Baker & McKenzie

Headquarter Jurisdictions Around the World:

A Comparison

2016

Austria

Belgium

Cyprus

Dubai

Hong Kong

Ireland

Luxembourg

The Netherlands

Singapore

Spain

Switzerland

United Kingdom

Headquarter jurisdictions around the world: a comparison

There are various aspects that can play a significant role when choosing a jurisdiction for establishing your international headquarters, such as the local tax regime, the flexibility of the corporate law system, the business environment and infrastructure.

International headquarters are generally established to actively manage the operations of (foreign) subsidiaries, which could be combined with active operations and/or financing and licensing activities.

The aim of this comparison is to give a general overview of the main tax aspects related to establishing headquarters in the most common jurisdictions in Asia, Europe and the Middle East.

The jurisdictions included in this comparison have been selected based on numerous factors, including the frequency of their use in our practice. Nonetheless, the inclusion (or non-inclusion) of a particular jurisdiction does not entail any preference by Baker & McKenzie. We recommend using this brochure only as a tool for preliminarily comparing the most relevant tax aspects of the selected headquarter jurisdictions, and not as a substitute for obtaining local tax advice.

We are very grateful for the contributions of our colleagues at the various selected Baker & McKenzie offices and our following third-party contributors:

Cyprus - Dr. K. Chrysostomides & Co LLC
Ireland - Matheson
Dubai - The Cragus Group

The information contained in this comparison is based on the applicable laws in 2016.

Key abbreviations

APA - Advance Pricing Agreement
CFC - Controlled Foreign Company
CIT - Corporate Income Tax
DRD - Dividend Received Deduction
DTT - Double Tax Treaty
EEA - European Economic Area
EU - European Union
GAAR - General Anti-Abuse Rule
IRD - The Interest and Royalty Directive; Council Directive 2003/49/EC of June 3, 2003, on a common system of taxation applicable to interest and royalty payments made between associated companies of different EU Member States
PER - Participation Exemption Regime
PSD - The Parent Subsidiary Directive; Council Directive 2011/96/EU of November 30, 2011, on the common system of taxation applicable in the case of parent companies and subsidiaries of different EU Member States
WHT - Withholding Tax

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1 Taxation at the company level

1.1 Corporate income tax ("**CIT**") rate

	SHORT ANSWER	NOTES
Austria	25%	The CIT rate in Austria is 25%.
Belgium	33.99%	The CIT rate in Belgium is 33.99%.
Cyprus	12.50%	The CIT rate in Cyprus is 12.5%.
Dubai	0%	Dubai is one of the seven emirates within the United Arab Emirates ("**UAE**"). The UAE is a federation. The other six emirates are Abu Dhabi, Ajman, Fujeirah, Ras Al Khaimah, Sharjah and Um Al Quawain. There is currently no federal tax legislation. Each emirate has its own tax rules; with the CIT rate being typically at graduated rates up to 50%. Whilst there is tax legislation in the emirates, in practice, tax is only imposed on oil producing activities and on branches of foreign banks. The tax on oil companies is based on agreements between the oil companies and the government, and may be supplemented by the applicable income tax decree of the emirate. The tax on banks is based on specific regulations within the respective emirates; banks are generally taxed on 20% of their profits as adjusted based on the regulations. Therefore, for practical purposes, the tax rate of a holding company in Dubai is 0%. Foreign-owned holding companies are nonetheless typically established in free zones in order to enable them to be wholly owned by foreigners (since outside of the free zone, a foreigner's maximum shareholding is typically limited to 49%) and to secure the tax free status of the company.
Hong Kong	16.5%	The CIT rate in Hong Kong is 16.5%.
Ireland	12.5% or 25%	The CIT rate in Ireland is 12.5% on trading profits and 25% generally on passive income.

	SHORT ANSWER	NOTES
Luxembourg	29.22%	The CIT rate in Luxembourg city is 29.22%. This rate includes 21% CIT, 7% surcharge for the employment fund on the CIT, and 6.75% municipal business tax.
Netherlands	20%, 25%	The CIT rate in the Netherlands is 20% on the first EUR 200,000 of taxable profits, and profits exceeding EUR 200,000 are taxed at a rate of 25%.
Singapore	17%	The CIT rate in Singapore is 17%.
Spain	25%	The CIT rate in Spain is 25%.
Switzerland	7.8% up to 24%	The CIT rate in Switzerland (including federal, cantonal/communal CITs) ranges from 11% to 24% (taking into account the tax deductibility of the CIT itself), depending on the location of the corporate seat. However, Swiss tax law exempts pure holding companies from cantonal/communal CIT on any type of income (with the exemption of capital gains on Swiss real estate). Consequently, pure holding companies will be subject to federal CIT at the rate of 7.8% (taking into account the tax deductibility of the CIT itself).
United Kingdom	20%	The CIT rate in the United Kingdom is 20%.

1.2 Taxation of dividends received from domestic and foreign subsidiaries

	SHORT ANSWER	NOTES
Austria	Domestic subsidiary dividends generally 100% exempt Foreign subsidiary dividends exempt under certain conditions	Dividends received from another Austrian tax resident company are generally exempt from corporate income tax ("**CIT**"). Dividends received by an Austrian tax resident from foreign participations are generally exempt if the following conditions are met: With regard to participations exceeding 10% "substantial participation", if: (i) the parent company holds, directly or indirectly, at least 10% of the equity of the subsidiary; (ii) the shares have been held continuously for at least one year; and (iii) the foreign entity is comparable to an Austrian entity or is an entity mentioned in the Parent Subsidiary Directive ("**PSD**"). With regard to portfolio participations (less than 10% shareholding), if: (i) the dividend paying company is comparable to an Austrian company; and (ii) the dividend paying company is resident in a country with which an agreement on comprehensive administrative assistance is in place (not required for European Union ("**EU**") companies). Dividends derived from portfolio participations will, in any event, be subject to tax based on a shift from the exemption to the credit system, if the foreign company derives mainly passive income and is either tax exempt or not subject to a tax comparable with Austrian CIT, if the profits of the foreign company are subject to a tax rate which is more than 10% less than Austrian CIT or if the foreign company is subject to an individual tax exemption. Under certain conditions, a shift from the exemption to the credit system will also take place for substantial participations. Dividends that are treated as a tax deductible expense in the country of the payor are not covered by the participation exemption and are fully taxable at ordinary CIT rates.

	SHORT ANSWER	NOTES
Belgium	Domestic subsidiary dividends 95% exempt Foreign subsidiary dividends 95% exempt under certain conditions	Dividends received by a Belgian company from foreign and domestic subsidiaries can benefit from the dividend received deduction ("**DRD**"), which provides for a 95% deduction of any qualifying dividend (net of foreign withholding tax, if any) received. The remaining 5% is part of the taxable base, resulting in an effective tax of approximately 1.7% (100 x 5% x 33.99%). However, this 5% tax basis is often reduced or eliminated in practice by interest or other expenses at the Belgian parent company level. For the DRD to apply, the following conditions need to be met: (i) The Belgian company holds a minimum participation of at least 10% in the distributing company or a minimum participation with an acquisition value of at least EUR 2.5 million. (ii) The shares are held in full ownership for at least one year (this minimum holding period must not necessarily be completed upon distribution of the dividend, but can also be completed afterwards); and (iii) The so-called "subject-to-tax condition" is satisfied, which is composed of five exclusion rules and exceptions thereto. The five exclusion rules apply respectively to: a. dividends received from tax haven companies or companies which are not subject to CIT or an equivalent foreign tax; b. dividends from financing companies, investment companies or treasury companies which are subject to a tax regime with specific advantages, which are not available to all tax payers in their country of residence; c. dividends coming from offshore income realized by the distributing company, to the extent that such offshore income benefits from a special (distinct) tax regime with specific advantages, which are not available to all tax payers d. dividends coming from profits that the distributing company realizes through a foreign branch and which are subject to a consolidated tax regime that is substantially more advantageous than that in Belgium; and e. dividends from intermediary (holding) companies that come from dividend income received, of which 10% or more would be excluded from the DRD in case of direct participation on the basis of any of the above rules. There are exceptions to most of these exclusion rules, particularly for participations held in other companies within the EU.
Cyprus	Domestic and foreign subsidiary dividends are generally 100% exempt	Dividends received from domestic and foreign subsidiaries are generally exempt from CIT. Such dividends are also exempt from Special Defence Contribution tax, unless: (i) more than 50% of the revenue of the subsidiary paying the dividend comes from investments; and (ii) the CIT in the country where the subsidiary is incorporated is lower than 6.5%.
Dubai	None	Dubai does not levy a tax on dividends received from domestic and foreign subsidiaries.

	SHORT ANSWER	NOTES
Hong Kong	Domestic and foreign subsidiary dividends are 100% exempt	Dividends received from foreign and domestic subsidiaries are exempt from CIT in Hong Kong.
Ireland	Domestic subsidiary dividends are generally 100% exempt Foreign subsidiary dividends are taxable at a rate of 12.5% or 25%	Dividends received from another Irish tax resident company are generally exempt from CIT. The 12.5% rate generally applies to certain trading dividends from subsidiaries resident in a EU Member State (other than Ireland), in a country with which Ireland has a double tax treaty ("**DTT**"), in a country which has ratified the Convention on Mutual Assistance in Tax Matters or whose principal class of shares (or the shares of a 75% parent company) is traded on a recognised stock exchange. The 25% rate generally applies to other dividends received from foreign subsidiaries. Ireland has a credit system where the tax payable on foreign dividends is creditable against the Irish CIT due (on a "net" basis). Excess foreign credits can generally be carried forward to subsequent periods.
Luxembourg	Domestic and foreign subsidiary dividends are taxable at a rate of 29.22% or 100% exempt under conditions	Dividends received by Luxembourg qualifying parent companies from resident and foreign subsidiaries are generally taxable at the aggregate CIT and municipal business tax rate of 29.22% However, dividends are exempt from CIT and municipal business tax, as per the participation exemption regime ("**PER**"), if the following conditions are met: (i) The holder of the shareholding ("Parent") is: a. a Luxembourg resident fully taxable "entity" incorporated under one of the (legal) forms listed in the appendix to paragraph (10) of Article 166 of the Luxembourg income tax law; b. a Luxembourg resident fully taxable "share capital company" not listed in the appendix of paragraph (10) of Article 166 of the Luxembourg income tax law; c. a Luxembourg permanent establishment of an entity covered by Article 2 of the amended PSD; d. a Luxembourg permanent establishment of a "share capital company" resident in a state with which Luxembourg has concluded a DTT; or e. a Luxembourg permanent establishment of a "share capital company" or of a cooperative company which is resident in a state which is party to the European Economic Area Agreement other than a Member State of the EU. (ii) The distributing subsidiary ("Subsidiary") is: a. an entity covered by Article 2 of the PSD; or, b. a Luxembourg resident fully taxable "share capital company" not listed in the appendix of paragraph (10) of Article 166 of the Luxembourg income tax law; or, c. a non-resident "share capital company" fully subject to a tax corresponding to Luxembourg CIT. This condition should be met if the foreign company is subject to income tax at a statutory tax rate at least equal to half of the CIT (excluding unemployment surcharge), i.e., 10.5% as at January 1, 2016. In addition, the tax basis of the company must be comparable to the tax basis that would result from application of Luxembourg rules and methods relating to the determination of the tax basis applicable to a fully taxable Luxembourg resident company.

	SHORT ANSWER	NOTES
		(iii) On the date the income is placed at the disposal of the Parent, the latter holds or commits to hold the Subsidiary for an uninterrupted period of at least 12 months ("Holding Period") and, throughout that whole period, the shareholding in the Subsidiary represents at least 10% of the share capital of the latter or its acquisition price amounts to at least EUR 1.2 million ("Threshold Criteria"). As from January 1, 2016, dividends received by a Parent from a Subsidiary that is resident in another EU Member State and is covered by Article 2 of the PSD do not benefit from the aforementioned CIT and municipal business tax exemption if the said dividends: (i) are tax deductible in the other relevant EU Member State; or (ii) are allocated as part of an arrangement or series of arrangements that (having been put in place for the main purpose or one of the main purposes of obtaining a tax advantage which defeats the object or purpose of the PSD), are not genuine having regard to all relevant facts and circumstances. An arrangement or a series of arrangements which may comprise several steps or parts is considered as "not genuine" if it is not put into place for valid commercial reasons that reflect the economic reality. In case the Holding Period and Threshold Criteria are not met, the dividends received by the Parent from the Subsidiary will be half exempt from tax. In that respect, if the Subsidiary is a non-resident "share capital company" fully subject to a tax corresponding to Luxembourg CIT, the Subsidiary will also have to be resident in a country with which Luxembourg has signed a DTT to qualify for the half exemption.

	SHORT ANSWER	NOTES
Netherlands	Domestic and foreign subsidiary dividends are taxable at a rate of 20%, 25% or exempt when PER applies	Dividends received from domestic and foreign subsidiaries are in principle taxable at the ordinary CIT rates of 20% and 25% in the Netherlands. However, dividends are exempt from taxation if the Dutch PER applies. The Dutch PER generally applies if the following conditions are met: (i) The Dutch resident company holds a participation of at least 5% of the nominal paid up share capital in the subsidiary which has capital divided into shares (qualifying participation); (ii) The participation is not held as a portfolio investment (motive test). If the motive test is not met, the dividends may still be exempt if the tax rate test or asset test is met: o Motive test: The motive test is met if the participation is not predominantly held as a portfolio investment. A portfolio investment is recognized when the shares in the participation are merely held to gain an increase in value and the subsequent return can be expected from normal asset management. If the participation is held in line with the normal business of the group, the motive test should be met. There are two exceptions to the motive test. If (i) more than 50% of the assets of a company consist of less than 5% shareholdings, or (ii) the consolidated activities for more than 50% consist of intercompany financing (or placing assets at the disposal of related parties), the motive test is—as a matter of law—not met. o Tax rate test: The tax rate test is met if the participation is subject to an effective tax rate which is "fair" from a Dutch point of view. The "fairness" of the taxation should depend on a check of the whole "tax system" and is based on three standards on an interacting basis: (i) a statutory rate of at least 10%; (ii) the taxable base; and (iii) implementation aspects. o Asset test: The asset test will, in principle, be met if the assets of the direct and indirect participation normally consist of less than 50% "low taxed portfolio investments". This test should be executed based on a (pro rata) aggregated basis whereby only the assets of shareholdings greater than 5% are aggregated. Less than 5% shareholdings are considered "portfolio investments". Portfolio assets of a(n) (in)direct participation may be disregarded if such assets normally account for less than 30% of all assets of that respective (in)direct participation; and (iii) The dividend payment received from the participation is not directly or indirectly tax deductible. When the Dutch entity derives dividends from a qualifying participation that does not meet the other conditions for the PER to apply, a credit could be granted to the Dutch entity for the underlying tax paid.

	SHORT ANSWER	NOTES
Singapore	Domestic subsidiary dividends are 100% exempt Foreign subsidiary dividends are taxable at a rate of 17% or 100% exempt under certain conditions	All dividends paid by Singapore resident companies are exempt in the hands of shareholders at all levels. Foreign-sourced dividends received in Singapore by the holding company are tax-exempt if: (i) the holding company is tax resident in Singapore; (ii) the source country's headline tax rate is at least 15% at the time the dividends are received in Singapore; (iii) the dividends, or the income out of which the dividends were paid, were subject to tax in the source country; and (iv) the tax authority is satisfied that the tax exemption would be beneficial to the holding company. Otherwise, dividends are taxed at the ordinary CIT rate.
Spain	Domestic and foreign subsidiary dividends are taxable at a rate of 25% or 100% exempt under certain conditions	Domestic and foreign dividends are taxable at a rate of 25%, or 100% exempt under certain conditions. However, Spanish corporate tax law establishes an exemption on domestic and foreign-source dividends obtained by a resident company if the following conditions are met: (i) the resident company has, directly or indirectly, a participation of at least 5% in the resident or non-resident company, and that participation has been maintained uninterruptedly for one year. The participation requirement is also met if the purchase value of the direct or indirect stake is above EUR 20 million. The exemption is also granted if the distribution is made before the conclusion of such period, provided the resident parent entity continues to hold the participation for the remaining period ("shareholding threshold"). When more than 70% of the subsidiary's income (if the subsidiary is the parent of a corporate group, the computation should be made taking into account the consolidated income of the group) derives from dividends and capital gains from shareholdings, the Spanish shareholder should have an indirect 5% stake in those second and lower tier shareholdings, unless such subsidiaries meet the conditions to form part of the same corporate group with the first tier subsidiary and they draw up consolidated financial statements. There are special rules to avoid double taxation in the event of a chain of holding companies; and (ii) in case of a non-resident subsidiary, if the non-resident company is subject to a tax comparable to the Spanish CIT with no possibility of being exempt at a nominal rate of at least 10%. This condition is met if the non-resident company is resident in a country with which Spain has a DTT that contains an exchange of information provision (currently all of its DTTs) ("taxation requirement"). This exemption will not apply to: (i) those dividends that have generated a tax deductible expense at the level of the paying company; and (ii) dividends paid by a subsidiary which is resident in a tax haven jurisdiction (unless the tax haven is a EU Member State and provided that the incorporation and activity of the subsidiary meets valid business reasons and it carries out business activities).

	SHORT ANSWER	NOTES
Switzerland	Domestic and foreign subsidiary dividends are taxable or 100% exempt under certain conditions	At the cantonal/communal level, pure holding companies are exempt from CIT on dividends received, since Swiss tax law exempts pure holding companies from cantonal/communal CIT (see Switzerland entry of the Corporate Income Tax section). The tax exemption on dividend income applies without restriction, regardless of whether the subsidiaries paying the dividend are active companies or not, and regardless of whether these subsidiaries are subject to ordinary taxation or not in their country of residence. In other words, the pure holding tax privilege also applies with respect to pure offshore subsidiaries. Pure holding companies are defined as companies: (i) whose primary purpose is to hold and manage long-term equity investments in affiliated companies; (ii) that do not carry out a commercial activity in Switzerland; and (iii) whose equity investment or dividend income amounts to at least two-thirds of the total assets or total gross revenues. For determining the two-thirds ratio between investments and total assets, the fair market values, as opposed to book values, shall be taken into consideration. Pure holding companies may exercise an auxiliary activity related to holding functions, such as the holding and management of intangible assets, group management activities or the financing of group companies. They may not, however, carry out any trading or business activity. The distinction between auxiliary and commercial activities is not always easy to make and may have to be clarified in advance with the cantonal tax authorities by way of a tax ruling. For federal tax purposes, the Swiss tax laws do not refer to holding companies, but provide for a tax reduction on dividends realized on a "substantial/qualifying participation" held in a Swiss or foreign company, or several of these companies. The cantonal tax laws have similar rules for companies that do not qualify as pure holding companies. The tax relief does not consist of a full, direct exemption of dividends, but in an indirect exemption by way of a tax reduction. To qualify for relief on dividend income, the Swiss corporation must own at least 10% of the share capital of another corporation, or such participation must have a market value of at least CHF 1 million.
United Kingdom	Domestic and foreign subsidiary dividends are taxable at a rate of 20% or 100% exempt under certain conditions	Dividends received by a United Kingdom resident company are generally exempt from CIT if: (ii) no deduction is available, in respect of the dividend, to a non-resident; and (iii) the dividend falls within an exempt class. The exempt classes of dividends include: (a) dividends paid to companies that control the paying company; (b) dividends paid in respect of non-redeemable ordinary shares; (c) dividends paid in respect of portfolio shareholdings (less than 10% of the issued share capital); (d) dividends paid in respect of shares that are accounted for as liabilities but are not taxed as debt under the loan relationship rules, simply because they are not held for an unallowable purpose; and (e) dividends paid on any other shares, provided they are paid out of profits available for distribution at the time the dividend is paid.

1.3 Taxation of capital gains from the disposal of shares in domestic and foreign subsidiaries

	SHORT ANSWER	NOTES
Austria	Taxable at a rate of 25%	Capital gains derived by an Austrian tax resident company from the sale of shares in another Austrian tax resident company are subject to corporate income tax ("**CIT**") at a rate of 25%. Capital gains derived by an Austrian tax resident company from the sale of shares in a foreign subsidiary are taxed at the ordinary CIT rate of 25%, unless the shares sold qualify as substantial participations and the shift from the exemption to the credit system does not set in.
Belgium	Taxable at a rate of 33.99%, 25.75% or 0.412% or 100% exempt under certain conditions	Capital gains realized on shares in domestic and foreign subsidiaries by a Belgian company are fully tax exempt, provided that: (i) the subject-to-tax condition of the dividends received deduction ("**DRD**") is met with respect to the shares; (ii) the shares have been held for an uninterrupted period of at least one year prior to their divestment; and (iii) the company qualifies as a small company within the meaning of Article 15 of the Belgian Companies Code (the "**CC**"). To be deemed a small company within the meaning of Article 15 CC, a company cannot exceed two of the following three thresholds for two consecutive financial years: (i) net turnover of EUR 9 million excluding VAT; (ii) a balance sheet total of EUR 4.5 million; and (iii) an average annual workforce of 50 employees. If the company does not qualify as a small company within the meaning of Article 15 CC, but the other conditions referred to above are satisfied, the capital gain realized on the shares is subject to a specific 0.412% tax. Capital gains subject to the 0.412% tax cannot be offset against any available tax assets. If the subject-to-tax condition of the DRD is met with respect to the shares, but the shares have not been held for an uninterrupted period of at least one year prior to their divestment, the capital gain realized on the shares is subject to a 25.75% tax. Finally, if the subject-to-tax condition of the DRD is not met with respect to the shares, the capital gain realized on the shares is subject to the standard CIT rate of 33.99%.

	SHORT ANSWER	NOTES
Cyprus	None	Cyprus does not impose a capital gain tax on the disposal of shares in domestic and foreign subsidiaries.
Dubai	None	Dubai does not impose a capital gains tax on the disposal of shares in domestic and foreign subsidiaries.
Hong Kong	Domestic and foreign capital gains are 100% exempt	Capital gains derived from the disposal of shares in domestic and foreign subsidiaries are exempt from CIT in Hong Kong.
Ireland	Domestic capital gains can be taxable at a rate of 33% Foreign capital gains are 100% exempt under certain conditions	Capital gains derived by an Irish tax resident company from the sale of shares in another company can be subject to CIT at a rate of 33%. Capital gains derived from the sale of shares in a company resident in a European Union ("**EU**") Member State (including Ireland) or double tax treaty ("**DTT**") state may be exempted where: (i) the Irish company holds at least 5% of the ordinary share capital of the other company; (ii) the shareholding has been held for a continuous period of 12 months in the two years prior to the disposal; (iii) the company being disposed of is primarily a trading company or, alternatively, the parent company and its subsidiaries are (taken together) considered primarily a trading group; and (iv) the company being disposed of does not derive its value from Irish real estate.
Luxembourg	Domestic and foreign capital gains are taxable at a rate of 29.22% or 100% exempt under certain conditions	Capital gains received by Luxembourg resident companies from resident and foreign subsidiaries are taxable at the aggregate CIT and municipal business tax rate of 29.22%. However, capital gains realized by the Parent (as defined in the Luxembourg entry of the 'Taxation of dividends received from domestic and foreign subsidiaries' section) upon the disposal of a shareholding held in the share capital of the Subsidiary (as defined in the Luxembourg entry of the 'Taxation of dividends received from domestic and foreign subsidiaries' section) are exempt from CIT and municipal business tax, provided that: (i) on the date of the disposal of the shares, the Parent has been holding or commits to hold a direct shareholding in the Subsidiary for an uninterrupted period of at least 12 months; and, (ii) throughout that whole period, the percentage of ownership in the share capital of the Subsidiary did not fall below 10% or the acquisition cost of the shareholding below EUR 6 million.

	SHORT ANSWER	NOTES
Netherlands	Domestic and foreign capital gains are taxable at a rate of 20%, 25% or exempt when participation exemption regime ("**PER**") applies	Capital gains from the disposal of shares in domestic and foreign subsidiaries are in principle taxable at the CIT rates of 20% and 25% in the Netherlands. However, capital gains are exempt from taxation if the Dutch PER applies. The Dutch PER applies with respect to capital gains if the following conditions are met: (i) the Dutch resident company holds a participation of at least 5% of the nominal paid up share capital in the subsidiary which has capital divided into shares (qualifying participation); and (ii) the participation is not held as a portfolio investment (motive test). If the motive test is not met, the dividends may still be exempt if the tax rate test or asset test is met. For more information on the asset test and motive test, please see the section of the Netherlands on "Taxation of dividends received from domestic and foreign subsidiaries". Please note that there are other situations in which the PER can apply and other exceptions to the conditions mentioned above.
Singapore	Domestic and foreign capital gains are taxable at a rate of 17% or 100% exempt under certain conditions	Singapore does not impose a tax on capital gains. However, gains from the disposal of shares may be subject to CIT at the ordinary rate if they are: (i) income in nature (i.e., arising from any trade or business carried on by the seller); and (ii) Singapore-sourced (whether or not received in Singapore), or foreign-sourced and received in Singapore. It is a question of fact whether the gains are capital or income in nature. Gains from the disposal of shares, whether capital or income in nature, are tax-exempt if: (i) the seller is a company; (ii) the seller owned at least 20% shareholding for a continuous period of at least 24 months immediately before the sale; and (iii) the sale takes place between June 1, 2012 and May 31, 2017 (both dates inclusive). It was announced in Singapore's 2016 Budget that the tax exemption will be extended from 2017 to 2022, though this has yet to be formally legislated.

	SHORT ANSWER	NOTES
Spain	Domestic and foreign capital gains are taxable or 100% exempt under certain conditions	Capital gains derived by a Spanish resident company from the sale of a shareholding in domestic and foreign subsidiaries are subject to CIT at the normal rate. If the requirements explained in the section above are met, the capital gain obtained in the sale of the resident or non-resident entities would be considered as exempt, except in the case that the foreign subsidiary transferred resides in a tax haven (unless the tax haven is an EU Member State and provided that the incorporation and activity of the subsidiary meets valid business reasons and it carries out business activities). The shareholding threshold requirement should be complied with on the day on which the transfer takes place, and the taxation requirement should be complied with during the entire holding period to obtain full exemption on the capital gains. If the taxation requirement is not complied with in every tax year throughout the holding period, there are special rules allowing for the exemption to apply in those periods in which the condition was met. Capital gain exemption is not applicable in the event of a transfer of: (i) shares of a passive company (i.e., an entity where more than 50% of its assets consist of assets not connected with a business activity or passive shareholdings), the exemption will only apply to the part corresponding to retained earnings generated during the holding period; (ii) a subsidiary which is a Spanish or European economic interest group, the exemption will only apply to the part corresponding to retained earnings generated during the holding period; and (iii) shares of controlled foreign company ("**CFC**") entities, where 15% or more of its income qualifies as passive income for CFC purposes.
Switzerland	Domestic and foreign capital gains are taxable or 100% exempt under certain conditions	Capital gains from the disposal of shares in domestic and foreign subsidiaries by pure holding companies are not subject to taxation at the cantonal/communal level, since Swiss tax law exempts pure holding companies from cantonal/communal CIT. Similar to the rules on the taxation of dividends, a relief on capital gains is possible at the federal level. To qualify for this relief, a Swiss corporation must sell a participation of at least 10% of the share capital of another corporation which it has held for at least one year. In case of a sale of a real estate company (holding Swiss real estate), the capital gain may be subject to real estate capital gains tax (depending on the canton(s) in which the company holds real estate) at the cantonal/communal level.
United Kingdom	Domestic and foreign capital gains are taxable at a rate of 20% or exempt under certain conditions	Capital gains derived by a United Kingdom tax resident company from the sale of shares in another company are subject to the ordinary CIT rate. However, capital gains may be tax exempt if: (i) the United Kingdom shareholder has a shareholding of at least 10% in a trading company or a member of a trading group; or (ii) the shareholding was held for a period of at least 12 months. A trading group is a group of which one or more of its members carries on trading activities, provided that the group's activities as a whole do not include non-trading activities constituting more than 20%.

1.4 Deductibility of losses on shares in domestic and foreign subsidiaries

	SHORT ANSWER	NOTES
Austria	Not deductible, unless exceptions apply	Losses on shares are generally not tax-deductible in Austria. Losses may be deductible if the income resulting from the shares is taxed, with regard to foreign substantial participations, in the event that the taxpayer opted for taxation or the participation exemption does not apply. Capital losses on and losses resulting from impairments of domestic shares are deductible, unless the dropdown in value was triggered by a dividend distribution. However, the loss or impairment is not fully deductible in the year it occurred, but rather must be spread over seven years. In addition, losses resulting from a liquidation of the subsidiary are generally not considered, unless they are actual and final.
Belgium	Not deductible, unless under specific exceptions	Capital losses and write-downs on shares in domestic and foreign subsidiaries are not tax deductible in Belgium. Under certain conditions, a capital loss on shares incurred (or confirmed) at the time of liquidation of a subsidiary can be deducted at that time, but only if and to the extent that a portion of the paid-up share capital of the subsidiary has not been recovered (and thus not for any other portion of the capital loss incurred).
Cyprus	Deductible	In calculating the gain or loss on the disposal of shares in domestic and foreign subsidiaries, Cyprus allows a deduction for capital expenditure incurred wholly and exclusively for the acquisition of the shares, along with incidental costs incurred upon the acquisition and disposal, including certain professional fees incurred.
Dubai	Not deductible	Dubai does not allow a deduction for losses on shares in domestic and foreign subsidiaries.
Hong Kong	Not deductible	Losses on shares in domestic and foreign subsidiaries are not tax deductible in Hong Kong.
Ireland	Not deductible, unless capital gains are subject to corporate income tax ("**CIT**")	Capital losses on the disposal of shares in both foreign and domestic subsidiaries are not available for set off against other capital gains where a gain on such disposal would benefit from an exemption from CIT. Where capital gains on the disposal of shares in either foreign or domestic subsidiaries would be subject to CIT, any loss on the disposal of such shares would generally be available for set off against other capital gains of the company in the same year of assessment. To the extent that losses are not used in full, they may be carried forward and set off against capital gains arising in subsequent years of assessment.

	SHORT ANSWER	NOTES
Luxembourg	Deductible	Capital losses (even on a participation qualifying for the exemption) remain deductible (even if capital gains would have been exempt) and could be used to shelter taxable income or be carried forward for an indefinite period of time.
Netherlands	Deductible, unless participation exemption regime ("**PER**") applies (except in case of a liquidation)	Losses made on shares held in domestic and foreign subsidiaries are tax deductible unless the PER applies. If the PER applies, losses on shares will not be deductible in the Netherlands. However, when a company incurs a definitive loss upon liquidation of its domestic or foreign subsidiary, there are possibilities (under certain conditions) to take such loss into account even when the PER applies.
Singapore	Not deductible	Capital losses on shares in foreign and domestic subsidiaries are not tax deductible. However, losses from the disposal of shares may be deductible from the seller's assessable income if they are revenue in nature (i.e., arising from any trade or business carried on by the seller).
Spain	Not deductible, unless loss occurs upon the disposal of shares	Impairment losses on shareholdings are not tax deductible. Tax losses generated as a consequence of the disposal of shareholdings to third parties are tax deductible (subject to special rules). Tax losses generated as a consequence of the disposal of shareholdings to another entity of the same group are not tax deductible until such shares are transferred outside the group, or the acquirer/transferor of the shares ceases to form part of the group (subject to special rules).
Switzerland	Deductible, unless PER applies	Write-downs and capital losses on shares in foreign and domestic subsidiaries are generally tax deductible in Switzerland. However, they have no tax effect if they are made with respect to income subject to the PER or in the context of the cantonal holding status.
United Kingdom	Deductible, unless anti-avoidance rules apply	Capital losses on the disposal of shares in both domestic and foreign subsidiaries can be set against gains realized in the current tax year, or, if unused in the current year, can be brought forward to set against gains in future years. Anti-avoidance rules apply to restrict the use of losses on a change of ownership in connection with arrangements where the main purpose, or one of the main purposes, is to secure a tax advantage. Where the conditions for the substantial shareholding exemption are met, any losses that arise cannot be set off against other gains.

1.5 Deductibility of interest expenses on loans for acquiring participations

	SHORT ANSWER	NOTES
Austria	Generally deductible, unless interest deductibility limitations apply	Interest expenses incurred by Austrian companies are generally deductible from the entire income of the company and not only from the dividend income received. Interest is not deductible if it is incurred to generate tax exempt income. However, interest paid on loans to acquire participations in resident or non-resident companies is deductible even where the participation exemption applies (provided that this was not an intragroup acquisition). This does not apply to any other expenses. Furthermore, the deductibility of interest payments is limited if made to a related entity located in a low tax jurisdiction (or is subject to a tax exemption). For the purposes of this provision, an effective tax rate of less than 10% (or a personal tax exemption) is considered as "low taxed". Thus, interest paid to a related company subject to an (effective) tax rate of less than 10% is no longer tax-deductible.
Belgium	Generally deductible	Interest expenses incurred to acquire shares are generally tax deductible in Belgium. They can be deducted not only from the portion of 5% of the dividend received which remains subject to tax (because of the 95% participation exemption), but also from any other profits, including operational profits, and this occurs without any recapture rule. In order for interest to be tax deductible, the interest expenses must have been incurred or borne during the taxable period with a view to generate or maintain taxable income, and the existence and amount of expenses must be properly documented. Belgium has a general thin capitalization rule providing for a 5:1 debt/equity ratio for interest payments made to intra-group companies and (related or unrelated) companies located in tax havens. Moreover, the agreed conditions for any debt financing need to be at arm's length. Finally, certain specific anti-avoidance rules (reversal of the burden of proof) and disclosure obligations sometimes apply in case of payments to a low-taxed entity or an entity established in a tax haven.
Cyprus	Generally deductible	In general, interest is deductible in computing taxable income insofar as it is incurred "wholly and exclusively" for the purposes of the trade. Where interest is paid to related parties, the arm's-length principle must be observed. If the interest paid is considered not to be at normal commercial rates, any excessive interest may be disallowed. Cyprus also has a notional interest deduction.
Dubai	Not deductible	Dubai does not allow a deduction for interest expenses since interest income is not taxable.

	SHORT ANSWER	NOTES
Hong Kong	Generally deductible, unless interest deductibility limitations apply	Interest is only deductible if it is incurred for the purpose of producing assessable profits and meets a number of specified conditions. Hong Kong also has a range of interest deductibility limitations.
Ireland	Generally deductible	Interest expenses on loans for acquiring participations are generally deductible against the entire income of the company, once a number of conditions are satisfied. As an anti-abuse measure, a deduction is not generally available when interest is paid on a loan obtained from a related party, where the loan is used to acquire ordinary share capital of a company that is related to the investing company, or to on-lend to another company which uses the funds directly or indirectly to acquire capital of a company that is related to the investing company.
Luxembourg	Generally deductible, unless interest deductibility limitations apply	Operating expenses incurred during a financial year in economic connection with an exempt income derived during the same financial year (e.g., interest on the debt financing the shareholding out of which the exempt dividend is paid) are not deductible up to the said exempt income. This being said, Luxembourg law does not specify any debt-to-equity ratio or other guidelines that must be adhered to. However, according to the general practice adopted by the Luxembourg tax authorities, the debt-to-equity ratio applicable to a Luxembourg resident fully taxable entity involved in holding activities is 15 for equity to 85 for all liabilities combined. Within this limit, interest on debt on arm's-length terms paid or accrued is tax deductible and payments are not subject to Luxembourg withholding tax ("**WHT**"). Should this ratio be exceeded, interest in relation to the excess of liabilities can be re-qualified as dividends for tax purposes. The consequence is that such interest in excess is not deductible and WHT might apply depending on the recipient's country of residence. When a participation is disposed of, the capital gain exemption does not apply to the sum of the related interest expenses that have reduced the tax result of the current or preceding years. Luxembourg administrative practice refers to this as the "recapture rule". In other words, a capital gain realized by a Luxembourg company on a qualifying shareholding is nevertheless taxable for the part corresponding to the previously incurred and economically related expenses, such as interest expenses incurred on a loan that finances the said shareholding (wholly or partly) or write-downs (i.e., value adjustments) recorded on the said shareholding, to the extent the said charges were deducted in the year of the realization or in the previous financial years. For a company whose only activity is to hold one or several participations, the "recapture" of the said expenses and write-downs is neutral from a tax perspective, since these expenses or write-downs should have created a corresponding tax loss that can be carried forward without a time limit and which would offset the taxable portion of the capital gain upon exit.
Netherlands	Generally deductible, unless interest deductibility limitations apply	Interest expenses incurred by Dutch companies are in principle deductible for Dutch corporate income tax purposes. However, the Netherlands has a broad range of interest deductibility limitations which include, amongst others, the situation where a taxpayer has excessively funded the acquisition of its participation with debt.

	SHORT ANSWER	NOTES
Singapore	Deductible, unless exceptions apply	Interest expenses incurred to acquire shares are not deductible in Singapore if the dividend income received from such shares is not subject to income tax in Singapore. Interest expenses incurred to acquire shares will be deductible if the dividend income from such shares is subject to income tax in Singapore.
Spain	Generally deductible	Interest expenses related to debts generated within a corporate group in order to acquire participations in the capital or equity of any kind of entities from other group entities, or to make capital or equity contributions to other group entities, are not deductible. The restriction does not apply if the taxpayer can provide evidence of valid economic reasons for the underlying transactions. The tax deductibility of net financing expenses is limited to 30% of the operating profit for the financial year if the financing expenses exceed EUR 1 million. The new Spanish corporate income tax law has introduced an additional limitation on the deductibility of interest in leveraged buy-out transactions. According to this provision, when calculating the 30% operating profit limit to deduct the interest accrued by the acquiring company on the debt borrowed to acquire the target entities, the operating income of the target entities that: (i) have joined (in the following four tax periods) the acquiring company's tax group; or (ii) have been merged (in the following four tax periods) into the acquiring company should be excluded in order to determine said limit. This restriction will not apply if the debt does not exceed 70% of the purchase price of the shares and is reduced, from the time of acquisition, at least by the proportion relating to each one of the following eight years until the debt reaches 30% of the purchase price. This restriction is not applicable to entities that have been included in a tax group or restructuring transactions performed before June 20, 2014.
Switzerland	Generally deductible	A Swiss company may deduct its own costs relating to the participation from its own profits. However, if the Swiss company does not have ordinarily taxable income (e.g., at the cantonal/communal level if it is taxed as a holding company, or at the federal/cantonal/communal level to the extent it benefits from participation relief on dividend income), the deduction of costs is not tax effective. Interest paid for loans is considered as a normal business expense and, thus, is tax deductible. In certain cases, a tax adjustment can occur in connection with interest payments on loans. Interest paid on loan capital that, economically, has the character of equity capital is not a tax-deductible expense. Additionally, such interest payments are subject to Swiss WHT.
United Kingdom	Generally deductible, unless interest deductibility limitations apply	Interest expenses on loans for acquiring participations are generally deductible. However, the United Kingdom has a wide range of interest deductibility limitations, such as a worldwide debt cap regime and thin capitalization rules.

1.6 Controlled foreign company ("**CFC**") legislation

	SHORT ANSWER	NOTES
Austria	None	Austria does not have any controlled foreign company ("**CFC**") legislation in place. However, a shift from the exemption system to the credit system for foreign substantial participations sets in if the subsidiary derives mainly passive income and is either tax exempt or not subject to a tax comparable with Austrian corporate income tax ("**CIT**"), or if the profits of the foreign company are subject to a tax rate which is more than 10% less than the Austrian CIT or if the foreign company is subject to an individual tax exemption. However, in a change from a typical CFC regime, the Austrian parent company is not required to pick up the undistributed income, but instead Austria will tax the dividends received.
Belgium	None	Belgium does not have any CFC legislation in place.
Cyprus	None	Cyprus does not have any CFC legislation in place.
Dubai	None	Dubai does not have any CFC legislation in place.
Hong Kong	None	Hong Kong does not have any CFC legislation in place.
Ireland	None	Ireland does not have any CFC legislation in place.
Luxembourg	None	Luxembourg does not have any CFC legislation in place.

	SHORT ANSWER	NOTES
Netherlands	Specific CFC legislation for low-taxed portfolio subsidiaries	The Netherlands does not have any specific CFC legislation in place. However, Dutch companies that have a participation of at least 25% in a subsidiary where the assets of that subsidiary consist directly or indirectly for 90% or more of 'low taxed portfolio investments' should value that participation at fair market value each year. The results are subject to the ordinary Dutch CIT rates of 20% and 25%.
Singapore	None	Singapore does not have any CFC legislation in place.
Spain	Yes	Spanish tax regulations establish a CFC regime. Spanish CFC rules would be applicable with regard to certain "tainted income" obtained by foreign resident entities when the resident company or individual owns, alone or together with a related party, at least 50% of the capital, equity, results or voting rights of the CFC, and provided that such tainted income is subject to an income tax similar to the Spanish CIT at an effective rate lower than 75% of the Spanish CIT rate. CFC rules are not applicable to entities resident in the European Union ("**EU**"), except for Spanish resident entities with regard to its EU resident subsidiaries when the incorporation and operations of the subsidiary respond to valid business reasons and when the subsidiary carries out business economic activity. If the above requirements are met, and the non-resident entity (or its group) does not have an organization of personal and material means to carry out its activities, as a general rule all of the income obtained by the non-resident entity would be attributed to the resident company, thus being taxed in Spain, even if the foreign company had not distributed profits. However, if the non-resident entity (or its group) does have an organization of personal and material means, only "tainted" income obtained by the CFC would be attributed to the resident company and, therefore, would be taxed in Spain. "Tainted" income includes the following income derived from a CFC: (i) income from real property or rights therein, unless the property is effectively connected with a business activity or is used by entities of the same group; (ii) dividends and other profit distributions derived from the holding as well as interest income; (iii) capitalization and insurance activities of the non-resident entity as the beneficiary; (iv) intellectual and industrial property, technical assistance, image rights or renting of business and mines; (v) capital gains from the disposal of any of the assets or rights mentioned above; (vi) derivatives, except when they cover a risk specifically related to the economic activity; and (vii) income from banking, financial, insurance and service activities rendered to related Spanish resident individuals or entities, provided the payments have been deducted for income tax purposes by the Spanish resident payer (unless more than 50% of the non-resident company's gross income derives from transactions with non-related entities). Notwithstanding the above, the income referred to in (ii) or (v) above would not have to be reported when the income is obtained by "qualified subsidiaries". This would be the case when the CFC holds, directly or indirectly, more than 5% of the subsidiary, provided that the CFC manages its participation through an adequate organization of material and human resources and the subsidiary's assets are mainly (i.e., more than 50% of the value of the assets) connected to an economic activity.. Likewise, income referred in (i) through (vi) above would not be included when the tainted income earned is less than 15% of the non-resident's total income.

	SHORT ANSWER	NOTES
Switzerland	None	Switzerland does not have any CFC legislation in place.
United Kingdom	Yes	The CFC regime is designed to tax, in the United Kingdom, only those foreign profits of a United Kingdom controlled group which have been artificially diverted from the United Kingdom into a low-taxed CFC (or exempt foreign branch of a United Kingdom company). The rules generally do not apply to foreign-to-foreign diversion of profits of a United Kingdom controlled group. Nor do they apply to capital gains, only to income profits. If CFC profits are included as taxable income of the United Kingdom parent company, they will be subject to United Kingdom CIT. If foreign tax is incurred by the CFC on those profits, the United Kingdom will generally provide credit relief for that tax against the tax due in the United Kingdom under United Kingdom CFC rules.

1.7 Taxation of capital contributions received by the company

	SHORT ANSWER	NOTES
Austria	None	Austria does not impose any tax on capital contributions received by the company.
Belgium	None, except in very specific cases	Belgium does not impose any tax on capital contributions received by the company, except in case of a so-called "mixed contribution" of real estate assets and related liabilities.
Cyprus	0.6% tax rate or exempt under certain conditions	There is a 0.6% capital tax on capital contributions made to the Cypriot holding company. This tax is calculated on the nominal amount of share capital. Please note that the share premium is exempt from capital duty.
Dubai	None	Dubai does not impose any tax on capital contributions received by the company.
Hong Kong	None	Hong Kong does not impose any tax on capital contributions received by the company.
Ireland	None	Ireland does not impose any tax on capital contributions received by the company.
Luxembourg	None	Luxembourg does not impose any tax on capital contributions received by the company.

	SHORT ANSWER	NOTES
Netherlands	None	The Netherlands does not impose any tax on capital contributions received by the company.
Singapore	0.2% stamp duty	Singapore does not impose any tax on capital contributions received by the company. However, a buyer/transferee is liable to stamp duty on 0.2% of the consideration or market value (whichever is higher) for the transfer of shares in a Singapore-incorporated company.
Spain	None	Spain does not impose any tax on capital contributions received by the company.
Switzerland	1% stamp duty	Switzerland does not impose any tax on corporate income or capital contributions received by the company. However, stamp duty of 1% is due on both open and hidden capital contributions.
United Kingdom	None	The United Kingdom does not impose any tax on capital contributions received by the company.

1.8 Wealth taxation at the company level company

	SHORT ANSWER	NOTES
Austria	None	Austria does not impose any wealth tax on the company.
Belgium	None	Belgium does not impose any wealth tax on the company.
Cyprus	None	Cyprus does not impose any wealth tax on the company.
Dubai	None	Dubai does not impose any wealth tax on the company.
Hong Kong	None	Hong Kong does not impose any wealth tax on the company.
Ireland	None	Ireland does not impose any wealth tax on the company.
Luxembourg	0.5% or 0.05%	Luxembourg resident companies are as a rule subject to Luxembourg net wealth tax. Net wealth tax is referred to as the unitary value (valeur unitaire), determined as of January 1 each year. The unitary value (i.e., the net wealth tax basis) is, in principle, calculated as the difference between: (i) assets estimated at their fair market value (valeur estimée de réalisation), and (ii) liabilities toward third parties. Net wealth tax may be reduced up to the lesser of the amount of either the net wealth tax or the corporate income tax (before tax credit) due during a given year, provided that the Luxembourg company's shareholders decide to allocate an amount that is five times the net wealth tax reduction to a special reserve before the end of the next financial year. This reserve has to be maintained in the financial accounts during the five fiscal years following the year in which the net wealth tax reduction has been generated. Nevertheless, certain exemptions are available on qualifying participations. Therefore, Luxembourg holding companies are generally only liable to the minimum net wealth tax. The standard applicable net wealth tax rate is 0.5%. The 0.05% rate is applicable on any portion exceeding the first EUR 500 million tranche of the net wealth tax basis.

	SHORT ANSWER	NOTES
Netherlands	None	The Netherlands does not impose any wealth tax on the company.
Singapore	None	Singapore does not impose any wealth tax on the company.
Spain	None	Spain does not impose any wealth tax on the company.
Switzerland	0.001% up to 0.525%	Capital Tax – At the cantonal/communal level, a capital tax is levied annually on the equity of ordinarily taxed companies (i.e., share capital plus open reserves). The exact rate ranges from 0.001% to 0.525%. Real Estate Tax – Certain cantons (possibly including municipalities) levy an annual real estate tax (impôt foncier, Grundsteuer) at a rate between 0.05% and 0.20%.
United Kingdom	None	The United Kingdom does not impose any wealth tax on the company.

1.9 Minimum taxation

	SHORT ANSWER	NOTES
Austria	EUR 1,750 up to EUR 3,500, but exemptions apply	Austria levies an advance minimum tax of EUR 3,500 for AGs and EUR 1,750 for GmbHs (beneficial rates may apply). The minimum tax may be credited against the normal corporate tax (for an unlimited period of time) and is therefore only disadvantageous in case of permanent losses.
Belgium	None, except if the fairness tax applies upon distribution	Belgium does not impose any minimum tax on the company. However, a so-called "fairness tax" (at the rate of 5.15%) may apply under circumstances when profits that are being distributed have not been "sufficiently taxed" because of imputation against net operating loss or notional interest deduction.
Cyprus	None	Cyprus does not impose any minimum tax on the company.
Dubai	None	Dubai does not impose any minimum tax on the company.
Hong Kong	None	Hong Kong does not impose any minimum tax on the company.
Ireland	None	Ireland does not impose any minimum tax on the company.
Luxembourg	Yes	From January 1, 2016, the former minimum corporate income tax is replaced by a minimum net wealth tax liability (either fixed or progressive). A fixed minimum net wealth tax of EUR 3,210 (including the 7% surcharge for the unemployment fund) applies to regulated and non-regulated entities if the sum of their financial assets (including transferable securities, loans and bank deposits) exceeds 90% of their total assets and represents at least EUR 350,000. This minimum tax will also apply to Luxembourg companies that hold real estate in another country through a tax-transparent entity.

	SHORT ANSWER	NOTES
		The progressive minimum net wealth tax applies to companies, other than financing companies, subject to fixed net wealth tax. It ranges from EUR 535 to EUR 32,100 (including the 7% surcharge for the unemployment fund) depending on the total balance sheet. Securitization companies, risk capital investment companies (*i.e., société d'investissement en capital à risque* - "**SICAR**"), variable capital pension savings companies (*i.e., sociétés d'épargne pension à capital variable* – "**SEPCAV**") and pensions savings associations (*i.e., Association d'Epargne Pension* - "**ASSEP**") are going forward subject to this minimum net wealth tax whereas they were formerly entirely exempt.
Netherlands	None	The Netherlands does not impose any minimum tax on the company.
Singapore	None	Singapore does not impose any minimum tax on the company.
Spain	None	Spain does not impose any minimum tax on the company.
Switzerland	None	Switzerland does not impose any minimum tax on the company.
United Kingdom	None	The United Kingdom does not impose any minimum tax on the company.

1.10 Substance requirements for the company

	SHORT ANSWER	NOTES
Austria	None	There are no minimum substance requirements for the Austrian entity. There are substance requirements for the parent company or recipient of payments and in circumstances where an exemption from withholding tax ("**WHT**") under a double tax treaty ("**DTT**") or the parent subsidiary directive is claimed. In this case, the payee must confirm in writing that it has its own employees, pursues a business activity that exceeds mere asset administration and has its own office space. A residence certificate must also be provided.
Belgium	No specific legal requirements, but in practice, certain minimum requirements may apply to confirm effective place of management in Belgium	A Belgian company will be considered a Belgian tax resident if the place of its registered office, as well as its effective place of management, is in Belgium (i.e., essentially if its board of directors' meetings and shareholders' meetings take place in Belgium). There are no statutory rules, as such, requiring specific levels of substance for Belgian holding companies. However, it is recommended to have qualified board members and a daily management that is capable of managing the investments and shareholdings of the company. In a number of rulings where Belgian holding and finance companies have asked for certain confirmations, the Belgian Ruling Commission has required, in order to issue a ruling, that, among other things; (i) at least one or the majority of the directors were Belgian residents, that they were informed and capable, and that their liability as a director was not contractually excluded; (ii) the main bank account of the company was located in Belgium; and (iii) the company's books were kept in Belgium. In practice, it is recommended to follow these requirements even when no ruling is pursued.
Cyprus	None	There are no minimum substance requirements under Cypriot law. The tax authorities have issued a circular stating that a company qualifies as tax resident in Cyprus when its "effective management and control takes place in Cyprus". In order to satisfy this condition: (i) the majority of the directors must be tax residents in Cyprus; (ii) the important decisions of the board of directors must be adopted in Cyprus; and (iii) the books and records of the company must be kept in Cyprus.

	SHORT ANSWER	NOTES
Dubai	None	There are no specific minimum substance requirements in Dubai. However, in order to obtain tax residence certificates (e.g., for DTT purposes), companies would typically be required to show that the key management personnel (a director or general manager) is resident in the United Arab Emirates ("**UAE**"), they are licensed to conduct business in the UAE, and they have leased or own office accommodation in the UAE. They would also need to provide audited financial statements.
Hong Kong	None	When applying for a Hong Kong tax residency certificate, the Hong Kong tax authority requires information relating to the management and operations of the Hong Kong company. The Hong Kong tax authority may refuse to issue a tax residency certificate if the Hong Kong company does not have economic substance in Hong Kong.
Ireland	Irish-based board of directors Irish-based employees needed for 12.5% rate of tax	Tax residency – In many cases, the incorporation of a company under Irish law will, by itself, result in the company being treated as an Irish tax resident. However, as a matter of best practice, the strategic decisions of Irish tax resident companies should generally be made by the board of directors of such companies in Ireland and also, as a matter of best practice, Irish tax resident companies should generally have a majority of Irish tax resident individuals acting as directors. Trading status – In order for an Irish tax resident company to be regarded as "trading", and avail of the 12.5% corporate income tax ("**CIT**") rate, there must generally be Irish-based employees. These employees must have the necessary skills and expertise to carry on the trade of the company. Outsourcing to Irish-based service providers is sometimes possible.
Luxembourg	Yes	According to the Luxembourg income tax law, a company is considered to be tax resident in Luxembourg if it has either (i) its registered seat, or (ii) its place of effective management in Luxembourg. In general, a company incorporated under Luxembourg corporate law whose registered office is in Luxembourg should be considered as a Luxembourg tax resident unless the company is managed and controlled outside of Luxembourg. In order to ensure that Luxembourg is considered to be the jurisdiction where the effective management of the company is situated, some guidelines should be observed, such as decision making processes, residency and composition of board members, location of shareholder and board meetings, financing of the structure, office facilities, bank accounts in Luxembourg, and so on. Specific substance criteria should be met in case of intra-group financing activity (e.g., minimum level of equity). In any case, the list of substance requirements is not exhaustive and the required level of substance is determined on a case by case basis, depending mainly on the activity/investment of the company and on specific foreign requirements.

	SHORT ANSWER	NOTES
Netherlands	Yes, depending on the company's activities	The incorporation of a company under Dutch law will result, by itself, in the company being treated as a Dutch tax resident. However, for certain tax benefits such as the application of the participation exemption regime, it is important that the company is also effectively managed from the Netherlands. From an international tax perspective, we always recommend that companies comply with the Dutch minimum substance requirements. In general, we recommend that Dutch companies meet the following substance requirements: (i) at least 50% of the taxpayer's statutory directors that are authorized to represent the company are Dutch residents; (ii) the Dutch resident directors have sufficient professional expertise to properly fulfil their duties. These duties, at the very least, include decisions on entering into transactions and the follow-up on those transactions; (iii) the taxpayer has qualified personnel to execute and administer its transactions; (iv) the board decisions are made in the Netherlands; (v) the taxpayer's main bank accounts are held in the Netherlands; (vi) the taxpayer's bookkeeping is prepared in the Netherlands; (vii) the taxpayer's business address is in the Netherlands; and (viii) the taxpayer is not, to its best knowledge, considered a tax resident in another country. Aside from these requirements, there are certain other substance requirements that need to be strictly met in certain circumstances from a Dutch perspective (e.g., if the company wants to obtain a ruling or if it qualifies as a so-called financial service company).
Singapore	None	There are no specific minimum substance requirements for companies in Singapore. However, in order to obtain a Certificate of Residence so that the company is able to claim benefits under DTTs, the company must be tax resident in Singapore (i.e., the control and management of its business must be exercised in Singapore). A Certificate of Residence will generally not be issued to a company if 50% or more of the company's shares are held by foreign companies/shareholders and the company is an investment-holding company with purely passive sources of income or receiving only foreign-sourced income, unless the company's board of directors' meetings are held in Singapore and the company: (i) has other related companies (tax resident or with business activities) present in Singapore; (ii) receives support or administrative services from a related company in Singapore; (iii) has at least one director based in Singapore who holds an executive position and is not a nominee director; or (iv) has at least one key employee (e.g., CEO, CFO or COO) based in Singapore.

	SHORT ANSWER	NOTES
Spain	Yes	With regard to holding companies in Spain of non-resident entities ("**ETVEs**"), the CIT Act prevails that they should have the adequate organization of material and human resources. Spanish law does not provide a definition for the abovementioned minimum personal and material resources. The Spanish General Directorate of Taxes has not indicated a specific threshold of material and human resources in order to satisfy this requirement. Instead, it has stated that the entity holding foreign securities cannot be an "empty" entity, establishing in several rulings a number of factors that would suffice to consider that this means has been provided to the entity. Taking into account the rulings issued by the Spanish General Directorate of Taxes and our experience with tax audits related to this matter, the following should be taken into account: The administration and management has to be carried out with respect to the holding in the non-resident company (and not with regard to its activity). Therefore, the material and human resources are required not to manage the foreign subsidiary, but to exercise the political and economical rights derived from the holding of shares in foreign entities. With reference to material resources, the Spanish General Directorate of Taxes has stated that having business premises exclusively dedicated to the business activity is not necessarily required, although it has also indicated that a rented office, shared with other companies, meets the requirement of having sufficient material resources. With regard to human resources, the management of the holding in non-resident companies can be done by the ETVE's board of directors, which means that there is no need for employees specifically dedicated to this activity. Nevertheless, the mere existence of a board of directors does not automatically mean that this requirement has been met. The board of directors must be effectively involved in the administration and management of the holding in the non-resident companies (for example, determining the dividends distribution policy of the non-resident subsidiaries, reviewing financial statements, etc.). In this respect, the Spanish General Directorate of Taxes has stated that at least one member of the board should be expressly in charge of the management and supervision of the participations in the non-resident companies. The administration and management of the holding in the non-resident companies cannot be done by external means or an external company. In this case, it will be considered that the entity does not have the necessary material and human resources.
Switzerland	None	There are no minimum substance requirements. However, along with anti-abuse rules provided for in most Swiss DTTs, Switzerland has also implemented unilateral anti-treaty shopping rules referring to substance requirements. The Swiss tax authorities may, in any case, deny treaty benefits (i.e., full or partial reduction or refund of the Swiss WHT) if the foreign shareholder does not have sufficient economic substance at its foreign domicile (under the current tax practice, an active operating business or minimum equity financing of the foreign corporate shareholder is required).
United Kingdom	None	There are no minimum substance requirements in the United Kingdom. However, controlled foreign company rules may be applicable.

1.11 Possibility of obtaining tax rulings

	SHORT ANSWER	NOTES
Austria	Yes	Binding tax rulings can be obtained in Austria on issues relating to group taxation, transfer pricing and reorganization measures, provided the ruling is applied for and granted prior to the underlying facts having materialized. Fees of between EUR 1,500 and EUR 20,000 will be triggered, depending on the revenue and other balance sheet figures of the applicant, and the ruling process usually takes from six months to one year, depending on the complexity of the issue. Rulings on transfer pricing issues can also easily take up to one year. Non-binding rulings may be obtained in areas of law for which no binding tax ruling is available.
Belgium	Yes	Taxpayers can obtain upfront legal certainty on how Belgian tax law will apply to a particular situation or transaction. For example, in the case of a holding company, a ruling can be applied with respect to the application of the dividends received deduction in any given case (if there is doubt regarding its application), with respect to the tax characterization of a foreign subsidiary (as tax transparent or opaque) or with respect to the possible application of the general anti-abuse rule. However, because of the so-called "advanced character" requirement, the relevant situation or transaction may not have already produced any effects from a tax perspective in Belgium, in order to be able to obtain a ruling. The ruling binds the Belgian tax authorities for a period of five years, unless the specific subject matter warrants a different period of validity. In principle, it is possible to obtain a ruling on all matters except those which are specifically excluded (e.g., when the application relates to operations that have no economic substance in Belgium, or to transactions with tax havens, or to tax laws concerning collection or prosecution).
Cyprus	Yes	It is possible to apply to the Cypriot tax authorities for an advance tax ruling, which is issued without incurring any governmental fees.
Dubai	No	Not applicable.
Hong Kong	Yes	There is a mechanism for making an advance ruling application (although a ruling would not normally be necessary in the context of a Hong Kong holding company).

	SHORT ANSWER	NOTES
Ireland	Yes	The Irish tax authorities are generally willing to provide their written opinion on technical tax matters where there is doubt in respect of the appropriate tax treatment. These opinions are not binding on the Irish tax authorities.
Luxembourg	Yes	Upfront confirmation of the tax treatment applicable to a specific transaction could be obtained from the Luxembourg tax authorities by filing an advance tax agreement ("**ATA**"). This ATA has to provide all the facts and background of the transaction in an accurate and complete manner. Advance pricing agreements ("**APAs**") may be filed with the Luxembourg tax authorities and may assist multinational groups to resolve complex transfer pricing issues. A taxpayer may make an application for clarification by agreement with regard to the effect of the statutory transfer pricing provisions on the taxpayer's transactions. The procedure to obtain ATAs and APAs has been modernized and explicitly formalized into Luxembourg domestic law as of January 1, 2015, following the current global trend toward increased transparency. The request must be introduced in writing to the tax inspector of the tax office in charge. It must be duly motivated and must contain at least the following details: (i) precise identification of the applicant; (ii) detailed description of the operation(s) that is (are) seriously and effectively under consideration and which has (have) not yet produced effects; (iii) detailed analysis of the tax issues arising from this operation with motivated tax position from the applicant; and (iv) the applicant's confirmation that the facts and analysis given are complete and true. An ATA or APA is binding for a period of five years, unless the description of the situation/operations for which the ATA / APA was introduced is incomplete, inexact, has changed, or is no longer in line with domestic, European or international laws. Corporate taxpayers who wish to obtain an ATA or APA have to pay an administrative fee ranging between EUR 3,000 and EUR 10,000 per request, depending on the complexity of the request and the workload of the tax authorities.
Netherlands	Yes	The Dutch tax authorities are generally willing to provide certainty in advance on tax matters in the form of advance tax rulings. It is also possible to conclude APAs with the Dutch tax authorities.
Singapore	Yes	It is possible to obtain advance rulings from the Comptroller of Income Tax.

	SHORT ANSWER	NOTES
Spain	Yes	It is possible to obtain replies to written queries made by taxpayers to the Spanish tax authorities. The taxpayer must state in his/her application, inter alia, the background information and the specific circumstances of his/her case. The tax authorities must reply within six months from the date the query is submitted. There are no fees or charges for submitting queries. The effects of the replies to the written questions are, as a general rule, binding, and erga omnes with regard to the tax authorities (i.e., the tax authorities are bound by their reply). Rulings are generally published, and may not be appealed. In addition, there are certain areas on which it is possible to obtain a tax agreement with the Spanish tax authorities, such as advance pricing arrangements for transfer pricing purposes or amortization plans.
Switzerland	Yes	Advance binding tax rulings can be obtained in Switzerland on any tax issue that may arise.
United Kingdom	Yes but limited	There are a limited number of statutory clearances in United Kingdom law. Taxpayers can request non-statutory business clearance on all aspects of business tax, but only: (i) on areas of material uncertainty arising from recent legislation (introduced in each of the last four Finance Acts); or (ii) for older legislation, where there is material uncertainty about the tax outcome of an issue of commercial significance to the business.

2 Taxation at the shareholder level

2.1 Resident corporate shareholder level

2.1.1 Withholding tax on dividend payments to resident shareholders

	SHORT ANSWER	NOTES
Austria	25% but exempt or qualifies as an advance levy under certain conditions	The statutory withholding tax ("**WHT**") rate on dividend distributions in Austria is 25%. Dividends paid by an Austrian tax resident company to an Austrian AG or GmbH are exempt from WHT. If the Austrian shareholder holds less than 10% of the shares, 25% WHT will be levied, which will be credited to the corporate tax liability of the shareholder.
Belgium	27% (creditable and reimbursable) or exempt	The statutory WHT rate on dividend distributions in Belgium is 27%. Belgium provides for a WHT exemption for dividends paid by Belgian companies to Belgian parent companies under certain conditions. The exemption requires that the parent company holds, at the moment the dividend is declared, at least 10% of the share capital of the Belgian subsidiary and that it has held or will hold that minimum participation for an uninterrupted period of at least one year.
Cyprus	17%	The statutory WHT rate on dividend distributions to resident shareholders in Cyprus is 17%.
Dubai	None	Dubai does not impose a WHT on dividend distributions to resident shareholders.
Hong Kong	None	Hong Kong does not impose a WHT on dividend distributions to resident shareholders.
Ireland	None	Ireland does not impose a WHT on dividend distributions to resident shareholders.

	SHORT ANSWER	NOTES
Luxembourg	15% or exempt under certain conditions	The statutory WHT rate on dividend distributions in Luxembourg is 15%. However, dividends paid by a Luxembourg company to its resident shareholder(s) are exempt from WHT provided that: (i) the distributing company is: a) a Luxembourg resident fully taxable "entity" incorporated under one of the legal forms listed in the appendix to paragraph (10) of Article 166 of the Luxembourg income tax law; or b) a Luxembourg resident fully taxable "share capital company" not listed in the appendix of paragraph (10) of Article 166 of the Luxembourg income tax law; (ii) the beneficiary of the dividend is: a) another collective entity covered by Article 2 of the Council Directive of November 30, 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different EU Member States (2011/96/EU); or b) a Luxembourg resident fully taxable "share capital company" not listed in the appendix of paragraph (10) of Article 166 of the Luxembourg income tax law; and (iii) on the date the dividends are placed at the disposal of the beneficiary, the latter holds or commits to hold said shareholding for an uninterrupted period of at least 12 months and, throughout that whole period, the shareholding represents at least 10% of the share capital of the subsidiary or its acquisition price amounts to at least EUR 1.2 million.
Netherlands	15% or exempt under certain conditions	The statutory WHT rate on dividend distributions in the Netherlands is 15%, which can be exempt under conditions. Dividends paid to Dutch resident shareholders are not subject to dividend WHT if one of the following conditions is met: (i) the Dutch participation exemption regime applies and the qualifying participation can be allocated to the Dutch business enterprise of the taxpayer; or (ii) the beneficiary of the dividend income is part of the same Dutch fiscal unity as the paying entity.
Singapore	None	Singapore does not impose a WHT on dividend distributions to resident shareholders.

	SHORT ANSWER	NOTES
Spain	19% or exempt under certain conditions	The statutory WHT rate on dividend distributions is 19%. No dividend WHT is levied if: (i) the recipient benefits from the exemption regime (i.e., shareholders owning direct or indirect participation of at least 5% in the capital of the resident subsidiary (or its purchase value exceeds EUR 20 million) for an uninterrupted period of at least one year may qualify for a an exemption of the gross dividend derived); or (ii) both the recipient and distributing company file a consolidated tax return.
Switzerland	35% but exempt under certain conditions	The statutory WHT rate on dividend distributions in Switzerland is 35%. Dividends paid out of reserves from capital contributions are exempt from WHT. Such reserves from capital contributions need to be disclosed separately in the financial statements of the dividend paying Swiss company and any change in this account needs to be declared to the Swiss Federal Tax Administration. Swiss resident shareholders may claim a full refund, provided they are the beneficial owner of the respective dividend income and provided they have properly accounted for it in their financial statements. If the resident shareholder is a corporation holding a minimum participation of more than 20%, the withholding obligations may be fulfilled, under certain circumstances, by following a notification procedure instead of the usual withholding and refund procedure. The notification procedure needs to be requested prior to the dividend distribution.
United Kingdom	None	The United Kingdom does not impose a WHT on dividend distributions to resident shareholders.

2.2 Non-resident corporate shareholder level

2.2.1 Withholding tax on dividend payments to non-resident shareholders

	SHORT ANSWER	NOTES
Austria	25% which can be reduced or exempt under certain conditions	The statutory withholding tax ("**WHT**") rate on dividend distributions in Austria is 25%. Under Austrian domestic law, no WHT applies to dividends distributed to European Union ("**EU**") companies, provided that: (i) the parent company has a form listed in the EU Parent Subsidiary Directive ("**PSD**"); (ii) the parent company owns at least 10% of the equity in the subsidiary; and (iii) the shareholding has been held directly for one continuous year. Double tax treaties ("**DTTs**") may also limit the WHT levied. To get a direct relief at source, the parent company has to confirm in writing that it has its own employees, pursues a business activity that exceeds mere asset administration and has its own office space. In addition, it must furnish the Austrian subsidiary with a residence certificate. If the parent company is unable to do so, WHT will apply and the shareholder may request a refund of the tax withheld.
Belgium	27%, exempt, or reduced by a DTT 1.6995% in very specific circumstances	The statutory WHT rate on dividend distributions in Belgium is 27%. Belgium exempts from WHT dividends paid by a Belgian company to parent companies that are established in the EU, and dividends paid to parent companies established in any third state with which Belgium has a DTT with an appropriate exchange of information clause (most DTTs concluded by Belgium qualify). The exemption requires that the parent company holds, at the moment the dividend is declared, at least 10% of the share capital of the Belgian subsidiary and that it has held or will hold the ownership over this minimum participation for an uninterrupted period of at least one year. Moreover, for dividends paid to companies established in the EU or in third states, certain formalities must be met and both the parent company and the Belgian subsidiary must: (i) have a qualifying legal form; (ii) be considered to be tax residents of the country in which they are established not only according to the domestic law of, but also according to the DTTs concluded by, that country; and (iii) be subject to CIT or an equivalent tax without benefiting from a tax regime with specific advantages, which are not available to all tax payers. Under certain conditions, when the participation held by a qualifying parent company is less than 10% but has an acquisition value of at least EUR 2.5 million, a 1.6995% WHT rate will apply. Belgium has a specific domestic exemption for dividends paid to foreign pension funds. Dividends paid to a (non-resident) shareholder that do not benefit from an exemption or reduction under domestic law, or a possible reduction or exemption under a DTT, are generally subject to a 27% WHT.

	SHORT ANSWER	NOTES
Cyprus	None	Cyprus does not impose WHT on the distribution of dividends to non-resident shareholders.
Dubai	None	Dubai does not impose a WHT on the distribution of dividends to non-resident shareholders.
Hong Kong	None	Hong Kong does not impose a WHT on dividend distributions to non-resident shareholders.
Ireland	20% which can be reduced or exempt under certain conditions	The statutory WHT rate on dividends in Ireland is 20%. Dividends are exempt from WHT if: (i) the shareholder is a company which is resident in an EU Member State (other than Ireland) or DTT state and not ultimately controlled by an Irish resident; (ii) the shareholder is a non-resident company which is controlled by persons who are resident in an EU Member State (other than Ireland) or a DTT country (and who themselves are not ultimately controlled by an Irish resident); or (iii) the shareholder is a non-resident company where the principal class of shares in the company or its 75% parent company are substantially and regularly traded on a recognised stock exchange in another EU Member State or a DTT country. DTTs may also limit the WHT levied on dividends.
Luxembourg	15% or exempt under certain conditions	The statutory WHT rate for the distribution of dividends to non-resident investors is 15%. Subject to the provisions of an applicable DTT, the WHT rate may be reduced. Nonetheless, there is a broad exemption system for the distribution of dividends in place in Luxembourg. With respect to non-resident shareholders, the exemption applies if: (i) the distributing company is: a) a Luxembourg resident fully taxable "entity" incorporated under one of the (legal) forms listed in the appendix to paragraph (10) of Article 166 of the Luxembourg income tax law; or b) a Luxembourg resident fully taxable "share capital company" not listed in the appendix of paragraph (10) of Article 166 of the Luxembourg income tax law; (ii) the beneficiary of the dividend is: a) another collective entity covered by Article 2 of the PSD; b) a Luxembourg permanent establishment of a collective entity referred to above; c) a collective entity (or its Luxembourg permanent establishment) which is a resident of a country with which Luxembourg has concluded a DTT fully subject to a tax corresponding to Luxembourg corporate income tax ("**CIT**"); d) a Swiss resident "share capital company" which is effectively subject to a CIT in Switzerland without benefiting from an exemption;

	SHORT ANSWER	NOTES
		e) a corporation or cooperative company which is resident in a European Economic Area ("**EEA**") country other than an EU Member State and which is liable to a tax corresponding to Luxembourg's CIT; or f) a permanent establishment of a corporation or cooperative company which is a resident of an EEA country other than EU Member State; and (iii) on the date the dividends are placed at the disposal of the beneficiary, the latter holds or commits to hold said shareholding for an uninterrupted period of at least 12 months and, throughout that whole period, the shareholding represents at least 10% of the share capital of the subsidiary or its acquisition price amounts to at least EUR 1.2 million. From January 1, 2016, dividends distributed by a Luxembourg resident company to a resident of another EU Member State covered by Article 2 of the PSD do not benefit from the aforementioned WHT exemption if the said dividends: (i) are tax deductible in Luxembourg; or (ii) are allocated as part of an arrangement or series of arrangements that (having been put in place for the main purpose or one of the main purposes of obtaining a tax advantage which defeats the object or purpose of the PSD) are not genuine having regard to all relevant facts and circumstances. An arrangement or a series of arrangements, which may comprise several steps or parts, is considered as "not genuine" if it is not put into place for valid commercial reasons that reflect the economic reality.
Netherlands	15% which can be reduced or exempt under certain conditions	The statutory WHT rate on dividend distributions in the Netherlands is 15%, which can be reduced or exempt under conditions. In EU/EEA situations, dividends are not subject to dividend WHT if the following conditions are met: (i) the parent company owns at least 5% of the capital in the Dutch subsidiary; (ii) the Dutch participation exemption regime would apply to the participation if the parent company were a resident of the Netherlands; (iii) the parent company resides in an EU or EEA country according to local tax law (and to DTTs concluded by the local country); and (iv) the parent company is the beneficial owner of the dividends received. DTTs may also limit or exempt the Dutch dividend WHT levied.
Singapore	None	Singapore does not impose a WHT on dividend distributions to non-resident shareholders

	SHORT ANSWER	NOTES
Spain	19% which can be reduced or exempt under certain conditions	The statutory WHT rate on dividends in Spain is 19%. The tax rate can be reduced when a dividend distribution is made to a shareholder that is resident in a country with which Spain has signed a DTT. Under the Spanish domestic law implementing the provisions of the EU PSD, dividends paid to qualifying parent companies in other EU Member States are exempt from WHT, provided the following requirements are met: (i) the resident subsidiary must be a corporation (SA), limited liability company (SRL), partnership limited by shares (S. Com. por A.) or one of the public law bodies that operate under private law; (ii) the non-resident parent must have one of the corporate forms of its country of residence that are mentioned in the Annex to the PSD, and be subject to normal corporate tax in its country of residence; (iii) the parent must hold at least a 5% direct participation (or its purchase value be higher than EUR 20 million) in the capital of the distributing Spanish subsidiary; (iv) the shareholding must be kept continuously for at least one year. If dividends are declared before the participation has been held for a year, there is no exemption from WHT, but the parent may apply for a refund if it meets this condition later; and (v) the distributed amount may not derive from the liquidation of the Spanish subsidiary. Once the minimum holding percentage (or purchase value) and period requirements are met, future acquisitions of shares or other participations qualify automatically. The exemption, however, does not apply where the majority of the voting rights in the EU parent company are directly or indirectly held by individuals or companies not resident in any EU Member State, unless the formation and operations of the parent company are driven by valid economic and substantial business reasons. The exemption does not apply if the parent is resident in any of the listed tax havens. Finally, if the Spanish company is an ETVE, dividends received by non-residents (except tax havens) corresponding to exempted reserves stemming from foreign owned companies will not be deemed to have been obtained in Spain and thus will not be taxable in Spain. Dividends and other participations in profits derived by the following entities resident in another EU or EEA Member State (except for Liechtenstein) and without a permanent establishment in Spain, are exempt: (i) pension funds equivalent to those within the ambit of Royal Decree 1/2002 of November 29, 2002; and (ii) undertakings for Collective Investment in Transferable Securities (UCITS) within the ambit of Directive 2009/65/CE of July 13, 2009.

	SHORT ANSWER	NOTES
Switzerland	35% which can be reduced or exempt under certain conditions	The statutory WHT rate on dividend distributions to foreign shareholders in Switzerland is 35%. According to DTT provisions, WHT can be reduced or sometimes even eliminated for a foreign shareholder if the shareholder holds a minimum percentage (defined in the DTTs) in the distributing entity. A full WHT relief is also possible if the dividends are paid to a company located in an EU state, based on the agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC of June 3, 2003, on the taxation of savings income. If such treaty relief applies, the withholding obligations may be fulfilled, under certain circumstances, by following a notification procedure instead of the usual withholding and refund procedure. The notification procedure needs to be requested prior to the dividend distribution.
United Kingdom	None	The United Kingdom does not impose a WHT on dividend distributions to non-resident shareholders.

2.2.2 Taxation of the non-resident shareholder by the disposal of shares in the company

	SHORT ANSWER	NOTES
Austria	25%, unless double tax treaties ("**DTTs**") apply	As a general rule, Austria imposes tax on the disposal of a shareholding participation in an Austrian company by a foreign shareholder, provided that the non-resident shareholder owns, or owned at any time during the preceding five years, a substantial shareholding (1% of the share capital of the Austrian company). In this case, a tax rate of 25% applies and the seller has to file a tax return. DTTs may provide for the capital gain to be taxable in the country of the seller only. The DTTs concluded with Brazil and France do not provide for relief from Austrian capital gains tax.
Belgium	Generally exempt	Capital gains realized by foreign corporate shareholders upon disposal of shares in a Belgian company are generally not taxable in Belgium.
Cyprus	None	There is no capital gains tax imposed on any disposal of the participation in the holding company by a foreign shareholder in Cyprus.
Dubai	None	Dubai does not impose a tax on non-resident shareholders for the disposal of shares in a Dubai company.
Hong Kong	None	Hong Kong does not impose a tax on the disposal of shares by a non-resident shareholder.
Ireland	Generally exempt, however there are certain exceptions	Capital gains are generally not taxable in Ireland, provided the holding company does not derive its value from Irish real estate, and provided the foreign shareholder does not hold those shares for the purposes of a trade carried on in Ireland by the foreign shareholder through a branch or agency.

	SHORT ANSWER	NOTES
Luxembourg	None	As a general rule, Luxembourg does not impose tax on the disposal of a shareholding participation in a Luxembourg company by a foreign shareholder unless (i) the capital gains are derived from the sale of a substantial participation in a Luxembourg company within a six-month period from acquisition of the participation and (ii) no DTT gives exclusive right to tax such capital gains to the country of the foreign seller. A participation is deemed to be substantial where a non-resident corporate shareholder holds or held, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of a Luxembourg company.
Netherlands	Exempt, unless anti-abuse legislation applies	Capital gains derived by non-resident shareholders from the disposal of shares in a Dutch tax resident company are generally not taxable in the Netherlands. However, the Netherlands does levy tax at the ordinary Dutch corporate income tax ("**CIT**") rates of 20% and 25%. If the following conditions are met: (i) the non-resident shareholder holds a participation of at least 5% of the equity in the Dutch participation which has capital divided into shares; (ii) the participation is held with the main purpose or one of the main purposes of avoiding Dutch personal income tax or dividend withholding tax ("**WHT**") on benefits received by the interposed company (i.e. the foreign entity) ; and (iii) the arrangement or series of arrangements are not genuine in the sense that they are not based on business reasons which reflect economic reality. DTTs can limit/avoid CIT on the disposal of shares.
Singapore	17% exempt under certain conditions	Capital gains are generally not taxable in Singapore. However, gains from the disposal of shares may be subject to corporate income tax at the ordinary rate if they are: (i) income in nature (i.e., arising from any trade or business carried on by the seller); and (ii) Singapore-sourced (whether or not received in Singapore), or foreign-sourced and received in Singapore. It is a question of fact whether the gains are capital or income in nature. Gains from the disposal of shares, whether capital or income in nature, are tax-exempt if: (i) the seller is a company; (ii) the seller owned at least 20% shareholding for a continuous period of at least 24 months immediately before the sale; and (iii) the sale takes place between June 1, 2012 and May 31, 2017 (both dates inclusive). It was announced in Singapore's 2016 Budget that the tax exemption will be extended from 2017 to 2022, though this has yet to be formally legislated.

	SHORT ANSWER	NOTES
Spain	Taxable, however there are certain exceptions	Capital gains obtained by non-resident shareholders are generally taxable at a rate of 19%. However, capital gains derived from the disposal of shares by European Union residents are generally exempt from tax (except tax havens). This exemption does not apply when: (i) the transfer is of shares or participation in corporations or other entities, the assets of which mainly consist, directly or indirectly, of real property located in Spain; or (ii) the requirements for the Spanish participation exemption regime are not met. Capital gains (including liquidation surplus) realized by non-resident entities (other than tax haven-based entities) on the sale of their participations in ETVEs, provided the capital gain corresponds to undistributed exempted reserves stemming from foreign owned companies or to latent gains of underlying eligible foreign owned companies, will not be deemed to have been obtained in Spain and thus will not be taxable.
Switzerland	Generally exempt, however there are exceptions	In principle, there will be no Swiss tax consequences unless the sale of the participation in the holding company results in an indirect sale of the participation in a real estate company (in certain cantons). A real estate company is a company that exclusively or principally acquires, manages, exploits or sells real estate property. In such case, the capital gain may be subject to a real estate capital gain tax (depending on the canton in which the company holds real estate).
United Kingdom	Generally exempt	The United Kingdom does not impose tax on gains realized by a non-resident on the disposal of shares in a United Kingdom company, unless the non-resident holds those shares for the purposes of carrying on trade in the United Kingdom through either a United Kingdom permanent establishment (in the case of a corporate shareholder) or a branch or agency (in the case of an individual shareholder). DTTs may reduce the WHT rate or provide for an exemption, when available.

2.3 Withholding tax on outgoing interest and royalty payments

2.3.1 Withholding tax on royalty payments

	SHORT ANSWER	NOTES
Austria	20%, unless the European Union ("**EU**") Interest and Royalty Directive ("**IRD**") applies	The standard withholding tax ("**WHT**") rate in Austria on royalties is 20%. No WHT is due if the recipient is subject to the provisions of the EU IRD as implemented into domestic law.
Belgium	27% (on maximum 85% of the amount of royalties paid) which can be reduced or exempt under certain conditions	The net amount of royalties paid is subject to WHT at the standard rate of 27%, except if reduced by a double tax treaty ("**DTT**") or pursuant to a domestic exemption or reduction. An exemption applies (based on the IRD) if the following conditions are met: (i) the receiving company qualifies as a "company of a Member State"; and (ii) both the receiving and the Belgian paying company qualify as "associated companies". In this context, please note that Belgium has implemented the IRD in a more extensive manner, since the exemption applies not only to royalties paid to associated companies with a qualifying direct participation link with the Belgian payer, but also to royalties paid to associated companies with an indirect participation link (see below). The receiving company will qualify as a "company of a Member State" if: (i) it has a qualifying legal form; (ii) it is a tax resident of the relevant Member State; and (iii) it is subject to corporate income tax without being exempt. Both companies will qualify as "associated companies" if: (i) the receiving company directly or indirectly participates at least 25% in the capital of the Belgian paying company during an interrupted period of at least one year (this condition can also be fulfilled afterwards); or (ii) vice-versa; or (iii) a third EU company has such a direct or indirect participation in both the paying and the receiving company. The exemption is subject to certain formalities. If a higher amount of expenses (with the exclusion of interest expenses) can be demonstrated, a lump sum reduction of 15% applies in order to determine the net amount of royalties potentially subject to WHT.

	SHORT ANSWER	NOTES
Cyprus	None	There is no WHT in Cyprus on the distribution of royalties to non-resident shareholders.
Dubai	None	Dubai does not levy a WHT on royalty payments.
Hong Kong	4.95%/16.5%	The standard WHT rate on royalties in Hong Kong is 4.95%. A royalty withholding tax of 16.5% will apply to royalty payments associated with a related licensor for the use of intangibles previously owned by a person carrying on business in Hong Kong.
Ireland	20% or exempt under certain conditions	The standard WHT rate in Ireland on royalties is 20% but applies only to patents. Exemptions apply, including where: (i) the royalty is paid by a company to a company resident in an EU Member State (other than Ireland) or a DTT country and such jurisdiction imposes a tax which generally applies to royalties receivable from foreign territories; (ii) the royalties are paid for bona fide commercial reasons and do not form part of a scheme or arrangement to avoid tax; and (iii) the royalties are not paid to that company in connection with a trade or business which is carried on in Ireland through a branch or agency. No WHT is due if the recipient benefits from the provisions of the EU IRD. DTTs may also limit the WHT levied.
Luxembourg	None	Luxembourg does not levy a WHT on royalty payments.
Netherlands	None	The Netherlands does not levy a WHT on royalty payments.

	SHORT ANSWER	NOTES
Singapore	10%, which can be reduced under a tax DTT	The WHT rate on royalties is 10%. The rate may be reduced under the provisions of an applicable DTT.
Spain	Taxable, but reduced or exempt under certain conditions	The standard WHT rate in Spain on royalties paid to resident companies is 19%. Royalties paid to non-resident companies are subject to a 24% WHT rate (19% when paid to residents of an EU or European Economic Area country with which an effective exchange of information treaty exists). The WHT rate can be reduced under DTTs or exempt when the EU IRD is applicable.
Switzerland	None	Switzerland does not levy a WHT on royalty payments.
United Kingdom	20% or exempt under certain conditions	The standard WHT rate in the United Kingdom on royalties is 20%. No WHT is due if the recipient is subject to the provisions of the EU IRD.

2.3.2 Withholding tax on interest payments

	SHORT ANSWER	NOTES
Austria	27.5% if paid to individual, none if paid to corporation	There is no withholding tax ("**WHT**") on interest in Austria, provided the lender is a corporation. Interest paid to individuals might trigger WHT at a rate of 27.5%.
Belgium	27%, which can often be reduced or exempt under certain conditions	The statutory WHT rate on interest payments by a Belgian company is 27%. However, there are quite a number of domestic interest WHT exemptions on which a Belgian holding company can rely, in addition to possible reductions or exemptions under double tax treaties ("**DTTs**") concluded by Belgium. The Belgian WHT on interest payments can be exempt if the following conditions are met: (i) the receiving company qualifies as a "company of a Member State"; and (ii) both the receiving and the Belgian paying company qualify as "associated companies". In this context, please note that Belgium has implemented the Interest and Royalty Directive ("**IRD**") in a more extensive manner, since the exemption applies not only to royalties paid to associated companies with a qualifying direct participation link with the Belgian payer, but also to royalties paid to associated companies with an indirect participation link (see below). The receiving company will qualify as a "company of a Member State" if: (i) it has a qualifying legal form; (ii) it is a tax resident of the relevant Member State; and (iii) it is subject to corporate income tax without being exempt. Both companies will qualify as "associated companies" if: (i) the receiving company directly or indirectly participates at least 25% in the capital of the Belgian paying company during an interrupted period of at least one year (condition can also be fulfilled afterwards); (ii) vice-versa; or (iii) a third European Union ("**EU**") company has such a direct or indirect participation in both the paying and the receiving company.

	SHORT ANSWER	NOTES
		The exemption is subject to certain formalities. Finally, there are a number of other domestic WHT exemptions which can be relied upon by a Belgian holding, including but not limited to: (i) interest paid to credit institutions established in the European Economic Area or in a DTT country; (ii) interest on certain receivables and registered bonds paid by "intra-group banks" and qualifying (listed) holding companies to non-resident investors; (iii) interest paid to non-resident investors (with certain exceptions) on certain bonds issued in Belgium and registered with the issuer; and (iv) interest paid on certain securities cleared through the X/N clearing system (managed by the National Bank of Belgium).
Cyprus	None	There is no WHT in Cyprus on the payment of interest from the Cypriot company to its shareholders.
Dubai	None	Dubai does not levy a WHT on interest payments.
Hong Kong	None	Hong Kong does not levy a WHT on interest payments.
Ireland	20% or exempt under certain conditions	The statutory WHT rate on interest in Ireland is 20%. Broad exemptions apply, including where: (i) the interest is paid by a company to a company resident in an EU Member State (other than Ireland) or a DTT country and such jurisdiction imposes a tax which generally applies to interest receivable from foreign territories, and such interest is not paid to that company in connection with a trade or business which is carried on in Ireland through a branch or agency; or (ii) the recipient benefits from the provisions of the EU IRD. DTTs may also limit the WHT levied.
Luxembourg	None	Luxembourg does not levy a WHT on interest payments (except under the Luxembourg provisions applicable to interest payments made to individuals who are resident in Luxembourg).
Netherlands	None	The Netherlands does not levy a WHT on outgoing interest payments.

	SHORT ANSWER	NOTES
Singapore	15%, which can be reduced under a DTT	The WHT rate on interest is 15%. The rate may be reduced under the provisions of an applicable DTT.
Spain	Taxable but reduction or exemption under certain conditions	The statutory WHT rate on interest in Spain is 19% when interest is paid to resident and non-resident companies, which could be reduced under DTTs. Moreover, interest received by EU tax residents without a permanent establishment in Spain and not resident in a listed tax haven, is exempted from Spanish Non-Resident Income Tax, and is therefore not subject to WHT.
Switzerland	None, however there are exceptions	There is generally no WHT on interest paid by corporations or individuals, Swiss or foreign parties, except in the following limited cases: (i) The loans on which interest is paid qualify as bonds or as collective financing schemes; (ii) The loan on which interest is paid is secured by Swiss real estate. Relief from interest WHT may be available under a DTT between Switzerland and the jurisdiction in which the lender is located. Relief from interest WHT may also be available under the Agreement on the Taxation of Savings Income between Switzerland and the EU (comparable to Council Directive 2003/48/EC of June 3, 2003, on the taxation of savings income).
United Kingdom	20%, 0% or exempt under certain conditions	The statutory WHT rate on interest in the United Kingdom is 20%. The WHT rate is 0% for bank deposits and Eurobonds. No WHT is due if the recipient is subject to the provisions of the EU IRD.

2.4 Non-resident individual shareholder level

2.4.1 Withholding tax on dividend payments to non-resident individual shareholders

	SHORT ANSWER	NOTES
Austria	27.5% unless double tax treaties ("**DTTs**") apply	The standard Withholding tax ("**WHT**") rate on dividends in Austria is 27.5%. DTTs may reduce this tax rate. To get a direct relief at source, the individual shareholder has to furnish the Austrian company with a residence certificate. If the shareholder is unable to do so, WHT will apply and the shareholder may request a refund of the tax withheld. Certain simplifications exist if the amount distributed does not exceed EUR 10,000 per calendar year.
Belgium	27% which can be reduced under DTTs	Dividends derived by non-resident individual shareholders are generally subject to a WHT of 27%, except if a lower domestic rate applies. DTTs may also limit the WHT levied.
Cyprus	None	Cyprus does not impose a WHT on the distribution of dividends to non-resident individual shareholders.
Dubai	None	Dubai does not impose a WHT on the distribution of dividends to non-resident individual shareholders.
Hong Kong	None	Hong Kong does not impose a WHT on the distribution of dividends to non-resident individual shareholders.
Ireland	20% or exempt under certain conditions	The standard withholding rate on dividends in Ireland is 20%. Dividends are exempt from WHT if the shareholder is an individual who is resident in a EU Member State (other than Ireland) or a DTT state. DTTs may also limit the WHT levied.

	SHORT ANSWER	NOTES
Luxembourg	15% unless DTTs apply	The statutory WHT rate on dividend distributions in Luxembourg is 15%. Subject to the provisions of an applicable DTT, the WHT rate may be reduced.
Netherlands	15% which may be reduced under DTTs	The dividend WHT rate in the Netherlands is 15%.
Singapore	None	Singapore does not impose a WHT on the distribution of dividends to non-resident individual shareholders.
Spain	19%, which can be reduced under DTTs	The standard WHT rate on dividends in Spain is 19%.
Switzerland	35%, which can be reduced by a DTT	A federal WHT at a rate of 35% is levied on dividends to foreign shareholders.
United Kingdom	None	The United Kingdom does not impose a WHT on the distribution of dividends to non-resident individual shareholders.

2.4.2 Taxation of the non-resident individual shareholder in case of disposal of shares in the company

	SHORT ANSWER	NOTES
Austria	27.5% in case of a substantial shareholding	As a general rule, Austria imposes tax on the disposal of a shareholding participation in an Austrian company by a foreign shareholder, provided that the non-resident shareholder owns, or owned at any time during the preceding five years, a substantial shareholding (1% of the share capital of the Austrian company). In this case, a tax rate of 27.5% applies and the seller has to file a tax return. Double tax treaties (**"DTTs"**) may provide for capital gains being taxable in the country of the seller only.
Belgium	Possibly taxable (at specific rates of 16.5% or 33%, or at the normal progressive rates, depending on the circumstances) except if a DTT exemption applies	Capital gains realized by a foreign individual shareholder on the shares of a Belgian company can be subject to tax in Belgium (when relating to a substantial participation, when the gain is considered outside the scope of the normal management of one's private assets, when it is related to a professional activity, or when the shares are listed and sold within six months following acquisition), but an exemption then normally applies when the foreign shareholder can rely on the provisions of a DTT concluded between Belgium and his/her country of residence which gives the country of residence the right to tax.
Cyprus	None, however there are certain exceptions	There is no capital gains tax imposed by Cyprus on the disposal of the participation in the holding company by a foreign individual shareholder. There is, however, a 20% tax on the disposal of unlisted shares in companies holding immovable property situated in Cyprus.
Dubai	None	Dubai does not impose a tax on non-resident shareholders on the disposal of shares in a Dubai company.
Hong Kong	None	Hong Kong does not impose a tax on the disposal of shares by a non-resident shareholder.
Ireland	None, however there are exceptions	There is no Irish tax on capital gains, provided the holding company does not derive its value from Irish real estate, and provided the foreign shareholder does not hold those shares for the purposes of a trade carried on in Ireland by the foreign shareholder through a branch or agency.

	SHORT ANSWER	NOTES
Luxembourg	None	As a general rule, Luxembourg does not impose tax on the disposal of a shareholding participation in a Luxembourg company by a foreign shareholder unless i. the capital gains are derived from the sale of a substantial participation in a Luxembourg company within a six-month period from acquisition of the participation and ii. no DTT gives exclusive right to tax such capital gains to the country of the foreign seller. A participation is deemed to be substantial where a non-resident individual shareholder holds or held, either alone or together with his spouse/partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of a Luxembourg company.
Netherlands	More than 5% interest taxed at a rate of 25%, unless limited by DTT	When an individual shareholder holds less than 5% of the shares in a Dutch company, capital gains are exempt from Dutch personal income taxation. When an individual shareholder holds more than 5% of the shares in a Dutch company, capital gains are taxable at a rate of 25%.
Singapore	None	Capital gains are generally not taxable in Singapore.
Spain	Taxable, however there are exceptions	In general, capital gains obtained by non-resident individual shareholders are taxed at a rate of 19%. However, capital gains derived from the disposal of shares by European Union residents are generally exempt from tax (except tax havens). This exemption does not apply when: a) the transfer is of shares or participation in corporations or other entities, the assets of which consist mainly, directly or indirectly, of real property located in Spain; or b) the seller has owned, directly or indirectly, at least 25% of the capital or net worth of the entity at any time during a 12-month period prior to the transfer.
Switzerland	None, however there are exceptions	Capital gains are not subject to federal income tax unless they are derived in the course of a business.
United Kingdom	None, however there are exceptions	The general rule is that there is no capital gains tax on the disposal of shares in a United Kingdom company by non-resident individuals, unless the shares are held for trading purposes.

Contacts for further information

Austria
Contributions by Baker & McKenzie

Imke Gerdes
Partner
T: +1 212 626 4747
imke.gerdes@bakermckenzie.com

Christoph Urtz
Partner
T: +43 1 2 42 50 233
christoph.urtz@bakermckenzie.com

Belgium
Contributions by Baker & McKenzie CVBA/SCRL

Philippe Lion
Partner
T: +32 2 639 36 11
philippe.lion@bakermckenzie.com

Evert Bleus
Associate
T: +32 2 639 36 11
evert.bleus@bakermckenzie.com

Cyprus
Contributions by Dr. K. Chrysostomides & Co LLC

Dr. Kypros Chrysostomides
Managing Partner
T: +357 22 777000
k.chrysostomides@chrysostomides.com.cy

Mr. George Ioannou
Partner
T: +357 22 777000
g.ioannou@chrysostomides.com.cy

Dubai
Contributions by The Cragus Group

Reggie Mezu
Tax Leader
T: +971 4 705 0310
rmezu@cragus.com

Dominic Treays
Managing Director
T: +971 4 705 0310
dtreays@cragus.com

Hong Kong
Contributions by Baker & McKenzie

Steven Sieker
Partner
T: +852 2846 1048
steven.sieker@bakermckenzie.com

Pierre Chan
Partner
T: +852 2846 1560
pierre.chan@bakermckenzie.com

Ireland
Contributions by Matheson

Joseph Duffy
Partner
T: +353 1 232 2000
joseph.duffy@matheson.com

Gerry Thornton
Partner
T: +353 1 232 2000
gerry.thornton@matheson.com

Shane Hogan
Partner
T: +353 1 232 2000
shane.hogan@matheson.com

Contacts for further information

Luxembourg
Contributions by Baker & McKenzie

André Pesch
Tax Principal
T: +352 26 18 44 218
andre.pesch@bakermckenzie.com

Amar Hamouche
Tax Director
T: +352 26 18 44 234
amar.hamouce@bakermckenzie.com

Netherlands
Contributions by Baker & McKenzie N.V.

Juliana Dantas
Partner
T: +31 20 551 7549
juliana.dantas@bakermckenzie.com

Cedrik Lütter
Associate
T: +31 20 551 7527
cedrik.lutter@bakermckenzie.com

Singapore
Contributions by Baker & McKenzie - Wong & Leow

Eugene Lim
Principal
T: +65 6434 2663
eugene.lim@bakermckenzie.com

Dawn Quek
Principal
T: +65 6434 2599
dawn.quek@bakermckenzie.com

Allen Tan
Principal
T: +65 6434 2681
allen.tan@bakermckenzie.com

Peter Tan
Senior Tax Consultant
T: +65 6434 2669
peter.tan@bakermckenzie.com

Spain
Contributions by Baker & McKenzie

Rodrigo Ogea
Partner
T: +34 91 230 45 00
rodrigo.ogea@bakermckenzie.com

Esteban Raventos
Partner
T: +34 93 206 08 20
esteban.raventos@bakermckenzie.com

Switzerland
Contributions by Baker & McKenzie

Mario Kumschick
Partner
T: +41 44 384 1297
mario.kumschick@bakermckenzie.com

Patrick Schmid
Associate
T: +41 44 384 12 40
patrick.schmid@bakermckenzie.com

United Kingdom
Contributions by Baker & McKenzie

Alex Chadwick
Partner
T: +44 0 20 7919 1910
alex.chadwick@bakermckenzie.com

Patrick O'Gara
Partner
T: +44 20 7919 1633
patrick.o'gara@bakermckenzie.com

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