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Corporate Tax - 2008

A European Comparison

Country	Austria	Croatia	Cyprus	Czech Republic	France	Germany
Information up-to-date as at:	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008
Tax declaration deadline	September	April	December	March	April ¹⁾	December
Standard Corporate Tax Rate	25.00 %	20.00 %	10.00 %	21.00 %	33.33 %	28.11 % 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	€233.100	€102.160	€331.016	€397.666	€303.073
Profit after Tax	€725.969	€766.900	€897.840	€668.984	€602.334	€696.927
Withholding tax (Company, non-treaty country)	€181.492	€0	€0	€100.348	€150.584	€147.052
Dividend Distributed	€544.477	€766.900	€897.840	€568.636	€451.750	€549.876
Accounting profit before tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Effective Tax Payable	27.40 %	23.31 %	10.22 %	33.10 %	39.77 %	30.31 %
Profit after Tax	72.60 %	76.69 %	89.78 %	66.90 %	60.23 %	69.69 %
Withholding tax (Company, non-treaty country)	18.15 %	0.00 %	0.00 %	10.03 %	15.06 %	14.71 %
Dividend Distributed	54.45 %	76.69 %	89.78 %	56.86 %	45.18 %	54.99 %
Percentage of accounting profit received by shareholder if it is:						
An Individual who is:						
Country Resident	54.45 %	76.69 %	76.32 %	56.86 %	60.23 %	54.99 %
Treaty country resident	61.71 %	76.69 %	89.78 %	56.86 %	51.20 %	59.24 %
Non-treaty country resident	54.45 %	76.69 %	89.78 %	56.86 %	45.18 %	54.99 %
A company which is:						
EU-resident	72.60 %	76.69 %	89.78 %	56.86 %	60.23 %	69.69 %
Treaty country resident	65.34 %	76.69 %	89.78 %	56.86 %	51.20 %	66.21 %
Non-treaty country resident	54.45 %	76.69 %	89.78 %	56.86 %	45.18 %	54.99 %
Adjustments-Add backs						
Bad debts						
general provision	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 % ²⁾

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Country	Austria	Croatia	Cyprus	Czech Republic	France	Germany
specific provision	0.00 %	0.00 %	0.00 %	20.00 %	0.00 %	0.00 %
Pension contributions						
complimentary provision (not state)	0.00 %	0.00 %	0.00 %	0.00 %	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 %	0.00 %	100.00 %	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	Y ¹⁾	Y	Y ³⁾	Y ³⁾
Entertainment	50.00 %	70.00 %	0.00 % ²⁾	100.00 %	0.00 %	30.00 %
Cars - depreciation						
max purchase costs	€40.000	€55.000	€0	€0	€18.300	€0
max depreciation rate	12.50 %	40.00 %	20.00 %	20.00 %	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 %	0.00 % ³⁾	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	Y ¹⁾	N	Y	N ⁴⁾	N ⁴⁾
withholding tax	0.00 %	15.00 %	0.00 %	15.00 %	0.00 % ⁵⁾	0.00 %
Royalties (withholding tax max)	10.00 %	15.00 %	10.00 %	15.00 %	10.00 % ⁶⁾	20.00 % ⁵⁾
Company formation costs	0.00 %	0.00 %	100.00 %	0.00 %	0.00 %	0.00 %

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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 assets
Croatia:	1) 4:1 of the position of capital and reserves (but without revalorisation reserves)
Cyprus:	1) 3-4% buildings, 20% vehicles and computers, 10 % machinery and furniture 2) The deduction cannot exceed 1% of turnover or Euro17086 ,whichever is lower 3) 100% for saloon cars
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 15% / solidarity surcharge 5.5% up to corporation income tax / trade tax 12.28% 2) obligation to produce supporting documents of the average rate 3) depends on the assets invested: e.g. buildings: 3,0 % or useful life cars: 16,67 % hardware: 33,33 % 4) Interest Deduction Ceiling, sec. 4h Income Tax Act (ITA) and sec. 8a Corporate Income Tax Act (CITA) 5) sec. 50a, 50d, 50g Income Tax Act (ITA)
Greece:	1) There is no limit in the purchase cost

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Country	Greece	Hungary	Isle of Man	Italy	Liechtenstein	Luxembourg
Information up-to-date as at:	Jan. 1, 2008	Jan. 1, 2008	Jan 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008
Tax declaration deadline	May	May	January	July	June	May
Standard Corporate Tax Rate	25.00 %	20.00 % ¹⁾	0.00 %	27.50 %	15.00 % ¹⁾	22.88 %
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	€225.020	€0	€415.007	€130.434	€329.014
Profit after Tax	€699.200	€774.980	€1.000.000	€584.993	€869.566	€670.986
Withholding tax (Company, non-treaty country)	€0	€0	€0	€157.948	€34.783	€100.648
Dividend Distributed	€699.200	€774.980	€1.000.000	€427.045	€834.783	€570.338
Accounting profit before tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Effective Tax Payable	30.08 %	22.50 %	0.00 %	41.50 %	13.04 %	32.90 %
Profit after Tax	69.92 %	77.50 %	100.00 %	58.50 %	86.96 %	67.10 %
Withholding tax (Company, non-treaty country)	0.00 %	0.00 %	0.00 %	15.79 %	3.48 %	10.06 %
Dividend Distributed	69.92 %	77.50 %	100.00 %	42.70 %	83.48 %	57.03 %
Percentage of accounting profit received by shareholder if it is:						
An Individual who is:						
Country Resident	69.92 %	58.12 %	100.00 %	58.50 %	83.48 %	57.03 %
Treaty country resident	69.92 %	77.50 %	100.00 %	49.72 %	83.48 %	60.39 %
Non-treaty country resident	69.92 %	58.12 %	100.00 %	42.70 %	83.48 %	57.03 %
A company which is:						
EU-resident	69.92 %	77.50 %	100.00 %	58.50 %	83.48 %	67.10 %
Treaty country resident	69.92 %	77.50 %	100.00 %	49.72 %	83.48 %	60.39 %
Non-treaty country resident	69.92 %	77.50 %	100.00 %	42.70 %	83.48 %	57.03 %
Adjustments-Add backs						

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Country	Greece	Hungary	Isle of Man	Italy	Liechtenstein	Luxembourg
Bad debts						
general provision	100.00 %	100.00 %	0.00 %	100.00 %	90.00 % ²⁾	100.00 %
specific provision	100.00 %	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Pension contributions						
complimentary provision (not state)	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %	20.00 % ¹⁾
withholding tax	0.00 %	25.00 %	0.00 %	0.00 %	0.00 %	20.00 %
Non Executive Directors Fees						
add back	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
withholding tax (max)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	20.00 %
Depreciation						
acceptable for tax purposes	Y	Y	Y	Y	Y	Y
legal rates for tax purposes	Y	Y ²⁾	Y	Y	Y ¹⁾	Y ²⁾
Entertainment	100.00 %	100.00 %	0.00 %	66.70 %	0.00 % ²⁾	0.00 %
Cars - depreciation						
max purchase costs	€0 ¹⁾	€0	€0	€18.076	€60.000 ³⁾	€0
max depreciation rate	20.00 %	20.00 %	0.00 %	25.00 %	17.50 % ⁴⁾	0.00 %
max amount of depreciation	0.00 %	0.00 %	0.00 %	40.00 %	0.00 %	0.00 %
Cars - expenses						
max purchase costs	€0	€0	€0	€0	€0 ⁵⁾	€0
non-deductible percentage	0.00 %	0.00 %	0.00 %	40.00 %	0.00 %	0.00 %
Intercompany interest						
arm's length principle	Y	Y	Y	Y	Y	Y
debt/equity ratio (thin cap. rules)	N	1:3	N	N	N	6 : 1
withholding tax	20.00 %	0.00 %	0.00 %	12.50 %	0.00 %	0.00 %

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Country	Greece	Hungary	Isle of Man	Italy	Liechtenstein	Luxembourg
Royalties (withholding tax max)	20.00 %	0.00 %	0.00 %	10.00 %	0.00 %	0.00 %
Company formation costs	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Notes:

Hungary: 1) Corporate tax 16% + extra tax 4%=20%
 2) 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%

Italy: 1) 3% for building; 20% for vehicles, etc
 2) deductible 1/3 in 5 years

Liechtenstein in: 1) min. 7.5%, max. 15% on profit after tax
 2) Provision of 10% on domestic, 15% on foreign credits is allowed.
 3) In general no maximum, under the condition of business utilization
 4) 35% of book value or half of that rate of purchase value
 5) No maximum

Luxembourg g: 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) Company tax is 35% . Upon distribution of dividend 6/7 (or full refund in cases of participation exemption)will be refunded within 6 weeks to shareholder (individual or corporate). refund can remain in the company and accounted for as shareholders loan.
 3) Because of certain anti abusive tax provisions, residents do not benefit if they apply for tax refunds
 4) only actual bad debts are tax deductible
 5) unless it is a commercial vehicle
 6) 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	Malta	Netherlands	Norway	Poland	Portugal	Romania
Information up-to-date as at:	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008
Tax declaration deadline	September	June	May	March	May	April ¹⁾
Standard Corporate Tax Rate	35.00 % ¹⁾	25.50 % ¹⁾	28.00 %	19.00 %	25.00 % ¹⁾	16.00 %
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	€68.000	€254.040	€312.144	€290.000	€293.410	€308.000
Profit after Tax	€932.000	€745.960	€687.856	€710.000	€706.590	€692.000
Withholding tax (Company, non-treaty country)	€0	€111.894	€171.964	€134.900	€141.318	€110.720
Dividend Distributed	€932.000	€634.066	€515.892	€575.100	€565.272	€581.280
Accounting profit before tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Effective Tax Payable	6.80 % ²⁾	25.40 %	31.21 %	29.00 %	29.34 %	30.80 %
Profit after Tax	93.20 %	74.60 %	68.79 %	71.00 %	70.66 %	69.20 %
Withholding tax (Company, non-treaty country)	0.00 %	11.19 %	17.20 %	13.49 %	14.13 %	11.07 %
Dividend Distributed	93.20 %	63.41 %	51.59 %	57.51 %	56.53 %	58.13 %
Percentage of accounting profit received by shareholder if it is:						
An Individual who is:						
Country Resident	60.58 % ³⁾	63.41 %	49.53 %	57.51 %	56.53 %	58.13 %
Treaty country resident	93.20 %	63.41 %	58.47 %	63.90 %	60.06 %	58.13 %
Non-treaty country resident	93.20 %	63.41 %	51.59 %	57.51 %	56.53 %	58.13 %
A company which is:						
EU-resident	93.20 %	74.60 %	68.79 %	71.00 %	70.66 %	58.13 %
Treaty country resident	93.20 %	63.41 %	58.47 %	63.90 %	60.06 %	58.13 %
Non-treaty country resident	93.20 %	63.41 %	51.59 %	57.51 %	56.53 %	58.13 %
Adjustments-Add backs						

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Country	Malta	Netherlands	Norway	Poland	Portugal	Romania
Bad debts						
general provision	0.00 % ⁴⁾	0.00 %	100.00 %	100.00 %	100.00 % ²⁾	0.00 %
specific provision	0.00 %	0.00 %	100.00 %	100.00 %	0.00 %	0.00 %
Pension contributions						
complimentary provision (not state)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 % ¹⁾	0.00 %
withholding tax	0.00 %	0.00 %	0.00 %	0.00 %	0.00 % ²⁾	0.00 %
Non Executive Directors Fees						
add back	0.00 %	0.00 %	0.00 %	100.00 % ³⁾	0.00 %	0.00 %
withholding tax (max)	0.00 %	0.00 %	0.00 %	20.00 %	0.00 %	0.00 %
Depreciation						
acceptable for tax purposes	Y	Y	Y	Y	Y	Y
legal rates for tax purposes	Y	Y	Y	Y	Y	Y ³⁾
Entertainment	100.00 %	25.00 % ²⁾	100.00 %	0.00 % ⁴⁾	0.00 %	0.00 %
Cars - depreciation						
max purchase costs	€7.000 ⁵⁾	€0	€0	€20.000	€29.928	€40.000
max depreciation rate	25.00 %	20.00 %	20.00 %	20.00 %	25.00 %	12.50 %
max amount of depreciation	0.00 %	0.00 %	0.00 %	0.00 %	0.00 % ⁴⁾	0.00 %
Cars - expenses						
max purchase costs	€0	€0	€0	€0	€0	€0
non-deductible percentage	0.00 %	0.00 %	0.00 %	0.00 %	5.00 % ⁵⁾	0.00 %
Intercompany interest						
arm's length principle	Y	Y	Y	Y	Y	Y
debt/equity ratio (thin cap. rules)	N	3 : 1 ³⁾	N	3	N ⁶⁾	Y
withholding tax	0.00 %	0.00 %	0.00 %	0.00 % ⁵⁾	10.00 % ⁷⁾	0.00 %

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Country	Malta	Netherlands	Norway	Poland	Portugal	Romania
Royalties (withholding tax max)	10.00 % ⁶⁾	0.00 %	0.00 %	10.00 % ⁶⁾	10.00 % ⁸⁾	10.00 %
Company formation costs	0.00 %	0.00 %	0.00 %	0.00 % ⁷⁾	0.00 %	0.00 %

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) 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) Autonomous tax
 - 6) 2:1 only for non-EU companies
 - 7) 10% under the Directive nr. 2003/49/CE until 2010. 5% from then onwards.
 - 8) 10% under the Directive nr. 2003/49/CE
- Romania:**
- 1) 15 april
- 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

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- 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 than 400.000 rub (~11,90
- 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 company`s net assets (plus tax liabilities) than the following rule is applied. Nondeductible interests (and a tax of 15% is withheld) are calculated as a difference

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 research and development 33,3% ,computers and software 50% other investment 10%.
- 4) No limits
- 5) No limits
- 6) Depends on the ratio between privately 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

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A European Comparison

Country	Russia	Slovenia	Spain	Sweden	Switzerland	Ukraine
Information up-to-date as at:	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008
Tax declaration deadline	March ¹⁾	March	July	May	June	February ¹⁾
Standard Corporate Tax Rate	24.00 %	22.00 % ¹⁾	30.00 %	28.00 %	21.00 % ¹⁾	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	€286.732	€261.954	€395.150	€250.208	€210.000	€422.200
Profit after Tax	€713.268	€738.046	€604.850	€749.792	€790.000	€577.800
Withholding tax (Company, non-treaty country)	€106.990	€184.512	€108.873	€224.938	€276.500	€491.130
Dividend Distributed	€606.278	€553.534	€495.977	€524.854	€513.500	€86.670
Accounting profit before tax	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Effective Tax Payable	28.67 %	26.20 %	39.52 %	25.02 %	21.00 %	42.22 %
Profit after Tax	71.33 %	73.80 %	60.49 %	74.98 %	79.00 %	57.78 %
Withholding tax (Company, non-treaty country)	10.70 %	18.45 %	10.89 %	22.49 %	27.65 %	49.11 %
Dividend Distributed	60.63 %	55.35 %	49.60 %	52.49 %	51.35 %	8.67 %
Percentage of accounting profit received by shareholder if it is:						
An Individual who is:						
Country Resident	64.91 %	55.35 %	49.60 %	52.49 %	51.35 %	57.78 %
Treaty country resident	60.63 %	62.73 %	49.60 %	63.73 %	79.00 %	57.78 %
Non-treaty country resident	60.63 %	55.35 %	49.60 %	52.49 %	51.35 %	57.78 %
A company which is:						
EU-resident	60.63 %	73.80 %	60.49 %	74.98 %	79.00 %	57.78 %
Treaty country resident	60.63 %	62.73 %	49.60 %	74.98 %	79.00 %	57.78 %
Non-treaty country resident	60.63 %	55.35 %	49.60 %	52.49 %	51.35 %	57.78 %
Adjustments-Add backs						

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Country	Russia	Slovenia	Spain	Sweden	Switzerland	Ukraine
Bad debts						
general provision	0.00 % ²⁾	100.00 %	100.00 %	100.00 %	100.00 % ²⁾	0.00 %
specific provision	100.00 % ³⁾	100.00 %	0.00 % ¹⁾	0.00 %	0.00 %	0.00 %
Pension contributions						
complimentary provision (not state)	100.00 % ⁴⁾	50.00 % ²⁾	0.00 %	0.00 %	0.00 %	0.00 %
withholding tax	0.00 % ⁵⁾	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Non Executive Directors Fees						
add back	0.00 % ⁶⁾	50.00 %	0.00 %	0.00 %	0.00 %	0.00 %
withholding tax (max)	0.00 % ⁷⁾	0.00 %	18.00 %	0.00 %	0.00 %	0.00 %
Depreciation						
acceptable for tax purposes	N	Y	Y	Y	Y	Y
legal rates for tax purposes	Y ⁸⁾	Y ³⁾	Y	Y ¹⁾	Y ¹⁾	Y
Entertainment	0.00 %⁹⁾	50.00 %	100.00 %²⁾	0.00 %²⁾	0.00 %²⁾	0.00 %
Cars - depreciation						
max purchase costs	€0 ^{1 0)}	€0 ⁴⁾	€0	€0 ³⁾	€60.000	€0
max depreciation rate	32.43 % ^{1 1)}	20.00 %	16.00 %	30.00 %	40.00 %	0.00 %
max amount of depreciation	0.00 % ^{1 2)}	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Cars - expenses						
max purchase costs	€0 ^{1 3)}	€0 ⁵⁾	€0	€0	€0	€0
non-deductible percentage	0.00 % ^{1 4)}	0.00 % ⁶⁾	0.00 %	0.00 %	0.00 %	0.00 %
Intercompany interest						
arm's length principle	Y ^{1 5)}	Y ⁷⁾	Y	Y	Y	Y
debt/equity ratio (thin cap. rules)	Y ^{1 6)}	Y ⁸⁾	3 : 1 ³⁾	N	Y	
withholding tax	15.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

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Country	Russia	Slovenia	Spain	Sweden	Switzerland	Ukraine
Royalties (withholding tax max)	20.00 %	25.00 % ⁹⁾	10.00 % ⁴⁾	0.00 %	0.00 %	0.00 %
Company formation costs	100.00 %	0.00 % ¹⁰⁾	0.00 %	100.00 %	100.00 %	0.00 %

Notes:

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
 3) no maximum exists

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

Ukraine: 1) 10

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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A European Comparison

Country	United Kingdom	
Information up-to-date as at:	Feb 29, 2008	
Tax declaration deadline	August	1)
Standard Corporate Tax Rate	30.00 %	2)
Accounting profit before tax	€1.000.000	
Effective Corporate Tax Payable	€344.460	
Profit after Tax	€655.540	
Withholding tax (Company, non-treaty country)	€0	
Dividend Distributed	€655.540	
Accounting profit before tax	100.00 %	3)
Effective Tax Payable	34.45 %	
Profit after Tax	65.55 %	
Withholding tax (Company, non-treaty country)	0.00 %	
Dividend Distributed	65.55 %	
Percentage of accounting profit received by shareholder if it is:		
An Individual who is:		
Country Resident	65.55 %	
Treaty country resident	65.55 %	
Non-treaty country resident	65.55 %	
A company which is:		
EU-resident	65.55 %	
Treaty country resident	65.55 %	
Non-treaty country resident	65.55 %	

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Country	United Kingdom	
Adjustments-Add backs		
Bad debts		
general provision	100.00 %	
specific provision	0.00 %	
Pension contributions		
complimentary provision (not state)	0.00 %	
withholding tax	0.00 %	
Non Executive Directors Fees		
add back	0.00 %	
withholding tax (max)	0.00 %	
Depreciation		
acceptable for tax purposes	N	
legal rates for tax purposes	Y	4)
Entertainment	100.00 %	
Cars - depreciation		
max purchase costs	€0	
max depreciation rate	25.00 %	
max amount of depreciation	0.00 %	5)
Cars - expenses		
max purchase costs	€0	
non-deductible percentage	0.00 %	
Intercompany interest		
arm´s length principle	Y	
debt/equity ratio (thin cap. rules)	Y	6)

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Country	United Kingdom	
withholding tax	15.00 %	7)
Royalties (withholding tax max)	10.00 %	8)
Company formation costs	100.00 %	

Notes:

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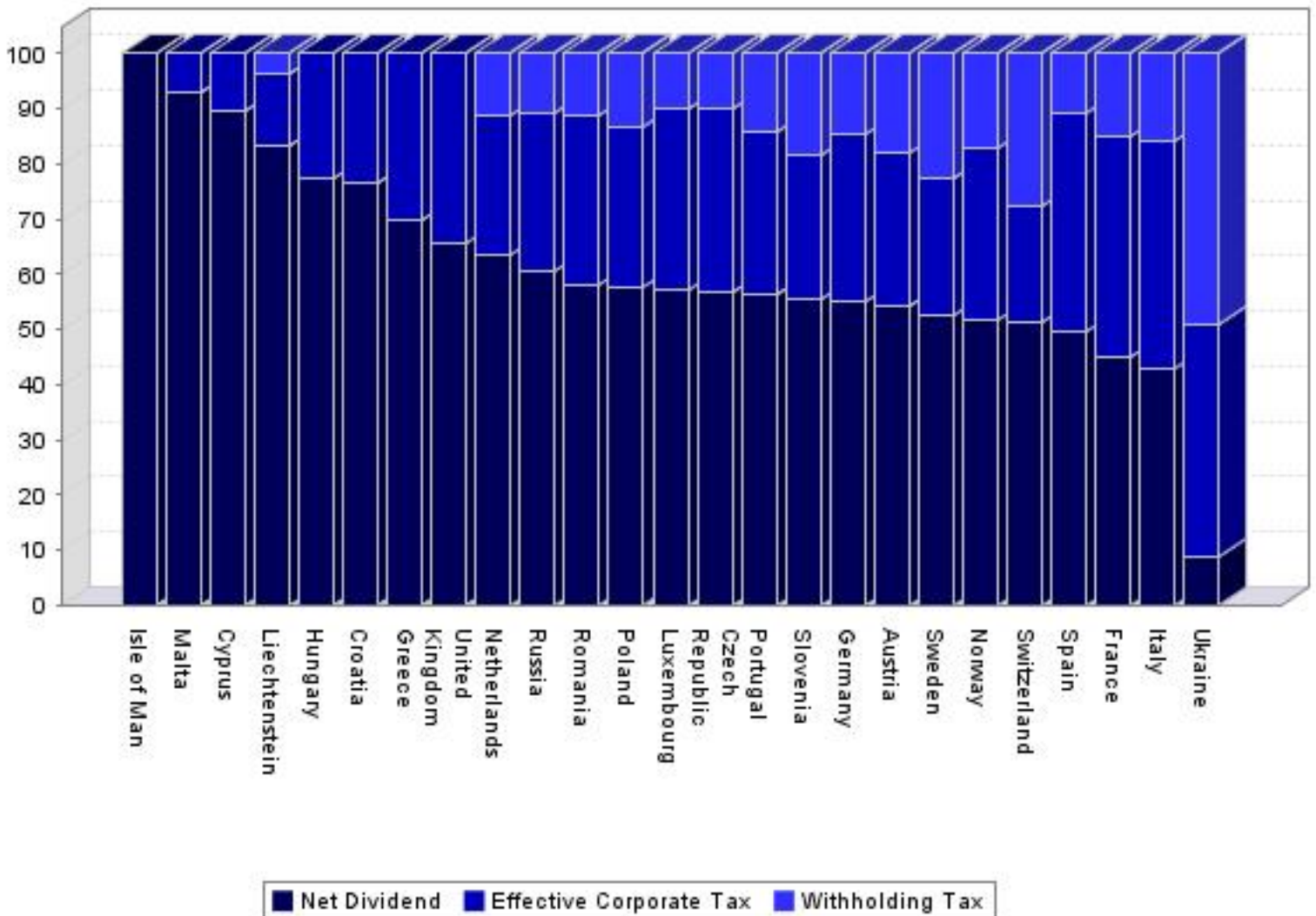
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