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Corporate Tax - 2007

A European Comparison

Country	Austria	Cyprus	Czech Republic	Finland	France	Germany
Information up-to-date as at:	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007
Tax declaration deadline	September	December	March	April	April ¹⁾	December
Standard Corporate Tax Rate	25.00 %	10.00 %	24.00 %	26.00 %	33.33 %	38.65 % ¹⁾
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	€102.160	€331.016	€265.850	€413.000	€542.324
Profit after Tax	€725.969	€897.840	€668.984	€734.150	€587.000	€457.676
Withholding tax (Company, non-treaty country)	€181.492	€0	€100.348	€205.562	€146.750	€96.570
Dividend Distributed	€544.477	€897.840	€568.636	€528.588	€440.250	€361.106
Accounting profit before tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Effective Tax Payable	27.40 %	10.22 %	33.10 %	26.59 %	41.30 %	54.23 %
Profit after Tax	72.60 %	89.78 %	66.90 %	73.42 %	58.70 %	45.77 %
Withholding tax (Company, non-treaty country)	18.15 %	0.00 %	10.03 %	20.56 %	14.68 %	9.66 %
Dividend Distributed	54.45 %	89.78 %	56.86 %	52.86 %	44.03 %	36.11 %
Percentage of accounting profit received by shareholder if it is:						
An Individual who is:						
Country Resident	54.45 %	76.32 %	56.86 %	73.42 %	58.70 % ¹⁾	36.11 %
Treaty country resident	61.71 %	89.78 %	56.86 %	66.07 %	49.90 %	38.90 %
Non-treaty country resident	54.45 %	89.78 %	56.86 %	54.33 %	44.03 %	36.11 %
A company which is:						
EU-resident	72.60 %	89.78 %	56.86 %	73.42 %	58.70 %	45.77 %
Treaty country resident	65.34 %	89.78 %	56.86 %	66.07 %	49.90 %	43.48 %
Non-treaty country resident	54.45 %	89.78 %	56.86 %	54.33 %	44.03 %	36.11 %
Adjustments-Add backs						
Bad debts						
general provision	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

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Country	Austria	Cyprus	Czech Republic	Finland	France	Germany
specific provision	0.00 %	0.00 %	20.00 %	0.00 %	0.00 %	0.00 %
Pension contributions						
complimentary provision (not state)	0.00 %	0.00 %	0.00 %	100.00 %	100.00 %	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 %	100.00 %	0.00 %	0.00 %	50.00 %
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	Y ²⁾	Y ³⁾	Y ²⁾
Entertainment	50.00 %	0.00 % ²⁾	100.00 %	50.00 %	0.00 %	30.00 %
Cars - depreciation						
max purchase costs	€40.000	€0	€50.000	€0	€18.300	€0
max depreciation rate	12.50 %	20.00 %	25.00 %	25.00 %	25.00 %	16.67 %
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 % ³⁾	0.00 %	0.00 %	0.00 %	0.00 %
Intercompany interest						
arm´s length principle	Y	Y	Y	Y	Y	Y
debt/equity ratio (thin cap. rules)	N	N	Y	N	N	Y ³⁾
withholding tax	0.00 %	0.00 %	15.00 %	0.00 %	0.00 %	0.00 %
Royalties (withholding tax max)	10.00 %	10.00 %	25.00 %	26.00 %	10.00 % ⁶⁾	10.00 %
Company formation costs	0.00 %	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Notes:

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Austria:	1) max. 3% annual depreciation for buildings, 6,67% for goodwill, 12,5% for cars, no legal rates for other fixed assests
Cyprus:	1) 3-4% buildings, 20% vehicles and computers, 10 % machinery and furniture 2) The deduction cannot exceed 1% of turnover or Euro17400 ,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) A new rule will be applicable on 1st January 2007 based principlaly on the rate of indebtedness compared with shareholders`funds,on the rate of interest compared with current result and on a maximum interest rate 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
Greece:	1) There is no limit in the purchase cost

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Information up-to-date as at:	Jan. 1, 2007	Jan. 1, 2007	April 1, 2006	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007
Tax declaration deadline	May	May	November ¹⁾	July	May	September
Standard Corporate Tax Rate	25.00 %	16.00 %	12.50 % ²⁾	33.00 %	22.88 %	35.00 % ¹⁾
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	€300.800	€173.930	€176.250	€456.784	€329.014	€68.000
Profit after Tax	€699.200	€826.070	€823.750	€543.216	€670.986	€932.000
Withholding tax (Company, non-treaty country)	€0	€132.171	€164.750	€146.668	€100.648	€0
Dividend Distributed	€699.200	€693.899	€659.000	€396.547	€570.338	€932.000
Accounting profit before tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Effective Tax Payable	30.08 %	17.39 %	17.63 %	45.68 %	32.90 %	6.80 %
Profit after Tax	69.92 %	82.61 %	82.38 %	54.32 %	67.10 %	93.20 %
Withholding tax (Company, non-treaty country)	0.00 %	13.22 %	16.48 %	14.67 %	10.06 %	0.00 %
Dividend Distributed	69.92 %	69.39 %	65.90 %	39.65 %	57.03 %	93.20 %
Percentage of accounting profit received by shareholder if it is:						
An Individual who is:						
Country Resident	69.92 %	82.61 %	65.90 % ³⁾	54.32 %	57.03 %	60.58 % ²⁾
Treaty country resident	69.92 %	82.61 %	82.38 %	46.17 %	60.39 %	93.20 %
Non-treaty country resident	69.92 %	82.61 %	65.90 %	39.65 %	57.03 %	93.20 %
A company which is:						
EU-resident	69.92 %	82.61 %	82.38 %	54.32 %	67.10 %	93.20 %
Treaty country resident	69.92 %	82.61 %	82.38 %	46.17 %	60.39 %	93.20 %
Non-treaty country resident	69.92 %	82.61 %	65.90 %	39.65 %	57.03 %	93.20 %
Adjustments-Add backs						

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Country	Greece	Hungary	Ireland	Italy	Luxembourg	Malta
Bad debts						
general provision	100.00 %	0.00 %	100.00 %	100.00 %	100.00 %	0.00 % ³⁾
specific provision	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Pension contributions						
complimentary provision (not state)	0.00 %	0.00 %	100.00 % ⁴⁾	0.00 %	20.00 % ¹⁾	0.00 %
withholding tax	0.00 %	0.00 %	0.00 %	0.00 %	20.00 %	0.00 %
Non Executive Directors Fees						
add back	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %	0.00 %
withholding tax (max)	0.00 %	0.00 %	47.00 % ⁵⁾	0.00 %	20.00 %	0.00 %
Depreciation						
acceptable for tax purposes	Y	Y	N	Y	Y	Y
legal rates for tax purposes	Y	Y ¹⁾	Y ⁶⁾	Y ¹⁾	Y ²⁾	Y
Entertainment	100.00 %	0.00 %	100.00 %	66.70 %	0.00 %	100.00 %
Cars - depreciation						
max purchase costs	€0 ¹⁾	€0	€22.500	€0	€0	€7.000 ⁴⁾
max depreciation rate	20.00 %	20.00 %	12.50 %	25.00 %	0.00 %	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 %	0.00 %	0.00 %	100.00 %	0.00 %	0.00 %
Intercompany interest						
arm's length principle	Y	Y	N	Y	Y	Y
debt/equity ratio (thin cap. rules)	N	3 : 1	N	4 : 1	6 : 1	N
withholding tax	20.00 %	0.00 %	0.00 %	12.50 %	0.00 %	0.00 %

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Country	Greece	Hungary	Ireland	Italy	Luxembourg	Malta
Royalties (withholding tax max)	20.00 %	0.00 %	0.00 %	10.00 %	0.00 %	10.00 % ⁵⁾
Company formation costs	0.00 %	0.00 %	100.00 %	0.00 %	0.00 %	0.00 %

Notes:

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

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

Malta: 1) No corporate rate but income tax rate at 35%. With imputation system tax paid by company is credited to shareholder upon payment of dividend.
 2) Because of certain anti abusive tax provisions, residents do not benefit if they apply for tax refunds
 3) only actual bad debts are tax deductible
 4) unless it is a commercial vehicle
 5) depending on tax treaty

Netherlands: 1) Taxable amount = < ? 25.000; percentage is 20% Taxable amount = > ? 25.000 < 60.000; percentage is 23,5% Taxable amount > ? 60.000; percentage is 25,5%
 2) 25% or Euro 4.000 or 0.4% of salary sum
 3) average debts minus (3 times average fiscal equity) minus Euro 500.000 = too much debts

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Country	Netherlands	Poland	Portugal	Romania	Russia	Slovenia
Information up-to-date as at:	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007	Aprl. 16, 2007	Jan. 1, 2007	Jan. 1, 2007
Tax declaration deadline	June	March	May	April	March ¹⁾	March
Standard Corporate Tax Rate	25.50 % ¹⁾	19.00 %	25.00 % ¹⁾	16.00 %	24.00 %	23.00 % ¹⁾
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	€258.165	€290.000	€293.410	€308.000	€254.728	€303.281
Profit after Tax	€741.835	€710.000	€706.590	€692.000	€745.272	€696.719
Withholding tax (Company, non-treaty country)	€111.275	€134.900	€141.318	€110.720	€111.791	€174.180
Dividend Distributed	€630.560	€575.100	€565.272	€581.280	€633.481	€522.539
Accounting profit before tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Effective Tax Payable	25.82 %	29.00 %	29.34 %	30.80 %	25.47 %	30.33 %
Profit after Tax	74.18 %	71.00 %	70.66 %	69.20 %	74.53 %	69.67 %
Withholding tax (Company, non-treaty country)	11.13 %	13.49 %	14.13 %	11.07 %	11.18 %	17.42 %
Dividend Distributed	63.06 %	57.51 %	56.53 %	58.13 %	63.35 %	52.25 %
Percentage of accounting profit received by shareholder if it is:						
An Individual who is:						
Country Resident	63.06 %	57.51 %	56.53 %	58.13 %	67.82 %	52.25 %
Treaty country resident	63.06 %	63.90 %	60.06 %	58.13 %	52.17 %	59.22 %
Non-treaty country resident	63.06 %	57.51 %	56.53 %	58.13 %	52.17 %	52.25 %
A company which is:						
EU-resident	74.18 %	71.00 %	70.66 %	58.13 %	63.35 %	69.67 %
Treaty country resident	63.06 %	63.90 %	60.06 %	58.13 %	63.35 %	59.22 %
Non-treaty country resident	63.06 %	57.51 %	56.53 %	58.13 %	63.35 %	52.25 %
Adjustments-Add backs						

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Country	Netherlands	Poland	Portugal	Romania	Russia	Slovenia
Bad debts						
general provision	0.00 %	100.00 %	100.00 % ²⁾	0.00 %	0.00 % ²⁾	100.00 %
specific provision	0.00 %	100.00 %	0.00 %	0.00 %	100.00 % ³⁾	100.00 %
Pension contributions						
complimentary provision (not state)	0.00 %	0.00 % ¹⁾	0.00 %	0.00 %	22.00 % ⁴⁾	100.00 % ²⁾
withholding tax	0.00 %	0.00 % ²⁾	0.00 %	0.00 %	0.00 % ⁵⁾	0.00 %
Non Executive Directors Fees						
add back	0.00 %	100.00 % ³⁾	0.00 %	0.00 %	0.00 % ⁶⁾	50.00 %
withholding tax (max)	0.00 %	20.00 %	0.00 %	0.00 %	0.00 % ⁷⁾	0.00 %
Depreciation						
acceptable for tax purposes	Y	Y	Y	Y	N	Y
legal rates for tax purposes	Y	Y	Y ³⁾	Y	Y ⁸⁾	Y ³⁾
Entertainment	25.00 % ²⁾	0.00 % ⁴⁾	0.00 %	0.00 %	0.00 % ⁹⁾	50.00 %
Cars - depreciation						
max purchase costs	€0	€20.000	€29.928	€40.000	€0 ^{1 0)}	€0 ⁴⁾
max depreciation rate	20.00 %	20.00 %	25.00 %	12.50 %	32.43 % ^{1 1)}	20.00 %
max amount of depreciation	0.00 %	0.00 %	0.00 % ⁴⁾	0.00 %	0.00 % ^{1 2)}	0.00 %
Cars - expenses						
max purchase costs	€0	€0	€0	€0	€0 ^{1 3)}	€0 ⁵⁾
non-deductible percentage	0.00 %	0.00 %	0.00 %	0.00 %	0.00 % ^{1 4)}	0.00 % ⁶⁾
Intercompany interest						
arm´s length principle	Y	Y	Y	Y	Y ^{1 5)}	Y ⁷⁾
debt/equity ratio (thin cap. rules)	3 : 1 ³⁾	3	N ⁵⁾	Y	Y ^{1 6)}	Y ⁸⁾
withholding tax	0.00 %	0.00 % ⁵⁾	10.00 % ⁶⁾	0.00 %	15.00 %	0.00 %

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Country	Netherlands	Poland	Portugal	Romania	Russia	Slovenia
Royalties (withholding tax max)	0.00 %	10.00 % ⁶⁾	10.00 % ⁷⁾	10.00 %	20.00 %	25.00 % ⁹⁾
Company formation costs	0.00 %	0.00 % ⁷⁾	0.00 %	0.00 %	100.00 %	0.00 % ¹⁰⁾

Notes:

- Poland:**
- 1) Please insert here your comments. under certain conditions
 - 2) Please insert here your comments. immediately taxable as advantage in kind - non taxable at exit
 - 3) Management Board - all deductible; Supervisory Board - all non deductible
 - 4) Please insert here your comments. 0,5% of salea, but lumpoed with advertising in non general public media
 - 5) Please insert here your comments. still taxable within EU until 2013 - treaty for others or 20%
 - 6) Please insert here your comments.or treaty; still, taxable within EU until 2013.This is typical treaty rate, otherwise 20
 - 7) Please insert here your comments.includes notary fee, court fee, publication, various fees and stamps and reasonable legal expenses
- Portugal:**
- 1) Corporate income tax rate of 15% to 20% may also be applicable.
 - 2) 25% for every 6 months of bad debts period time.
 - 3) 2% of annual depreciation for buildings, 25% for cars, 33,33% for computers, there are legal rates for all fixed assets
 - 4) 7.482
 - 5) 2:1 only for non-EU companies
 - 6) 10% under the Directive nr. 2003/49/CE until 2010. 5% from then onwards.
 - 7) 10% under the Directive nr. 2003/49/CE
- Russia:**
- 1) March 28
 - 2) Bad debts are deductible only if: 1) the debt is not secured 2) the debt was not settled in a proper date 3) the debt appeared from the goods sold or services rendered. The amount of debts to be deductible depends on the delay of payment: <45days - not de
 - 3) Bad debts are deductible only if: 1) the debt is not secured 2) the debt was not settled in a proper date 3) the debt appeared from the goods sold or services rendered. The amount of debts to be deductible depends on the delay of payment: <45days - not de
 - 4) Deductible only if the expenses (payments to a licenced private pension fund) do not exceed 12% of the total deductible salaries. Furthermore deductible only if 1) the pension scheme is individualized 2) pension payments are provided for those only which
 - 5) only individual income tax is withheld (13%)
 - 6) Legislation doesn't restrict deduction of such expenses. But tax authorities believe that they are not deductible. Therefore it is very risky! (only individual income tax is withheld)
 - 7) (only individual income tax is withheld (13%))
 - 8) The lowest useful life for most buildings is 30 years +1 month, for computers - 37 months, for office furniture - 61 months, for telephone stations - 61 months, etc. (legal rates are applied to almost all kinds of fixed assets). Plus there is an option t
 - 9) Deductible only if the expenses do not exceed 4% of the total deductible salaries. The nature of the deductible expenses is also limited
 - 10) No
 - 11) Supposed these are new and not expensive passenger cars. The lowest useful life for automobiles is 37 months (max - 5 years). The lowest useful life for trucks is 61 months (max - 7 years). The minibuses with acquisition cost more that 400.000 rub (~11,90

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- 12) No
- 13) No
- 14) No
- 15) The arm`s length principle might be applied by tax authorities
- 16) If a foreign related party loans exceed 3 times (12,5 for banks and leasing companies) the copmany`s net assets (plus tax liabilities) than the following rule is applied. Nondeductible interests (and a tax of 15% is withhelded) are calculated as a differe

Slovenia:

- 1) for year 2008 22%,for year 2009 21% and from 2010 on 20%
- 2) It is not the practice by slovenian companies to form such provisions.
- 3) Buildings 3-6%, equipment,cars and trucks and other machinery 20%, equipment for reacherch and development 33,3% ,computers and software 50% other investment 10%.
- 4) No limits
- 5) No limits
- 6) Dependes on the ratio between privatly and business km driven. Therefore km records are required.
- 7) Ministry for Finance sets max. allowed interest rates for intercompany loans.
- 8) Currently debt/equity ration is set at 8:1. Gradually this ratio will be decreased and from the year 2011 will stand at 4:1.
- 9) In case of capital connection(mother-daughter relationship) 0 % tax rate is applicable.
- 10) 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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Country	Spain	Sweden	Switzerland	United Kingdom	
Information up-to-date as at:	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007	March 19 2007	
Tax declaration deadline	July	May	June	August	1)
Standard Corporate Tax Rate	30.00 %	28.00 %	21.00 %	30.00 %	2)
Accounting profit before tax	€1.000.000	€1.000.000	€1.000.000	€1.000.000	
Effective Corporate Tax Payable	€395.150	€385.000	€234.990	€344.460	
Profit after Tax	€604.850	€615.000	€765.010	€655.540	
Withholding tax (Company, non-treaty country)	€108.873	€184.500	€267.754	€0	
Dividend Distributed	€495.977	€430.500	€497.256	€655.540	
Accounting profit before tax	100.00 %	100.00 %	100.00 %	100.00 %	3)
Effective Tax Payable	39.52 %	38.50 %	23.50 %	34.45 %	
Profit after Tax	60.49 %	61.50 %	76.50 %	65.55 %	
Withholding tax (Company, non-treaty country)	10.89 %	18.45 %	26.78 %	0.00 %	
Dividend Distributed	49.60 %	43.05 %	49.73 %	65.55 %	
Percentage of accounting profit received by shareholder if it is:					
An Individual who is:					
Country Resident	49.60 %	43.05 %	49.73 %	65.55 %	
Treaty country resident	49.60 %	43.05 %	76.50 %	65.55 %	
Non-treaty country resident	49.60 %	43.05 %	49.73 %	65.55 %	
A company which is:					
EU-resident	60.49 %	61.50 %	76.50 %	65.55 %	
Treaty country resident	49.60 %	61.50 %	76.50 %	65.55 %	
Non-treaty country resident	49.60 %	43.05 %	49.73 %	65.55 %	

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OVERVIEW TABLE

■ Select Countries ■ See Overview ■ See Graph

Austria | Cyprus | Czech Republic | Finland | France | Germany | Greece | Hungary | Ireland | Italy | Luxembourg | Malta | Netherlands | Poland | Portugal | Romania | Russia | Slovenia | Spain | Sweden | Switzerland | United Kingdom

Corporate Tax - 2007

A European Comparison

Country	Spain	Sweden	Switzerland	United Kingdom
Adjustments-Add backs				
Bad debts				
general provision	100.00 %	100.00 %	5.00 % ²⁾	100.00 %
specific provision	0.00 % ¹⁾	0.00 %	100.00 %	0.00 %
Pension contributions				
complimentary provision (not state)	0.00 %	0.00 %	100.00 %	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)	18.00 %	0.00 %	0.00 %	0.00 %
Depreciation				
acceptable for tax purposes	Y	Y	Y	N
legal rates for tax purposes	Y	N ¹⁾	Y ¹⁾	Y ⁴⁾
Entertainment	100.00 % ²⁾	0.00 % ²⁾	0.00 %	100.00 %
Cars - depreciation				
max purchase costs	€0	€0	€60.000	€0
max depreciation rate	16.00 %	30.00 %	40.00 %	25.00 %
max amount of depreciation	0.00 %	0.00 %	0.00 %	0.00 % ⁵⁾
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 ³⁾	N	Y	Y ⁶⁾

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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 %	100.00 %	100.00 %

Notes:

Switzerland: 1) calculated on the profits before the taxes
2) 5% for domestic credits; 10% for foreign credits.

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) 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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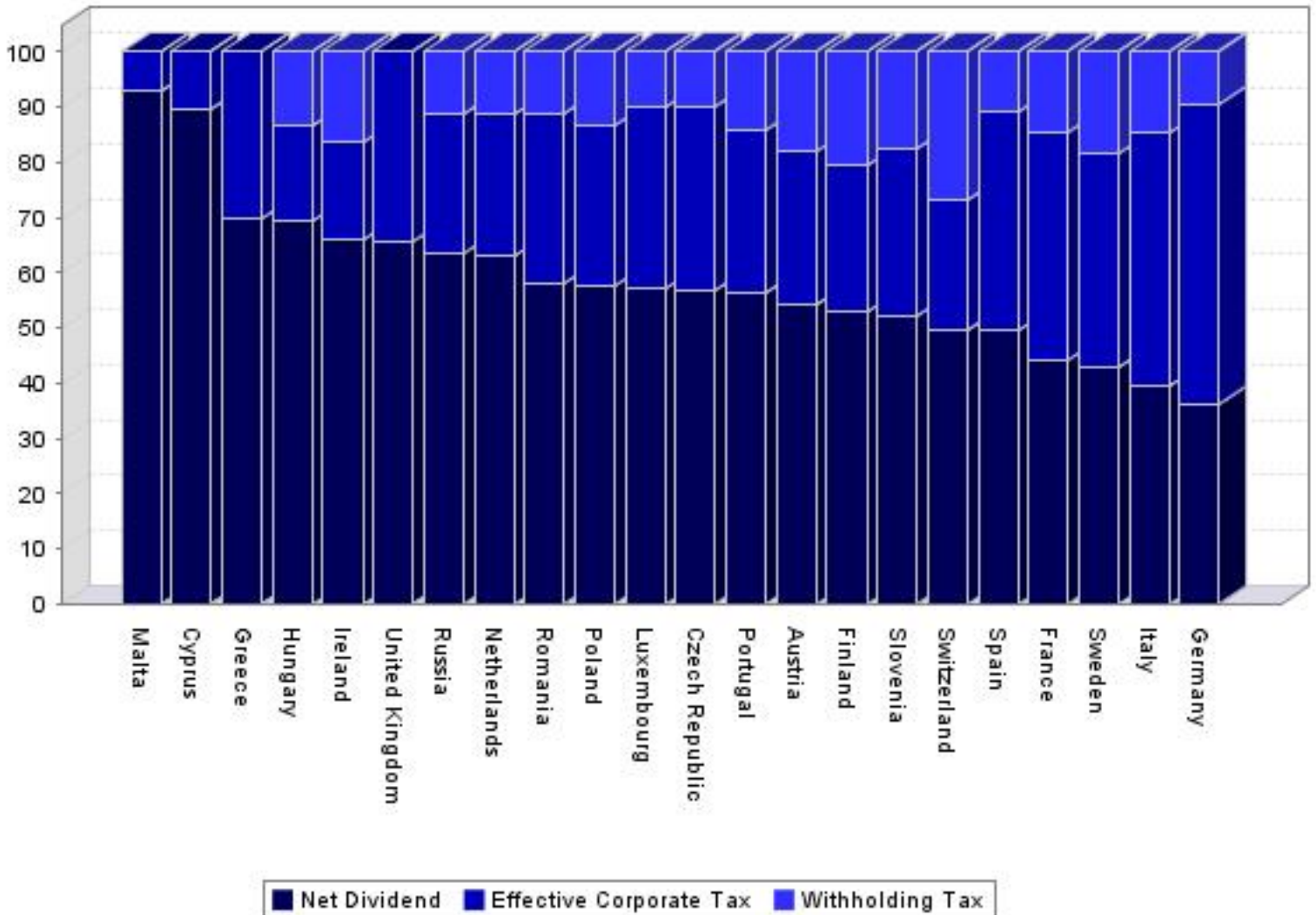
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