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Corporate Tax - 2005

A European Comparison

| Country | Austria | Belgium | Cyprus | Czech Republic | Finland | France |
|--|-----------------|---------------------|----------------------|-----------------|-----------------|-----------------------------|
| specific provision | 0.00 % | 0.00 % | 0.00 % | 20.00 % | 0.00 % | 0.00 % |
| Pension contributions | | | | | | |
| complimentary provision (not state) | 0.00 % | 100.00 % | 0.00 % | 0.00 % | 100.00 % | 100.00 % |
| withholding tax | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Non Executive Directors Fees | | | | | | |
| add back | 50.00 % | 0.00 % | 0.00 % | 100.00 % | 0.00 % | 0.00 % |
| withholding tax (max) | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Depreciation | | | | | | |
| acceptable for tax purposes | Y | Y | Y | Y | Y | Y |
| legal rates for tax purposes | Y ¹⁾ | Y ¹⁾ | Y ¹⁾ | Y | Y ²⁾ | Y ³⁾ |
| Entertainment | 50.00 % | 50.00 % | 0.00 % | 100.00 % | 50.00 % | 0.00 % |
| Cars - depreciation | | | | | | |
| max purchase costs | €34.000 | €0 ²⁾ | €0 | €50.000 | €0 | €18.300 |
| max depreciation rate | 12.50 % | 20.00 % | 20.00 % | 25.00 % | 25.00 % | 25.00 % |
| max amount of depreciation | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Cars - expenses | | | | | | |
| max purchase costs | €0 | €0 | €0 | €0 | €0 | €0 |
| non-deductible percentage | 0.00 % | 25.00 % | 0.00 % ³⁾ | 0.00 % | 0.00 % | 0.00 % |
| Intercompany interest | | | | | | |
| arm's length principle | Y | Y | Y | N | Y | Y |
| debt/equity ratio (thin cap. rules) | N | 7 : 1 ³⁾ | N | Y | n/a | 1,5 : 1 ⁴⁾ |
| withholding tax | 0.00 % | 15.00 % | 0.00 % | 15.00 % | 0.00 % | 15.00 % ⁵⁾ |
| Royalties (withholding tax max) | 10.00 % | 15.00 % | 10.00 % | 25.00 % | 26.00 % | 5.00 % ⁶⁾ |
| Company formation costs | 0.00 % | 100.00 % | 100.00 % | 0.00 % | 0.00 % | 0.00 % |

Notes:

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Corporate Tax - 2005

A European Comparison

| | |
|-----------------|---|
| Austria: | 1) max. 3% annual depreciation for buildings, 6,67% for goodwill, 12,5% for cars, no legal rates for other fixed assests |
| Belgium: | 1) 3-33% 2) 75% of cost 3) Applies to borrowings from tax exempt companies only |
| Cyprus: | 1) 3-4% buildings, 20% vehicles and computers, 10 % machinery and furniture 2) The deduction cannot exceed 1% of turnover or Euro17000 ,whichever is lower 3) 100% for saloon cars |
| Finland: | 1) The shareholder (receiver) has to pay an individual income tax between 0 - 39 % 2) 4 - 25 % |
| France: | 1) Generally 3 months after balance sheet date; end of April for December statements. 2) The amount is limited to the average of the five best salaries multiplied by the number of directors 3) Bulding :2%to 5% Material : 10%to 20% Cars :20% to 25% Furnitures :10% Fixtures 5% to 10% 4) Recent court decision invalidate the french debt/equity ratio. 5) No withholding tax in most international tax treaties. 6) No withholding tax in most international tax treaties. |
| Germany: | 1) corporation income tax 25% / solidarity surcharge 5,5% up to corporation income tax / trade tax 16,67% 2) depends on the assets invested: e.g. buildings: 3,0 % or useful life cars: 16,67 % hardware: 33,33 % 3) Debt/Equity ratio: 1,5 : 1 |

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A European Comparison

| Country | Germany | Gibraltar | Greece | Hungary | Ireland | Italy |
|--|-----------------------|--------------|--------------|--------------|-----------------------|-----------------------|
| Information up-to-date as at: | Jan. 1, 2005 | Jan. 1, 2005 | Jan. 1, 2005 | Jan. 1, 2004 | Jan. 1, 2005 | Jan. 1, 2005 |
| Tax declaration deadline | September | June | May | May | November | October ¹⁾ |
| Standard Corporate Tax Rate | 38.65 % ¹⁾ | 35.00 % | 32.00 % | 16.00 % | 12.50 % ²⁾ | 33.00 % |
| Accounting profit before tax | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 |
| Effective Corporate Tax Payable | €505.606 | €313.338 | €385.024 | €160.240 | €176.250 | €456.784 |
| Profit after Tax | €494.394 | €686.662 | €614.976 | €839.760 | €823.750 | €543.216 |
| Withholding tax (Company, non-treaty country) | €104.317 | €240.332 | €0 | €167.952 | €164.750 | €146.668 |
| Dividend Distributed | €390.077 | €446.331 | €614.976 | €671.808 | €659.000 | €396.547 |
| Accounting profit before tax | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % |
| Effective Tax Payable | 50.56 % | 31.33 % | 38.50 % | 16.02 % | 17.63 % | 45.68 % |
| Profit after Tax | 49.44 % | 68.67 % | 61.50 % | 83.98 % | 82.38 % | 54.32 % |
| Withholding tax (Company, non-treaty country) | 10.43 % | 24.03 % | 0.00 % | 16.80 % | 16.48 % | 14.67 % |
| Dividend Distributed | 39.01 % | 44.63 % | 61.50 % | 67.18 % | 65.90 % | 39.65 % |
| Percentage of accounting profit received by shareholder if it is: | | | | | | |
| An Individual who is: | | | | | | |
| Country Resident | 39.01 % | 44.63 % | 61.50 % | 67.18 % | 65.90 % | 54.32 % ³⁾ |
| Treaty country resident | 42.02 % | 44.63 % | 61.50 % | 75.58 % | 82.38 % | 46.17 % |
| Non-treaty country resident | 39.01 % | 44.63 % | 61.50 % | 67.18 % | 65.90 % | 39.65 % |
| A company which is: | | | | | | |
| EU-resident | 49.44 % | 44.63 % | 61.50 % | 83.98 % | 82.38 % | 54.32 % |
| Treaty country resident | 46.97 % | 44.63 % | 61.50 % | 75.58 % | 82.38 % | 46.17 % |
| Non-treaty country resident | 39.01 % | 44.63 % | 61.50 % | 67.18 % | 65.90 % | 39.65 % |
| Adjustments-Add backs | | | | | | |

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Corporate Tax - 2005

A European Comparison

| Country | Germany | Gibraltar | Greece | Hungary | Ireland | Italy |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------------|------------------------------|
| Bad debts | | | | | | |
| general provision | 100.00 % | 0.00 % | 100.00 % | 0.00 % | 100.00 % | 100.00 % |
| specific provision | 0.00 % | 0.00 % | 100.00 % | 0.00 % | 0.00 % | 0.00 % |
| Pension contributions | | | | | | |
| complimentary provision (not state) | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 100.00 % ⁴⁾ | 0.00 % |
| withholding tax | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Non Executive Directors Fees | | | | | | |
| add back | 50.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| withholding tax (max) | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % ⁵⁾ | 0.00 % |
| Depreciation | | | | | | |
| acceptable for tax purposes | Y | Y | Y | Y | N | Y |
| legal rates for tax purposes | Y ²⁾ | Y ¹⁾ | Y | Y ¹⁾ | Y ⁶⁾ | Y ¹⁾ |
| Entertainment | 30.00 % | 0.00 % | 100.00 % | 0.00 % | 100.00 % | 66.70 % ²⁾ |
| Cars - depreciation | | | | | | |
| max purchase costs | €0 | €0 | €0 | €0 | €22.500 | €9.038 ³⁾ |
| max depreciation rate | 16.67 % | 25.00 % | 20.00 % | 20.00 % | 12.50 % | 20.00 % |
| max amount of depreciation | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Cars - expenses | | | | | | |
| max purchase costs | €0 | €0 | €0 | €0 | €0 | €0 |
| non-deductible percentage | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 50.00 % |
| Intercompany interest | | | | | | |
| arm's length principle | Y | Y | Y | Y | N | Y |
| debt/equity ratio (thin cap. rules) | Y ³⁾ | Y | N | 3 : 1 | N | 4 : 1 |
| withholding tax | 0.00 % | 35.00 % | 20.00 % | 0.00 % | 0.00 % | 12.50 % |

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A European Comparison

| Country | Germany | Gibraltar | Greece | Hungary | Ireland | Italy |
|---------------------------------|---------|-----------|---------|---------|----------|---------|
| Royalties (withholding tax max) | 10.00 % | 35.00 % | 20.00 % | 0.00 % | 0.00 % | 10.00 % |
| Company formation costs | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 100.00 % | 0.00 % |

Notes:

Gibraltar: 1) buildings: allowance of 4% pa on cost; cars, equipment, computer and software: 25%

Hungary: 1) Long-life structures 2%, Medium-life structures 3%, Short-life structures 6%, Assets installed on land other than own (leased) 6%, Computer assets 33%, Car and vehicle assets 20%, Other intangible assets 14,5%

Ireland:

- 1) 9 months after year ends
- 2) 12.5% for Trading income 20% for Capital Gains 25% for Passive Income
- 3) Resident Shareholder may have personal liability in addition to withholding tax
- 4) Pension payment is not added back, pension accruals are added back
- 5) Salary Tax of 42% may be due plus 5% Social Insurance
- 6) Standard Rate for Plant and Machinery: 12.5% Industrial Buildings e.g. Factories & Hotels may be 4%

Italy:

- 1) 3% for building; 20% for vehicles, etc
- 2) deductible 1/3 in 5 years
- 3) 50% of 18,075.99 (maximum)

Luxembourg:

- 1) 20% of payroll
- 2) 2-33,3%

Netherlands:

- 1) 25% or Euro 4.000
- 2) average debts minus (3 times average fiscal equity) minus Euro 500.000 = too much debts

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A European Comparison

| Country | Luxembourg | Malta | Netherlands | Portugal | Russia | Slovenia |
|--|--------------|------------|--------------|--------------|-------------|--------------|
| Information up-to-date as at: | Jan. 1, 2005 | Jan 1 2005 | Jan. 1, 2005 | Jan. 1, 2005 | Feb 28 2005 | Jan. 1, 2005 |
| Tax declaration deadline | May | September | June | May | March | March |
| Standard Corporate Tax Rate | 23.00 % | 35.00 % | 31.50 % | 25.00 % | 24.00 % | 25.00 % |
| Accounting profit before tax | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 |
| Effective Corporate Tax Payable | €370.370 | €390.250 | €313.978 | €463.659 | €353.767 | €303.281 |
| Profit after Tax | €629.630 | €609.750 | €686.022 | €536.341 | €646.233 | €696.719 |
| Withholding tax (Company, non-treaty country) | €125.926 | €0 | €171.506 | €134.085 | €96.935 | €174.180 |
| Dividend Distributed | €503.704 | €609.750 | €514.516 | €402.256 | €549.298 | €522.539 |
| Accounting profit before tax | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 100.00 % |
| Effective Tax Payable | 37.04 % | 39.03 % | 31.40 % | 46.37 % | 35.38 % | 30.33 % |
| Profit after Tax | 62.96 % | 60.98 % | 68.60 % | 53.63 % | 64.62 % | 69.67 % |
| Withholding tax (Company, non-treaty country) | 12.59 % | 0.00 % | 17.15 % | 13.41 % | 9.69 % | 17.42 % |
| Dividend Distributed | 50.37 % | 60.98 % | 51.45 % | 40.23 % | 54.93 % | 52.25 % |
| Percentage of accounting profit received by shareholder if it is: | | | | | | |
| An Individual who is: | | | | | | |
| Country Resident | 50.37 % | 39.63 % | 51.45 % | 45.59 % | 58.81 % | 52.25 % |
| Treaty country resident | 56.67 % | 51.83 % | 58.31 % | 45.59 % | 45.24 % | 59.22 % |
| Non-treaty country resident | 50.37 % | 60.98 % | 51.45 % | 40.23 % | 45.24 % | 52.25 % |
| A company which is: | | | | | | |
| EU-resident | 62.96 % | 51.83 % | 68.60 % | 53.63 % | 54.93 % | 69.67 % |
| Treaty country resident | 56.67 % | 51.83 % | 58.31 % | 45.59 % | 54.93 % | 59.22 % |
| Non-treaty country resident | 50.37 % | 58.48 % | 51.45 % | 40.23 % | 54.93 % | 52.25 % |
| Adjustments-Add backs | | | | | | |

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Corporate Tax - 2005

A European Comparison

| Country | Luxembourg | Malta | Netherlands | Portugal | Russia | Slovenia |
|-------------------------------------|-----------------------|-----------------|------------------------------|---------------------|-----------------------|----------------------|
| Bad debts | | | | | | |
| general provision | 100.00 % | 0.00 % | 0.00 % | 100.00 % | 0.00 % ¹⁾ | 100.00 % |
| specific provision | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 100.00 % | 100.00 % |
| Pension contributions | | | | | | |
| complimentary provision (not state) | 20.00 % ¹⁾ | 0.00 % | 0.00 % | 0.00 % | 0.00 % ²⁾ | 100.00 % |
| withholding tax | 20.00 % | 0.00 % | 0.00 % | 0.00 % | 13.00 % ³⁾ | 0.00 % |
| Non Executive Directors Fees | | | | | | |
| add back | 100.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 50.00 % |
| withholding tax (max) | 20.00 % | 0.00 % | 0.00 % | 0.00 % | 13.00 % | 0.00 % |
| Depreciation | | | | | | |
| acceptable for tax purposes | Y | Y | Y | Y | N | Y |
| legal rates for tax purposes | Y ²⁾ | Y | N | Y ¹⁾ | Y ⁴⁾ | Y ¹⁾ |
| Entertainment | 0.00 % | 100.00 % | 25.00 % ¹⁾ | 5.00 % | 0.00 % | 50.00 % |
| Cars - depreciation | | | | | | |
| max purchase costs | €0 | €0 | €0 | €29.928 | €0 ⁵⁾ | €0 ²⁾ |
| max depreciation rate | 0.00 % | 0.00 % | 0.00 % | 25.00 % | 33.00 % | 12.50 % |
| max amount of depreciation | 0.00 % | 0.00 % | 0.00 % | 25.00 % | 0.00 % ⁶⁾ | 0.00 % |
| Cars - expenses | | | | | | |
| max purchase costs | €0 | €0 | €0 | €0 | €0 ⁷⁾ | €0 ³⁾ |
| non-deductible percentage | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % ⁸⁾ | 0.00 % ⁴⁾ |
| Intercompany interest | | | | | | |
| arm's length principle | Y | Y | Y | Y | Y | Y |
| debt/equity ratio (thin cap. rules) | 6 : 1 | | 3 : 1 ²⁾ | 2 : 1 ²⁾ | Y ⁹⁾ | Y ⁵⁾ |
| withholding tax | 0.00 % | 0.00 % | 0.00 % | 15.00 % | 0.00 % | 0.00 % |

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| Country | Luxembourg | Malta | Netherlands | Portugal | Russia | Slovenia |
|---------------------------------|------------|--------|-------------|----------|---------|-----------------------|
| Royalties (withholding tax max) | 10.00 % | 0.00 % | 0.00 % | 15.00 % | 20.00 % | 25.00 % ⁶⁾ |
| Company formation costs | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % ⁷⁾ |

Notes:

Portugal: 1) 2% annual depreciation for buildings, 25% for cars, 25% for computers, there are legal rates for all fixed assets
2) Interest not deductible as far as related party loans exceed 2 times the companys share capital

Russia: 1) Percentage depends on accounts recivable age
2) Add back = actual provision - 12% from wages
3) There are some exceptions
4) There is a special tax document which sets a particular rate`s interval for all types of fixed assets, for example cars rate`s interval from 20% to 33%
5) No
6) No
7) No
8) No
9) There is special decreasing rate which applies to interest payed to the related party if it`s debt/equity rate exceeds 3

Slovenia: 1) Buildings 5%, equipment and trucks 25%, cars 12,5%, computers and software 50%.
2) No limits
3) No limits
4) Depends on the ratio between privatly and business km driven. Therefore km records are required.
5) Max. interest rate = average market rate when entering into the loan agreement.
6) In case of capital connection(mother-daughter relationship) 0 % tax rate is applicable.
7) Costs to be depreciated over five years.

Spain: 1) maturity >6 months
2) If justified and invoice existing
3) For no EU parent company. Agreement possible for the rest
4) Tax Treaties with EU countries:5 to 10%, from 1-1-2005 10% standard rate

Sweden: 1) equipment 30%, buildings 3%
2) Allowed amount: less 10 euro/pers in case of lunch or dinner and less 20 euro if entertainment of clients

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Switzerland 1) calculated on the profits before the taxes

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| Country | Spain | Sweden | Switzerland | United Kingdom | |
|--|--------------|--------------|--------------|----------------|----|
| Information up-to-date as at: | Jan. 1, 2005 | Jan. 1, 2005 | Jan. 1, 2005 | Jan. 13 2005 | |
| Tax declaration deadline | July | May | June | December | 1) |
| Standard Corporate Tax Rate | 35.00 % | 28.00 % | 25.00 % | 30.00 % | 2) |
| Accounting profit before tax | €1.000.000 | €1.000.000 | €1.000.000 | €1.000.000 | |
| Effective Corporate Tax Payable | €361.760 | €385.000 | €200.000 | €344.460 | |
| Profit after Tax | €638.240 | €615.000 | €800.000 | €655.540 | |
| Withholding tax (Company, non-treaty country) | €95.736 | €184.500 | €280.000 | €0 | |
| Dividend Distributed | €542.504 | €430.500 | €520.000 | €655.540 | |
| Accounting profit before tax | 100.00 % | 100.00 % | 100.00 % | 100.00 % | 3) |
| Effective Tax Payable | 36.18 % | 38.50 % | 20.00 % | 34.45 % | |
| Profit after Tax | 63.82 % | 61.50 % | 80.00 % | 65.55 % | |
| Withholding tax (Company, non-treaty country) | 9.57 % | 18.45 % | 28.00 % | 0.00 % | |
| Dividend Distributed | 54.25 % | 43.05 % | 52.00 % | 65.55 % | |
| Percentage of accounting profit received by shareholder if it is: | | | | | |
| An Individual who is: | | | | | |
| Country Resident | 54.25 % | 43.05 % | 52.00 % | 65.55 % | |
| Treaty country resident | 54.25 % | 43.05 % | 80.00 % | 65.55 % | |
| Non-treaty country resident | 54.25 % | 43.05 % | 52.00 % | 65.55 % | |
| A company which is: | | | | | |
| EU-resident | 63.82 % | 61.50 % | 80.00 % | 65.55 % | |
| Treaty country resident | 54.25 % | 61.50 % | 80.00 % | 65.55 % | |
| Non-treaty country resident | 54.25 % | 43.05 % | 80.00 % | 65.55 % | |

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Corporate Tax - 2005

A European Comparison

| Country | Spain | Sweden | Switzerland | United Kingdom |
|-------------------------------------|-----------------|---------------|---------------|-----------------|
| Adjustments-Add backs | | | | |
| Bad debts | | | | |
| general provision | 100.00 % | 100.00 % | 100.00 % | 100.00 % |
| specific provision | 0.00 % | 0.00 % | 100.00 % | 0.00 % |
| Pension contributions | | | | |
| complimentary provision (not state) | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| withholding tax | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Non Executive Directors Fees | | | | |
| add back | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| withholding tax (max) | 35.00 % | 0.00 % | 0.00 % | 0.00 % |
| Depreciation | | | | |
| acceptable for tax purposes | Y | Y | Y | N |
| legal rates for tax purposes | Y | N | Y | Y |
| Entertainment | 100.00 % | 0.00 % | 0.00 % | 100.00 % |
| Cars - depreciation | | | | |
| max purchase costs | €0 | €0 | €0 | €0 |
| max depreciation rate | 16.00 % | 30.00 % | 0.00 % | 25.00 % |
| max amount of depreciation | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Cars - expenses | | | | |
| max purchase costs | €0 | €0 | €0 | €0 |
| non-deductible percentage | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Intercompany interest | | | | |
| arm´s length principle | Y | Y | Y | Y |
| debt/equity ratio (thin cap. rules) | 3 : 1 | N | Y | N |

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Corporate Tax - 2005

A European Comparison

| Country | Spain | Sweden | Switzerland | United Kingdom |
|---------------------------------|-----------------------|----------|-------------|-----------------------|
| withholding tax | 0.00 % | 0.00 % | 0.00 % | 15.00 % ⁷⁾ |
| Royalties (withholding tax max) | 10.00 % ⁴⁾ | 0.00 % | 0.00 % | 10.00 % ⁸⁾ |
| Company formation costs | 0.00 % | 100.00 % | 0.00 % | 100.00 % |

Notes:

United Kingdom:

- 1) May be any date in the calendar, as normal filing deadline is 12 months after end of period of account
- 2) Lower rates apply to companies with small profits
- 3) Will also be affected by deferred tax provisions
- 4) 25% on reducing balance for plant (long life assets 6&), 4% straight line for industrial/hotel buildings. First year allowances of 40% or 100% in some cases.
- 5) Maximum € 4.500 per car
- 6) Now dealt with under the transfer pricing rules
- 7) Highest rate under treaty with EU country
- 8) Highest rate under treaty with EU country

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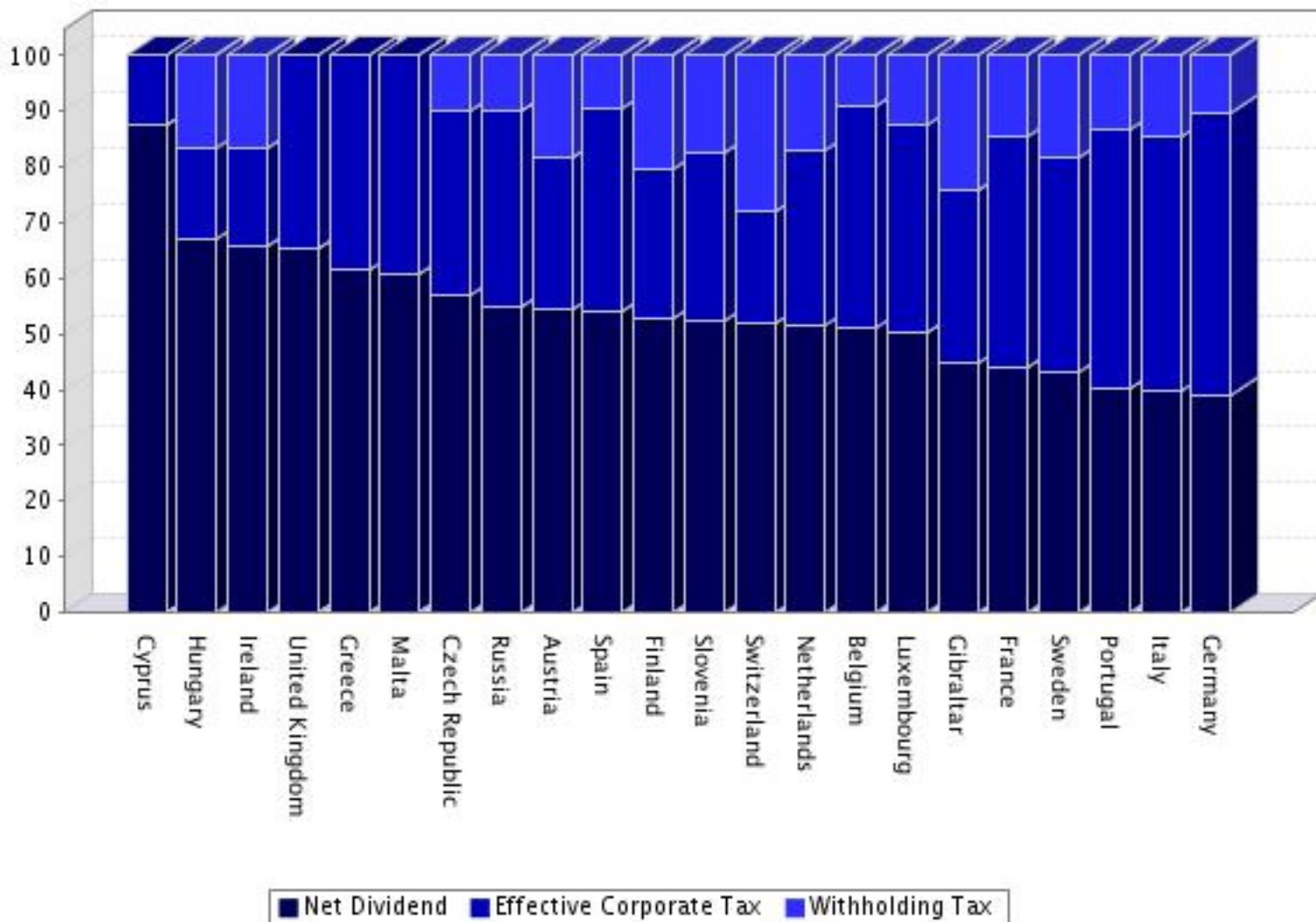
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