HOLDING COMPANIES OF EUROPE

COMPARISION OF REGIMES BY JURISDICTION

	AUSTRIA	BELGIUM	CYPRUS	DENMARK	FRANCE	GERMANY	IRELAND	ITALY	LUXEMBOURG	MALTA	NETHERLANDS	SPAIN	SWEDEN	SWITZERLAND	U.K.
CORPORATE TAX RATE	25%*	29.58%*	12.5%	22%	33.33% or 34.43%*	~30%*	12.5% or 25%	24%	26.01%*	35%*	25%	25%	22%	12.32% to 24.16%*	19%
PARTICIPATION EXEMPTION *Dividend / Cap. Gain*	Full / Varies*	Full / Full*	Full / Full*	Full / Full	Partial / Partial	Partial / Partial	Full / Full	Partial / Partial*	Full / Full	Full / Full	Full / Full	Full / Full	Full / Full	Partial / Partial*	Full / Full*
DIVIDENDS PAID *P.S.D. / Regular Rate*	0% / 27.5% Treaty Rate*	0% / 30% Treaty Rate	0%	0% / 22% Treaty Rate*	0% / 30% Treaty Rate*	0% / 26.38% Treaty Rate	0% / 20% Treaty Rate	0% / 26% Treaty Rate*	0% / 15% Treaty Rate	0% / None / Treaty Rate	0% / 15% Treaty Rate*	0% / 19% Treaty Rate*	0% / 30% Treaty Rate*	n/a / 35% Treaty Rate*	0% / None Treaty Rate*
DIVIDENDS RECEIVED *P/E / Regular Rate*	Fully exempt / 25%*	Fully exempt / 29%+	Generally exempt*	Fully exempt / 16.5%*	95% exempt / 33.33%+*	95% exempt / ~30%	Fully exempt / 12.5% or 25%*	95% exempt / 24%	Fully exempt / 18%+*	Fully exempt / 35%	Fully exempt / 25%	Fully exempt / 25%	Fully exempt / 30%	Partially exempt / 12.32% to 24.16%	Fully exempt / 19%
CAPITAL GAINS *P/E / Regular Rate*	Full / 25%	P/E / 25.5% or 29.57%*	Full / 20%*	Full / 22%*	88% exempt / 33.33%+*	95% exempt / ~30%*	Fully exempt / 33%	95% exempt / 24%*	Fully exempt / 18%+*	Fully exempt / 35%	Fully exempt / 25%	Fully exempt / 19%	Fully exempt / 22%*	Partially exempt / 12.32% to 24.16%	Fully exempt / 19%
DOUBLE TAXATATION RELIEF	Treaty; Credit; Exemption*	Treaty*; Credit	Treaty; Credit*	Treaty; Credit	Treaty; Deduction	Treaty; Credit; Deduction	Treaty; Credit; Deduction	Treaty; Credit	Treaty; Credit; Deduction	Treaty; Credit	Treaty; Credit; Exemption; Deduction*	Treaty; Credit; Exemption	Treaty; Credit; Exemption; Deduction	Treaty; Exemption; Deduction	Treaty; Credit; Deduction
TAX TREATIES	89	94	65	86	124	97	77	100	80	76	96	93	80	106	131
V.A.T. RATE	20%	21%	19%	25%	20%	19%*	23%	22%*	17%	18%*	21%	21%	25%*	7.7%*	20%
CAPITAL TAX **STAMP DUTY** **TRANSFER TAX**	No Yes Yes	No Yes Yes	Yes* Yes* Yes*	No No No	Yes Yes Yes	No Yes No	No Yes Yes	Yes Yes Yes	Yes* Yes* Yes	No* Yes Yes	No No Yes	Yes Yes Yes	No Yes* No	Yes Yes Yes	No Yes Yes

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C.F.C. RULES	No	No*	No*	Yes	Yes*	Yes	No	Yes	No	No	No	Yes	Yes	No	Yes
DEBT V. EQUITY	None; proposals*	5:1 ratio; Tax E.B.I.T.*	None	4:1 ratio / Asset Limit / Tax E.B.I.T.*	1.5:1 ratio; proposals*	General limit on interest*	None; proposals*	General limit on interest*	None*	None	None; proposals*	General limit on interest*	Limit on interest; proposals*	Generally, 70-85% of debt	General limit on interest*
TRANSFER PRICING RULES	Based on O.E.C.D. rules	Based on O.E.C.D. rules	Based on O.E.C.D. rules*	Based on O.E.C.D. rules	Based on O.E.C.D. rules	Based on O.E.C.D. rules	Limited*	Based on O.E.C.D. rules	Based on O.E.C.D. rules	None	Based on O.E.C.D. rules	Based on O.E.C.D. rules	Based on O.E.C.D. rules	None	Based on O.E.C.D. rules
PATENT BOX REGIME	No	Yes*	Yes*	No	No	No	Yes*	Yes*	Yes*	Regime phasing out*	Yes*	Yes*	No	Yes*	Yes*
C.R.S.	Adopted	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Early Adopter	Adopted	Early Adopter
B.E.P.S. ACTION PLAN	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active	Active
MULTILATERAL INSTRUMENT	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory	Signatory
A.T.A.D.	Implement by 2019	Implement by 2019	Implement by 2019	Implement by 2019	Transitional Extension*	Implement by 2019	Implement by 2019*	Implement by 2019	Transitional Extension*	Implement by 2019	Implement by 2019*	Implement by 2019	Implement by 2019	Not Applicable	May Implement*
F.A.T.C.A. I.G.A.	Model 2	Model 1	Model 1	Model 1	Model 1	Model 1	Model 1	Model 1	Model 1	Model 1	Model 1	Model 1	Model 1	Model 2	Model 1

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ADDITIONAL INFORMATION

CORPORATE TAX RATE

AUSTRIA A minimum tax of 5% of the statutory minimum share capital is also levied.

BELGIUM The 29.58% rate includes a 2% austerity surcharge on the (29%) basic corporation tax rate.

FRANCE When taxable profits are greater than €2,289,000, a 3.3% additional social contribution may apply on the portion of the C.I.T. that exceeds €763,000. The effective tax rate on the excess is 34.43%.

GERMANY While the regular rate is set at 15%, the effective rate is approximately 30%. This rate is obtained by multiplying the regular corporate tax rate of 15% by a 5.5% solidarity surcharge and by adding a municipal trade tax that may vary from 7% to 17%.

LUXEMBOURG The 26.01% rate is applicable in Luxembourg City. The general corporate rate is 18%. A 7% surcharge applies, which results in a rate of 19.26%. Luxembourg City adds a 6.75% municipal business tax.

MALTA Certain types of income may be taxed separately at the source. Bank interest may be taxed at the source at the rate of 15% upon an election to that effect by the taxpayer. The final tax on gains from a real property transfer, when performed as a one-off transaction and not by a company whose trade is real property speculation, is a withholding tax of 8% calculated on the value of the property transferred. A few exceptions may also result in different tax rates, ranging between 2% and 10%, depending on the circumstances of the particular case.

SWITZERLAND The general Federal corporate tax rate is 8.5%.Taking into account the fact that this tax is deductible, the effective Federal corporate rate is 7.8%. However, cantonal and communal taxes also apply at the local level. Lucerne has an overall 12.32% rate; Appenzell and Ausserrhoden have a 13.04% rate; Obwalden has a 12.74% rate; Nidwalden has a 12.66% rate; Zug has a 14.60% rate; Zürich has a 21.15% rate; and Geneva has a 24.16% rate. If tax reform comes into effect, certain cantons may reduce their cumulative rates.

DIVIDENDS RECEIVED

AUSTRIA Two exemption regimes apply: a participation exemption (i) for dividends received from E.E.A. and treaty countries or (ii) for dividends received from qualifying international participations.

CYPRUS The 17% special defense tax only applies to Cypriot physical persons.

DENMARK Dividends may be exempt even if below the 10% participation exemption ownership requirementfor consolidated groups.

FRANCE Interest on a debt-financed acquisition of shareholdings is deductible.

GERMANY The approximate rate refers to the estimated effective regular corporation tax rate after surcharges and municipal trade taxes.

IRELAND Dividend distributions received from another Irish company are generally exempt. However, dividends received from foreign subsidiaries do not qualify for a participation exemption. Instead, Ireland operates a system of both treaty credit relief and unilateral credit relief, whereby credit for foreign tax is available against Irish tax on dividends received from certain foreign shareholdings. The tax rate on dividends received from a non-Irish corporation is either 12.5% (forc ertain dividends paid out of trading profits) or 25%.

LUXEMBOURG There is a 50% exemption for certain dividends not qualifying under the participation exemption, which then are subject to tax under general corporate rates.

U.K. In principle, dividends received by U.K. holding companies are subject to tax unless specifically exempt. However, the exemptions available are broad, and most distributions received will fall under one of them.

DIVIDENDS PAID

AUSTRIA Under most tax treaties, withholding tax is ordinarily reduced to 15% for portfolio dividends and 5% for non-portfolio dividends. In some cases, withholding tax may be eliminated entirely.

DENMARK If a dividend is not covered by the P.S.D., it is subject to 22% withholding. However, a refund will be provided if this rate is then reduced by a treaty.

GERMANY The statutory withholding tax rate is 25% (plus a 5.5% solidarity surcharge). Foreign corporations may claim a refund of two-fifths of the withholding tax (the effective withholding tax rate is 15% plus solidarity surcharge). Germany has also enacted anti-treaty shopping and anti-directive-shopping rules regarding the use of intermediate holding companies. These rules may deny reduced withholding tax rates under certain circumstances.

ITALY To qualify for the P.S.D. exemption, a minimum holding period of 1 year and a minimum shareholding of 10% is required. E.U. companies not covered by the P.S.D. are subject to a withholding rate of 1.20%.

NETHERLANDS Under certain conditions, the dividend withholding tax may be reduced by 3% in order to compensate for foreign withholding taxes that cannot be claimed as a credit by the holding company by virtue of the participation exemption.

SPAIN Dividends distributed out of qualified exempt income (i.e., dividends and capital gains that were exempt from tax at the level of the Spanish holding company) are not subject to withholding tax unless the recipient is resident in a country or territory that is considered a tax haven by Spain.

SWEDEN If the shares in the distributing company are deemed business-related shares under the participation exemption regime and the dividend (or capital gains at disposal of the shares) would have been tax exempt if the entity holding the shares had been a Swedish company, the dividend is exempt from withholding tax.

SWITZERLAND In many cases, a full or partial refund of Swiss withholding tax is available by following notification procedures. Under the Swiss-E.U. Savings Tax Agreement, dividends paid to any E.U. parent company may receive a full refund of withholding tax if the parent controls at least 20% of the Swiss subsidiary (or a lesser percentage, as provided by an applicable tax treaty). For shareholders resident in other countries,

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dividend distributions may be subject to reduced Swiss withholding tax. The notification procedures should be available if the requirements of the relevant double tax treaty are met and permission for partial relief at the source has been obtained prior to distribution.

U.K. The U.K. does not impose withholding tax on dividends to nonresident shareholders as a matter of domestic law. However, a 20% withholding tax applies to property income distributions paid in relation to certain qualifying activities by R.E.I.T.'s that are resident in the U.K. This may be reduced by an applicable income tax treaty. A company will not be able to qualify as a R.E.I.T. if it has corporate shareholders with a 10% or greater participation. In those circumstances, tax will be withheld at the rate applicable to portfolio dividends.

PARTICIPATION EXEMPTION

BELGIUM The 0.412% rate applies to corporate recipients other than small and medium-sized enterprises. Shares held for less than one year are taxed at a special flat rate of 25.5%.

CYPRUS The participation regime is not applicable to capital gains from real estate transactions involving real estate situated in Cyprus.

ITALY Classified as financial fixed assets, the subsidiary must be resident in a country which is not considered as black listed and must be engaged in an active business.

SWITZERLAND Corporation tax is reduced proportionally to dividend over total income.

U.K. Also known as the "Substantial Shareholding Exemption."

CAPITAL GAINS

BELGIUM In summary, for 2018 and 2019, capital gains on shares are exempt provided that all conditions (participation or acquisition value, holding period, and subject to tax) are met. Capital gains are taxed at 25.5% if the one-year holding period requirement is not met and at 29.58% if the participation or taxation condition is not met. From 2020 onward, capital gains on shares are either (i) taxed at the standard rate (25%) if one or more of the conditions are not met or (ii) exempt if all conditions are met.

CYPRUS The 20% rate only applies for real estate situated in Cyprus.

DENMARK Exemptions also apply to consolidated groups and unlisted companies that are not part of a consolidated group and not covered by the participation exemption.

FRANCE Interest on a debt-financed acquisition of shareholdings is deductible.

GERMANY The rate is the estimated effective corporation tax rate after surcharges and municipal trade taxes.

ITALY In order to qualify for the participation exemption, the shares sold must be classified as financial fixed assets and must be held for an uninterrupted period of 12 months prior to disposal, and the subsidiary must be resident in a country which is not considered as black listed and must be engaged in an active business.

LUXEMBOURG Capital gains are taxable up to the amount of previously deductible expenses that are linked to the exempt participation. Such taxable amount can be offset against available losses (carried forward).

SWEDEN If taxable, capital gains will be taxed at the corporate rate of 22%.

U.K. This rate is higher (28%) for capital gains realized on disposals of high value (over £500,000) residential real estate assets.

DOUBLE TAX RELIEF

AUSTRIA Treaty relief is mandatory. The credit method applies to all foreign-source income that is neither exempt from taxation nor subject to a tax treaty. A credit may be available for foreign withholding tax levied on foreign-source (i) interest (where the credit may be reduced based on a debt-funding ration) and (ii) royalties.

BELGIUM Treaty relief is mandatory.

FRANCE Most tax treaties entered into by France provide for a reduced rate of dividend withholding tax, generally ranging from 25% to 5%, and in some cases allow for zero withholding. The rate of withholding is 75% for payments made to persons resident in countries on France's list of non-cooperative countries and territories.

ITALY Excess credits may be carried back and carried forward over an eight-year period.

LUXEMBOURG Treaties supersede domestic law, unless domestic law is more favorable.

NETHERLANDS Tax treaties take priority over domestic law. Foreign taxes may be deductible as expenses if no other method applies.

SPAIN Foreign tax credits on non-exempt foreign-source income may be credited against the 25% corporation income tax, limited to the corporation income tax payable on the foreign-source income. For taxpayers with an annual turnover exceeding €20 million, foreign tax credits will be limited to 50% of the tax due before the deduction of the credit. Credits not deducted may be carried forward and deducted in subsequent tax years.

V.A.T.

GERMANY A reduced rate of 7% applies in some areas.

ITALY The rate may be increased to 24.2% in 2019, to 24.9% in 2020, and to 25% from 2021 onward. These increases may be avoided if alternative measures are impemented that guarantee the same tax revenue.

MALTA Reduced rates of 7% and 5% may apply.

SWEDEN A lower V.A.T. rate may apply depending on the type of goods or service.

SWITZERLAND A Swiss holding company may be subject to V.A.T. at the standard rate if it provides services and receives management fees from affiliates or other service income in excess of CHF 100,000 per year. V.A.T.

may be recovered by the payer if it is a supplier of taxable goods and services. In addition, the holding company may be entitled to recover V.A.T. on payments made to others, such as consultants and auditors.

OTHER TRANSFER LEVIES

CYPRUS Capital tax is only applied on the issue of share capital 0.6% on authorized share capital. Stamp duty does not apply to transactions abroad or assets outside of Cyprus. Transfer tax applies to real estate in Cyprus.

GERMANY No capital tax or transfer tax as such are levied. Registration fees may however apply. Transfer taxes are mainly related to real estate transactions.

LUXEMBOURG Capital duties and stamp duties are nominal.

MALTA Maltese law does not prescribe any capital taxes upon incorporation but does provide for a company registration fee, payable on the basis of the authorized share capital of the company. The fee ranges from €245 to €2,250. Lower fees apply if the incorporation documents are filed electronically.

SWEDEN Stamp duty applies only to real estate.

C.F.C. RULES

BELGIUM A C.F.C. regime will be introduced in 2019.

CYPRUS Implementation of C.F.C. legislation is under discussion.

FRANCE Trusts are among the targeted foreign structures.

DEBT V. EQUITY RULES

AUSTRIA A general limitation on interest payments has been proposed.

BELGIUM Under new legislation as of December 25, 2018, there is no deduction for net interest in excess of 30% of E.B.I.T.D.A. (as specifically defined in the new legislation).

DENMARK Under the Asset Limitation Rule, net financing expenses exceeding DKK 21,300,000 are capped at 2.9% of the tax basis of operating assets. Under the E.B.I.T. Limitation Rule, net financing expenses exceeding DKK 21,300,000 are capped at 80% of E.B.I.T.

FRANCE Under proposals, no deduction would be allowed on net interest in excess of 20% of E.B.I.T.D.A.

GERMANY No deduction applies for interest payments in excess of 30% of E.B.I.T.D.A. In Germany, the general limitation rule is also known as the “interest deduction ceiling.”

IRELAND Under proposals, no deduction would be allowed on net interest in excess of 30% of E.B.I.T.D.A. Implementation is deferred until January 1, 2024.

ITALY The general limitation applies on the amount of the payment in excess of earned interest, if any. The excess amount is only deductible up to 30% of E.B.I.T.D.A.

LUXEMBOURG In practice, a ratio of 85:15 is applied to the financing of qualifying subsidiaries.

NETHERLANDS Base eroding loans are nondeductible. An E.B.I.T.D.A.-based limitation is expected by 2019.

SPAIN No deduction applies for net interest expense in excess of 30% of E.B.I.T.D.A.

SWEDEN There is an intercompany interest deduction limitation based on commercial justification for borrowing. A proposed bill would introduce a general limitation of interest deductibility to 30% of E.B.I.T.D.A.

U.K. The thin capitalization rules are part of the U.K.’s transfer pricing legislation. No deduction applies for net interest expense in excess of 30% of E.B.I.T.D.A.

TRANSFER PRICING

CYPRUS Circular No. 3, which was issued in 2017, introduced detailed transfer pricing rules concerning intragroup back-to-back financing arrangements.

IRELAND Irish transfer pricing legislation does not apply to small and medium-sized enterprises. It is based on O.E.C.D. recommendations.

PATENT BOX

BELGIUM The former Patent Box regime has been abolished as of July 1, 2016. The benefits under the former regime phase out by 2021. The new regime is aligned with the B.E.P.S. Action Plan.

CYPRUS Cyprus has aligned its Patent Box regime with the B.E.P.S. Action Plan to reach full compliance with the “nexus approach.” Benefits under the prior Cypriot Patent Box regime phase out by 2021.

IRELAND The Knowledge Development Box was introduced in Ireland in 2015. Qualifying income is taxed at an effective reduced corporation tax rate of 6.25%. The K.D.B. is in line with the B.E.P.S. Action Plan.

ITALY A 50% exemption is granted from corporation income tax on income derived from certain intangible assets. I.P. income is determined using a ratio of qualifying expenses to overall expenses. An exemption also exists for capital gains arising from the disposal of such assets if certain qualifications are met. The Patent Box regime is aligned with the B.E.P.S. Action Plan.

LUXEMBOURG The former patent box regime has been abolished as of July 1, 2016. The benefits under the former regime will phase out by 2021. A new I.P. regime was introduced and is applicable as of January 1, 2018. The new regime is in line with the B.E.P.S. Action Plan.

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