



Algeria, Andorra, Argentina, Austria, Belgium, Bolivia, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Cyprus, Dominican Republic, Ecuador, Egypt, El Salvador, France, Germany, Greece, Guatemala, Honduras, Hungary, India, Indonesia, Israel, Italy, Luxembourg, Malta, Mexico, Morocco, Norway, Pakistan, Panama, Peru, Portugal, Romania, Serbia, Singapore, Spain, Switzerland, The Netherlands, Turkey, UAE, United Kingdom, Uruguay, USA, Venezuela.

## ● DOING BUSINESS

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### AUSTRIA

#### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	GERMAN	ENGLISH	LIABILITY
<b>Partnerships</b>	Gesellschaft bürgerlichen Rechts ("GesbR")	Civil Law Partnership	Unlimited
	Offene Gesellschaft ("OG")	General Partnership	Unlimited
	Kommanditgesellschaft ("KG")	Limited Partnership	General partner: unlimited Limited partner: limited to his respective share of the partnership capital
	Gesellschaft mit beschränkter Haftung ("GmbH")	Limited Liability Company	Limited to the contributed capital
	Gesellschaft mit beschränkter Haftung und Co Kommanditgesellschaft ("GmbH & Co KG")	Limited Liability Company & Limited Partnership	General partner is GmbH: unlimited Limited partner: limited to his respective share of the partnership capital
	Aktiengesellschaft ("AG")	Public Limited Company	Limited to the contributed capital



## ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b> (Firmenbuch)	Companies of all legal forms must be entered in the commercial register. Persons engaged in small trade business and freelance professionals may but don't have to register. Civil law partnerships (GesbR) must not register. The commercial register is administered in electronic form (www.firmenbuch.at)	In order to obtain legal personality a GmbH must be entered into the commercial register. Half of the minimum share capital has to be paid on a bank account of the GmbH before it can be entered in the commercial register. If a company is legally required to be registered, but takes up business operations before being entered in the commercial register, the partners are personally liable for any losses up to the point of registration
<b>Trade Register Notification</b>	Registration with the local trade office (Gewerbeamt) is required for all legal business forms, except freelance professionals.	Chamber membership is automatic and mandatory. Sometimes a licence or an approval for the business registration is necessary.

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Citizens of the European Union, the European Economic Area (=EEA), or Switzerland can work in Austria without any restrictions. Non-EEA nationals planning to work in Austria for longer than 6 months, are required to obtain a residence and work permit prior to the start of employment. There are different possibilities of permits for which varying requirements have to be met.	A certificate of exemption can be issued to employees who have spent at least 5 years of the last eight years of employment in Austria or to employees who have been married to an Austrian citizen for the last 5 years and have their residence in Austria. Since 2011 there exists the "Rot-Weiß-Rot-Card" which enables to work in Austria for 1 year for a specific employer. "Rot-Weiß-Rot-Plus-Card" enables to work for any employer for 1 year.
<b>Labour Law</b>	In Austria there are detailed employment regulations. A special law for protection against unfair dismissal offers great protection for employees.	A minimum of 30 days (including Saturdays even if you are usually not working on Saturdays) of paid holiday is guaranteed. This amount is based on 6 working days per week and added to public holidays. Normal working hours are between 38 and 40 hours or 5 days per week. It may not exceed 10 hours a day or 50 hours a week. Minimum wages are not provided by law, but by collective bargaining agreements (Kollektivverträge [KV]). Employees receive full sick payment for 6 to 8 weeks and additional half sick payment for another 4 weeks. Thereafter social insurance benefits are received.
<b>Social System</b>	Austria operates a compulsory social security scheme for all employees and self-employed persons. The social security system consists of pension insurance, health insurance, accident insurance and unemployment insurance. The social security contributions are shared roughly 50/50 by employer and employee.	The maximum assessment basis for the social security is EUR 68.040 gross salary p.a.

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard corporate income tax rate is 25% on all taxable earnings of the corporation, whether retained or distributed profits. However, once profits are distributed to the shareholders, these must pay personal income tax (27,5%) on the dividends."	The corporation is obliged to pay annual minimum income tax (AG: 3.500 €; GmbH: 1.750 €) even if making losses. There is a reduced amount of minimum income tax for newly established companies for 5 years.
<b>Personal Income Tax</b>	Since 01.01.2016 new rates of taxes are established. The first rate starts at 25 % for income exceeding the tax-free allowance of € 11.000. The tax rate rises progressively and contains all in all 6 steps. For income exceeding € 90.000 the tax rate of 50 % is applicable. Income exceeding € 1.000.000 is taxed by 55 %. This new maximum tax rate is limited to 5 years (for the time being).	There is no tax bonuses are granted to persons which are married.
<b>Personal Income Tax in case of partnerships</b>	Partnerships are tax transparent for income tax purposes.	
<b>Compensation Tax</b>	Capital income (for example interest and dividends) are subject to compensation tax with a flat tax rate of 27,5 %	If the individual income tax rate is less than 27,5 %, the taxpayer can request that his individual tax rate has to be applied.
<b>Value Added Tax</b>	The normal VAT rate is 20% ( reduced rates 13 %, 10 %, 0 %). VAT is charged for the sale of goods and services.	Lower tax rates for example for insurance, food, rent and so on.
<b>Real Estate Transfer Tax</b>	When domestic real estate changes owner, a one-time real estate transfer tax has to be paid of the purchase price. The tax rate is for the first € 250.000,- 0,5 %, for the next € 150.000,- 2 % and after that 3,5 %. For determining the applicable tax rate all purchases within 5 years between the same persons have to be added up. If there is no economic consideration tax is calculated by a special procedure.	
<b>Non-Resident Taxation</b>	Non-resident individuals and companies in Austria receiving income generated in Austria, are subject to Austrian limited taxation with their Austrian-sourced income. Double taxation of this income is avoided by double taxation agreements between Austria and other countries. In case of a non-resident company the tax treatment depends on its kind of income. For individuals the deduction of expenses is only allowed if these expenses are economically related to the taxable revenues. However, individuals who are subject to limited taxation in Austria can apply for unlimited taxation if at least 90% of their worldwide income is subject to Austrian taxation in one year.	

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Austrian Commercial Code, ("UGB")
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<b>Annual Financial Statement</b>	<p>Accounting (regarding UGB) must take place for entrepreneurs whose turnover exceeds €700.000,- p.a., corporations and partnerships, corporate active, where the fully liable partner is no natural person. In addition, there are tax provisions relating to the accounting of smaller companies.</p> <p>IFRS: not allowed (may be done in addition)</p> <p>Basis for dividend distribution: Yes</p> <p>Basis for tax assessment: Yes, but some adaptations may be</p> <p>Components: Balance Sheet, Income Statement No cash-flow-statement</p> <p>Additional mandatory components for companies with limited liability: Notes: Their purpose is the fair presentation of the financial position and results of the company, particularly through a quantitative and qualitative information, which are not included in the figures of the balance sheet and the income statement.</p>
<b>Significant Accounting rules</b>	<p>Depreciation period for goodwill: Usually 10 years</p> <p>Special rules for held-for-sale assets: No</p> <p>Simplification for stock valuation: Average method, LIFO, FIFO</p> <p>Minimum probability of 50% for provisions: No</p> <p>Provision of expenses: Yes; Irrespective of the legal form with the formation of annual financial statement the value clarification period ends. There are different points in time when the financial statements must be drawn up, but no later than 9 months after the closing date.</p> <p>Percentage-of-completion-method for long-term constructions: If the sale proceeds less costs to be incurred is lower than the activation value based on production costs, the lower one is to be applied.</p>
<b>Size-dependent simplifications for companies with limited liability</b> Two of three size-criteria must be met in two subsequent years.	<p>Micro-Company: Sales p.a. not over € 700k; balance sheet sum not over € 350k; number of employees not over 10): no subcategorisation of the balance sheet and Income statement position; no notes, no management report, and no audit is required.</p> <p>Small Company: Sales p.a. not over € 10m, balance sheet sum not over € 5m, number of employees not over 50): no income statement must be published; no management report must be prepared; no audit is required.</p> <p>Medium-sized Company: Sales p.a. not over € 40m, balance sheet sum not over € 20, number of employees not over 250: no sales must be published (income statement can start with gross profit)</p>
<b>Group Accounts</b>	<p>Mandatory: If parent company is a corporation</p> <p>IFRS: If parent company is listed at stock exchange; otherwise optional: IFRS or UGB</p> <p>Not required: If cumulated sales of the group do not exceed € 48m, cumulated balance sheet sum does not exceed € 24m, number of employees does not exceed 250; Alternatively consolidated sales do not exceed € 40m, cumulated balance sheet sum does not exceed € 20m, number of employees does not exceed 250)</p> <p><i>Two of three size-criteria must be met in two subsequent years</i></p>



## ARGENTINA

### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	SPANISH	ENGLISH	LIABILITY
<b>Partnerships</b>	Sociedad Anónima (SA)	Stock Company	Limited to the contributed capital
	Sociedad de Responsabilidad Limitada (SRL)	Limited Liability Company	Limited to the contributed capital
	Sucursal de sociedad extranjera	Branch of the Foreign Company	Limited to the contributed capital of the Foreign Company
	Sociedad unipersonal	Unipersonal Company	Limited to the contributed capital
	Fideicomiso	Trust	Limited to the contributed capital
	Sociedad colectiva	Partnership Company	Unlimited

### ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	All above-mentioned trade partnerships, i.e. Branch, SC or LLC, must obligatorily request the enrolment of their social contract and bylaws before the General Inspection of Justice if the legal domicile is fixed in the City of Buenos Aires, or before the Public Registry of Commerce of the Province the domicile corresponds to.	Partners are completely and unlimitedly responsible for the obligations of the company before the enrolment is being done.
<b>Trade Register Notification</b>	All above-mentioned trade partnerships, i.e. Branch, SC or LLC, must obligatorily request the enrolment of their social contract and bylaws before the General Inspection of Justice if the legal domicile is fixed in the City of Buenos Aires, or before the Public Registry of Commerce of the Province the domicile corresponds to.	Partners are completely and unlimitedly responsible for the obligations of the company before the enrolment is being done.

### ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Technical Resolutions ("Resoluciones Técnicas") issued by the Argentinian Federation of Economics Science Professional Councils ("FACPCE"). International Financial Reporting Standards (IFRS) are mandatory for listed companies, and optional for the rest.	
<b>Annual Financial Statement</b>	IFRS:	mandatory for listed companies, and optional for the rest
	Basis for dividend distribution:	Yes
	Basis for tax assessment:	Yes
	Components:	Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement
	Additional mandatory components:	Notes including statement of capital, items hold in foreign currency. Annual Audit Report for all companies.

<b>Significant Accounting rules</b>	Capitalization of borrowing-costs: only if the funding is used for long construction assets Depreciation period for goodwill: Usually 10 years Fair value of Property Plant and Equipment: Optional Stock valuation: Replacement Cost (Net Realizable Value for commodities) Provision of expenses: Yes Percentage-of-completion-method for long-term constructions: Yes Positive contingency: No
<b>Size-dependent simplifications</b>	Small Company: Sales p.a. not over USD 1 M, no banking or insurance industry, no state owned: simplified valuation criteria and notes requirements Medium Company: Sales p.a. not over USD 5 M, no banking or insurance industry, no state owned: simplified valuation criteria and notes requirements



## ALGERIA

### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	FRENCH	ENGLISH	LIABILITY
<b>Partnerships</b>	Société civile	Civil Law Partnership	Unlimited
	Société à responsabilité limitée ( Sarl)	Limited Liability Company	Limited to the contributed capital
	Société par action ("SPA")	Joint Stock Company	Limited to the contributed capital
	Société en commandité par action ("SCA")	Limited partnership with shares (LPS)	Limited to the contributed capital
	Société en commandité simple ("SCS")	Limited partnership (LP)	Unlimited
	Société en nom collectif (SNC)	Limited partnership (LP)	Unlimited
	Société en participation	Undeclared partnership	Personal liability for debt commitment. The status is undisclosed, undeclared and based on an intangible principle of liability for debts



## ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the commercial register, except persons engaged in very small trade businesses, civil law partnerships, and freelance professionals. The commercial register is administered in electronic form ( <a href="http://www.cnrc.org.dz/">http://www.cnrc.org.dz/</a> )	Non-regulated activities are open to all applicants can meet the terms and conditions related to the quality of trader. Regarding regulated activities, the exercise remains subject to prior authorization by the competent authorities empowered to do so
<b>Trade Register Notification</b>	Registration with the local trade office (CNRC) is required for all legal business forms, except civil company, freelance professionals. After the trade register notification CNRC, the company has to register near tax authorities, the social security funds	Chamber membership is non-automatic and non-mandatory. Sometimes a licence or an approval for the business registration is necessary.

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Citizens of the European Union, the European Economic Area (=EEA), can work in Algeria with work permit. For French citizens, Employment Authorization is required. Members of the management board of corporations don't need work permit but are subject to the trade card delivered by the foreign office.	
<b>Labour Law</b>	In Algeria, there are detailed employment regulations (law 90-11). A special law for protection against unfair dismissal offers great protection for employees	Paid leave is calculated at two and a half days months of work without the overall length can not exceed thirty days by calendar year of work. Normal working hours are between 40 hours divided into 5 or 6 days per week.
<b>Social System</b>	Contributions are paid as follows: Social insurance (sickness, maternity, disability and death) 12.50% (in charge of the employer) 1.50% (in charge of the employee) Industrial accidents and occupational diseases 1.25% (I/C of the employer) Retirement 10.00% (I/C of the employer) 6.75% (I/C of the employee) Unemployment insurance 1% (I/C of the employer) 0.50% (I/C of the employee) Early retirement 0.25% (I/C of employer) 0.25% (I/C Eye) Social Housing 0.50% in charge of social funds. Total contribution is 34,5% and 0,5 for FNPOS	For directors of limited companies, members of the board, non-salaries shareholders who have a gross salary exceeding the yearly amount of 4.320.000 DZD, exist exemptions or limitations of social security contributions. The maximum assessment basis for the social security CASNOS (social security for non salaries) is 4.320.000 DZD.

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard corporate income tax rate is 26% for all activities in general (19% for Production of goods activity) (23% for Public works and construction activity) This for all taxable earnings of the corporation. However, once profits are distributed to the shareholders, these must pay personal income tax (10%) on the dividends for residents and 15% for non resident (see if any tax treaty in case of non resident shareholders)	When receiving the capital earnings as business income, the taxation is due to IRG scale as per article 3 of finance law 2015
<b>Trade Tax</b>	All commercial business operations, except those exempted by the government such strategic sector, are subject to trade tax paid where the business is located (on average around 2%)	

<b>Personal Income Tax</b>	Less than 120.000 Dzd is free on tax from 120.001 Ddz to 360.000 Ddz (20% of IRG tax) from 360.001 Dzd to 1.440.000 Dzd (20% of IRG tax).  More than 1.440.000 Dzd (20% of IRG tax) the tax IRG is ad valorem	Tax bonuses are granted to special persons and special activities supported by the government.
<b>Personal Income Tax in case of partnerships</b>	Partnerships are tax transparent for income tax purposes.	
<b>Value Added Tax</b>	The normal VAT rate is 17% ( reduced rates 0% or 7%). VAT is charged for the sale of goods and services.	Example for 7% VAT: foods . Example for 0% VAT: healthcare, milk, etc.
<b>Real Estate Transfer Tax</b>	When domestic real estate changes owner, a one-time real estate transfer tax registration of 2.5% of the purchase price. Usually the tax must be paid from the buyer	
<b>Church Tax</b>		
<b>Non-Resident Taxation</b>	Non-resident individuals and companies receiving income generated in Algeria, are subject to Algerian taxation with their Algerian-sourced income (depending on their permanent establishment -common taxation- or not -WHT-). Double taxation of this income is avoided by double taxation agreements between Algeria and other countries. In case of a non-resident company the tax treatment depends on its kind of income. For individuals the deduction of expenses is only allowed if these expenses are economically related to the taxable revenues.	

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Algerian Commercial Code, and the law 07-11 (SCF)	
<b>Annual Financial Statement</b>	IFRS: Basis for dividend distribution: Basis for tax assessment: Components:  Additional mandatory components for companies with limited liability:	Regal rules accounting SCF inspired from IFRS Yes Yes Balance Sheet, Income Statement cash-flow-statement , capital variation, appendix Notes including details of all posts of the Trial Balance , management report , certification report of the legal auditor .





<b>Significant Accounting rules</b>	<p>Capitalization of borrowing-costs: optional</p> <p>Depreciation period for goodwill: Usually 10 years but not clear yet for deduction by tax rules</p> <p>Special rules for held-for-sale assets: No</p> <p>Simplification for stock valuation: Average method (CMUP), FIFO or PEPS</p> <p>Minimum probability of 50% for provisions: No</p> <p>Provision of expenses: Yes (If conditions of deductibilities are not reached yet, deferred tax is applied)</p> <p>Percentage-of-completion-method for long-term constructions: allowed</p>
<b>Size-dependent simplifications for companies with limited liability</b>	<p>Micro-Company: Sales not over 30 Millions DZD: If the company accept free taxation system , no subcategorisation of the balance sheet and Income statement position; no notes, no management report, no online publication, and no audit is required,</p> <p>Medium-sized Company: Sales over 30 Millions DZD: subcategorisation of the balance sheet and Income statement position; notes, management report, online publication, and audit is required.</p>
<b>Group Accounts</b>	<p>Mandatory: If parent company is a corporation</p> <p>SCF: Obligatory</p> <p>Not required</p>


**BULGARIA**
**LEGAL FORMS OF BUSINESS ENTITIES**

SUBJECT	BULGARIAN	ENGLISH	LIABILITY
<b>Partnerships</b>	Sabiratelno druzhestvo – SD	Unlimited partnership	The unlimited partnership is an entity formed by two or more partners who are jointly and severally liable to the entity's creditors. Their liability for the entity's debts is unlimited. There is no capital requirement.
	Komanditno druzhestvo – KD	Limited partnership	General partner: unlimited (can also be a corporation with limited liability) Limited partner: limited to his respective share of the partnership capital
	Aktsionerno druzhestvo – AD	Joint-stock company	A joint-stock company is a company whose capital is divided into shares. The AD's liability to its creditors is limited to the amount of its assets.
	Druzhestvo s ogranichena otgovornost – OOD	Limited liability company	The OOD is a commercial company whose shareholders' liability is limited to the unpaid portion of their shares. An OOD is liable to its creditors only to the extent of its own assets. This form of enterprise is convenient for small and medium-sized business activities.

	Komanditno druzhestvo s aktsii – KDA	Limited partnership with shares	Limited partnerships with shares are formed by at least three limited partners whose liability is limited to the amount of their contributions to the company's capital. There are also general partners with unlimited liability.
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## ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the commercial register. The commercial register is administered in electronic form (www.brera.bg)	If a company is legally required to be registered, but takes up business operations before being entered in the commercial register, the partners are personally liable for any losses up to the point of registration.
<b>Trade Register Notification</b>	Registration with the local office is required for all legal business forms. Freelance professionals are registered with the BULSTAT register.  After the trade register notification the trade office forwards the registration to the tax authorities.	Sometimes a licence or an approval for the business registration is necessary but must be presented during the registration process.

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Citizens of the European Union, the European Economic Area (=EEA), or Switzerland can work in Germany without any restrictions. Nationals from all other countries need a work permit to work legally in Bulgaria.	A new legislation shall enter in to force - Labour Migration. Also, the EU Blue Card is very well accepted and very usefull tool for the Business.
<b>Labour Law</b>	In Bulgaria the labour relationship is governed by the Labour code. The labour legislation is oriented in favour of the employees.	A minimum of 20 days of paid holiday is guaranteed. This amount is based on 5 working days per week and added to public holidays. Normal working hours are between 35 and 40 hours or 5 days per week.
<b>Social System</b>	Please see table 2 or sheet 2	

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard corporate income tax rate is 10 %.  However, once profits are distributed to the shareholders, these must pay personal income tax (10%) on the dividends	
<b>Personal Income Tax</b>	The rate of personal income tax is 10 % flat rate.	
<b>Value Added Tax</b>	The standard VAT rate is 20 % ( reduced rates 9% for hotel and tourist services).	
<b>Real Estate Transfer Tax</b>	When domestic real estate changes owner, a one-time real estate transfer tax of 0.1% to 3,0% (depending on the municipality where the property is located) of the purchase price. Usually the tax must be paid from the buyer	
<b>Non-Resident Taxation</b>	Non-resident individuals and companies in Bulgaria receiving income generated in Bulgaria, are subject to PIT taxation with their Bulgarian-sourced income. Double taxation of this income is avoided by double taxation agreements between Bulgaria and other countries. In case of a non-resident company the tax treatment depends on its kind of income.	

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Corporate Income Tax Act; Accounting Law; Value Added Tax	
<b>Annual Financial Statement</b>	IFRS: Basis for dividend distribution: Basis for tax assessment: Components:  Additional mandatory components for companies with limited liability:	applicable Yes Yes Balance Sheet, Income Statement Cash-flow-statement, Equity Statement, Accounting Policy Notes including statement of changes in non-current-assets, management report.
<b>Significant Accounting rules</b>	Capitalization of borrowing-costs: Depreciation period for goodwill: Special rules for held-for-sale assets: Simplification for stock valuation: Minimum probability of 50% for provisions: Provision of expenses: Percentage-of-completion-method for long-term constructions:	optional Usually 10 years No Average method (most common use) FIFO, LIFO No Yes generally not allowed
<b>Size-dependent simplifications for companies with limited liability</b> Two of three size-criteria must be met in two subsequent years.	Micro-Company:  Small Company:  Medium-sized Company:	Sales p.a. not over € 700k; balance sheet sum not over € 350k; number of employees not over 10): no subcategorisation of the balance sheet and Income statement position; no notes, no management report, no online publication, and no audit is required. Sales p.a. not over € 12m, balance sheet sum not over € 6m, number of employees not over 50): no income statement must be published; no management report must be prepared; no audit is required. Sales p.a. not over € 40m, balance sheet sum not over € 20, number of employees not over 250: no sales must be published (income statement can start with gross profit)
<b>Group Accounts</b>	Mandatory: IFRS:  Not required:  <i>Two of three size-criteria must be met in two subsequent years</i>	If parent company is a corporation If parent company is listed at stock exchange Optional: IFRS or HGB If cumulated sales of the group do not exceed € 48m, cumulated balance sheet sum does not exceed € 24m, number of employees does not exceed 250; Alternatively consolidated sales do not exceed € 40m, cumulated balance sheet sum does not exceed € 20m, number of employees does not exceed 250)


**COLOMBIA**
**LEGAL FORMS OF BUSINESS ENTITIES**

SUBJECT	SPANISH	ENGLISH	LIABILITY
<b>Partnerships</b>	Sociedad Limitada	Limited liability company	Limited to the amount of the capital contribution unless the bylaws stipulate a greater responsibility. Partners are liable for payment of tax obligations or labor liabilities.
	Sociedad Anónima	Corporation	Limited to the amount of the shareholders equity. Shareholders are not liable for credit obligations, unless a specific guarantee has been provided. Shareholders shall be liable beyond the value of their contributions for fraud. Parent company have certain obligations if the company is insolvent or undergoing compulsory liquidation due to actions of the parent or controlling company.
	Sociedad Anónima Simplificada	Simplified stock company	The company's liability for any obligation is limited to the amount of its equity. Shareholders are jointly and severally liable only when the company violate the law or cause damage to third parties. Controlling companies may be jointly liable for the obligations of their controlled company when the latter starts a winding up process due to directions of the controlling company.
	Sucursal	Foreign company branch	The foreign main office is liable for the activities in Colombia. If the branch's equity is not enough to cover the liabilities, the main office may be liable

**ORGANIZATIONAL QUESTIONS**

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Depending on the type of company the Public deed or the notarized private document must be filed before the Chamber of Commerce in the city where the company is based and obtain a tax payer ID.	There is a 0.7% fee of the subscribed capital. Other registrations must be done such as: Open a bank account with a "pre-taxpayer ID" (pre RUT) and deposit the nominal capital.
<b>Tax payer ID</b>	All legal business forms must register with the tax authorities DIAN. The legal representative also need to have a Tax Identification Number. With this number the company can also register to the local taxes administration of the region where business activities are conducted. (Secretaria de Hacienda)	



## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	There are no restrictions to hire foreign employees as long as they meet the necessary requirements (Visa process). They have the same rights and regulations as local employees and can voluntarily register to a pension fund. (Article 15 of the Law 100 of 1993). Holders of passports issued by several countries do not require a visa to enter Colombia ( <a href="https://www.cancilleria.gov.co/sites/default/files/Normograma/docs/resolucion_minrelaciones_0572_2015.htm">https://www.cancilleria.gov.co/sites/default/files/Normograma/docs/resolucion_minrelaciones_0572_2015.htm</a> ). At the arrival the foreign affair ministry will assign a permit depending on the activity conducted in Colombia. This can be an Entry and Permanence Permit (PIP) or a Temporary Permanence Permit (PTP). The Visas you can obtain in Colombia are business visa, temporary visa or resident visa. Each one is divided in different categories depending on the activity conducted.	
<b>Labour Law</b>	The Colombia labor code (Codigo sustantivo del trabajo) has detailed employment regulations which protects both employee and employer.	Working hours are limited to 48 a week, including Saturdays. Employees are entitled to 15 working days a year of vacation. Also there are around 20 public holidays a year.
<b>Social System</b>	The social security system includes Social Security – Health: Payment to a private "promoter of health" (EPS) chosen by the employee (8,5% of gross salary paid by employer and 4% paid by employee). Pension Fund: Payment to the public or private pension fund chosen by the employee (12% of gross salary paid by employer and 4% paid by employee). Administration of Labor Risks (ARL): ARL is a private or public insurance institution which covers workplace injury and professional illness. The employer chooses one ARL for all employees. Between 0.348% and 8.7% of gross salary depending on the hazard of the work.	Other payments done by the employer each month include: Severance payment (8,33% of gross salary paid), Interest to Severance Payment (1% of gross salary paid), Additional monthly salary in two installments each year (June and December), Family Compensation Fund contribution (4% of gross salary paid). Employees who receive a monthly wage of more than ten times the monthly minimum wage (aprox. 3.000 USD) can negotiate with the employer the payment of an Integral or all-inclusive salary which pays surcharges and benefits beforehand. Employee in this type of agreement of salary receives 12 monthly salaries per year. The employer pays the payroll benefits and taxes that has to be more than 30% of the salary. Social security contributions are done over the 70% of this salary.

## TAXATION

<b>Corporate Income Tax</b>	<p>Corporation's net income is taxed at a general rate of 25% except for some industrial or service activities conducted within a Duty Free Zone where the tax is 15%.</p> <p>If a foreign company does not have a branch or permanent establishment of business in Colombia the income tax is 33%. However they are subject to a special income tax during 2015 and 2018 as follows:</p> <ul style="list-style-type: none"> <li>• 2015: 39%</li> <li>• 2016: 40%</li> <li>• 2017: 42%</li> <li>• 2018: 43%</li> </ul> <p>From January 1, 2019, this rate will be lowered to 33%.</p>	The tax system considers three different ways to determine the taxable income: ordinary system, a presumptive taxable income and equity comparison system.
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<b>Wealth Tax</b>	<p>Is paid by legal entities that have a net equity worth of COP\$ 1.000 million (U\$ 418.000) as of January 1st 2015. Rate is calculated as follows:</p> <ul style="list-style-type: none"> <li>o 2015: Net Equity worth: <ul style="list-style-type: none"> <li>• Between COP \$ 1.000 M to COP \$ 2.000 M. Rate: 0,20%</li> <li>• Between COP \$ 2.001 M to COP \$ 3.000. Rate: 0,35%</li> <li>• Between COP \$ 3.001 M to COP \$ 5.000 M. Rate: 0,75%</li> <li>• Higher than 5001 M. Rate: 1,15%</li> </ul> </li> <li>o 2016: <ul style="list-style-type: none"> <li>• Between COP \$ 1.000 M to COP \$ 2.000 M. Rate: 0,15%</li> <li>• Between COP \$ 2.001 M to COP \$ 3.000. Rate: 0,25%</li> <li>• Between COP \$ 3.001 M to COP \$ 5.000 M. Rate: 0,50%</li> <li>• Higher than 5001 M. Rate: 1%</li> </ul> </li> <li>o 2017: <ul style="list-style-type: none"> <li>• Between COP \$ 1.000 M to COP \$ 2.000 M. Rate: 0,05%</li> <li>• Between COP \$ 2.001 M to COP \$ 3.000. Rate: 0,10%</li> <li>• Between COP \$ 3.001 M to COP \$ 5.000 M. Rate: 0,20%</li> <li>• Higher than 5001 M. Rate: 0,40%</li> </ul> </li> </ul>	
<b>Personal Income Tax</b>	<p>The rate of personal income tax is 33% for equity of the previews year of 38.500 USD or annual income of 12.000 USD</p>	
<b>Capital Gain</b>	<p>Tax for the specific profits as follows have a rate of 10%:</p> <ul style="list-style-type: none"> <li>• Inheritances</li> <li>• Sales of fixed assets</li> <li>• Lotteries, raffles, gambling, etc.</li> </ul>	
<b>Income Tax for Welfare – CREE</b>	<p>Income tax over revenues capable of increasing the net equity. The taxable base cannot be less than 3% net equity on the last day of the immediately preceding taxable year. This tax has a rate of 9%.</p>	<p>As of the year 2015 an additional 5% surcharge is implemented for companies with incomes higher than COP 800,000,000 (USD 335,000 approximately). This surcharge will increase progressively up to 9% in the year 2018. After that year, the CREE surcharge will be eliminated.</p>
<b>Value Added Tax (VAT)</b>	<p>The general rate applicable to sales, rendering services and import of goods is 16%, exports are excluded, most agricultural goods and goods of special interest for the economy have a rate between 0% and 5%. Luxury or special goods are taxed at a higher rate (Tobacco, liquor, perfumes, etc.).</p>	<p>Taxpayers are entitled to deduct from their VAT return the amount of VAT paid for the purchase of goods and taxable services.</p>
<b>Consumption Tax</b>	<p>Sales from specific sectors of the economy such as vehicles, telecommunications and food and beverages have rates of 4%, 8% and 16% of consumption tax.</p>	
<b>Tax on debit transactions (GMF)</b>	<p>Tax calculated at a rate of 0.4% over debit transactions in bank accounts. The 0.4% will be gradually phased out as of January 1, 2022: the rate will be reduced to 0.3% for 2019, to 0.2% for 2020 and 0.1% for 2021. Debits transaction between accounts that belong to the same owner are except of this tax.</p>	
<b>Industry and Commerce Tax (ICA)</b>	<p>Paid and regulated on each city where the company sell/operate on regular basis. Rate varies from city to city in a range of 0.2% to 1.4% as follows:</p> <ul style="list-style-type: none"> <li>• For industrial activities: from 0.2% to 0.7%.</li> <li>• For commercial and service activities, from 0.2% to 1%.</li> <li>• Some municipalities have as high as 1.4% for some activities.</li> </ul> <p>The placement of billboards, signs, boards and emblems on the street, in public or private places visible from the public space and the placement of ads in any kind of vehicles is subject to a billboard or signs tax with a rate of 15% of the industry and commerce tax.</p>	
<b>Payroll Taxes</b>	<p>Contribution to the National Apprenticeship Service (SENA in Spanish): 2% of gross salary paid to employee.  Contribution to the Colombian Institute of Family Welfare (ICBF in Spanish): 3% of gross salary paid to employee</p>	

<b>Registration Tax</b>	The registration of acts, private documents, public deeds for incorporation before different authorities in Colombia have a rate between 0.1% and 1%.
<b>Real State Tax</b>	This is a municipal tax applicable to any real estate property located any municipality. Tax rate is based on the formal valuation of the tax payer's real estate property. The tax rate may vary from 0.3% to 3.3% of the property value depending on the municipality or if it is an undeveloped land.

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	<p>Local regulations require the presentation of accounting in official books under the Colombian Generally Accepted Accounting Principles (COLGAAP), however the Colombian laws have established a set of rules and regulations to meet the requirements to present the accounting through International Accounting Standards.</p> <p>The Colombian tax authorities under Law 1314 of 2009 made mandatory the official use of IFRS as of 2015 and 2016 for all companies established in the country. Therefore they determined that the companies cease to apply local regulations and initiate the delivery of financial information and compliance with international standards.</p> <p>This new regulation causes important changes in the accounting registrations and also encourage companies to develop a strategy and asses the impacts of this change.</p>														
<b>Annual Financial Statement</b>	<table> <tr> <td>IFRS:</td> <td>Yes</td> </tr> <tr> <td>Basis for dividend distribution:</td> <td>No</td> </tr> <tr> <td>Basis for tax assessment:</td> <td>Yes</td> </tr> <tr> <td>Components:</td> <td>Balance Sheet, Income Statement cash-flow-statement, STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY</td> </tr> <tr> <td>Additional mandatory components</td> <td>Notes including statement of changes in non-current-assets, management report.</td> </tr> </table>	IFRS:	Yes	Basis for dividend distribution:	No	Basis for tax assessment:	Yes	Components:	Balance Sheet, Income Statement cash-flow-statement, STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY	Additional mandatory components	Notes including statement of changes in non-current-assets, management report.				
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<b>Significant Accounting rules</b>	<table> <tr> <td>Capitalization of borrowing-costs:</td> <td>Depends on the type of IFRS that applies</td> </tr> <tr> <td>Depreciation period for goodwill:</td> <td>Usually 10 years</td> </tr> <tr> <td>Special rules for held-for-sale assets:</td> <td>Complete the conditions under IFRS to be classified as such</td> </tr> <tr> <td>Simplification for stock valuation:</td> <td>Average method, FIFO, Retial Method, Specific Identification</td> </tr> <tr> <td>Minimum probability of 50% for provisions:</td> <td>Yes (Maintenance costs only if work is done within the first three months of subsequent year)</td> </tr> <tr> <td>Provision of expenses:</td> <td>Yes</td> </tr> <tr> <td>Percentage-of-completion-method for long-term constructions:</td> <td>Yes</td> </tr> </table>	Capitalization of borrowing-costs:	Depends on the type of IFRS that applies	Depreciation period for goodwill:	Usually 10 years	Special rules for held-for-sale assets:	Complete the conditions under IFRS to be classified as such	Simplification for stock valuation:	Average method, FIFO, Retial Method, Specific Identification	Minimum probability of 50% for provisions:	Yes (Maintenance costs only if work is done within the first three months of subsequent year)	Provision of expenses:	Yes	Percentage-of-completion-method for long-term constructions:	Yes
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Provision of expenses:	Yes														
Percentage-of-completion-method for long-term constructions:	Yes														

<p><b>Size-dependent simplifications for companies</b></p> <p>Two of three size-criteria must be met in two subsequent years.</p>	<p>Micro-Company: Micro-Empresa:</p> <p>Small Company: Pequeña empresa:</p> <p>Medium-sized Company: Empresa Mediana:</p>	<p>Companies with total assets excluding housing - less than five hundred (500) monthly statutory minimum wage.; number of employees not over 10); no subcategorisation of the balance sheet and Income statement position; no notes, no management report, and no audit is required.</p> <p>Companies with total assets between five hundred and one (501) and less than five thousand (5,000) monthly legal minimum wages. Number of employees between 11 and 50. income statement must be published; management report must be prepared</p> <p>Companies with total assets between five thousand and one (5.001) to thirty thousand (30,000) monthly legal minimum wages. Number of employees between 51 and 200</p>
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#### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	GREEK	ENGLISH	LIABILITY
<b>Partnerships</b>	Γενικός συνεταιρισμός	General Partnership	Unlimited for all: Every partner is liable jointly and severally with all the other partners for an unlimited amount for the debts and obligations of the partnership.
	Συνεταιρισμός περιορισμένης ευθύνης	Limited Partnership	Unlimited for at least one partner, who is the General Partner. The Limited Partners' liability is limited to the amount of their fixed contribution to the Partnership
	Ατομική επιχείρηση	Sole Proprietorship	Unlimited and all personal belongings of the Proprietor are used as a guarantee to any liability that cannot be covered by the company"
	Εταιρεία περιορισμένης ευθύνης με εγγύηση	Company Limited by Guarantee	Limited to the Guarantee that the members have agreed to contribute in a case of a dissolution of the company
	Ιδιωτική εταιρεία περιορισμένης ευθύνης με μετοχές	Private Company Limited by Shares	Limited to the contributed capital of the shareholders
	Δημόσια Εταιρεία περιορισμένης ευθύνης με μετοχές	Public Company Limited by Shares	Limited to the nominal value of the shares that shareholders have bought



## ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	<p>Sole Proprietorships' business name must be registered.</p> <p>Partnerships, whether general or limited, must be registered to the Registrar of Companies within a month of their establishment. Companies of all legal forms must be entered in the commercial register of the Registrar of Companies.</p> <p>The Registrar of Companies has introduced Electronic Service where everything can be done through their website.</p>	<p>Sole Proprietorships are not subject to any corporation tax however the owner is subject to personal taxation. In Limited Partnerships a limited partner must be excluded from the business management and shall not have the power to bind the firm. Also, Partnerships have a limit of up to 20 partners.</p> <p>In order for a company to be registered the following documents must be submitted to the Registrar: 3 names for approval (in case an existing company is required to be obtained, then a consent letter needs to be obtained by the owner), Memorandum &amp; Articles of Association, Full details of shareholders, directors and secretary, Address of the company.</p>
<b>Bank Account</b>	<p>In order to open a bank account, the following documents are required:</p> <ol style="list-style-type: none"> <li>1. Certificate of Incorporation, Registered office, Directors &amp; Secretary and Shareholders of the Company;</li> <li>2. Memorandum and Articles of Association of the Company;</li> <li>3. Declaration of Trust (if nominee shareholder);</li> <li>4. Utility Bill and Passport Copy Beneficial Owner, Directors, Secretary and Bank Signatory (not older than three months);</li> <li>5. CV; and</li> <li>6. Completed Due Diligence Questionnaire with details such as Expected Annual Turnover, Main Business Activities Distribution of Income etc.</li> </ol>	<p>All the documents which are required to be submitted to the bank must be certified by professional intermediary as true copies of the originals or be provided in original format.</p>

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	<p>Citizens of the European Union, the European Economic Area (=EEA), can work in Cyprus without any restrictions. Nationals from all other countries need a work permit to work legally in Cyprus.</p>	<p>Work permits are issued for different durations according to each application.</p>
<b>Labour Law</b>	<p>Labour Law in Cyprus is comprised of both statute law and case law. Cyprus statute law refers to topics such as social insurance, health and safety at the workplace, maternity leave, annual paid leave, equal treatment, termination, etc. These statutes are additionally supplemented and backed by relevant Regulations and Decrees which usually function as protection mechanisms in favour of employed personnel.</p>	<p>In Cyprus a minimum of 20 working days/year of paid holidays is guaranteed, if working 5 days a week, in addition to public holidays. Normal working hours are between 38 and 40 hours or 5 days per week.</p>

<b>Social System</b>	<p>The social security contributions are paid at the rates of 7,8% of the gross salary by the Employer and 7,8% of the gross salary by the Employee. Contribution to the Redundancy fund and to the Industrial Training Fund is paid by the Employer at the rate of 1,2% and 0,5% respectively. 2% is paid by the Employer to the Cohesion fund.</p>	<p>The presented rates [ with the exemption of the rate for contributions to the Social Cohesion Fund ] are subject to upper limits applied to the employees' gross salaries. These are: €4.533 per month and € 54.396 per annum for monthly-paid employees, and €1.046 per week and € 54.392 per annum for weekly-paid employees.</p>
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## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	<p>The standard corporate income tax rate is 12.5% on the net profits. All expenses incurred for the earning of income ( e.g. depreciation, allowances) is deducted from the gross income. More specifically, all expenses incurred wholly and exclusively in earning taxable income and which are supported by documentary evidence are all fully deductible for corporate tax purpose, Partnerships are not taxed as separate entities, but each partner is taxed on the profits of the entity appointed to him. Partners are taxed on their shares of profits of the partnership.</p>	<p>If the taxable amount has been paid in another country, it shall be credited in Cyprus against the taxable amount. Losses of a permanent establishment outside the Republic of Cyprus Company can be offset against profits arising in the Republic. Subsequent profits of an exempt permanent establishment abroad are taxable up to the amount of losses allowed.</p>



<p><b>Special contribution for Defence Tax</b></p>	<p>The Cyprus tax resident corporations, as well as the individuals who are tax resident as well as domiciled in Cyprus, are also subject to defence tax of: 30% on interest received unless it is within the ordinary course of business, or closely connected with the ordinary course of business.          3 % on 75% of rental income from property,          17 % on dividends received from abroad.          Cyprus Companies receiving dividends from abroad are exempt from such tax, however such exemption may be refused where the non-resident paying company is both engaged directly or indirectly by more than 50% of the income derived from activities leading to investment income and the foreign tax obligation is substantially lower than that of a Cyprus Company.          17 % on dividends paid to Cyprus-resident physical person shareholder. 0% if paid to a CY company or a Non-Cyprus resident shareholder,          17% on dividends on 70% of distributed profits (deemed dividend distribution) if shareholder is Cyprus-resident physical person shareholder, and 0% otherwise.          3% on interest accruing from an approved provident fund,          3% on taxable income of Public Corporate Bodies and the Social Insurance Fund,          3% on interest received by an individual from Cyprus          Government Savings Certificates and Government Bonds</p>	<p>The tax incentive offered is that International corporations may pull out dividends from their Cyprus holding companies using low withholding rates and distribute these profits to their shareholders with 0% withholding tax. The only tax to be levied is 12.5% corporation tax which is the lowest in the European Union. No tax whether in the form of corporation income tax or capital gains tax on the disposal of shares in foreign subsidiaries.</p>
<p><b>Personal Income Tax</b></p>	<p>The application of personal tax is applicable as follows:          Income in € Tax rate          0 - 19,500 0%          19,501 - 28,000 20%          28,001 - 36,300 25%          36,301 - 60,000 30%          and above 60,000 35%</p>	<p>For a person to be subject to this type of tax, he has to be a Cyprus tax resident, meaning that he/ she has to be present in the Republic of Cyprus for a period of 183 days per tax year. Also, such a person who is tax resident in Cyprus, is taxed with these rates on all his/her chargeable income accruing or derived from sources both within and outside the Republic of Cyprus.          An individual who is not tax resident in Cyprus, is taxed via these rates on his/her income accruing or arising only from sources within the Republic of Cyprus.          Foreign taxes paid can enjoy a credit against the Cyprus personal income tax liability.</p>

<p><b>Value Added Tax</b></p>	<p>Value Added Tax is applicable to the supply of all goods and services in Cyprus, on acquiring of goods from other EU member states, and on the import of goods from third countries. The standard VAT rate is 19%, which applies to the supply of all goods and services in Cyprus except those ones which are subject to a zero rate, to reduced rates or are exempt. The reduced rates are at 9% and 5%. The reduced 9% VAT rate is charged on holiday and tourist accommodation, public transportation, and restaurants and catering services. The reduced 5% VAT rate is charged on convenience products or services such as water, the supply of prepared or unprepared foodstuffs, the supply of pharmaceutical products and vaccines, books, newspapers and magazines, also charged to entry fees to theaters, festivals, concerts, museums etc, and entry fees at sports events and fees for using athletic centres, amongst others. Exportation of goods is subject to the 0% VAT category. While hospital and medical caring services, postal, financial, insurance services, education, rent of immovable property, or disposal of immovable property when the building permission had been submitted before 1 May 2004, are generally exempt from VAT.</p>	<p>Every individual or business providing taxable supplies exceeding €15,600 within a period of 12 months, must be registered with the VAT authorities. Businesses with lower income can be registered voluntarily. Also individuals or companies providing services to a VAT registered person within EU with nil registration threshold is obliged to register with the VAT Authorities. Those involved in the acquisition of goods from other EU member states, and offer exempt supplies of goods and services, or are non-profitable organisations, need to register as well, with their registration threshold set at €10,250.36. Obligation to register also extends to individuals and companies offering zero rated supplies of goods or services, and to those acquiring a company on a going concern basis. A taxable person from abroad who makes distance sales, needs to register as well, with registration threshold set at €35,000.</p>
<p><b>Capital Gains Tax</b></p>	<p>The gains from 1) the disposals of immovable property situated in Cyprus, ii) the disposal of shares in companies which indirectly own immovable property situated in Cyprus and derive at least 50% of their market value from such immovable property, and 2) the disposal of shares of companies not listed on a recognised stock exchange which own immovable property situated in Cyprus, are liable to 20% Capital Gains tax. If the seller is not a Cyprus tax resident the liability still exists. In computing the capital gain any expenses which are considered expenses wholly and exclusively for the production of the gain are deductible. Gains from sale of immovable property (land, or land with building[s], or buildings) are 100% exempt from Capital Gains Tax when they are originally acquired between the period 16 July 2015 to 31 December 2016, as long as they are acquired from an independent non-related party at market value, via an ordinary purchase agreement, and not through: a donation, or gift, neither by way of exchange, trade, nor way of settlement of debt, and the sale must not be related to any foreclosure agreement either.</p>	<p>Transfer of immovable property on death, charity donations, gifts from close relatives up to third degree, gifts to companies by members of the shareholders close family, consolidation, exchange of equal value properties, profit on the sale of shares listed on the Stock Exchange and expropriation of property are exempted from Capital Gains Tax.</p>

	<p>Individuals are entitled to deduct from the gains the following lifetime allowable deductions:</p> <p>For disposal of principal private residence = €85,430</p> <p>For disposal of land for agricultural purpose = €25,629</p> <p>For any other disposals = €17,086</p>	
<p><b>Immovable Property Tax</b></p>	<p>Immovable property situated in Cyprus is taxed on an annual basis on the market value of the property as at 1 January 1980, and applies to such property owned by the taxpayers [physical and legal persons] as at 1 January of each year. As of 1 January 2013 the bands and rates are as follows, and apply per owner and not per property.</p> <ul style="list-style-type: none"> <li>• 0.6% on property up to value of €40,000, yet for owners of property with value up to €12,500, a 100% exemption applies. For owners with property above €12,500 tax is payable on the entire value including the first €12,500.</li> <li>• 0.8% on property of value of €40,001 to € 120,000</li> <li>• 0.9% on property of value of €120,001 to € 170,000</li> <li>• 1.1% on property of value of €170,001 to € 300,000</li> <li>• 1.3% on property of value of €300,001 to € 500,000</li> <li>• 1.5% on property of value of €500,001 to € 800,000</li> <li>• 1.7% on property of value of €800,001 to € 3,000,000</li> <li>• 1.9% on property of value above €3,000,000</li> </ul>	<p>Immovable property tax does not apply to various properties, amongst which:</p> <p>Churches, certain religion-related buildings, public hospitals, schools, charity organisations buildings, Immovable property which is under the Republic's ownership, Foreign Embassies, Consulates, Agricultural land used by farmers, Animal husbandry land, Buildings which are under Preservation order as per applicable conditions.</p>
<p><b>Transfer fees for Immovable Property</b></p>	<p>Transfer fees for Immovable Property are settled by the acquirer, and they are calculated on the market value of the property as estimated by the Department of Land and Surveys, as follows:</p> <ul style="list-style-type: none"> <li>• 3% on amounts up to €85,000</li> <li>• 5% on amounts between €85,001 and €170,000</li> <li>• 8% on any amount exceeding €170,000</li> </ul> <p>Also, there is a 50% exemption to the above fees as per the recent Land and Surveys [Fees] Law amendment, applicable to immovable property transfers taking place between 16 July 2015 to 31 December 2016, irrespective of the date of the signing of the relevant contract or its submission to the Land Registry.</p> <p>On 2 December 2011, a law came into effect abrogating transfer fees for immovable property owned by individuals. The law is applicable in the situations where VAT is not applicable. In these cases the bill provides that transfer duties shall be reduced by 50%, and in particular this applies in transactions where:</p>	<p>In the event of free transfers of immovable property as listed herebelow, the transfer fees are calculated on the property value as at 1 January 2013, and rates are as follows:</p> <ul style="list-style-type: none"> <li>• from parents to children 0%</li> <li>• to / from spouses 0,1%</li> <li>• to / from third degree relatives 0,1%</li> </ul> <p>Also, exemptions from transfer fees are in place when transfers take place:</p> <ul style="list-style-type: none"> <li>• because of a qualifying reorganisation</li> <li>• due to a qualifying loan restructuring</li> <li>• or as part of liquidations, or bankruptcy, or selling of mortgaged immovable property by lender.</li> </ul>

	<ul style="list-style-type: none"> <li>• transfer fees either apply or are due; and</li> <li>• the transfer is in regard to land, buildings or interests in land or indivisible interests that are sold for the first time from the issue date of the building permit; and</li> <li>• the contract is submitted for the first time to the local District Land Registry during the period of application of the law i.e. between 2 December 2011 to 31 December 2016.</li> </ul> <p>On the other hand, for the period 2 December 2011 to 31 December 2016, there is a 100% exemption to the above transfer fees if the transfer relates to a transaction that is subject to VAT.</p>	
<b>Stamp Duty</b>	<p>Miscellaneous documents relating to property situated in the Republic of Cyprus, or to any situations / issues / matters executed or performed within the Republic of Cyprus, are subject to stamp duty.</p> <p>For example, contracts with specified considerations are charged with 0% for consideration amounts up to €5.000, 0,15% for amounts in the range €5.001 - €170.000, and 0.2% for amounts over €170.000, with maximum stamp duty on such contracts being €20.000.</p>	Documents which are relating to transactions taking place in relevance to company reorganisations or loan restructurings are exempt from stamp duty.

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	INTERNATIONAL ACCOUNTING STANDARDS	
<b>Annual Financial Statement</b>	IFRS:	Yes
	Basis for dividend distribution:	Yes
	Basis for tax assessment:	Yes
	Components:	Balance Sheet, Income Statement cash-flow-statement,statement of changes in equity
	Additional mandatory components for companies with limited liability:	explanatory notes
<b>Significant Accounting rules</b>	Capitalization of borrowing-costs:	optional
	Depreciation period for goodwill:	Usually 5 Years
	Special rules for held-for-sale assets:	as per IFRS
	Simplification for stock valuation:	Average method
	Minimum probability of 50% for provisions:	No
	Provision of expenses:	Yes
	Percentage-of-completion-method for long-term constructions:	allowed if relevant

<b>Group Accounts</b>	Mandatory:	yes if small group exemption as per cyprus company law is not met
	IFRS:	applicable Optional: IFRS
	Not required:	If cumulated sales of the group do not exceed € 17.5m, cumulated total assets sum does not exceed € 35m, number of employees does not exceed 250; if two of the three criteria is met consolidation is mandatory
	Two of three size-criteria must be met in two subsequent years	


**GERMANY**
**LEGAL FORMS OF BUSINESS ENTITIES**

SUBJECT	GERMAN	ENGLISH	LIABILITY
<b>Partnerships</b>	Gesellschaft bürgerlichen Rechts ("GbR")	Civil Law Partnership	Unlimited
	Offene Handelsgesellschaft ("OHG")	General Commercial Partnership	Unlimited
	Kommanditgesellschaft ("KG")	Limited Partnership	General partner: unlimited Limited partner: limited to his respective share of the partnership capital
	Partnerschaftsgesellschaft ("PartG")	Partnership Company	Unlimited, but can be excluded with regard to professional errors for which one individual partner is entirely responsible
	Gesellschaft mit beschränkter Haftung ("GmbH")	Limited Liability Company	Limited to the contributed capital
	Aktiengesellschaft ("AG")	Public Limited Company	Limited to the contributed capital
	Kommanditgesellschaft auf Aktien ("KGaA")	Partnership Limited by Shares	General partner: unlimited (can also be a corporation with limited liability) Limited partner: limited to his respective share of the partnership capital
	Unternehmergesellschaft (haftungsbeschränkt) ("UG")	Limited Liability Company	Limited to the contributed capital



## ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the commercial register, except persons engaged in very small trade businesses, civil law partnerships (GbR), and freelance professionals. The commercial register is administered in electronic form (www.handelsregister.de or www.unternehmensregister.de)	If a company is legally required to be registered, but takes up business operations before being entered in the commercial register, the partners are personally liable for any losses up to the point of registration. This also applies to a GmbH and an AG!
<b>Trade Register Notification</b>	Registration with the local trade office (Gewerbeamt) is required for all legal business forms, except freelance professionals. After the trade register notification (Gewerbeanmeldung) the trade office forwards the registration to the tax authorities, the regional association of professional trading associations, and the chamber of industry and commerce or skilled crafts	Chamber membership is automatic and mandatory. Sometimes a licence or an approval for the business registration is necessary.

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Citizens of the European Union, the European Economic Area (=EEA), or Switzerland can work in Germany without any restrictions. Nationals from all other countries need a work permit to work legally in Germany, except members of the management board of corporations	
<b>Labour Law</b>	In Germany there are detailed employment regulations. A special law for protection against unfair dismissal offers great protection for employees	A minimum of 24 days of paid holiday is guaranteed. This amount is based on 6 working days per week and added to public holidays. Normal working hours are between 35 and 40 hours or 5 days per week.
<b>Social System</b>	The social security system consists of pension insurance (18.7% of gross salary), health insurance (about 14.6%), nursing care insurance (2.35%) and unemployment insurance (3.0%). The social security contributions are shared roughly 50/50 by employer and employee. The accident insurance (about 1.3%) has to be paid by the employer in total. The employee pays an extra 0.9% on health insurance	For directors of limited companies and those who have a gross salary exceeding the yearly amount of EUR 48,600, exist exemptions or limitations of social security contributions. The maximum assessment basis for the social security is EUR 74.400 p.a. (West-Germany) and EUR 64.800 p.a. (East-Germany)

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard corporate income tax rate is 15% on all taxable earnings of the corporation, whether retained or distributed profits. However, once profits are distributed to the shareholders, these must pay personal income tax (25%) on the dividends	When receiving the capital earnings as business income, the taxation is limited to 60% of the earnings or capital gains
<b>Trade Tax</b>	All commercial business operations, except those of freelance professionals, are subject to trade tax. The trade tax is based on the profit. The tax rate depends on municipality, where the business is located (on average around 14%)	Tax rate: Frankfurt (Main) 16,10%, Munich 17,15%, Berlin 14,35%, Hamburg 16,45%, Cologne 16,625%, Stuttgart 14,7%.



<b>Personal Income Tax</b>	The rate of personal income tax starts at 14% (taxable income f8,653 EUR and goes up to 42% for taxable income over 53,666). An increased tax rate of 45% applies to every euro in excess of EUR 254,447 per year, except business profits.	Tax bonuses are granted to persons which are married. Trade tax for a sole proprietorship or a partnership reduced the Income tax.
<b>Personal Income Tax in case of partnerships</b>	Partnerships are tax transparent for income tax purposes.	
<b>Compensation Tax</b>	Since 2009 all dividends, capital interests and speculation gains are subject to the compensation tax with a tax rate of 25%	If the individual income tax rate is less than 25%, the taxpayer can request that his individual tax rate has to be applied
<b>Solidarity Surcharge</b>	The solidarity surcharge, introduced to finance the German reunification, is 5.5% of the assessed amount of both corporate and personal income tax.	In case of withholding tax, the solidarity surcharge is also withheld together with the withholding tax
<b>Value Added Tax</b>	The normal VAT rate is 19% (reduced rates 0% or 7%). VAT is charged for the sale of goods and services.	Example for 7% VAT: food, newspapers, public transport. Example for 0% VAT: healthcare, rent.
<b>Real Estate Transfer Tax</b>	When domestic real estate changes owner, a one-time real estate transfer tax of 3.5% to 7,0% (depending on the federal state where the property is located) of the purchase price. Usually the tax must be paid from the buyer	
<b>Church Tax</b>	Individuals who belong to a recognised church and who are subject to unlimited taxation in Germany must pay church tax (Kirchensteuer). Depending on the federal state of residence, the church tax rate is 8% or 9% of the individual's income tax. Church tax paid is deductible for income tax purposes	
<b>Non-Resident Taxation</b>	Non-resident individuals and companies in Germany receiving income generated in Germany, are subject to German limited taxation with their German-sourced income. Double taxation of this income is avoided by double taxation agreements between Germany and other countries. In case of a non-resident company the tax treatment depends on its kind of income. For individuals the deduction of expenses is only allowed if these expenses are economically related to the taxable revenues. However, individuals who are subject to limited taxation in Germany can apply for unlimited taxation if at least 90% of their worldwide income is subject to German taxation in one year	

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	German Commercial Code, ("HGB")	
<b>Annual Financial Statement</b>	IFRS:	not allowed
	Basis for dividend distribution:	Yes
	Basis for tax assessment:	Yes
	Components:	Balance Sheet, Income Statement No cash-flow-statement
	Additional mandatory components for companies with limited liability:	Notes including statement of changes in non-current-assets, management report.

<p><b>Significant Accounting rules</b></p>	<p>Capitalization of borrowing-costs: optional          Depreciation period for goodwill: Usually 10 years          Special rules for held-for-sale assets: No          Simplification for stock valuation: Average method, LIFO, FIFO          Minimum probability of 50% for provisions: No          Provision of expenses: Yes          (Maintenance costs only if work is done within the first three months of subsequent year)          Percentage-of-completion-method for long-term constructions: generally not allowed</p>
<p><b>Size-dependent simplifications for companies with limited liability</b>          Two of three size-criteria must be met in two subsequent years.</p>	<p>Micro-Company: Sales p.a. not over € 700k; balance sheet sum not over € 350k; number of employees not over 10): no subcategorisation of the balance sheet and Income statement position; no notes, no management report, no online publication, and no audit is required.          Small Company: Sales p.a. not over € 12m, balance sheet sum not over € 6m, number of employees not over 50): no income statement must be published; no management report must be prepared; no audit is required.          Medium-sized Company: Sales p.a. not over € 40m, balance sheet sum not over € 20, number of employees not over 250: no sales must be published (income statement can start with gross profit)</p>
<p><b>Group Accounts</b></p>	<p>Mandatory: If parent company is a corporation          IFRS: If parent company is listed at stock exchange          Optional: IFRS or HGB          "Not required: If cumulated sales of the group do not exceed € 48m, cumulated balance sheet sum does not exceed € 24m, number of employees does not exceed 250; Alternatively consolidated sales do not exceed € 40m, cumulated balance sheet sum does not exceed € 20m, number of employees does not exceed 250)  <i>Two of three size-criteria must be met in two subsequent years"</i></p>



**LEGAL FORMS OF BUSINESS ENTITIES**

SUBJECT	GREEK	ENGLISH	LIABILITY
<b>Partnerships</b>	Ομόρρυθμη Εταιρία	The general partnership ("OE")	Unlimited
	Ετερόρρυθμη Εταιρία	The limited partnership ("EE")	"General partner: unlimited Limited partner: limited to his respective share of the partnership capital"
	Εταιρία Περιορισμένης Ευθύνης	The limited liability company ("EPE")	Owners are legally responsible for its debts only to the extent of the amount of capital they invested.
	Ανώνυμη Εταιρία	The "societe anonyme" company ("AE")	A legal person that can own and transfer property, enter contracts and be held liable for crimes.
	Ιδιωτική Κεφαλαιουχική Εταιρία	The new private limited company ("IKE")	Unlimited

**ORGANIZATIONAL QUESTIONS**

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the commercial register.	
<b>Trade Register Notification</b>	Registration with the local trade office is required for all legal business forms, except freelance professionals. After the trade register notification the trade office forwards the registration to the tax authorities, the regional association of professional trading associations, and the chamber of industry and commerce or skilled crafts	

**EMPLOYMENT**

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Citizens of the European Union, the European Economic Area (=EEA), or Switzerland can work in Greece without any restrictions. Nationals from all other countries need a work permit to work legally in Greece.	
<b>Labour Law</b>	In Greece there are detailed employment regulations. A special law for protection against unfair dismissal offers great protection for employees.	A minimum of 20 days of paid holiday is guaranteed. Normal working hours are between 35 and 40 hours or 5 days per week.

**TAXATION**

SUBJECT	FEATURE	REMARKS
<b>Personal Income Tax</b>	up to 25.000 euro => 22%, next 17.000 euros => 32% and over => 42%	
<b>Company Income Tax</b>	Partnerships, personal companies and joint ventures applying single entry books system are subject to 26% tax rate on their annual income up to 50.000 euro, over the aforementioned amount the tax rate is increased to 33%. For the same companies applying double entry books system overall income is subject to 29% tax rate. Societe Anonyme, Limited Liability Companies and Private Capital Companies are also taxed with 29% on their taxable income	

<b>Withholding tax on dividends/profits</b>	Withholding tax on dividends/profits distributed or received by Greek companies (SAs, Ltds, Partnerships, PCCs) to or by individuals or legal entities in Greece or abroad is decreased to 10% from 25% that was valid until recently, with the exception of a Parent-Subsidiary relationship.	
<b>Dividends</b>	Dividends received by companies registered in an other EU country are exempted from dividends' tax, as long as the Parent-subsidiary relationship applies. The exempted amount must be shown as a reserve.	
<b>Capital Gains Tax</b>	1) A new tax scale is also introduced for freelancers and individual entrepreneurs. 2) Freelancers and entrepreneurs registered after January 1st 2013 qualify for a 50% decrease on the tax rate of the first bracket for the first 3 years and until 10.000,00 euro of annual income.	Income: 0 – 50.000,00 => Tax rate 26%, Income: over 50.000,00 => Tax rate 33%

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Greek Commercial Code	
<b>Annual Financial Statement</b>	IFRS:	not allowed
	Basis for dividend distribution:	Yes
	Basis for tax assessment:	Yes
	Components:	Balance Sheet, Income Statement No cash-flow-statement
<b>Significant Accounting rules</b>	Capitalization of borrowing-costs:	optional
	Depreciation period for goodwill:	Usually 5 years
	Special rules for held-for-sale assets:	No
	Simplification for stock valuation:	Average method, FIFO
	Provision of expenses:	Yes (Maintenance costs only if work is done within the first three months of subsequent year)
	Percentage-of-completion-method for long-term constructions:	generally not allowed





## LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	LIABILITY
<b>Israeli Companies Ordinance</b>	Most companies limit the personal liability of their members, usually in the form of shares. In this case, the term "Limited" (or the abbreviation "Ltd.") must appear as part of the full name of the company.
<b>Private Company</b>	Limited liability. The liability of shareholders can be expanded through "lifting" or "piercing" the corporate veil. The courts will generally only do so in unique circumstances - when shareholders have done something significantly inappropriate such as misrepresenting the company (or its financial condition) in a fraudulent manner, misappropriating tax withholding, commingling of business and personal assets/activities and more.
<b>Public Company</b>	Limited liability.
<b>Foreign Company</b>	A fiscal representation in Israel requires personal liability for all of the parent company tax debts in Israel, and as a result, it is usual to give guarantees and to leave deposits in the representation's trust accounts until cessation of business activity in Israel.
<b>Partnership</b>	Personal liability of the partners is not limited unless they are limited partners of limited partnerships.
<b>Self-Employed</b>	Unlimited Personal Liability
<b>Cooperative</b>	Limited Personal Liability
<b>Joint Ventures</b>	A joint venture is not regarded as a separate legal entity, with each party's liability thereunder limited to the scope of its obligations in the joint venture.
<b>Commercial Agencies</b>	According to the regulations of fiscal representative or private company
<b>Non-Profit Organizations (NPO)</b>	A charitable organization (NPO) has a choice of registering in one of two ways: (1) with the Rasham Ha'amutot [Registrar of Charities] as a amutah [charity] or (2) with the Rasham HaChavarot [Registrar of Companies] as a Chevrach LeTo'elet Hatzibur [Public Benefit Company]. NPO has a limited or unlimited liability according to the way of registration.

## ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial register</b>	It is necessary to register the company with the Companies Registrar.	Incidentally, it is necessary to translate Articles of Association into Hebrew. The fee for registering a company is currently NIS 2,244.
<b>Monthly and Annual Tax Filings</b>	All companies are required to file audited annual tax report and financial statements within 5 months after fiscal year ends. Extensions may be obtained. Filings may sometimes be spread over a period of up to 13 months after the tax year end. Moreover, the regulator requires to report monthly or once in two months to the authorities.	Taxes to be filed include: 1) Company tax installments - a percentage of the company's monthly sales revenue. 2) Supplementary company tax installments with respect to certain non-deductible expenses. 3) Tax withheld from salaries and remittances to suppliers when applicable. 4) Value-added tax (VAT). 5) National Insurance.
<b>Bank Account</b>	It is necessary to open a commercial bank account through which all company finances will be conducted.	When you open the account, you are obligated to present copies of the company's Articles and Registration Certificate, approved by an accountant or an attorney, as well as an accountant or attorney's approval of signatory rights for the company.
<b>Transfer of Goods and Machinery</b>	Israel has an open and transparent import and export regime. Almost all goods, equipment and machinery are allowed to be transferred according to Customs Duty regulations.	

<b>Receiving a Business License</b>	There is a list of the types of business that have "licensing requirement" status, meaning businesses that need a license to operate under the Business Licensing Law.	Many commercial enterprises and professionals must have business permits in order to operate. Permits are usually issued by the municipalities after prior approval by other government departments such as the Ministry of Health. Permits must be renewed annually.
<b>Transfer of Capital</b>	Israeli banking System is very modern and technology developed. It offers money transfer at any currency, innovative payment system, internet transfer and more.	According to Prohibition on Money Laundering Law' transfer of capital should be managed in accordance with the requirements for disclosure of financial data to the banks.
<b>Municipal taxes</b>	Municipal taxes are paid by the end-user and not the owner.	

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit &amp; Visas</b>	Relocating to Israel can be an extremely difficult and complex process. There are three situations in which foreigners may be eligible to gain residency in Israel: a. If they are in a relationship with an Israeli citizen. b. If they are of Jewish descent (making Aliyah). The Law of Return states that all Jewish people have the right to settle in Israel. The process is conducted by the Jewish Agency and should be completed in your home country employer and that employer must act as a sponsor. c. If they have a job offer in Israel and the employer is acting as a sponsor.	a. An open work permit, which allows a person to work without restrictions and is only granted to those of Jewish descent or an expat who is in a relationship with an Israeli citizen. b. IA restricted work permit limits a foreigner to working for a particular. Moreover, there are a few more different types of visas: tourist, student and business types of visa. Getting a work permit for experts for a period of 1-3 years are based on several criteria. Visas for employees in certain sectors such as real estate and infrastructure, can be obtained in accordance with compliance with the law. Visa for employees who are invited by Israeli employer in accordance with regulations and providing the proof of the reasons why the employee is essential and can't be replaced by anyone else in Israel. It is recommended to use the services of local expert in Labour law and Accountant who provide this kind of approval.
<b>Labour Law</b>	Israeli protective labour legislation includes Hours of Work and Rest Law, Annual Vacation, the Annual Leave Law, The Sick Pay Law, Employment of Women Law, The Youth Work Law, The Wage Protection Law, The Minimum Wage Law.	The law grants workers additional compensation when they work overtime, i.e., more than 8 hours a day. According to the Annual Leave Law, 1951 guarantees workers paid vacation, for periods set in the law. Night work is prohibited, unless authorized by the Minister of Labour. The Employment of Women Law requires the employer to give women maternity leave; however, her income during this period is from the National Insurance Institute. Moreover, Israel legislation of social laws differs from sector to sector. Employees' rights are statutory rights in Israel which deal with Social Law by General Federation of Laborers legislation and Protective Labour legislation.

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>VAT</b>	VAT at the standard rate of 17% applies to the supply of assets or services that are in the scope of VAT law and on the importation of goods, unless zero-rate VAT or a specific exemption applies.	Zero-rate VAT allows input VAT deduction, but an exemption does not allow input VAT deduction.

<b>Social System</b>	<p>Israeli law requires employers to contribute a fixed percentage of the given employee's salary toward social security and health insurance. Employers are responsible for withholding employees' contributions from salaries and remitting these together with the employers' own contributions, to the National Insurance Institute. This does not require registration at the National Insurance Institute.</p> <p>Social Security (locally called 'National Insurance'): The National Insurance Institute provides Israeli residents with a comprehensive system of social security benefits which are financed by national insurance contributions from both employers and employees.</p> <p>Health Insurance: All Israeli residents are entitled by law to health services and are required to pay health insurance dues, determined on the basis of occupation and sources of income. The State of Israel is responsible for funding and subsidizing such services, while preserving the right to medical secrecy, privacy and human dignity.</p>	
<b>Corporate income tax</b>	<p>Resident companies are subject to Israeli tax on their worldwide income of 25% on 2016. Nonresident companies are subject to Israeli tax on income accrued or derived in Israel.</p>	<p>A company is considered a resident in Israel for Israeli tax purposes if either of the following applies: a. it is incorporated in Israel; b. its business is controlled and managed in Israel; c. It possesses permanent establishment according to double tax treaty and local tax law.</p>
<b>Capital gains tax</b>	<p>Resident companies are taxable on worldwide capital gains. Capital gains tax rate is 25% to 30%. Capital gains are divided into real and inflationary components. Unless a tax treaty provides otherwise, in principle, non-resident companies and individuals are subject to Israeli tax law on their capital gains. *Foreign residents not engaged in business in Israel may qualify for exemption from capital gains tax on disposals of securities traded on the TASE and securities of Israeli companies traded on a recognized foreign stock exchange.</p>	<p>The tax rate on real capital gains is the standard corporate tax rate of 25%. The inflationary component of capital gains is exempt from tax to the extent and in some cases is taxable at a rate of 10% in some cases.</p>
<b>Withholding tax</b>	<p>The withholding tax of 25% may be reduced by applicable tax treaties.</p>	
<b>Dividends</b>	<p>A 30% withholding tax is imposed on dividends paid to individual shareholders holding 10% or more of the shares in an Israeli company. A 25% withholding tax is imposed on dividends paid to individual shareholders holding less than 10% of the shares in an Israeli company.</p>	<p>The 0% rate generally applies to distributions to Israeli parent companies. In addition, effective from 1 January 2014, reduced withholding tax rates of 15% and 20% may apply under the Capital Investment Encouragement Law (15% previously).</p>
<b>Dividends in fiscal representation</b>	<p>One of the added values of having a fiscal representation in Israel is the exemption from dividend withholding tax on the transfer of profits from the branch in Israel to the head office in your country.</p>	<p>According to Israeli local law transferring of profits from branch to head office is not considered as dividend transfer.</p>
<b>Interest in companies &amp; General interest (including banks)</b>	<p>Israeli resident companies are taxable on worldwide interest, original discount and linkage differentials income. The tax rate for these types of income is the standard corporate tax rate of 25%</p>	<p>In principle, the withholding tax on interest is not final taxes. An exemption from Israeli tax is available for foreign investors that receive interest income on bonds issued by Israeli companies traded on the TASE.</p>
<b>Net operating losses</b>	<p>Trading or business losses may be offset against income from any source of the same year. Losses may be carried forward indefinitely can be offset against business income and business capital gains of the same type. Losses may not be carried back.</p>	
<b>Royalties from patent, know-how etc.</b>	<p>A 25% withholding tax is levied on royalty payments to non-residents. The rate may be reduced under a tax treaty.</p>	<p>In principle, the withholding taxes on royalties are not final taxes.</p>

<b>Branch remittance tax</b>	In case of approved enterprise, a brunch may be subject to a tax rate of 15%, in addition to the corporate income tax.	There is no specific tax on the remittance of profits.
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## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Israeli GAAP (match in rules to IFRS)	
<b>Annual Financial Statement</b>	IFRS: allowed Basis for dividend distribution: Yes Basis for tax assessment: Yes Components: Balance Sheet, Income Statement Including cash-flow-statement Additional mandatory components for all companies: All israeli companies are obligated in audited financial reports	
<b>Significant Accounting rules</b>	Capitalization of borrowing-costs: Optional under some creteria Depreciation period for goodwill: Verious depreciation period Special rules for held-for-sale assets: No Simplification for stock valuation: Usually FIFO	
<b>Size-dependent simplifications for companies with limited liability</b>	Micro-Company small company and medium-sized company	All israeli companies, limited and unlimited, are obligated in audited financial reports. For different company sizes and different turnover there are various regulations regarding bookkeepeng and reports for tax authorities.
<b>Group Accounts</b>	Companies that are at the same group of companies have independent reports to the tax authorities. If the parent company or sister companies have business relationships between them then they should examine the issues of transfer pricing and report in accordance with appropriate the study.	



## LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	SPANISH	ENGLISH	LIABILITY
<b>Partnerships</b>	Asociacion Civil (AC)	Civil Law Partnership	Non Profit Companies, Foundations, etc
	Sociedad Civil (SC)	Limited Liability Partnership (LLP)	Unlimited, but can be excluded with regard to professional errors for which one individual partner is entirely responsible
	Sociedad Anonima de Capital Variable (SA de CV)	Corporation C/ Partnership Limited By Shares	Limited partner: limited to his respective share of the partnership capital
	Sociedad de Respon-sabilidad Limitada de Capital Variable ( S de R L de CV)	Limited Liability Company	Limited partner: limited to his respective share of the partnership capital
	Sociedad Anonima Bur-satil de Capital Variable (SAB)	Corporation C/ Partnership Limited By Shares	Limited partner: limited to his respective share of the partnership capital - These companies are listed in a Market Stock



## ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the commercial register except freelance professionals. The commercial register is managed by Federal Estates Government.	
<b>Foreign Investment Register</b>	Registration with the Economy Ministry is mandatory when the Company has as Foreign Investment.	

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Nationals from all other countries need a work permit to work legally in Mexico.	
<b>Labour Law</b>	In Mexico there are detailed employment regulations. A special law for protection against unfair dismissal offers great protection for employees	The minimum benefits to the Employees are: 15 days of Christmas Bonus, 6 days of Vacation and 25% of Bonus over the Vacation Period. The labor time is 6 days a week during 8 hours per day. A Normal Office working hours are 40 hours in 5 days per week.
<b>Local Tax</b>	The different Estates has a Local Contribution, it comes from 2% until 3% depending the Local law	The base is all the benefits for the employees paid
<b>Social System</b>	The social security system consists of pension insurance (2.0% of gross salary), health and nursing insurance (about 22.2%), Life and Disability insurance (1.75%) and Severance and Old Age insurance (3.15%), Kindergarden (1%), Health Expenses People (1.05%) and Living Fund (5%) plus the Risk insurance depending of the industrie, it comes from 0.54% to 7%, example Construction Companies. The social security contributions are shared roughly 95/5 by employer and employee.	The Base has a limit around EUR 32,868 yearly. All the Employees has this right.

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard corporate income tax rate is 30% on all taxable earnings of the corporation, whether retained or distributed profits. However, once profits are distributed to the shareholders, these must pay personal income tax (35%) on the dividends, except when the dividend has paid Income Tax. The Calculation base is accrual.	We have to calculate if the Dividends to the Shareholders has paid Income Tax before. If the before questions is right the dividend will be free of Taxes or will paid a less rate.
<b>Personal Income Tax</b>	The rate of personal income tax starts at 0% until 35% depending the level of Income.	Some income could be Non Taxable by Law.
<b>Personal Income Tax in case of partnerships</b>	Partnerships are tax transparent for income tax purposes., The tax rate is 30%.	
<b>Speculation Tax</b>	Since 2014 the speculation net gains are subject to a tax rate of 10%	
<b>Value Added Tax</b>	The normal VAT rate is 16% ( reduced rates 0% ). VAT is charged for the sale of goods and services. When you import you have to paid the VAT -16%. For the exports the rate is 0% - The Calculation Base is Cash Flow	Example for 7% VAT: food, newspapers, public transport. Example for 0% VAT: healthcare, rent.

<b>Real Estate Transfer Tax</b>	When domestic real estate changes owner, a one-time real estate transfer tax of 6% of the purchase price. Usually the tax must be paid from the buyer
<b>Church Tax</b>	No Church Taxes- Free
<b>Non-Resident Taxation</b>	In Mexico there are a lot of Double Taxation Agreements with many Countries

**ACCOUNTING**

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Normas de Información Financiera (NIF 's) = Mexican GAAP,	
<b>Annual Financial Statement</b>	IFRS:	not allowed
	Basis for dividend distribution:	Yes
	Basis for tax assessment:	Yes
	Components:	Balance Sheet, Income Statement Capital Statement and Cash-flow-statement
	Additional mandatory components for companies with limited liability:	Notes
<b>Significant Accounting rules</b>	Deffered Taxes.	Depend on the materiality
	Depreciation:	Fiscal Rates by Law
	Inflation	Recognize the inflation effects in the Books when is over 10%
	Simplification for stock valuation:	Average method, LIFO, FIFO
	Provision of expenses:	Yes but in reasonable way depend on Income
	Electronical Accounting Books	These are sent to the IRS monthly signed by the Legal Representant
<b>Size-dependent simplifications for companies with limited liability</b>	There are not a clasification for Small or Big Companies in Accountig or Fiscal porposes. The companies looking for profits are in the same box.	
<b>Group Accounts</b>	Mandatory:	IRS Chart of Accounts
	IFRS:	If parent company is listed at stock exchange When you use Local GAAP you can applied IFRS as extension rules
	Mandatory Consolidated:	The companies controlled by a Holding has to consolidate by IFRS or Local GAAP.



## PORTUGAL

### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	PORTUGUESE	ENGLISH	LIABILITY
<b>Partnerships</b>	Empresário em Nome Individual	Individual Sole Trader	Limited to the assets autonomously brought to the business
	Estabelecimento Individual de Responsabilidade Limitada	Individual Limited Liability Establishment	Limited
	Sociedade Unipessoal por Quotas	Sole Shareholder Private Limited Liability Company	Limited
	Sociedade Anónima com um único Acionista	Public Limited Liability Company with a sole shareholder	In accordance with the investor's legal statute
	Sucursal	Branch	Limited to capital subscribed, but shareholders are jointly and severally liable for all contributions foreseen in by-laws
	Sociedade por Quotas, limitada ("LDA")	Private Limited Liability Company	Limited to the capital subscribed
	Sociedade Anónima ("S.A")	Public Limited Liability Company	Limited
	Sociedade Europeia	European Company	Unlimited
	Consórcio	Joint Venture	Unlimited
	Agrupamento Complementar de Empresas ("ACE")	Entreprise Grouping	Limited: shall assume the form of limited liability company by quotas or by shares
	Sociedades Gestoras de Participações Sociais ("SGPS")	Holding Companies	Unlimited of at least one shareholder
	Sociedades em Comandita	Unlimited Liability General Partnership	Unlimited of at least one shareholder
Sociedades em Comandita por Acções	Unlimited Liability Limited Partnership		

### ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies must be entered in the commercial register. The commercial register is administered in electronic form ( <a href="http://www.mj.gov.pt/publicações">http://www.mj.gov.pt/publicações</a> )	If a company is legally required to be registered, but takes up business operations before being entered in the commercial register, the partners are personally liable for any losses up to the point of registration.
<b>National Register of Companies</b>	Apply for an Admissibility Certificate (Certificado de Admissibilidade) and for a Company Card (Cartão da Empresa). The Corporation Identification Number of the company shall correspond also to its Tax Payer Number (Número de Identificação de Pessoa Colectiva, NIPC). Apply also for the Social Security Registration Number (Número de Identificação da Segurança Social, NISS).	Depending on the activity, a licence or an approval for the business registration may be necessary.

<b>Register at the Tax and Customs Authority</b>	Apply for a Declaration of the commencement of activity for tax purposes (Declaração de Início de Actividade) at the Tax and Customs Authority (Autoridade Tributária e Aduaneira).
<b>Simplified Business Information</b>	General Meeting must approve the annual financial statements within 3 months from the close of the fiscal year to which it relates. Submitting the IES files online, annually, allows the company to fulfill, at once and in total desmaterialized way, account, fiscal and statistical obligations to the competent authorities.

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
Work permit	Citizens of the European Union, the European Economic Area (EEA), can work in Portugal without any restrictions. Nationals from all other countries need a work permit to work legally in Portugal more than 90 days, except members of the management board of body corporate	
Labour Law	There are detailed employment regulations. Common working hours are 40 hours per week, with some flexibility allowed by labour code. Statutory limits on working time are part of health and safety regulations. A minimum of 22 days of paid holidays a year is guaranteed. The notice period for termination of employment depends on seniority of the employee.	
Social System	Register of the company and each employee at the local Social Security regional centre is required.  In the normal scheme, the security contributions are shared 11% / 23,75% by employee and employer, respectively. The accident insurance has to be paid by the employer in total. No other amounts are obliged. The payment entitles the payer to a range of social security benefits.	There are exemption, or rate reduction, for the employer in several situations, namely: 1st job; Long-Term unemployed; etc.

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard rate is 21%. It is decreased from 25% in the last years. Nevertheless, the rate applicable to the first EUR 15.000 of taxable profits of small and medium-sized enterprises keeps on 17%. Once profits are distributed to the shareholders, personal income tax on the dividends is applicable.	
<b>Personal Income Tax</b>	The rate starts at 14,5% for an annual income exceeding the tax-free allowance of EUR 7.000. It rises progressively to a maximum personal income tax rate of 48%, which is applicable to earnings of EUR 80.000 or more. A tax of solidarity the 2,5% and 5% is applicable for annual income between EUR 80.000 and EUR 250.000 and over than EUR 250.000, respectively.	Tax advantages are available for married couples and children.
<b>Personal Income Tax in case of partnerships</b>	As partnerships are not separate legal entities but associations of partners, the partners themselves generally are subject to the personal income tax, with the individual tax rate applicable to each shareholder. In order to achieve a tax burden neutrality between partnerships and corporations, the personal income tax rate is applicable to the 75% of retained earnings of a partnership. After distribution to the partners, the distributed earnings are subject to a subsequent taxation of 28%.	
<b>Value Added Tax</b>	For mainland, the standard VAT rate is 23% and there are also a rate of 13% and 6%. Lower rates are applicable in Madeira and Azores. Some services, including banking, healthcare, and non-profit work, are VAT-exempt. For certain services rendered by a foreign entrepreneur, the reverse-charge-system has to be applied.	Each entrepreneur can apply for a VAT-Identification-number, which is particularly necessary for intra-EU supplies and services. Import turnover tax has to be paid for goods imported from non-EU states.

<b>Real Estate Transfer Tax</b>	When domestic real estate changes owner, a one-time tax over the purchase price has to be paid, usually by the buyer. The rate tax starts at 1%, for an amount until EUR 92.407, and rises progressively to a maximum of 8%.	
<b>Non-Resident Taxation</b>	A non-resident company which is trading through a permanent establishment is liable to corporation tax on income connected to the permanent establishment in Portugal, and on capital gains arising from assets connected with the activities of that permanent establishment. Non-resident individuals and companies in Portugal receiving income generated in Portugal, are subject to Portuguese limited taxation with their Portuguese-sourced income. Double taxation of this income is avoided by double taxation agreements between Portugal and other countries. In case of a non-resident company, the tax treatment depends on each kind of income.	
<b>Additional Tax</b>	Between 0% to 1,5% on taxable earnings of the body corporate, levied by a municipality (municipal surtax). A tax rate of 3% on the taxable earnings between EUR 1.5 million and EUR 7.5 million, 5% to earnings between EUR 7.5 million and EUR 35 million and 7% to earnings over EUR 35 million are applicable (state surtax).	
<b>Participation exemption</b>	Dividends received and capital gains realized by a resident company or foreign shareholding are exempt provided that some conditions are met, as such as: <ul style="list-style-type: none"> <li>• the shares are held for a minimum continuous period of 24 months;</li> <li>• the shareholder has held, directly or indirectly, at least 5% of the capital of the share capital or voting rights of the entity that is disposed of;</li> <li>• the shareholder is not considered a transparent entity.</li> </ul>	
<b>Autonomous surcharge</b>	For anti-abuse purposes, certain expenses can be taxable with tax rates between 5% to 20%; for non-documented expenses, the tax rate is between 50%, in general cases	
<b>Carry forward tax losses</b>	The period to carry forward tax losses is 12 years since 1 January 2014, 5 years for 2012, 4 years for 2011 and 2010, and 6 years for tax losses arisen before 2009. Losses used in each period cannot exceed 70% of the taxable earnings.	
<b>Thin capitalization</b>	From 1 January 2014 net financial costs are deductible only up to the greater of these thresholds: 50% (2015), 40% (2016) and 30% (since 2017) of EBITDA. The amount exceeding may be carried forward for 5 years up to the 30% threshold.	Specific limitations apply to the tax deductibility of interest expense, instead of previous thin capitalization rules.
<b>Non-habitual residents</b>	The non fiscal residents in Portugal during any of the previous 5 years may be taxed under a special regime, applicable for a period of 10 consecutive years. Must be registered in Tax and Customs Authority. These individuals are eligible for a flat 20% rate on income related to work or services rendered in Portugal in activities defined in a Ministerial order.	
<b>Real Estate Tax</b>	Every property owner in Portugal is annually liable to real estate tax. The tax rate depends on the category of the real estate, the assessed value of the property and the municipal collection rate.	
<b>Stamp duty</b>	Applicable on several types of agreements as well as certain transactions not subject to VAT.	
<b>Tax benefits</b>	Portuguese tax law allows tax benefits in several issues, namely in the following: Special tax credit for qualified investments; Tax reductions for net jobs creation; Exemption for capital gains reinvestment.	Part of these benefits are determined or renewed by the government in an annual basis.

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Accounting Normalization System, ("SNC")	Portuguese GAAP are in line with the IFRSs conceptual framework.
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<b>Annual Financial Statement</b>	<p>IFRS:</p> <p>Basis for dividend distribution:</p> <p>Basis for tax assessment:</p> <p>Components:</p> <p>Additional mandatory components for companies with limited liability:</p>	<p>Obrigatorily: companies listed in an EU/EEA securities market follow IFRSs since 2005. Optional, accounts certified by an auditor</p> <p>Yes</p> <p>Yes (adjusted for tax purposes)</p> <p>balance sheet, income statement, cash flow statement, statement of changes in equity and their respective annexes</p> <p>No</p>
<b>Significant Accounting rules</b>	<p>Capitalization of borrowing-costs:</p> <p>Depreciation period for goodwill:</p> <p>Special rules for held-for-sale assets:</p> <p>Simplification for stock valuation:</p> <p>Minimum probability of 50% for provisions:</p> <p>Provision of expenses:</p> <p>Percentage-of-completion-method for long-term constructions:</p>	<p>obliged capitalise borrowing-costs directly related to inventory</p> <p>normaly maximum period of 10 years</p> <p>No</p> <p>Average method, FIFO</p> <p>No</p> <p>Yes</p> <p>Yes</p>
<b>Size-dependent simplifications for companies with limited liability</b> Two of three size-criteria must be met in two subsequent years.	<p>Micro-Company:</p> <p>Small Company:</p> <p>Medium-sized Company:</p>	<p>Sales p.a. not over € 700k; balance sheet sum not over € 350k; number of employees not over 10): no cash flow statement, no statement of changes in equity, no annexes, no management report, no online publication, and no audit is required.</p> <p>Sales p.a. not over € 8m, balance sheet sum not over € 4m, number of employees not over 50): no cash flow statement, no statement of changes in equity, no online publication</p> <p>Sales p.a. not over € 3m, balance sheet sum not over € 1,5m, number of employees not over 50): also no audit is required.</p> <p>Sales p.a. not over € 40m, balance sheet sum not over € 20, number of employees not over 250: no online publication</p>
<b>Group Accounts</b>	<p>Mandatory:</p> <p>IFRS:</p> <p>Not required:</p> <p>Two of three size-criteria must be met in two subsequent years</p>	<p>If parent company is a corporation</p> <p>If parent company is listed at stock exchange</p> <p>Optional: IFRS or SNC</p> <p>If cumulated sales of the group do not exceed € 12m, cumulated balance sheet sum does not exceed € 6m, number of employees does not exceed 50;</p>

**LEGAL FORMS OF BUSINESS ENTITIES**

SUBJECT	ROMANIAN	ENGLISH	LIABILITY
<b>Partnerships</b>	Societate in Nume Colectiv ("SNC")	General Partnership	When the contribution to the share capital belongs to several persons, they are jointly and severally liable to the company and should nominate a common representative to exercise the rights arising from this contribution.
	Societate in Comandita Simpla ("SCS")	Limited Partnership	The management of the company will be assigned to one or more partners who can perform transactions only on the basis of a special Power of Attorney given by the company's representatives and registered with the Trade Registry for determined operations. Otherwise, the partner becomes liable towards third parties without limit and jointly, for all the company's bonds from the date of the transaction concluded by him.
	Societate pe Actiuni ("SA")	Joint Stock Company	Limited to the contributed capital.
	Societate in Comandita pe Actiuni ("SCA")	Company Limited by Shares	The administration of the company is entrusted to one or more partners who can be revoked by the general shareholders meeting.
	Societate cu Raspundere Limitata ("SRL")	Limited Liability Company	The shareholder's liability is limited to the amount subscribed as participation in the company's share capital.
	Sucursala	Branch	Branches are corporate entities with no legal status, set up by Romanian or foreign companies subject to registration with the competent Trade Registry (Company Law, Art. 43).
	Filiala	Subsidiary	Are entities with legal personality and will have the legal regime of the company in which they were formed.
	Reprezentanta	Representative Office	It can only undertake auxiliary or preparatory activities and cannot trade in its own name and cannot engage in any commercial activities.
	Asociere in participatiune	Joint Venture	Romanian legislation allows for the conclusion of a joint venture agreement ("contract de asociere in participatiune"). Under this agreement, parties act together for the accomplishment of a common business goal. This form of doing business in Romania does not create a legal entity with legal personality, and for third parties does not represent an entity distinctive to the associates.
	Societas Europaea (SE)	Societas Europaea (SE)	A SE may be created on registration in any of the EU member states in accordance with the EC Regulation 2157/2001.

**ORGANIZATIONAL QUESTIONS**

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the commercial register (with the exception of Joint Ventures), including also the registration of authorized individuals. The commercial register is administered in electronic form ( <a href="http://www.onrc.ro">www.onrc.ro</a> )	Companies are set up by the commercial register within 3 working days from submitting the complete file.

<b>Trade Register Notification</b>	Registration with the local trade office is required for all business forms and also for authorized individuals. After the trade register notification, the trade office forwards the registration to the tax authorities.	Sometimes a license or an approval for the business registration is necessary, depending on the activity that will be performed.
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## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Citizens of the European Union, the European Economic Area (=EEA), or Switzerland can work in Romania without any restrictions. Nationals from all other countries need a work permit to work legally in Romania.	
<b>Labour Law</b>	In Romania there are detailed employment regulations which are covered by the Romanian Labour Code. Some matters concerning the employment are covered by special regulations.	A minimum of 20 days of paid holiday per year is guaranteed, if working 5 days a week, in addition to public holidays. Normal working hours are 8 hours per day and 40 hours per week. Statutory limits on working time are part of extensive health and safety regulations. The notice period for termination of employment depends on seniority of the employee.
<b>Social System</b>	<p>Under a labour agreement at the individual's level, the employee owns the following Social Security Contributions (for normal labour conditions):</p> <ul style="list-style-type: none"> <li>• Social Security Contributions - (10,5% of the monthly gross salary - capped at five times the national medium gross salary);</li> <li>• Health Fund Contributions - 5,5% applied on monthly gross salary;</li> <li>• Unemployment Fund Contributions - 0,5% applied on monthly gross salary.</li> </ul> <p>Social Security Contributions owned by the employer are as follows:</p> <ul style="list-style-type: none"> <li>• Social Security Contributions: ranging between 20,8% and 30,8% (depending on the work conditions) of the gross monthly income, which is capped at the level of five times the national average salary multiplied by the average number of employees;</li> <li>• Health Fund: 5,2% of total salary fund;</li> <li>• Unemployment Fund: 0,5% of total salary fund;</li> <li>• Contribution for Medical Leave and Indemnity: 0,85% of total salary fund - capped at twelve times the national minimum salary;</li> <li>• National Insurance Fund for Labour Accidents and Professional Diseases: the contribution will range between 0,15% and 0,85% of the total salary fund.</li> </ul>	

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard corporate income tax rate is 16% on all taxable earnings of the corporation.	A 3% tax is levied on the income of microenterprises that do not have any employees. Also, starting with January 1, 2016, the tax shall be of 2% for microenterprises that have 1 employee, and 1% for microenterprises that have 2 employees or more. As an exception, the newly formed entities that have at least 1 employee and which are established for a duration exceeding 48 months, whose shareholders did not hold participation titles in other legal entities, the tax rate shall be of 1% for the first 24 months from the date of the legal entity's registration.
<b>Personal Income Tax</b>	The rate of personal income tax is 16%. Special rates are applicable to income deriving from the transfer of the real estate.	Starting with January 1, 2016, for gross monthly income up to 1.500 lei the taxpayers are entitled to monthly deductions between 300 Lei for individuals without dependents to 800 Lei for individuals with four or more dependents. Tax on dividends is 5%.



<b>Withholding Tax</b>	<p>From incomes obtained from Romania by non-residents, taxpayers have the obligation to calculate, withhold and pay the tax to the state budget. The withholding tax shall apply to dividends, interests, royalties, management and consultancy fees, incomes from gambling, incomes from sportive or entertainment activities, incomes from liberal professions or other incomes from services delivered in Romania. A 16% withholding tax is imposed on dividends paid to resident or non-resident companies. However, dividends paid by resident companies to other resident companies may be exempt from tax if the recipient company has held at least 10% of the distributing company's share capital for an uninterrupted period of one year. Additionally, a 16% withholding tax is imposed on interest on royalties paid to non-resident companies, unless a lower treaty rate applies. In principle, the EU interest and Royalties Directive (2003/49) precludes any taxation on interest and royalty payments to associated EU companies (a minimum 25% holding for an uninterrupted period of at least two years). Interest on royalty incomes obtained in Romania by legal entities which are resident in EU member states or of the European Free Trade Association namely Iceland, Liechtenstein, Norway, are exempt from tax payment if the beneficiary of such interest on royalties holds a minimum of 25% of the value/number of shares in a Romanian legal entity, for an uninterrupted period of at least 2 years, ending on the date of payment of those interests on royalties. As a rule, withholding tax does not apply to payments made to Romanian legal entities since they, as payers of income tax, will include the respective incomes on their taxable base and will pay the related income tax.</p>	
<b>Value Added Tax</b>	<p>The standard VAT rate is 20% ( reduced rates 5% or 9%). VAT is charged for the sale of goods and services.</p>	<p>A lower rate of 9% is charged for provision of services or delivery of goods, for example: delivery of medicine, orthopedic products, hotel accommodation, food and non-alcoholic beverages, supply of drinking water and water for irrigation in agriculture.</p> <p>A reduced rate of 5% applies to museums, castles, botanical and zoological gardens access, school manuals, books and newspapers, immovable assets – if it is in compliance with several conditions.</p> <p>Some services, including banking, healthcare and non-profit work, are VAT-exempt. For certain services rendered by a foreign entrepreneur, the reverse-charge-system has to be applied.</p>
<b>Real Estate Property Tax</b>	<p>Every property owner in Romania is annually liable to real estate tax (local taxes). The tax rate depends on the category of real estate, the assessed value of the property and the municipal collection rate.</p> <p>Building tax ranges between 0,25% and 1,50% of the accounting value. If the building has not been revaluated for a period longer than three years, this percentage is increased to between 10% and 20%, while for buildings that have not been revaluated in the past five years the percentage varies between 30% and 40%.</p> <p>Owners of land are subject to land tax which is established at a fixed amount per square meter, depending on location. Land located outside urban areas will be subject to a tax of approximately 0,25 EUR/ha, irrespective of its category of usage and area. The land tax should be paid quarterly.</p> <p>Starting with January 1, 2016, if buildings will be used for performing economic activities, the income on real estate will be increased depending on various criteria: destination of the building – residential or non-residential, if the owner is an individual or a legal entity. For residential building used for performing economic activities, the income shall be calculated by applying a rate between 0,08% - 2% on the taxable value of the building. The rate shall be determined by local council's decision.</p>	
<b>Non-Resident Taxation</b>	<p>Non-resident individuals and companies in Romania receiving income generated in Romania are subject to Romanian Tax Code. Double taxation of this income is avoided by double taxation agreements concluded between Romania and other countries. In case of a non-resident company the tax treatment depends on its kind of income.</p>	

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Romanian Accounting Regulations , Order of Ministry of Finance	
<b>Annual Financial Statement</b>	IFRS: Basis for dividend distribution: Basis for tax assessment: Components:  Additional mandatory components for companies with limited liability:	allowed Yes Yes Balance Sheet, Income Statement cash-flow-statement  Notes including statement of changes in equity, non-current-assets, management report.
<b>Significant Accounting rules</b>	Capitalization of borrowing-costs: Depreciation period for goodwill: Special rules for held-for-sale assets: Simplification for stock valuation: Minimum probability of 50% for provisions: Provision of expenses: Percentage-of-completion-method for long-term constructions:	optional allowed, usually 10 years No Average method, FIFO na allowed allowed
<b>Size-dependent simplifications for companies with limited liability</b> Two of three size-criteria must be met in two subsequent years.	Micro-Company:  Small Company:  Medium-sized Company:	Sales p.a. not over thousands lei 3,000; total assets not over thousands lei 1,500; number of employees not over 10); only balance sheet and Income statement  Sales p.a. not over thousands lei 35,000; total assets not over thousands lei 17,500; number of employees not over 50); Balance sheet ; Income statement ; explanatory notes  Sales p.a. over thousands lei 35,000; total assets over thousands lei 17,500; number of employees over 50); Balance sheet ; Income statement ; Fixed assets notes; Cash flow statement; Changes in Equity Statement; Explanatory Notes to Financial Statements; Audit Report
<b>Group Accounts</b>	Mandatory: IFRS:  Not required:  <i>Two of three size-criteria must be met in two subsequent years</i>	If parent company is a corporation If parent company is listed at stock exchange Optional: IFRS or Romanian Accounting Standard  If cumulated sales of the group do not exceed € 48m, cumulated balance sheet sum does not exceed € 24m, number of employees does not exceed 250;



## SINGAPORE

### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	ENGLISH	LIABILITY
<b>Partnerships</b>	General Partnership	Unlimited
	Limited Partnership	General partner: unlimited Limited partner: limited to his respective share of the partnership capital
	Limited Liability Partnership (LLP)	Limited, but a partner may be held personally liable for claims from losses resulting from his own wrongful act or omission
<b>Companies</b>	Exempt Private Company (Pte Ltd)	Limited to the contributed capital
	Private Company (Pte Ltd)	Limited to the contributed capital
	Public Company (Ltd)	Limited to the contributed capital

### ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the Registrar of Business (ROB), except freelance professionals. The commercial register is administered in electronic form. ( <a href="http://www.acra.gov.sg">www.acra.gov.sg</a> or <a href="http://www.bizfile.gov.sg">www.bizfile.gov.sg</a> )	If a company is legally required to be registered, but takes up business operations before being entered in the commercial register, the promoters are personally liable for any losses up to the point of registration.
<b>Trade Register Notification</b>	Registration with the Accounting and Corporate Regulatory Authority (ACRA) is required for all legal business forms, except freelance professionals.	Chamber membership is not automatic and optional. Sometimes a licence or an approval for the business registration is necessary.

### EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Citizens and Permanent Residents of Singapore can work without any restrictions. Nationals from all other countries need a work permit to work legally in Singapore.	
<b>Labour Law</b>	The Ministry of Manpower regulates employment practices and enforces the Employment Act. Employees are guaranteed minimum safety standards and are protected against unfair dismissal.	Under the Employment Act, employees who have worked for at least 3 months are entitled to a minimum of 7 days annual leave. The duration of the minimum annual leave increases with the number of years worked. For example, an employee who has worked for 5 years with a single employer will be entitled to a minimum 11 days of annual leave. Working hours range from 40 to 50 hours a week.
<b>Social System</b>	The social security system consists of the Central Provident Fund (CPF) to which employees contribute 20% of their gross salary and employers contribute 17%. Singapore Citizens and Permanent Residents are protected by government health insurance (MediShield Life) and premiums are paid based on age and income.	Central Provident Fund provisions are capped at an ordinary wage (OW) level of \$72,000 and an additional wage (AW) level of \$102,000-Total OW Subject to CPF for the year. Any contributions above this cap are voluntary and not tax deductible. Individuals earning less than \$1,500 a month are not required to contribute to the CPF.

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard corporate income tax rate is 17% on all taxable earnings of companies, whether retained or distributed profits. Dividends paid on or after 1 Jan 2008 by a Singapore resident company are not taxable under the one-tier corporate tax system.	There is no capital gains tax in Singapore.
<b>Trade Tax</b>	Customs and/or excise duty (with ad valorem rates) are levied on the customs value of imports.	The rate of tax varies depending on the type and quantity of goods.
<b>Personal Income Tax</b>	The rate of personal income tax starts at 0% for taxable income of up to \$20,000 and goes up to 20% for taxable income over \$320,000.	Tax reliefs are granted to persons which are married. Tax incentives are given to new small and medium enterprises (SMEs) and companies are given tax exemption of up to \$200,000 in the first 3 years of incorporation.
<b>Personal Income Tax in case of partnerships</b>	Partnerships are not a separate tax entity for income tax purposes.	
<b>Compensation Tax</b>	There is no compensation tax in Singapore.	
<b>Value Added Tax</b>	The Goods and Services Tax (GST) rate for taxable supplies is 0% or 7%. Examples of zero-rated supplies are exports and international services.	Exempt supplies are not taxable. They include residential properties, financial services, exchange gain/loss and investment precious metals.
<b>Real Estate Transfer Tax</b>	A buyer's stamp duty is payable on acceptance of Option to Purchase (OTP) with progressive rates of 1% to 3%. Additional buyer's stamp duty is payable on subsequent property purchases. The rate starts at 0% for a Singaporean Citizen buying his first property and goes up to 15% for foreigners.	
<b>Church Tax</b>	There is no Church tax in Singapore.	
<b>Non-Resident Taxation</b>	Non-resident individuals and companies in Singapore receiving income generated in Germany, are subject to Singaporean taxation with their Singaporean-sourced income. Double taxation of this income is avoided by double taxation agreements between Singapore and other countries. In case of a non-resident company, the tax treatment depends on its kind of income and the type of business. For individuals the deduction of expenses is only allowed if these expenses are economically related to the taxable revenues. Individuals earning employment income in Singapore for more than 60 days but less than 183 days can opt to have their income taxed at 15% or as a resident (progressive rates). Their Chargeable Income (CI) will be pro-rated based on the proportion of Singapore Employment Income in their Statutory Income (SI) under the guidelines of Section 40B of the Income Tax Act.	

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Companies Act (Cap) 50 & Financial Reporting Standards ("FRS")	
<b>Annual Financial Statement</b>	FRS:	Allowed
	Basis for dividend distribution:	Yes
	Basis for tax assessment:	Yes
	Components:	Balance Sheet, Income Statement & Cash-flow Statement
	Additional mandatory components for companies with limited liability:	Notes including statement of changes in non-current-assets, management report.

<b>Significant Accounting rules</b>	<p>Capitalization of borrowing-costs: Standardised by SFRS 23 Borrowing Costs</p> <p>Depreciation period for goodwill: Not fixed. Subject to impairment as per SFRS 36</p> <p>Special rules for held-for-sale assets: Stipulated by SFRS 105 Non-Current Assets Held for Sale and Discontinued Operations</p> <p>Simplification for stock valuation: Average method, FIFO</p> <p>Minimum probability of 50% for provisions: Yes</p> <p>Provision of expenses: Yes, if permitted by SFRS 37 Provisions, Contingent Assets and Liabilities</p> <p>Percentage-of-completion-method for long-term constructions: Allowed under SFRS 11 Construction Contracts</p>
<b>Size-dependent simplifications for companies with limited liability</b>	<p>Small and Medium Enterprise (SME) Company's annual sales turnover of not more than S\$100 million or employment size not more than 200 workers. No audit is required for companies with turnover of less than \$10 million.</p>
<b>Group Accounts</b>	<p>Mandatory: If parent company is a corporation</p> <p>IFRS: If parent company is listed at stock exchange</p> <p>Not required: If the company is an exempt private company with 1-20 shareholders as its members</p> <p><i>Two of three size-criteria must be met in two subsequent years"</i></p>



## SPAIN

### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	SPANISH	ENGLISH	LIABILITY
<b>Partnerships</b>	Sociedad de responsabilidad limitada ("SL")	Private Limited Company	Limited
	Sociedad Anónima ("SA")	Public Limited Company	Limited
	Sociedad Civil	Civil Law Partnership	Unlimited
	Sucursal	Branch of activity	Limited

### ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the Company Register, except Civil Law Partnership.	If a company is legally required to be registered, but takes up business operations before being entered in the Companies Register, partners are personally liable for any losses up to the point of registration.
<b>Register at the Tax Authorities</b>	Any company (company, partnership, sole Proprietorship) needs to be registered at the Tax Authority Register and get a tax number (N.I.F).	
<b>Bank Account</b>	To open a bank account individuals from UE states need a valid Identification document (DNI or NIE) or passport. It is also necessary to be registered at the Tax Authority Register and get a tax number (N.I.F). Companies need a certificate of the commercial register, the articles of association and the Tax Number	

## EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	EU citizens are released from the obligation to obtain a work permit. Foreigners from the aforesaid countries and their families will have to register their stay in Spain and obtain a work permit.	
<b>Labour Law</b>	<p>Labour conditions in Spain are mainly regulated in the Labour Code (Estatuto de los Trabajadores), the convention of every specific economic sector and other labour laws.</p> <p>The minimum remuneration for work for full-time employees is specified by law. In 2015 that amount is 9.172.8 euros per year, 655,20 euros per month, and 21,84 euros per day. A minimum of 30 natural days of paid holidays a year is guaranteed (for a year of full working period, and 2.5 day per working month) Working hours are usually 40 hours a week.</p>	
<b>Social System</b>	<p>The social security system is feed by the employer contributions and the employee contributions.</p> <p>The payment of the social security contributions is absolutely compulsory for all companies and professionals.</p>	

## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	<p>Companies which are considered resident in Spain are subjected to Corporate Tax (Impuesto sobre Sociedades).</p> <p>An important tax reform, effective on 1 January 2015, introduces a new Corporate Income Tax law.</p> <p>For a resident company, the taxable income is the result of the financial statements of that Company adjusted for disallowed expenditures, exempt profits, special deductions and losses carried forward.</p> <p>Basically the system is based on two kinds of companies:</p> <ul style="list-style-type: none"> <li>• Big companies (turnover of more than 10 millions Euros a year): taxation rate is reduced to 25% in taxable years starting from 2016.</li> <li>• Small and medium-sized enterprises with a turnover of no more than 10 millions Euro a year: in 2015, taxation rate was 25%, for the first 300.000€ of turnover and 28% for the excess. In 2016, it is 25% for the entire taxable base.</li> </ul> <p>There is also a special regime for reduced companies, under certain circumstances, (less than 5 million of turnover, less than 25 workers and maintaining the same number of employment than 2008), they are also taxed at 25%.</p> <p>New companies incorporated from 1/1/2013 the first tax period: taxation rate is 15% for the first 300.000€ of turnover, under certain conditions.</p> <p>For a non-resident company the taxable income is basically the Spanish source income.</p>	<p>Dividends received from another company are subject to corporate income tax at the normal rate of 25%.</p> <p>It is possible to apply an exemption, in case than a company holds 5% or more participation during one year, a 100% of deduction could be applied.</p> <p>Withholding tax is not applicable for dividends distributed to resident companies that have got also participation over 5% during the year before their acquisition.</p> <p>Dividends distributed between subsidiary and mother companies, both residents in countries of the EU, are exempt under certain circumstances, according to the EU parent subsidiary Directive.</p>

<b>Economic activity tax</b>	<p>There is a local tax over economic, professional and artistic activities undertaken in Spain.</p> <p>Individuals who undertake this activity are exempt, but they must declare it to Tax Administration.</p> <p>There is also an exemption on this tax for companies whose yearly turnover is lower than € 1,000,000.</p>	
<b>Personal Income Tax</b>	<p>Individuals with habitual residence in Spain are subject to personal income tax.</p> <p>An important tax reform, effective on 1 January 2015, introduced changes in Personal Income Tax law.</p> <p>The tax return can be filed individually or together with the other members of the family household.</p> <p>Progressive general tax rates from 18% / 21.50% to 45% / 48%, depending on the Autonomous Community.</p> <p>Special tax rates of 19% (21%, more than 6,000€; 23%, more than 50.000€) for savings income and capital gains.</p>	<p>Usual residence:</p> <ul style="list-style-type: none"> <li>• Remain in Spain for more than 183 days during a calendar year. Temporary absences are considered.</li> <li>• Main base or centre of activities of business or economic interest in Spain.</li> <li>• Husband/wife and under age children resident in Spain.</li> </ul> <p>All income obtained in Spanish territory are subject to tax, regardless of the place where it was produced and of the payer's residence. The tax is levied on the disposable income, which is the result of reducing the rent in the amount laid down by the legislation as minimum personal and family income.</p>
<b>Individual Income Tax (Withholding tax)</b>	<ul style="list-style-type: none"> <li>• Earned income: depending on the amount and other different circumstances.</li> <li>• Dividends, rates: 19%</li> <li>• Independent activities income: 19%</li> <li>• Administrators: 19% / 35%</li> <li>• Real estate leases: 19%</li> </ul>	

**ACCOUNTING**

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Spanish Commercial Code, ("CC")/ Spanish accounting plan based on IFRS ("PGC")
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<b>Annual Financial Statement</b>	<p>IFRS: allowed only for consolidated financial statements</p> <p>Basis for dividend distribution: Yes</p> <p>Basis for tax assessment: Yes</p> <p>Components: Balance Sheet, Income Statement cash-flow-statement (only for normal annual accounts), statement of changes in equity Management report</p> <p>Additional mandatory components for companies with limited liability: No</p> <p>PGC, contains three different models of annual accounts : Normal, abbreviated and small/micro entities with mandatory notes</p>
<b>Significant Accounting rules</b>	<p>Capitalization of borrowing-costs: mandatory</p> <p>Depreciation period for goodwill: From 2016, 10 years</p> <p>Special rules for held-for-sale assets: Yes Fixed assets couldn't be amortized. In case, they will be deteriorated. They are recognized in a special balance sheet heading</p> <p>Simplification for stock valuation: Average method or FIFO</p> <p>Minimum probability of 50% for provisions: No</p> <p>Provision of expenses: Yes</p> <p>Percentage-of-completion-method for long-term constructions: Allowed</p>
<b>Size-dependent simplifications for companies with limited liability</b> Two of three size-criteria must be met in two subsequent years.	<p>Small and Micro-Company: Sales p.a. not over € 2m; balance sheet sum not over € 1m; number of employees not over 10): they have specific accounting criteria for some operations; For these companies and the others until next step: no subcategorisation of the balance sheet and Income statement position; abbreviated notes, Commercial Registered published, no management report, and no audit is required.</p> <p>Medium Company: (abbreviated model) Sales p.a. not over € 8m, balance sheet sum not over € 4m, number of employees not over 50): abbreviated notes; no cash-flow statement must be published; no management report must be prepared; audit is required if sales p.a. over 5,7m or balance sheet sum over 2,850m.</p> <p>normal-sized Company: (normal model) Sales p.a. not over € 22,8m, balance sheet sum not over € 11,4, number of employees not over 250: Income statement could be published in its abbreviated model.</p>
<b>Group Accounts</b>	<p>Mandatory: If there is group (direct control) Optional: IFRS or PGC</p> <p>IFRS: If parent company is listed at stock exchange</p> <p>Not required: If consolidates sales of the group do not exceed € 27,4m, consolidated balance sheet sum does not exceed € 13,7m, number of employees does not exceed 250; Alternatively accumulated sales do not exceed € 22,8m, accumulated balance sheet sum does not exceed € 20m, number of employees does not exceed 250</p> <p><i>Two of three size-criteria must be met in two subsequent years</i></p>





## THE NETHERLANDS

### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	DUTCH	ENGLISH	LIABILITY
<b>Partnerships</b>	Maatschap	Civil Law Partnership	Unlimited
	Vennootschap onder firma ("VOF")	Civil Law Partnership	Unlimited
	Commanditaire vennootschap ("CV")	Limited Partnership	General partner: unlimited Limited partner: limited to his respective share of the partnership capital
	Coöperatie	Limited Partnership	Limited to the contributed capital
	Besloten vennootschap met beperkte aansprakelijkheid ("BV")	Limited Liability Company	Limited to the contributed capital
	Naamloze vennootschap ("NV")	Public Limited Company	Limited to the contributed capital

### ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	Companies of all legal forms must be entered in the commercial register. ( <a href="http://www.kvk.nl">www.kvk.nl</a> )	

### EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Citizens of the European Union, the European Economic Area (=EEA), or Switzerland can work in the Netherlands without any restrictions. Nationals from all other countries need a work permit to work legally in the Netherlands	A minimum of 20 days of paid holiday is guaranteed. This amount is based on 5 working days per week and 40 hours per week. The days are added to public holidays.
<b>Labour Law</b>	In the Netherlands there are detailed employment regulations.	The maximum assessment basis for the social security is EUR 52,763 p.a.
<b>Social System</b>	The social security system consists of general insurances (pension, death, child benefit, special medical expenses) and employees insurance (unemployment, disability, illness, medical care). Part of the premiums are paid by the employer and part by the employee.	

### TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	The standard corporate income tax rate is 25%. The first €200,000 of taxable profit is taxed at € 20%.	
<b>Personal Income Tax</b>	The rate of personal income tax starts at 8,4% (taxable income € 19,922) and goes up to 52% for taxable income exceeding € 66,421).	
<b>Personal Income Tax in case of partnerships</b>	Partnerships are in principle tax transparent for income tax purposes. However, in some cases a partnership is considered a company for tax purposes.	

<b>Value Added Tax</b>	The standard VAT rate is 21% (reduced rates 0% or 6%). VAT is charged for the sale of goods and services.	Example for 6% VAT: food, newspapers, public transport. Example for 0% VAT: healthcare, rent.
<b>Real Estate Transfer Tax</b>	When Dutch real estate changes owner, a one-time real estate transfer tax of 2% (houses) or 6% (other real estate) of the purchase price. The tax is levied from the buyer.	
<b>Non-Resident Taxation</b>	Non-resident individuals and companies receiving income generated in the Netherlands, are subject to Dutch taxation for their Dutch-sourced income. Double taxation of this income is avoided by double taxation agreements between the Netherlands and other countries.	

## ACCOUNTING

<b>Applicable legal regulations for Accounting and Financial Statement</b>	Dutch Civil Code, book 2, title 9	
<b>Annual Financial Statement</b>	IFRS:	allowed
	Basis for dividend distribution:	Yes
	Basis for tax assessment:	Yes
	Components:	Balance Sheet, Income Statement cash-flow-statement recommended
	Additional mandatory components for companies with limited liability:	Notes, management/directors report
<b>Significant Accounting rules</b>	Capitalization of borrowing-costs:	optional
	Amortization period for goodwill:	10 years (immediate write off is not allowed)
	Special rules for held-for-sale assets:	IFRS based
	Simplification for stock valuation:	Average method, LIFO, FIFO
	Minimum probability of 50% for provisions:	Specific conditions for provisions (IFRS based)
	Provision of expenses:	No, except for e.g. restructuring, maintenance
	Percentage-of-completion-method for long-term constructions:	Allowed under conditions
<b>Size-dependent simplifications for companies with limited liability</b> Two of three size-criteria must be met in two subsequent years.	Micro-Company:	Sales p.a. not over € 700k; balance sheet sum not over € 350k; number of employees not over 10); no subcategorisation of the balance sheet and Income statement position; no notes, no management report, no online publication, and no audit is required.
	Small Company:	Sales p.a. not over € 12m, balance sheet sum not over € 6m, number of employees not over 50); no income statement must be published; no management report must be prepared; no audit is required.
	Medium-sized Company:	Sales p.a. not over € 40m, balance sheet sum not over € 20, number of employees not over 250; no sales must be published (income statement can start with gross profit)
<b>Group Accounts</b>	Mandatory:	If parent company is a corporation owning 100%
	IFRS:	If parent company is listed at stock exchange
	Optional:	IFRS
	Not required: <i>Two of three size-criteria must be met in two subsequent years</i>	Specific Dutch consolidation exemptions exist based on size and/or group structure.



## URUGUAY

### LEGAL FORMS OF BUSINESS ENTITIES

SUBJECT	SPANISH	ENGLISH	LIABILITY
<b>Partnerships</b>	Sucursal	Branch	Unlimited (The main office is liable without limitation for the obligations undertaken by the branch)
	Sociedad Unipersonal	Sole Corporation	Unlimited (It is convenient for small business)
	Sociedades Colectivas	Partnership	Unlimited
	Sociedad en Comandita	Limited Partnership	Named partner: unlimited Limited partner: limited to his respective share of the partnership capital
	Sociedades de Responsabilidad Limitada	Limited Liability Company (SRL)	Limited to the contributed capital
	Sociedades Anónimas	Corporation (SA)	Limited to the contributed capital

### ORGANIZATIONAL QUESTIONS

SUBJECT	FEATURE	REMARKS
<b>Commercial Register</b>	All Companies, irrespective of their legal forms, must be registered in the Public Registry of Commerce.	If a company has the legal obligation of being registered, but carries out business transactions before being registered in the Public Registry of Commerce, the partners will be personally responsible for the losses until the registration date.
<b>Bank Account</b>	In order to open a bank account, individuals as well as companies must present different types of documents (passport, company's by-laws, powers of attorney, among others).	For an account deposit of more than USD 10,000 banks are obligated to verify the identity of the applicant with the objective of preventing money laundering.
<b>Money transfers</b>	In Uruguay there are no restrictions to transfer funds within and outside the country.	
<b>Visa and Residence</b>	Foreign citizens can carry out business in Uruguay. To be able to work in Uruguay, foreign citizens need a visa. To check the requirements to obtain a visa, visit: <a href="http://www.mrree.gub.uy">http://www.mrree.gub.uy</a>	The procedure to obtain the Residence takes approximately 6 months.

### EMPLOYMENT

SUBJECT	FEATURE	REMARKS
<b>Work permit</b>	Uruguayan citizens can work without any restrictions. Foreign citizen need a visa to be able to work in Uruguay.	
<b>Labour Law</b>	In Uruguay there is a wide labor regulations. The normal weekly working hours are 44 hours in the industrial , commercial and construction sector; and 48 hours in the rural sector. The daily working time is 8 hours, the excess hours must be paid as overtime. Each employee have the right to enjoy 20 days of paid hokidays per year of work.	

<b>Social System</b>	<p>The contributions to social security consist of the following items calculated based on the gross salary:</p> <ul style="list-style-type: none"> <li>• pension contributions (15 % for employee and 7.5% for employer)</li> <li>• health insurance (the rate of personal contribution ranges from 3 % to 8 % depending responsibility of minors and dependent spouse, the employer tax rate is 5 %) and</li> <li>• retraining fund (0.125 % personal and employer).</li> </ul> <p>Additionally , depending on the activity branch, it must pay an insurance for accidents.</p>	<p>The pension contributions are limited. It contributes only up to the amount of \$ 119,612 approx . USD 3,750.</p> <p>The directors have no contribution for health.</p>
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## TAXATION

SUBJECT	FEATURE	REMARKS
<b>Corporate Income Tax</b>	<p>The standard corporate income tax rate is 25% on all taxable earnings of the corporation, whether retained or distributed profits.</p> <p>However, once profits are distributed to the shareholders, these must pay personal income tax (7%) on the dividends</p>	<p>The stipulated taxation system bases settlements in a presumptive income, with rates reduced according to the legal nature of the entity (for example, partnerships) as well as the income level. This system is not applicable to corporate, among others, which in all cases shall settle taxes based on an adequate bookkeeping system.</p> <p>For those cases where it is possible to settle taxes through the regime based on a presumptive income, there are exemptions of the rate of taxation of 7% over the distribution of utilities, based on the revenue obtained throughout the fiscal year.</p>
<b>Personal Income Tax (Category I)</b>	<p>IRPF – Category I levies personal income of Uruguayan origin obtained by resident individuals for return on capital (for instance, rent money or interests) and capital increases (for example, by transfer of moveable and immovable property).</p> <p>The general tax rate is 12% with reduced rates for certain interests (3% or 5%) and dividends received from local companies (7%). Subject to the general tax rate is income from movable property (interests and dividends among others) originated by non-resident entities.</p> <p>Not subject to this tax is income resulting from the renting of properties situated outside of Uruguay.</p>	<p>IRPF is a personal and direct tax applied under a dual system, dividing rent into two categories.</p> <p>It is an annual tribute to be settled on December 31st of each year, being necessary to make advanced payments throughout the fiscal year.</p> <p>Individuals that are considered residents (Categories I and II) are those who remain more than 183 days in Uruguayan territory throughout the civil year, or that keep the core of their vital interests or economic activities in the country.</p>
<b>Personal Income Tax (Category II)</b>	<p>IRPF Category II levies personal income obtained by resident individuals for the rendering of personal services, whether being self-employed or in a dependant relationship, within the national territory.</p> <p>The tax rate is determined on the basis of progressive rates that go from 10% to 30%, with a non-taxable minimum that amounts to 84 BPC (benefits and contributions thresholds), approximately USD 7.200 annually, at this moment.</p>	<p>Both categories, I and II, need to be settled independently.</p> <p>In the case of income from Category II, it is possible to settle the tax as a family unit.</p>

	<p>Also subject to this tax is income resulting from the rendering of the mentioned services abroad, as long as there is a dependant relationship and the services are provided to taxpayers of IRAE or IRPF.</p> <p>Similarly, subject to the tax are technical services rendered from abroad to taxpayers of IRAE, outside a dependant relationship. In this case, provisions are made for taking into account reduced percentages of the income based on the non-taxed revenues of the provider of the mentioned services.</p>
<b>Individual's Wealth Tax (IPPF)</b>	<p>Assets of individuals are subject to taxation at progressive rates that go from 0.7% to 1%, with a non-taxable minimum that, at the moment, amounts to USD 111.500 approximately.</p> <p>Under certain circumstances it would be possible to settle the tax as a family unit, in which Reductions to the rates are stipulated for the forthcoming years, taking it to 0.10%.case the non-taxable amount will double.</p>
<b>Corporation's Control Tax (ICOSA)</b>	<p>ICOSA levies corporations at the moment of their incorporation and after the closing of each fiscal period.</p> <p>At the present time, the tax amounts to USD 900 and USD 450 approximately.</p> <p>The amount corresponding to the closing of each fiscal period may be deducted from the IP payment, so in practice it works as a minimum IP.</p> <p>Exempt from this tax are corporations with more than 50% of their assets used for agricultural activities, and assets belonging to corporations operating in the free trade zones.</p>
<b>Agriculture – Livestock Goods Sales Tax (IME-BA)</b>	<p>The tax levies the first transfer or use of the agricultural goods in their natural state carried out by an agricultural producer and destined to an IRAE taxpayer which is not an agricultural producer.</p> <p>The maximum rates go from 1.5% to 2.5%, and shall be applicable over the price of the levied goods excluding the tax</p> <p>This tax shall be paid by those who obtain annual agricultural incomes inferior to 200,000 dollars approximately, with an exploited surface of less than 1.250 hectares CONEAT index 100, as long as they are not to pay IRAE mandatorily in accordance with their legal nature adopted (for example, limited companies). In case the mentioned ceilings are exceeded, it will be mandatory to pay IRAE.</p>
<b>Specific Internal Tax (IMESI)</b>	<p>"Excise tax" applicable on certain goods (specifically mentioned in the law) as alcoholic drinks, tobacco, perfume, among others.</p> <p>This tax levies the first transfer of any manner (including operations free of charge) carried out by manufacturers or importers in the Uruguayan market.</p> <p>The applicable rate varies depending on the characteristics of each good, being generally established by the government within the limits set by the law.</p>



<b>Value Added Tax</b>	<p>Tax that levies the internal movement of goods, rendering of services, import of goods and added value in the construction of real estate.</p> <p>The basic rate of the tax amounts to 22% with a minimum rate of 10% that levies certain basic goods and services which are specifically established: for instance, the sale of milk, bread, medications, and health services, among others.</p> <p>Exempted from the tax are money exchanges, newspapers, as well as interests from bank deposits and renting of premises.</p> <p>The VAT is not applicable under any circumstances to the export of goods and certain services which are restrictively listed in the existing legislation.</p>	<p>In the case of the import of goods, it is not only necessary to pay VAT, but also a down payment of VAT Imports at a rate of 10% (goods levied at the basic rate) and 3% (applicable to goods levied at the minimum rate) over the normal customs value plus customs tariff, respectively.</p> <p>The import of goods included in an Investment Project, as well as goods acquired by agricultural and industrial companies are exempt from this tax, after the proper steps have been taken.</p>
<b>Property Transfer Tax</b>	<p>The Wealth Tax levies company assets located in Uruguayan territory at a rate of 1.5% over the tax value of such assets</p>	
<b>Wealth Tax (IP)</b>	<p>In terms of liability deduction, only those included in an exhaustive list are admitted. In the case of Banks, Finance Houses or taxpayers whose usual and main occupation consists in administering credit, participating in the sale of goods and rendering of services carried out by third parties, or loaning out of money, whatever modality may be used for that end, the liability deduction list will be extended, with an increase of 2.8% in the applicable rate.</p> <p>The Patrimony affected to farming exploitation it is exonerate when simultaneously satisfies that:</p> <ul style="list-style-type: none"> <li>• The catastral (land register) value of own property updated and increased by 40%. Plus the 40% of the properties exploited owned by a third person, not exceeding approximately USD 1.200.000.</li> <li>• The above mentioned Patrimony belongs to a Natural Person, Personal Societies, or it belongs to entities that their patrimony is represented by nominatives shares on behalf of natural person.</li> </ul> <p>In case of not fulfill all the mentioned conditions, the whole farming exploitation (in this case there is not a non taxable minimum) is valued according to special regulations which will be taxed by rates ranging from 0.75% to 1.5%.</p> <p>It is predicted also the existence of a surtax, that in certain cases will tax the patrimony with an additional rate. This rate goes from 0.7% to 1.5% depending on the value of the assets.</p> <p>Assets included in an Investment Project are exempt from this tax, or appearing in a particular exhaustive list, and acquired by IRAE taxpayers with the purpose of undertaking industrial or agricultural activities.</p>	



<b>Non-Resident Taxation</b>	<p>IRNR levies income of Uruguayan origin of any nature (entrepreneurial activities, work related income, yield from capital, net worth increases) obtained by non-resident individuals and legal entities not operating in the country by means of a permanent establishment.</p> <p>The general tax rate is 12%, with reduced rates for certain interests (3% or 5%) and dividends received from local companies (7%).</p> <p>No taxes apply to interests on loans granted by non-residents to taxpayers of IRAE, whose assets affected by the obtaining of income non taxed by IRAE exceed 90% of their total assets (for example, interests on loans granted to Free Trade Zone users).</p> <p>Subject to the general tax rate is income obtained through technical services rendered from abroad by self employed individuals, in the fields of management, technical, administrative or consulting services of any kind, to taxpayers of IRAE. In this case, provisions are made for taking into account reduced percentages of the income based on the non-taxed revenues of the provider of the mentioned services.</p>	<p>In case an IRAE taxpayer participates in the operation, the IRNR is given to the Administration through the retention carried out by such entity.</p> <p>In case there is no tax deduction agent assigned, it will be necessary to appoint a representative in Uruguay.</p> <p>Double taxation is avoided pursuant to the various International Treaties.</p> <p>At the moment, agreements have been signed and are effective with India, Germany, Argentina, Ecuador, Hungary, Liechtenstein, Malta, Portugal, Mexico, Spain, Switzerland, Korea, Finland and Romania. The agreement with Canadá, Faroe Islands, Sweden, Greenland, Norway, Australia, Iceland, France and Denmark are just information exchange.</p>
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**ACCOUNTING**

<b>Applicable legal regulations for Accounting and Financial Statement</b>	IFRS with some exceptions	
<b>Annual Financial Statement</b>	<p>Basis for dividend distribution: Yes</p> <p>Basis for tax assessment: Yes, with fiscal law adjustments.</p> <p>Components: Balance Sheet, Income Statement, Cash flows, Statement of Changes in Equity And Notes to the Financial Statements</p>	



ALGERIA  
ANDORRA  
ARGENTINA  
AUSTRIA  
BELGIUM  
BOLIVIA  
BRAZIL  
BULGARIA  
CHILE  
CHINA  
COLOMBIA  
COSTA RICA  
CYPRUS  
DOMINICAN REPUBLIC  
ECUADOR  
EGYPT  
EL SALVADOR  
FRANCE  
GERMANY  
GREECE  
GUATEMALA  
HONDURAS  
HUNGARY  
INDIA  
INDONESIA  
ISRAEL  
ITALY  
LUXEMBOURG  
MALTA  
MEXICO  
MOROCCO  
NORWAY  
PAKISTAN  
PANAMA  
PERU  
PORTUGAL  
ROMANIA  
SERBIA  
SINGAPORE  
SPAIN  
SWITZERLAND  
THE NETHERLANDS  
TURKEY  
UAE  
UNITED KINGDOM  
URUGUAY  
USA  
VENEZUELA

