



## INTERNATIONAL

## COMPARISON

### CORPORATE TAXABLE INCOME

UPDATED INFORMATION  
MARCH 2012

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### Albania

<b>CORPORATE TAXABLE INCOME</b>	Taxable income - Taxable income of residents includes business profits, as well as dividends, interest and capital gains. Taxable profit is the difference between gross profit and related expenses. The determination of taxable profit is generally based on the profits shown in the financial statement.
<b>Tax rate</b>	10%
<b>Small business tax rate</b>	10%
<b>Permanent Establishment rate</b>	10%



	YEARS
<b>Net operative losses (carrying forward period)</b>	3 years . Losses - Losses may be carried forward for 3 consecutive years unless there is a change of ownership of 25% of the company's shares. The carry back of losses is not permitted.
	TYPE / %
<b>Deductions/ Tax credit (R + D, investments,...)</b>	Social insurance and health contributions paid to employees, voluntary life and health insurance premiums and private pension premiums paid by the employers for the employees are deductible. Royalties and interests paid at according to arm's length principle. Dividends received are exempt.
<b>Other incentives</b>	Relief from corporate income tax may be granted for certain projects on a case-by-case basis, such as investments related to public services and infrastructure projects, as well as tourism and the oil industry.
<b>Domestic participation exemption (dividends)</b>	Dividend distributions and distributions of earnings made by resident companies or partnerships are excluded from taxable profits if the payer is subject to corporate income tax, and the recipient holds at least 25%, in value or number, of the capital or voting rights of the payer (for partnerships, at least 25% of the initial capital). If the recipient holds less than 25% of the distributing company, the dividends are included in the taxable income of the recipient. The participation exemption is not available for holdings in foreign companies. Thus, such dividends are included in taxable income.

WITHHOLDING TAX		%
Dividends		10%
Interests		10%
Royalties		10%
		YES / NO
Special tax regimes		NO
Group taxation		NO
Transfer pricing rules	If the arm's length principals have not been followed than the tax authorities, according to the tax procedures law, can reassess tax liability by using for example internal-external comparable uncontrolled prices, custom reference prices, etc. Also other methods such as the ones included in the OECD Transfer Pricing Guidelines may be followed.	
Thin capitalization	<b>Thin capitalization</b> - Interest deductions are limited on loans from shareholders and associated parties if the debt-to-equity ratio exceeds 4: 1. Banks and insurance and leasing companies are not subject to this. Additionally, interest exceeding the 12 month average rate of the bank markets officially published by the Central Bank of Albania is non deductible.	
Restructuring transaction		NO
Special territory tax regimes		NO


**Argentina**

CORPORATE TAXABLE INCOME		%
Tax rate		35%
Small business tax rate		35%
Permanent Establishment rate		35%
		YEARS
Net operative losses (carrying forward period)		5
		TYPE / %
Deductions/ Tax credit (R + D, investments,...)	<ul style="list-style-type: none"> <li>- Tax paid abroad as credit up to 35% of income from foreign sources.</li> <li>- Investments in Societies of Reciprocal Guaranty (SGR), deductible at 35 % as an expense.</li> </ul>	
Inational participation exemption (dividends/capital gains)	Distribution of dividends are not reached by the taxes, unless would be applicable tax equalization. Capital gains taxed in case of legal persons and not taxed at the head of natural persons.	
Domestic participation exemption (dividends)	Distribution of dividends are not achieved, except as may be applicable rules corresponding to tax equalization.	
WITHHOLDING TAX		%
	Effective Rate	Incremental rate (*)
Dividends	N/A	N/A
Interests	35% (a)	53,846% (a)
Royalties	31.5% (b)	45,985% (b)

	YES / NO
Special tax regimes	YES
Group taxation	NO
Transfer pricing rules	YES
Thin capitalization	YES
Restructuring transaction	YES
Special territory tax regimes	YES (C)
<b>Other considerations</b>	(*) Incremental rate applicable in the case of a gossing up at the tax base. (a) In case of loans granted by banks and financial institutions located in countries not considered as tax havens, the aliquots applicable shall be the following: effective 15.05 % , incremental 17.716 %. (b) In case of royalties from technology transfer contracts, which are registered with the competent authority, the aliquots applicable shall be the following: effective: 28%, incremental 38,889%. (c) Tierra del Fuego, Antarctica and the Islands of the South Atlantic. Regime Export Processing Zones.



CORPORATE TAXABLE INCOME	%
Tax rate	25%
Small business tax rate	25%
Permanent Establishment rate	25%
	YEARS
Net operative losses (carrying forward period)	No restriction carrying forward losses; loss offset against positive income 75 % p.a.
	TYPE / %
Deductions/ Tax credit (R + D, investments,...)	Research: 10 % credit for expenses for research and development. Skill enhancement: 6 % credit for expenses for further training of employees.
Inational participation exemption (dividends/capital gains)	Dividends and capital gains are exempted; no exemption if foreign tax rate below 15 %.
Domestic participation exemption (dividends)	Dividends are exempted.
WITHHOLDING TAX	%
Dividends	25%
Interests	25%
Royalties	25%
	YES / NO
Special tax regimes	NO
Group taxation	YES
Transfer pricing rules	NO; OECD Guidelines
Thin capitalization	YES, but no conditions written in law. All conditions result out of judicature
Restructuring transaction	YES
Special territory tax regimes	NO



**Bulgaria**

CORPORATE TAXABLE INCOME		%
Tax rate		10%
Small business tax rate		10%
Permanent Establishment rate		10%
		YEARS
Net operative losses (carrying forward period)		5
		TYPE / %
Deductions/ Tax credit (R + D, investments,...)	Benefits granted to employees (subject to social expenditure tax). Certain travel expenses and daily allowances paid by an enterprise for the purpose of business trips. Donations to certain qualifying beneficiaries (up to certain amount).	
Other incentives	Depreciation allowances (4-50% depending on the asset).	
Inational participation exemption (dividends/capital gains)		YES
Domestic participation exemption (dividends)		YES
WITHHOLDING TAX		%
Dividends		0-5
Interests		0-10
Royalties		0-10
		YES / NO
Special tax regimes		YES
Group taxation		NO
Transfer pricing rules		YES
Thin capitalization		YES
Restructuring transaction		NO
Special territory tax regimes		YES
Other considerations	Expenses for setting up a subsidiary (deductible for the subsidiary). Business incentives in Free-Trade Zones (6 at present).	



## Germany

CORPORATE TAXABLE INCOME	%
<b>Tax rate</b>	15% (+ additional solidarity surcharge of 5,5% from the 15% corporate tax: total 15,825%) + municiple trade tax of 14% - 17% that is imposed by the municipality.
<b>Small business tax rate</b>	15% (+ additional solidarity surcharge of 5,5% from the 15% corporate tax: total 15,825%) + municiple trade tax of 14% - 17% that is imposed by the municipality.
<b>Permanent Establishment rate</b>	15% (+ additional solidarity surcharge of 5,5% from the 15% corporate tax: total 15,825%) + municiple trade tax of 14% - 17% that is imposed by the municipality.
YEARS	
<b>Net operative losses (carrying forward period)</b>	Loss-carry-back is limited to one year and to amount of up to 511.500 €. Losses can be carried forward with no time restriction. Up to an amount of EUR one million loss carry-forward is possible - free from any restrictions. For sums in excess of EUR one million, at least 40 percent of the taxable income must remain subject to taxation. In other words, a maximum 60 percent of taxable earnings exceeding EUR one million can be offset against incurred losses.
TYPE / %	
<b>Deductions/ Tax credit (R + D, investments,...)</b>	R&D costs are to 100% expensed. However up to 50% could be subsidized. In certain instances, small and medium-sized enterprises (SMEs) benefit from higher levels of support.  The maximum level of investment support that is permitted varies within Germany. In general, it depends on a region's level of economic development. In the so-called maximum support areas, large companies can get up to 30% of their investment costs that are eligible for support reimbursed, medium-sized companies up to 40% and small companies up to 50%. These maximum support areas are predominantly located in eastern Germany.
<b>Other incentives</b>	Interest-reduced loans (by government banks), Public guarantees, Labor-related Incentives.
<b>International participation exemption (dividends/capital gains)</b>	<p><u>German subsidiary company distributes profits to its foreign parent company.</u></p> <p>If a German subsidiary company distributes profits to its foreign parent company (a dividend payment) then a 25 percent rate of withholding tax (Kapitalertragssteuer) is payable in Germany.</p> <p>In the event of the existence of a double taxation agreement (DTA) between the Federal Republic of Germany and a foreign nation, the rate of withholding tax that is paid can be reimbursed according to the agreements made in the corresponding DTA.</p> <p>As a rule, dividend payments on the basis of a DTA are taxed at a reduced rate of taxation at levels of just 5, 10 or 15 percent. At a partial level there is also the possibility of an initial exemption from withholding tax. The withholding tax paid in Germany can also be credited against the tax liability of the parent company which exists abroad or the parent company is made exempt from the taxation in regard to the received dividends. In effect, this means that no double taxation takes place.</p> <p><u>German corporation to foreign corporation</u></p> <p>If the creditor of the dividend paying German corporation is a foreign corporation then as a rule two fifths of the withholding tax paid can be reimbursed - irrespective of whether there is a DTA or not. Within the EU, dividend payments between a corporate domestic subsidiary company and a corporate foreign parent company are tax-free over and above a 10 percent stake.</p> <p><u>Private Stock-Holders</u></p> <p>Profits which are distributed to private stock-holders are liable to a final withholding tax (Abgeltungssteuer) of 25 percent plus the solidarity surcharge. The final withholding tax is retained by the debtor of the dividend or the institution managing the deposit (for instance a bank) and then paid to the tax office. If a bank or other financial institution pays out such income from capital, the bank or financial institution simply withholds the tax and transfers it to the responsible tax authorities.</p>
<b>Domestic participation exemption (dividends)</b>	<p><u>Domestic corporation to German corporation</u></p> <p>In such profit distribution a 25 percent rate of withholding tax (Kapitalertragssteuer) is to be paid by the distributor. However the paid withholding tax could be reimbursed by the recipient. In addition 5 percent of the initial payment is taxable by the recipient of the payment.</p>





WITHHOLDING TAX	%
<b>Dividends</b>	25% (depending on the DTA it could vary between 5% and 15%).
<b>Interests</b>	15% (could be reimbursed by an application form in the case of payments between corporations from the EU).
<b>Royalties</b>	15% (could be reimbursed by an application form in the case of payments between corporations from the EU).
YES / NO	
<b>Special tax regimes</b>	NO
<b>Group taxation</b>	YES (profit-transfer-agreement is a requirement)
<b>Transfer pricing rules</b>	YES
<b>Thin capitalization</b>	YES
<b>Restructuring transaction</b>	YES
<b>Special territory tax regimes</b>	YES
<b>Other considerations</b>	N/A


**Cyprus**

CORPORATE TAXABLE INCOME	%
<b>Tax rate</b>	10%
<b>Small business tax rate</b>	N/A
<b>Permanent Establishment rate</b>	N/A
YEARS	
<b>Net operative losses (carrying forward period)</b>	<p>Losses can be carried forward indefinitely if the tax returns have been submitted. Group relief:</p> <p>Losses can be surrendered by a group company to any other group company. Group relief will be available given that both companies are members of the same group of companies for the entire tax year. Two companies are considered to be part of a group if:</p> <ul style="list-style-type: none"> <li>-One is a 75% subsidiary of the other, or</li> <li>-Both are 75% subsidiaries of a third company.</li> </ul>
TYPE / %	
<b>Deductions/ Tax credit (R + D, investments,...)</b>	<p>Deductible from corporate income are all expenses incurred wholly and exclusively for the production of income.</p> <p>Exemptions</p> <p>The following categories are not subject to corporate tax:</p> <ul style="list-style-type: none"> <li>- Dividends are exempt from corporation tax.</li> <li>- Interest income is exempt, given that such interest is neither derived in the ordinary course of business nor is closely connected to the ordinary course of business of the company.</li> <li>- Profits from the disposal of securities are exempt.</li> <li>- Profits from a permanent establishment maintained outside the Republic are exempt.</li> </ul>
<b>Inational participation exemption (dividends/capital gains)</b>	N/A
<b>Domestic participation exemption (dividends)</b>	N/A

WITHHOLDING TAX	%
Dividends	20%
Interests	15%
Royalties	10% (if the rights are exercised outside Cyprus they are exempt).

	YES / NO
Special tax regimes	NO
Group taxation	NO
Transfer pricing rules	Arm's length
Thin capitalization	NO
Restructuring transaction	YES
Special territory tax regimes	NO


France

CORPORATE TAXABLE INCOME	%
Tax rate	33,33%
Small business tax rate	15% (1)
Permanent Establishment rate	33,33%

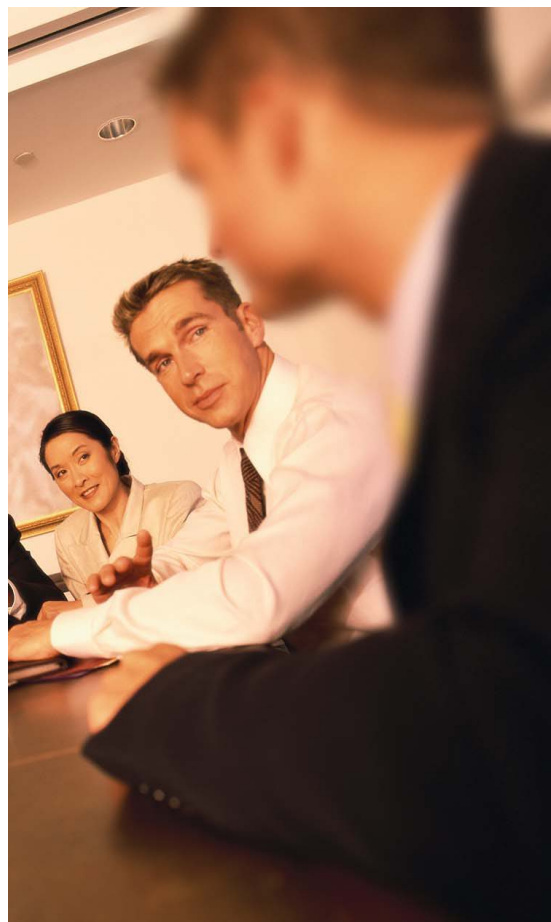
	YEARS
Net operative losses (carrying forward period)	3 Years

	TYPE / %
Deductions/ Tax credit (R + D, investments,...)	Tax credit R+D = 30% until 100M€ expenses, beyond the rate is 5% (2). Tax credit Training business managers = 370€ / year for 40 hours of training. Tax credit Hiring Apprentices = 1600 € per apprentice per year.
Other incentives	Tax credits for specific sectors : art business, production of phonographic works, film and media, creation of video games, ...

Inational participation exemption (dividends/capital gains)	NO
Domestic participation exemption (dividends)	Exemption from dividends received from subsidiaries, taxation of 5% of dividends only.

WITHHOLDING TAX	%
Dividends	21%
Interests	24%
Royalties	15%

	YES / NO
Special tax regimes	YES (3)
Group taxation	NO (4)
Transfer pricing rules	YES (5)
Thin capitalization	NO
Restructuring transaction	NO
Special territory tax regimes	YES (6)



<b>Other considerations</b>	<p>(1) This rate is applicable up to 38120€ of benefits, beyond is the rate of 33,33%.</p> <p>(2) If company had not benefit of this tax credit before 2011, then the rate is 40% in 2011 and 35% in 2012.</p> <p>(3) Young innovatives companies, exemption for young farmers, exemption on earnings of artisanal fishermen, companies in R+D areas, ...</p> <p>(4) It may be to opte for the tax integration if participation exceeds 95%. In this case, the holding pays the income tax for the group. This option allows to deduct the losses made by subsidiaries on the profits of other subsidiaries.</p> <p>(5) Obligation to prepare documentation on transfer pricing.</p> <p>(6) Exemption for new companies - rules:          Implantation in particular areas (AFR, ZRU or ZRR).          Income tax : exemption of 100% the first two years.          The exemption rises to 75%, 50% and 25% the next 3 years.          The exemption covers 225 000€ of income for 36 months.</p> <p>Exemption for companies in ZFU areas - rules:          Income tax : exemption of 100% the first five years, exemption of 60% the next five years, exemption of 40% the next two years and exemption of 20% the last two years.          Turnover &lt; 10M€ and company &lt; 50 employees.          The exemption covers 100 000€ of income per year.</p>
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CORPORATE TAXABLE INCOME	%
<b>Tax rate</b>	30% (Basic Rate ) + 5% (Surcharge, if taxable income exceeds Rs.1 crore) + 3% (Education Cess).
<b>Small business tax rate</b>	30% (Basic Rate ) + 5% (Surcharge, if taxable income exceeds Rs.1 crore) + 3% (Education Cess).
<b>Permanent Establishment rate</b>	40% (Basic Rate ) + 2% (Surcharge, if taxable income exceeds Rs.1 crore) + 3% (Education Cess).
YEARS	
<b>Net operative losses (carrying forward period)</b>	8 succeeding years.
TYPE / %	
<b>Deductions/ Tax credit (R + D, investments,...)</b>	There are various general deductions available. In respect of expenditure on scientific research, an amount equal to 2 / 1.75 / 1.33 / 1.25 times of amount paid to specified entity is available as deduction.
<b>Other incentives</b>	
<b>Inational participation exemption (dividends/capital gains)</b>	No exemption.
<b>Domestic participation exemption (dividends)</b>	Dividend is exempt. Long Term Capital Gain on shares and equity oriented fund is exempt if securities transaction tax is paid.
WITHHOLDING TAX	%
<b>Dividends</b>	Nil on dividend from domestic companies. However Dividend Distribution Tax is to be paid by company. Since dividend is exempt, no credit is allowed against such withheld tax.
<b>Interests</b>	10%
<b>Royalties</b>	10%
YES / NO	
<b>Special tax regimes</b>	YES
<b>Group taxation</b>	NO
<b>Transfer pricing rules</b>	YES
<b>Thin capitalization</b>	NO
<b>Restructuring transaction</b>	YES
<b>Special territory tax regimes</b>	YES







## Macedonia

CORPORATE TAXABLE INCOME	%
Tax rate	10% (flat rate).
Small business tax rate	0% CIT for small and micro companies with annual turnover of up to MKD 3 million / app EUR 49,000).
Permanent Establishment rate	Same conditions as local companies applicable.

	YEARS
Net operative losses (carrying forward period)	Not allowed.

	TYPE / %
Deductions/ Tax credit (R + D, investments,...)	Employment related expenses paid to employees such as business trip expenses, car allowances etc, and holiday allowances are deductible according to the limits stated in the law. Expenses for entertainments up to 90%. Donations and sponsorship expenses up to 5% and 3% from company's gross revenue. Foreign tax credit is given provided by the double tax treaties as well as by domestic law.
Other incentives	Investors in technological development industrial zones (0% corporate income tax for first 10yrs).

WITHHOLDING TAX	%
Dividends	10%
Interests	10%
Royalties	10%

	YES / NO
Special tax regimes	YES
Group taxation	YES (related entities for VAT purposes)
Transfer pricing rules	LIMITED development of concept in legislation
Thin capitalization	LIMITED development of concept in legislation
Special territory tax regimes	YES in Technological Development Industrial Zones



## Mexico

CORPORATE TAXABLE INCOME	%
Tax rate	General Rule 30% ; 17.5% of "Flat Tax" apply as a "minimum tax".
Small business tax rate	Not available for Corporations.
Permanent Establishment rate	Same as National Corporations; Specific Rules to recognize attributable income.

	YEARS
Net operative losses (carrying forward period)	5 Years; No Carry Backs.

	TYPE / %
Deductions/ Tax credit (R + D, investments,...)	Accelerated Depreciation on New Fixed Assets.
Other incentives	Trust/Corporations with lease income may differ tax for incorporation of real property.

Inational participation exemption (dividends/capital gains)	NO
Domestic participation exemption (dividends)	NO



WITHHOLDING TAX	%
Dividends	No withholding tax when dividends paid rise from CUFIN account.
Interests	4.9% ; 15% and 21% rates apply; Tax Treaties.
Royalties	25%; Tax Treaties.
YES / NO	
Special tax regimes	NO; Applying Tax Treaties International Airlines.
Group taxation	YES, but nowadays with just a few benefits.
Transfer pricing rules	YES in force since 1997.
Thin capitalization	YES, 3:1 Debt-Equity Ratio apply.
Restructuring transaction	YES; No income tax if some requirements are met.
Special territory tax regimes	NO for Income Tax; some special rules on VAT.
Other considerations	Mexico has signed more than 40 Tax Treaties that are In Force.



## The Netherlands

CORPORATE TAXABLE INCOME	%
Tax rate	25%
Small business tax rate	20% over the first € 200.000 income.
Permanent Establishment rate	Nil
YEARS	
Net operative losses (carrying forward period)	9 years carry forward and 1 year carry back%.
TYPE / %	
Deductions/ Tax credit (R + D, investments,...)	Investments: yes some deduction (28% - until investments € 55,248, fixed amount for investments € 55248 - € 102311 of € 15,470 and above € 15,470 minus 7,56% of the investment above € 102,311). Non deductible is a fixed amount of € 4,400.
Other incentives	Special rate for search and development.
Inational participation exemption (dividends/capital gains)	Sometimes, depending of country of origin and participation.
Domestic participation exemption (dividends)	Yes above 5% of participation, only between companies.

WITHHOLDING TAX	%
Dividends	15%
Interests	0%
Royalties	0%

YES / NO	
Special tax regimes	NO
Group taxation	NO
Transfer pricing rules	YES
Thin capitalization	YES
Restructuring transaction	YES, special rules with exemptions
Special territory tax regimes	NO
Other considerations	Lot of treaties with other countries. Low withholding tax.




**Portugal**

<b>CORPORATE TAXABLE INCOME</b>		%
Tax rate		25%
Small business tax rate		No
Permanent Establishment rate		25%
		<b>YEARS</b>
Net operative losses (carrying forward period)	5 years carry forward (2011 and 2010, 4 years; 2009, 6 years).	
		<b>TYPE / %</b>
Deductions/ Tax credit (R + D, investments,...)	Grants a foreign tax credit up to the amount if Portugal tax payable on foreign income and calculated net of expenses per country. Credit of 32.5% of qualifying R&D expenses and carried forward for 6 years; it may be increased to 50%, under certain conditions.	
Other incentives	Reduced corporate tax rate of 4% is applied to profits derived from offshore operations by licensed industrial, shipping, international services and financial companies established in Madeira or Santa Maria Island (Azores), under certain conditions.	
Inational participation exemption (dividends/capital gains)	Dividends are exempted if received from subsidiaries resident in EU/ EEA member state, under similar condition; or in African countries with Portuguese as official language, or East Timor, for participation held directly 25% for 2 years, at least.	
Domestic participation exemption (dividends)	Dividends received are exempted, for participation held directly at least 10% for 1 year before the distribution, between resident companies.	
<b>WITHHOLDING TAX</b>		%
Dividends	Dividends paid to nonresident companies, 25%.	
Interests	Interests paid to nonresident companies, 25%.	
Royalties	15%	
		<b>YES / NO</b>
Special tax regimes	NO	
Group taxation	YES, for resident groups	
Transfer pricing rules	YES	
Thin capitalization	YES	
Restructuring transaction	YES ( Mergers and Demergers, Capital Contribution and Exchange of Corporate Rights)	
Special territory tax regimes	YES (Azores, tax rate of 17,5%)	
Other considerations	53 double taxation conventions in force. Tax benefits to inlandness.	


**Romania**

<b>CORPORATE TAXABLE INCOME</b>		%
Tax rate		16%
Small business tax rate		3% at the total income
Permanent Establishment rate		16%
		<b>YEARS</b>
Net operative losses (carrying forward period)	9 years	

	TYPE / %
<b>Deductions/ Tax credit (R + D, investments,...)</b>	Advertisement expenses, travel expenses by employees, employees remuneration related expenses, professional training expenses of employees, marketing and market research expenses, expenses for environment protection, etc.
<b>Inational participation exemption (dividends/capital gains)</b>	Dividends: 10% for EU shareholders with continuous shareholding participation of 2 years.
<b>Domestic participation exemption (dividends)</b>	Na

<b>WITHHOLDING TAX</b>	%
<b>According romanian tax code*</b>	
<b>Dividends</b>	16%
<b>Interests</b>	16%
<b>Royalties</b>	16%

	YES / NO
<b>Special tax regimes</b>	NO
<b>Group taxation</b>	NO
<b>Transfer pricing rules</b>	YES
<b>Thin capitalization</b>	YES
<b>Restructuring transaction</b>	NO
<b>Special territory tax regimes</b>	NO

<b>Other considerations</b> * DTT can be applied	
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**Serbia**

<b>CORPORATE TAXABLE INCOME</b>	%
<b>Tax rate</b>	10%
<b>Small business tax rate</b>	10%
<b>Permanent Establishment rate</b>	10%

	YEARS
<b>Net operative losses (carrying forward period)</b>	5

	TYPE / %
<b>Deductions/ Tax credit (R + D, investments,...)</b>	Invests in the fixed assets of taxpayer used in the ordinary course of business operation are entitled to a tax credit equivalent to 20% of the investment's value (in the investment year). However, tax credit is limited to 50% of the assessed tax in the certain year. Unused part of the tax credit can be carried over to another tax year, but not exceeding the period of 10 years.
<b>Other incentives</b>	Business activities in particular sectors of Serbian industry ( i.e agriculture, textile, standard metal productions, machines, cars and recycling, electronic and household appliances) are entitled to a tax credit which is equivalent to 80% of the investment's value. This tax credit is not limited, but unused part can be carried over up to ten years to a future accounting period.

<b>Inational participation exemption (dividends/capital gains)</b>	Dividends which are received by the Serbian company are entitled for credit on foreign tax paid on dividends (required condition is that Serbian company owns 25% of non resident paying company and held it more than one year ). Capital gains for non residents are taxed 20% , based on tax assessments.
<b>Domestic participation exemption (dividends)</b>	Dividends paid between Serbian companies are exempted from corporate income tax.

<b>WITHHOLDING TAX</b>	%
<b>Dividends</b>	20%
<b>Interests</b>	20%



Royalties	20%
	<b>YES / NO</b>
Special tax regimes	NO
Group taxation	YES
Transfer pricing rules	YES
Thin capitalization	YES
Restructuring transaction	YES
Special territory tax regimes	NO
Other considerations	Serbia still allows ten years tax holiday, required condition is direct investment in fixed assets amounting 8 million RSD. Also, a tax holiday of five years is granted for business activities in undeveloped areas in Serbia subject to conditions.


**Spain**

<b>CORPORATE TAXABLE INCOME</b>	<b>%</b>
Tax rate	30%
Small business tax rate	20%* - 25%*
Permanent Establishment rate	30%
	<b>YEARS</b>
Net operative losses (carrying forward period)	18 years
	<b>TYPE / %</b>
Deductions/ Tax credit (R + D, investments,...)	12% Extraordinary Income Reinvestment*. 25%-42% R+D* / 8% R+D Investment* / 12% Technologic Innovation* / 17% Research Staff*. 1%-2% Professional training* / 8% Environmental Protection* / 18% Film Production*.
Other incentives	6,000€ disable employee/year*.
Inational participation exemption (dividends/capital gains)	Deduction of the minor: tax paid abroad or tax payable in Spain*.
Domestic participation exemption (dividends)	50% - 100%*
<b>WITHHOLDING TAX</b>	<b>%</b>
Dividends	21% (1)
Interests	21% (1)
Royalties	24.75% (1)
	<b>YES / NO</b>
Special tax regimes	YES
Group taxation	YES
Transfer pricing rules	YES
Thin capitalization	YES
Restructuring transaction	YES
Special territory tax regimes	YES
Other considerations	*Certain requirements are necessary. (1) Exemption of reduction under EU Directives. A special restructuring business operation regime applies involving a tax deferral*. Special tax regime applies in the Basque country and Navarre with significant tax advantages*.





**United Kingdom**

<b>CORPORATE TAXABLE INCOME</b>	<b>%</b>
Tax rate	26%
Small business tax rate	20%
Permanent Establishment rate	26%
	<b>YEARS</b>
Net operative losses (carrying forward period)	Indefinite
	<b>TYPE / %</b>
R&D Tax Credits - small and medium sized enterprises	100%
R&D Tax Relief - large enterprises	30%
Other incentives - Intangible Assets Relief	Amount written off to profit and loss account.
International participation exemption (dividends)	100%
Substantial shareholding exemption providing relevant conditions satisfied	100%
Domestic participation exemption (dividends)	100%
<b>WITHHOLDING TAX</b>	<b>%</b>
Dividends	0%
Interests	20% (lower rates apply if stipulated in Double Tax Agreement)
Royalties	20% (lower rates apply if stipulated in Double Tax Agreement)
	<b>YES / NO</b>
Special tax regimes	NO
Group taxation	NO
Transfer pricing rules	YES
Thin capitalization	YES
Restructuring transaction	Depends on type of transaction
Special territory tax regimes	NO



ANDORRA  
ANGOLA  
ARGENTINE  
AUSTRIA  
BELGIUM  
BULGARIA  
COLOMBIA  
COSTA RICA  
CYPRUS  
CHILE  
CHINA  
ECUADOR  
EL SALVADOR  
FRANCE  
GERMANY  
GREECE  
GUATEMALA  
HONDURAS  
INDIA  
ISRAEL  
ITALY  
LUXEMBOURG  
MALTA  
MEXICO  
NETHERLANDS  
PAKISTAN  
PANAMA  
PERU  
POLAND  
PORTUGAL  
REPUBLICA DOMINICANA  
ROMANIA  
SERBIA  
SPAIN  
SWITZERLAND  
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URUGUAY  
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