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## Holding Companies - 2007

A European Comparison

Country	Austria	Belgium	Cyprus	Czech Republic	France	Germany
<b>Information up-to-date as at:</b>	Jan. 1, 2007	Jan. 1, 2006	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007
<b>Tax declaration deadline</b>	September	September	December	March	April	May <sup>1)</sup>
<b>Standard Corporate Tax Rate</b>	25.00 %	33.99 %	10.00 %	24.00 %	33.33 %	26.37 %
Pre Tax Cash Available to Parent	€2.540.000	€2.540.000	€2.540.000	€2.540.000	€2.540.000	€2.540.000
Withholding Tax on Interest Paid	€0	€37.500	€0	€37.500	€0	€0
Withholding Tax on Dividend Paid	€525.625	€305.159	€0	€235.500	€509.840	€516.332
Corporate Tax	€187.500	€255.605	€100.000	€720.000	€250.642	€224.672
<b>Net Cash received by Parent Company</b>	<b>€1.826.875</b>	<b>€1.941.736</b>	<b>€2.440.000</b>	<b>€1.547.000</b>	<b>€1.779.519</b>	<b>€1.798.996</b>
Profit Before Interest and Tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Withholding Tax on Interest Paid	0.00 %	1.48 %	0.00 %	1.48 %	0.00 %	0.00 %
Withholding Tax on Dividend Paid	20.69 %	12.01 %	0.00 %	9.27 %	20.07 %	20.33 %
Corporate Tax	7.38 %	10.06 %	3.94 %	28.35 %	9.87 %	8.85 %
<b>Net Cash received by Parent Company</b>	<b>71.92 %</b>	<b>76.45 %</b>	<b>96.06 %</b>	<b>60.91 %</b>	<b>70.06 %</b>	<b>70.83 %</b>
<b>Dividends Exemption</b>						
Percentage Exempt	100.00 %	95.00 %	100.00 %	100.00 %	95.00 %	95.00 %
Minimum Holding	10.00 %	10.00 %	1.00 %	0.00 %	5.00 %	0.00 %
Minimum Holding Period (months)	12.00 %	12.00 %	0.00 %	0.00 %	0.00 %	0.00 %
<b>Capital Gains Exemption</b>						
Percentage Exempt	100.00 %	100.00 %	100.00 %	0.00 %	100.00 %	95.00 %
Minimum Holding	10.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Minimum Holding Period (months)	12.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Other Conditions						
Maximum Passive Income Allowed	50.00 %	100.00 %	100.00 %	0.00 %	0.00 %	100.00 %

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Country	Austria	Belgium	Cyprus	Czech Republic	France	Germany
Subject to Tax (minimum rate)	15.00 %	15.00 % <sup>2)</sup>	0.00 %	0.00 %	0.00 %	5.00 %
Trading Activities Allowed	Y	Y	Y	Y	Y	Y
Interest Expense Deduction						
Debt Equity Ratio	N	N <sup>3)</sup>	N/A	4:01:00	N <sup>3)</sup>	1,5:1
Related Interest Expense Allowed	Y	Y	N	Y	Y	Y
Withholding Tax on Interest Paid	0.00 %	15.00 %	0.00 %	15.00 %	0.00 %	0.00 %
Other Deductions						
Investment Cost write-down	Y <sup>1)</sup>	N	N	N	N	N <sup>1)</sup>
Goodwill write-off	Y <sup>2)</sup>	N	N	Y	Y	Y
Participation Exemption applies to:						
Partnerships	Y	N	N	N	Y	N
Permanent Establishment Of EU Company	Y	Y	Y	N	Y	Y
Permanent Establishment Of Treaty Company	N	Y	Y	N	Y	Y
Branch of Foreign Company	Y	Y	Y	N	Y	Y
Resident Company	Y <sup>3)</sup>	Y	Y	N	Y	Y
Company Legal Form	GmbH	SPRL	LTD	SRO	SARL	GmbH
Minimum Capital (Euros)	€35.000	€18.500	€1	€76.000	€1 <sup>4)</sup>	€25.000
Time to Form (weeks)	1	0	1	4	3	4
Shareholders	Y	Y	Y	Y	Y	Y
Minimum Number	1	1	1	1	2	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY
Corporate or Individual	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH
Directors	Y	Y	Y	Y	Y	Y
Minimum Number	1	1	1	1	1	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY
Corporate/Individual	INDIVIDUAL	BOTH	BOTH	INDIVIDUAL	INDIVIDUAL	BOTH <sup>2)</sup>

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**Holding Companies - 2007**

A European Comparison

Country	Austria	Belgium	Cyprus	Czech Republic	France	Germany
Company Legal Form	AG	SA	LTD	AS	SA	AG
Min Capital (Euros)	€70.000	€61.500	€1	€70.000	€37.000	€50.000
Time to Form (weeks)	2	0	1	4	3	8
Shareholders	Y	Y	Y	Y	Y	Y
Minimum Number	1	2	1	1	7	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY
Corporate or Individual	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH
Directors	Y	Y	Y	Y	Y	Y
Minimum Number	1	2	1	1	3	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY
Corporate/Individual	INDIVIDUAL	BOTH	BOTH	INDIVIDUAL	BOTH	INDIVIDUAL <sup>3)</sup>
Capital Tax						
Capital Contribution Tax	1.00 %	0.00 % <sup>4)</sup>	0.60 %	0.00 %	0.00 % <sup>5)</sup>	0.00 %
Exemptions possible	N	Y	N	N	Y	N
Withholding Tax :						
Number of Tax Treaties	60+	87	40	100+	100	88
Offshore Parent Company	25.00 %	15.00 %	0.00 %	15.00 %	25.00 %	25.00 %
Treaty Co Parent (maximum)	10.00 %	15.00 %	0.00 %	15.00 %	15.00 %	15.00 %
Non-Resident Individual	25.00 %	25.00 % <sup>5)</sup>	0.00 %	15.00 %	25.00 %	25.00 %
Resident Individual	25.00 %	25.00 % <sup>6)</sup>	15.00 %	15.00 %	0.00 %	25.00 %
Income Tax Exemption for Resident Individual	100.00 %	100.00 %	100.00 %	0.00 %	50.00 %	0.00 %
Parent Subsidiary Directive						
Withholding Tax	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Minimum Holding	25.00 % <sup>4)</sup>	20.00 %	0.00 %	10.00 %	20.00 %	25.00 %
Minimum Period (Months)	12 <sup>5)</sup>	12	0	0	24	12
Disclosure						
Disclosure of Beneficial Owner	Y <sup>6)</sup>	N	N	Y	Y <sup>6)</sup>	Y <sup>4)</sup>
Banking Secrecy	Y <sup>7)</sup>	Y	Y	Y	Y <sup>7)</sup>	Y <sup>5)</sup>

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Country	Austria	Belgium	Cyprus	Czech Republic	France	Germany
File Statutes	Y	Y	Y	Y	Y	Y
File Accounts	Y	Y	Y	Y	Y	Y <sup>9)</sup>

**Notes:**

**Austria:**

- 1) Over 7 years (investments in domestic companies); optionally for investments in non-domestic companies if capital gains and dividends are treated as taxable income.
- 2) max. 50% of good will in subsidiaries acquired can be written off over 15 years
- 3) If the branch is subject to unlimited taxation in Austria.
- 4) 10% minimum holding in the case of reciprocity
- 5) 25% or 10% in case of reciprocity.
- 6) Disclosure only to tax authorities required.
- 7) To the tax authorities.

**Belgium:**

- 1) 10% or € 1,200,000.
- 2) More than 15%, except for the EU companies (i.e. 12.5% Irish tax is ok).
- 3) Ratio applicable to borrowings from tax exempt companies only (7 to 1).
- 4) Capital contribution Tax is abolished since January 1, 2006
- 5) 25% or 15%.
- 6) 25% or 15%.

**France:**

- 1) 15th May in case of declaration by internet
- 2) Capital gain is taxable at a special rate of 19%.
- 3) A new regulation will be applicable on 1st January 2007
- 4) Capital amount have to be fixed in the rules of the company
- 5) However, a fixed tax of ? 230 is due.
- 6) To the tax authorities.
- 7) To the tax authorities.
- 8) To the commercial court.
- 9) To the commercial court.

**Germany:**

- 1) BUT: write-down of a financing cost is deductible
- 2) Any with residence permit.
- 3) Any with residence permit.
- 4) To the tax authorities.
- 5) Depends on the size criterias.
- 6) Depends on the size criterias.s

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<b>Ireland:</b>	1) At least one director must be resident in Ireland. Unless the company has economic ties to Ireland or it has taken out an insurance bond.
<b>Italy:</b>	1) Not applicable 2) Not applicable 3) Not applicable 4) Not applicable 5) if the holding is resident in a tax haven 6) Not applicable 7) Not applicable 8) If the resident individual holds more then 20% of 9) it is compulsory to be registered at the Italian E

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Country	Greece	Ireland	Italy	Luxembourg	Malta	Netherlands
Information up-to-date as at:	Jan. 1, 2007	Mar. 25, 2007	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007	Jan. 1, 2007
Tax declaration deadline	May	January	July	May	September <sup>1)</sup>	June
Standard Corporate Tax Rate	25.00 %	12.50 %	33.00 %	29.63 %	35.00 % <sup>2)</sup>	25.50 %
Pre Tax Cash Available to Parent	€2.540.000	€2.540.000	€2.540.000	€2.540.000	€2.540.000	€2.540.000
Withholding Tax on Interest Paid	€50.000	€50.000	€31.250	€0	€0	€0
Withholding Tax on Dividend Paid	€0	€0	€535.934	€332.019	€0	€314.812
Corporate Tax	€687.500	€98.750	€305.060	€76.538	€139.500	€191.250
<b>Net Cash received by Parent Company</b>	<b>€1.802.500</b>	<b>€2.391.250</b>	<b>€1.667.756</b>	<b>€2.131.443</b>	<b>€2.400.500</b>	<b>€2.033.938</b>
Profit Before Interest and Tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Withholding Tax on Interest Paid	1.97 %	1.97 %	1.23 %	0.00 %	0.00 %	0.00 %
Withholding Tax on Dividend Paid	0.00 %	0.00 %	21.10 %	13.07 %	0.00 %	12.39 %
Corporate Tax	27.07 %	3.89 %	12.01 %	3.01 %	5.49 %	7.53 %
<b>Net Cash received by Parent Company</b>	<b>70.96 %</b>	<b>94.14 %</b>	<b>65.66 %</b>	<b>83.92 %</b>	<b>94.51 %</b>	<b>80.08 %</b>
<b>Dividends Exemption</b>						
Percentage Exempt	100.00 %	0.00 %	95.00 %	100.00 %	100.00 %	100.00 %
Minimum Holding	0.00 %	51.00 %	0.00 % <sup>1)</sup>	10.00 % <sup>1)</sup>	10.00 %	5.00 %
Minimum Holding Period (months)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
<b>Capital Gains Exemption</b>						
Percentage Exempt	0.00 %	100.00 %	84.00 %	100.00 %	100.00 %	100.00 %
Minimum Holding	0.00 %	5.00 %	0.00 % <sup>2)</sup>	10.00 % <sup>2)</sup>	0.00 %	5.00 %
Minimum Holding Period	0.00 %	0.00 %	18.00 %	0.00 %	0.00 %	0.00 %

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Country	Greece	Ireland	Italy	Luxembourg	Malta	Netherlands
(months)						
Other Conditions						
Maximum Passive Income Allowed	100.00 %	0.00 %	0.00 % <sup>3)</sup>	100.00 %	100.00 %	100.00 %
Subject to Tax (minimum rate)	25.00 %	0.00 %	0.00 % <sup>4)</sup>	11.00 % <sup>3)</sup>	35.00 % <sup>3)</sup>	0.00 %
Trading Activities Allowed	Y	Y	Y	Y	Y	Y
Interest Expense Deduction						
Debt Equity Ratio	N		4:1	6:1	N/A	3:1
Related Interest Expense Allowed	N	Y	Y	Y	Y	Y
Withholding Tax on Interest Paid	20.00 %	20.00 %	12.50 % <sup>5)</sup>	0.00 %	15.00 % <sup>4)</sup>	0.00 %
Other Deductions						
Investment Cost write-down	N	Y	N	Y	N	Y
Goodwill write-off	N	Y	N	Y	N <sup>4)</sup>	Y
Participation Exemption applies to:						
Partnerships	N	Y	Y	Y	N	N
Permanent Establishment Of EU Company	N	Y	Y	Y	Y	N
Permanent Establishment Of Treaty Company	N	Y	Y	Y	Y	N
Branch of Foreign Company	N	Y	Y	Y	Y	N
Resident Company	N	Y	Y	Y	Y	Y
Company Legal Form	LTD	LTD	SRL	SARL	LTD	BV
Minimum Capital (Euros)	€18.000	€1	€10.000	€12.400	€1.500	€18.000
Time to Form (weeks)	2	2	1	0	1	2
Shareholders	Y	Y	Y	Y	Y	Y

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Country	Greece	Ireland	Italy	Luxembourg	Malta	Netherlands
Minimum Number	1	1	1	1	1	1 <sup>5)</sup>
Nationality	ANY	ANY	ANY	ANY	ANY	ANY <sup>6)</sup>
Corporate or Individual	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH
Directors	Y	Y	Y	Y	Y	Y
Minimum Number	1	2	1	1	1	1
Nationality	ANY	IRISH <sup>1)</sup>	ANY	ANY	ANY	ANY
Corporate/Individual	BOTH	INDIVIDUAL	BOTH	BOTH	BOTH	BOTH
Company Legal Form	SA		SPA	SA	LTD	NV
Min Capital (Euros)	€60.000	€0	€120.000	€31.000	€1.500	€45.500
Time to Form (weeks)	3	0	1	0	1	2
Shareholders	Y		Y	Y	Y	Y <sup>7)</sup>
Minimum Number	2	0	1	1	1	1
Nationality	ANY		ANY	ANY	ANY	ANY
Corporate or Individual	BOTH		BOTH	BOTH	BOTH	BOTH
Directors	Y		Y	Y	Y	Y
Minimum Number	3	0	1	0	1	1
Nationality	ANY		ANY	ANY	ANY	ANY
Corporate/Individual	BOTH		BOTH	BOTH	BOTH	BOTH
Capital Tax						
Capital Contribution Tax	1.10 %	0.00 %	0.00 % <sup>6)</sup>	1.00 %	0.00 %	0.00 % <sup>8)</sup>
Exemptions possible	N	Y	N <sup>7)</sup>	Y	N	Y
Withholding Tax :						
Number of Tax Treaties	34	44+	70+	50	30+	100+
Offshore Parent Company	0.00 %	0.00 %	27.00 %	15.00 %	0.00 %	15.00 % <sup>9)</sup>
Treaty Co Parent (maximum)	25.00 %	0.00 %	15.00 %	0.00 % <sup>5)</sup>	0.00 %	15.00 % <sup>10)</sup>
						1

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Country	Greece	Ireland	Italy	Luxembourg	Malta	Netherlands
Non-Resident Individual	25.00 %	0.00 %	27.00 %	15.00 %	0.00 %	15.00 % <sup>1)</sup>
Resident Individual	25.00 %	0.00 %	0.00 % <sup>8)</sup>	15.00 %	0.00 %	15.00 % <sup>2)</sup>
Income Tax Exemption for Resident Individual	100.00 %	0.00 %	60.00 %	50.00 %	0.00 %	0.00 % <sup>3)</sup>
Parent Subsidiary Directive						
Withholding Tax	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 % <sup>4)</sup>
Minimum Holding	20.00 %	5.00 %	25.00 %	10.00 % <sup>6)</sup>	0.00 %	20.00 %
Minimum Period (Months)	0	0	12	0	6	12
Disclosure						
Disclosure of Beneficial Owner	Y	Y	Y	Y	N <sup>7)</sup>	Y
Banking Secrecy	Y	Y	Y <sup>9)</sup>	Y	Y	Y
File Statutes	Y	Y	Y	Y	Y	Y
File Accounts	Y	Y	Y	Y	Y	Y

**Notes:**

**Luxembourg:**  
 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) upon payment of dividends, shareholders can apply for 6/7 or 5/7 of tax paid by the company upon such dividends  
 3) The company income tax rate is 35% however dividends distributed from passive income are eligible for 5 of 7 refund of the tax paid. I.e. 5 of 7 of 35 equals 25 refund. Dividends distributed from other income are eligible to 6 of 7 refund thus  
 4) Residents may opt for a deduction of 15% withholding tax on interest is considered as a final withholding tax and there would be no further payments or refunds  
 5) 1 when a physical person, otherwise 2  
 6) Dividends and capital gains are taxed at 35%. Non malta resident shareholders receive a full refund of tax paid by the company if

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investment in holding qualifies

7) 1 when a physical person, otherwise 2

8) an incorporation fee of a minimum of Lm 150 and a maximum of Lm 550 is payable on the authorised share capital upon registration of the company

9) Dividends are distributed net of tax and no withho

10) Dividends are distributed net of tax and no withho

11) Dividends are distributed net of tax and no withho

12) Dividends are distributed net of tax and no withho

13) Dividends are distributed net of tax and no withho

14) Dividends are distributed net of tax and no withho

Netherlands: 1) capital tax is abolished since January 1, 2006  
2) Additional Personal Income Tax 10%

Poland: 1) 20% or treaty - interest within EU will continue to be taxed on decreasing scale until 2013  
2) Actually Pln 50 000  
3) min. two for practical reasons but one is allowed  
4) one member of management board but also three members of mandatory supervisory board.  
5) treaties vary - EU + Switzerland: zero  
6) 20% or treaty  
7) only for limited liability company

Portugal: 1) There can also be income tax rates from 15% to 20% in some cases and areas in Portuguese territory.  
2) Exempt in case Directive 90/435/CEE.  
3) N/A  
4) Subject to tax, but not minimum tax rate  
5) Thin capitalization rules are applicable only to non-EU companies. Debt Equity Ratio is 2:1.  
6) In case beneficiary is an EU country 10% until 2010 and 5% from then onwards. 20% for non EU countries.  
7) I&D expenses can be deducted all in the same year they are incurred. There are also other benefits for contractual investments  
8) N/A  
9) Exempt to holding companies and Risk taking entities. Also exempt in case the capital contribution is made by transferring assets from other company.  
10) In case Directive 90/435/CEE. Other cases 20%.  
11) 12 months for exemption on dividends received; 24  
12) To the tax authorities.

Russia: 1) Capital gains exemption is not applicable when foreign shareholder sales its equity stake of company where real estate, located in Russian Federation exceeds 50% of its assets  
2) or 10 000 RUR  
3) maximum 50

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4) or 100 000 RUR 5) No exact data 6) Tax rate depends on type of income (dividends are						

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Country	Poland	Portugal	Romania	Russia	Spain	Sweden
Information up-to-date as at:	Jan. 1, 2007	Jan. 1, 2007	Apr. 17, 2007	Jan. 1, 2007	Jan.1, 2007	Jan. 1, 2007
Tax declaration deadline	March	May	April	March	July	July
Standard Corporate Tax Rate	19.00 %	25.00 % <sup>1)</sup>	16.00 %	24.00 %	30.00 %	28.00 %
Pre Tax Cash Available to Parent	€2.540.000	€2.540.000	€2.540.000	€2.540.000	€2.540.000	€2.540.000
Withholding Tax on Interest Paid	€50.000	€25.000	€40.000	€50.000	€45.000	€0
Withholding Tax on Dividend Paid	€334.381	€420.500	€294.976	€244.500	€398.700	€624.000
Corporate Tax	€530.100	€187.500	€446.400	€660.000	€75.000	€210.000
<b>Net Cash received by Parent Company</b>	<b>€1.625.519</b>	<b>€1.907.000</b>	<b>€1.758.624</b>	<b>€1.585.500</b>	<b>€2.021.300</b>	<b>€1.706.000</b>
Profit Before Interest and Tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Withholding Tax on Interest Paid	1.97 %	0.98 %	1.57 %	1.97 %	1.77 %	0.00 %
Withholding Tax on Dividend Paid	13.16 %	16.56 %	11.61 %	9.63 %	15.70 %	24.57 %
Corporate Tax	20.87 %	7.38 %	17.57 %	25.98 %	2.95 %	8.27 %
<b>Net Cash received by Parent Company</b>	<b>64.00 %</b>	<b>75.08 %</b>	<b>69.24 %</b>	<b>62.42 %</b>	<b>79.58 %</b>	<b>67.17 %</b>
<b>Dividends Exemption</b>						
Percentage Exempt	0.00 %	100.00 % <sup>2)</sup>	84.00 %	100.00 %	100.00 %	100.00 % <sup>1)</sup>
Minimum Holding	0.00 %	10.00 %	0.00 %	0.00 %	5.00 % <sup>1)</sup>	10.00 % <sup>2)</sup>
Minimum Holding Period (months)	0.00 %	0.00 %	0.00 %	0.00 %	12.00 %	12.00 %
<b>Capital Gains Exemption</b>						
Percentage Exempt	0.00 %	100.00 %	84.00 %	0.00 % <sup>1)</sup>	100.00 %	100.00 % <sup>3)</sup>
Minimum Holding	0.00 %	0.00 %	0.00 %	0.00 %	5.00 % <sup>2)</sup>	10.00 % <sup>4)</sup>
Minimum Holding Period	0.00 %	0.00 %	0.00 %	0.00 %	12.00 %	12.00 %

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**Holding Companies - 2007**

A European Comparison

Country	Poland	Portugal	Romania	Russia	Spain	Sweden
(months)						
Other Conditions						
Maximum Passive Income Allowed	0.00 %	100.00 %	<sup>3)</sup> 0.00 %	0.00 %	100.00 %	<sup>3)</sup> 100.00 %
Subject to Tax (minimum rate)	0.00 %	0.00 %	<sup>4)</sup> 0.00 %	10.00 %	0.00 %	<sup>4)</sup> 15.00 %
Trading Activities Allowed	Y	Y	Y	Y	Y	Y
Interest Expense Deduction						
Debt Equity Ratio	3:1	0:0	<sup>5)</sup> N/A	3:1	3:01:00	N
Related Interest Expense Allowed	Y	Y	Y	Y	Y	Y
Withholding Tax on Interest Paid	20.00 %	<sup>1)</sup> 10.00 %	<sup>6)</sup> 16.00 %	20.00 %	18.00 %	<sup>5)</sup> 0.00 %
Other Deductions						
Investment Cost write-down	N	Y	<sup>7)</sup> Y	N	Y	N <sup>5)</sup>
Goodwill write-off	N	N	N	N	Y	Y
Participation Exemption applies to:						
Partnerships	Y	Y	N	N	N	N
Permanent Establishment Of EU Company	Y	Y	Y	N	Y	N
Permanent Establishment Of Treaty Company	N	Y	Y	N	Y	N
Branch of Foreign Company	N	Y	Y	N	Y	N
Resident Company	N	Y	Y	N	Y	Y
Company Legal Form	Sp. z o.o.	LDA	LTD	LLC and CJSC	SL	AB
Minimum Capital (Euros)	€12.500	<sup>2)</sup> €5.000	€59	€291	<sup>2)</sup> €3.006	€11.000
Time to Form (weeks)	8	1	3	0	3	2
Shareholders	Y	Y	Y	Y	Y	Y

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**Holding Companies - 2007**

A European Comparison

Country	Poland	Portugal	Romania	Russia	Spain	Sweden
Minimum Number	1 <sup>3)</sup>	1	1	1 <sup>3)</sup>	1	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY
Corporate or Individual	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH
Directors	Y	Y	Y	Y	Y	Y
Minimum Number	1	1	1	1	1	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY
Corporate/Individual	INDIVIDUAL	BOTH	BOTH	BOTH	BOTH	BOTH
Company Legal Form	SA	SA	SA	OJSC	SA	AB Public
Min Capital (Euros)	€125.000	€50.000	€590	€2.910 <sup>4)</sup>	€60.102	€55.000
Time to Form (weeks)	8	1	3	0	3	2
Shareholders	Y	Y	Y	Y	Y	Y
Minimum Number	3	5	5	1	1	1
Nationality	ANY	ANY	ANY	ANY	ANY	ANY
Corporate or Individual	BOTH	BOTH	BOTH	BOTH	BOTH	BOTH
Directors	Y	Y	Y	Y	Y	Y
Minimum Number	1 <sup>4)</sup>	1	1	1	1	3
Nationality	ANY	ANY	ANY	ANY	ANY	ANY <sup>6)</sup>
Corporate/Individual	INDIVIDUAL	BOTH	BOTH	BOTH	BOTH	INDIVIDUAL
Capital Tax						
Capital Contribution Tax	0.50 %	0.00 % <sup>8)</sup>	0.00 %	0.00 %	1.00 %	0.00 %
Exemptions possible	N	Y <sup>9)</sup>	Y	N	Y	N
Withholding Tax :						
Number of Tax Treaties	100+	50	44	n/d <sup>5)</sup>	60	100+
Offshore Parent Company	20.00 %	20.00 %	16.00 %	15.00 % <sup>6)</sup>	18.00 %	30.00 %
Treaty Co Parent (maximum)	20.00 % <sup>5)</sup>	0.00 %	0.00 %	15.00 %	18.00 %	15.00 %
Non-Resident Individual	20.00 % <sup>6)</sup>	0.00 % <sup>1)</sup>	16.00 %	30.00 %	18.00 %	30.00 %

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A European Comparison

Country	Poland	Portugal	Romania	Russia	Spain	Sweden
			0)			
Resident Individual	20.00 %	20.00 %	16.00 %	9.00 %	18.00 %	30.00 %
Income Tax Exemption for Resident Individual	0.00 %	50.00 %	0.00 %	100.00 %	0.00 %	100.00 %
Parent Subsidiary Directive						
Withholding Tax	0.00 %	0.00 %	0.00 %	15.00 %	0.00 %	0.00 %
Minimum Holding	20.00 %	10.00 %	15.00 %	0.00 %	25.00 %	25.00 %
Minimum Period (Months)	24	0	1) 1)	24	0	12
Disclosure						
Disclosure of Beneficial Owner	Y	7)	Y	1) 2)	Y	Y
Banking Secrecy	Y	Y	Y	Y	N	N
File Statutes	Y	Y	Y	Y	Y	Y
File Accounts	Y	Y	Y	Y	Y	Y

**Notes:**

- 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) Between 18% 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.

- Switzerland**
- 1) Pure holding companies are only taxed at the Federal level, effective tax rate: 7.83%; no cantonal and communal income taxes for pure holding companies
  - 2) The tax administration has issued a detailed list of requirements that indicates the allowed maximum of debt in relation to certain assets

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**Holding Companies - 2007**

A European Comparison

- (e.g. 70%-80% for immovable property)
- 3) write-off period of 5 years
- 4) first Euro 666`666 (=CHF 1`000`000) are exempt
- 5) withholding tax must be paid and then reclaimed
- 6) GmbH: yes / AG: no

- United Kingdom:**
  - 1) 12 months after accounting year has ended
  - 2) capital gains are exempted if the selling company is a member of a trading group AND it has owned the shares sold for at least 12 months during the last 24 months AND the shares sold are shares in a trading company
  - 3) between 0 and 20 percent

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A European Comparison

Country	Switzerland	United Kingdom	
Information up-to-date as at:	Jan. 1, 2007	May 08 2007	
Tax declaration deadline	September	December	1)
Standard Corporate Tax Rate	21.32 %	30.00 %	1)
Pre Tax Cash Available to Parent	€2.540.000	€2.540.000	
Withholding Tax on Interest Paid	€0	€50.000	
Withholding Tax on Dividend Paid	€633.430	€0	
Corporate Tax	€480.200	€236.000	
<b>Net Cash received by Parent Company</b>	<b>€1.426.370</b>	<b>€2.254.000</b>	
Profit Before Interest and Tax	100.00 %	100.00 %	
Withholding Tax on Interest Paid	0.00 %	1.97 %	
Withholding Tax on Dividend Paid	24.94 %	0.00 %	
Corporate Tax	18.91 %	9.29 %	
<b>Net Cash received by Parent Company</b>	<b>56.16 %</b>	<b>88.74 %</b>	
<b>Dividends Exemption</b>			
Percentage Exempt	100.00 %	0.00 %	
Minimum Holding	20.00 %	0.00 %	
Minimum Holding Period (months)	0.00 %	0.00 %	
<b>Capital Gains Exemption</b>			
Percentage Exempt	100.00 %	100.00 %	2)
Minimum Holding	20.00 %	10.00 %	

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**Holding Companies - 2007**

A European Comparison

Country	Switzerland	United Kingdom
Minimum Holding Period (months)	12.00 %	12.00 %
Other Conditions		
Maximum Passive Income Allowed	100.00 %	20.00 %
Subject to Tax (minimum rate)	100.00 %	30.00 %
Trading Activities Allowed	Y	Y
Interest Expense Deduction		
Debt Equity Ratio	Y	<sup>2)</sup>
Related Interest Expense Allowed	Y	Y
Withholding Tax on Interest Paid	0.00 %	20.00 % <sup>3)</sup>
Other Deductions		
Investment Cost write-down	Y	N
Goodwill write-off	Y	<sup>3)</sup> Y
Participation Exemption applies to:		
Partnerships	N	N
Permanent Establishment Of EU Company	Y	Y
Permanent Establishment Of Treaty Company	Y	Y
Branch of Foreign Company	Y	Y
Resident Company	Y	Y
Company Legal Form	GmbH	LIMITED
Minimum Capital (Euros)	€13.000	€1
Time to Form (weeks)	2	1

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**Holding Companies - 2007**

A European Comparison

Country	Switzerland	United Kingdom
Shareholders	Y	Y
Minimum Number	1	1
Nationality	ANY	ANY
Corporate or Individual	BOTH	BOTH
Directors	Y	Y
Minimum Number	1	1
Nationality	ANY	ANY
Corporate/Individual	INDIVIDUAL	BOTH
Company Legal Form	AG	PLC
Min Capital (Euros)	€66.666	€73.000
Time to Form (weeks)	2	2
Shareholders	Y	Y
Minimum Number	1	1
Nationality	ANY	ANY
Corporate or Individual	BOTH	BOTH
Directors	Y	Y
Minimum Number	1	1
Nationality	Swiss Majority	ANY
Corporate/Individual	INDIVIDUAL	BOTH
Capital Tax		
Capital Contribution Tax	1.00 %	0.00 %
Exemptions possible	Y	Y
Withholding Tax :		
Number of Tax Treaties	100+	120+
Offshore Parent Company	35.00 %	0.00 %
Treaty Co Parent (maximum)	15.00 %	0.00 %

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**Holding Companies - 2007**

A European Comparison

Country	Switzerland	United Kingdom
Non-Resident Individual	35.00 %	0.00 %
Resident Individual	0.00 %	10.00 %
Income Tax Exemption for Resident Individual	0.00 %	0.00 %
Parent Subsidiary Directive		
Withholding Tax	0.00 %	0.00 %
Minimum Holding	20.00 %	0.00 %
Minimum Period (Months)	0	0
Disclosure		
Disclosure of Beneficial Owner	Y	Y
Banking Secrecy	Y	Y
File Statutes	Y	Y
File Accounts	Y	Y

**Notes:**

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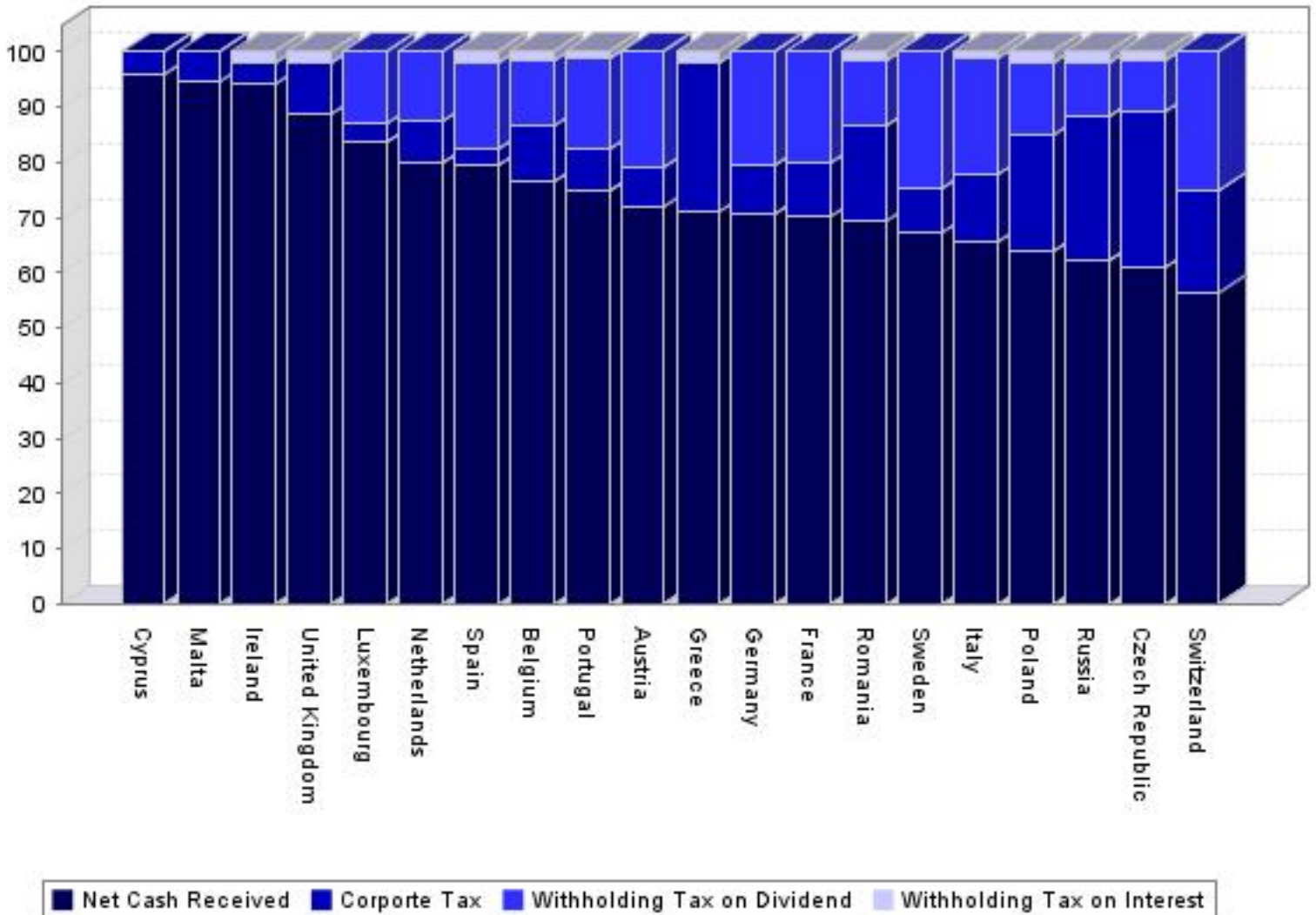
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