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Tax

2020

Headquarter Jurisdictions Around the World:
A Comparison

Austria | Belgium | Dubai | Hong Kong
Luxembourg | The Netherlands | Singapore
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Headquarter jurisdictions around the world: a comparison

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

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

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

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

We are very grateful to our colleagues at the various selected Baker McKenzie offices for their valuable contributions to this edition of the guide. The information contained in this comparison is based on the applicable laws in 2020.

Key abbreviations

APA	-	Advance Pricing Agreement
ATR	-	Advance Tax Ruling
BEPS	-	Base Erosion and Profit Shifting
CbC and CbCr	-	Country by Country and Country by Country Reporting
CFC	-	Controlled Foreign Company
CIT	-	Corporate Income Tax
DAC 3	-	EU Directive 2015/2376 of 8 December 2015
DRD	-	Dividend Received Deduction
DTT	-	Double Tax Treaty
EBITDA	-	Earnings Before Interest Tax Depreciation and Amortization
EEA	-	European Economic Area
EU	-	European Union
GAAR	-	General Anti-Abuse Rule
IRD	-	The Interest and Royalty Directive; Council Directive 2003/49/EC of 3 June 2003, on a common system of taxation applicable to interest and royalty payments made between associated companies of different EU Member States
MLI	-	Multilateral Instrument
PER	-	Participation Exemption Regime
PSD	-	The Parent Subsidiary Directive; Council Directive 2011/96/EU of 30 November 2011, on the common system of taxation applicable in the case of parent companies and subsidiaries of different EU Member States
UCITS Directive	-	Undertakings for Collective Investment in Transferable Securities Directive 2009/65/CE of 13 July 2009.
WHT		Withholding Tax

1 Taxation at the company level

1.1 Corporate income tax rate

	SHORT ANSWER	NOTES
Austria	25%	The CIT rate in Austria is 25%.
Belgium	25%	The general CIT rate in Belgium is 25% (as from financial year 2020 linked to tax year 2021 (i.e., financial years ending on or after 31 December 2020)). A reduced rate of 20% applies for Small and Medium-sized Enterprises with respect to the first EUR 100,000 of taxable profit (subject to conditions).
Dubai	0%	Dubai is one of the seven emirates within the United Arab Emirates (UAE). The UAE is a federation. The other six emirates are: Abu Dhabi; Ajman; Fujairah; Ras al Khaimah; Sharjah; and Umm al-Quwain. There is currently no federal income tax legislation. Some emirates, including Dubai, have their own income tax regulations; with the corporate tax rate being typically at graduated rates up to 50%. While some emirates have income tax legislation, in practice, the applicable authorities impose the tax only on oil-producing activities and on branches of foreign banks. The fiscal regime applicable to oil-producing companies is typically set out in the concession agreements between the oil companies and the government, with provisions of the applicable income tax decree of the emirate being incorporated by reference. The Dubai income tax regime applicable to banks is set out in a specific decree. The banks are taxed on 20% of their accounting profits, as adjusted in accordance with the regulation. Therefore, for practical purposes, the tax rate of a holding company in Dubai is 0%. Foreign-owned holding companies in Dubai have to be set up in free zones, because outside of the free zones the maximum shareholding of foreigners is typically limited to 49%. Incorporation in the free zones also enables the companies to secure income tax-free status for a defined period.
Hong Kong	16.5% or 8.25%	From the 2018/19 year of assessment, a two-tiered tax system was introduced whereby the first HKD 2 million profits of a company are taxed at 8.25% and any profits in excess of HKD 2 million are taxed at 16.5%. For group companies, only one entity nominated by the group can enjoy the reduced tax rate of 8.25%.

	SHORT ANSWER	NOTES
Luxembourg	24.94%	The CIT rate in Luxembourg city is 24.94%. This rate includes 17% (18.19% inclusive of an employment fund surcharge) CIT and 6.75% municipal business tax.
The Netherlands	19% or 25%	Profits up to EUR 200,000 are taxed at 16.5% while profits exceeding EUR 200,000 are taxed at the 25% rate. In the coming years, the lower rate will be reduced to 15% for profits up to EUR 245,000 in 2021 and up to EUR 395,000 from 2022 onwards.
Singapore	17%	The CIT rate in Singapore is 17%.
Spain	25%	The CIT rate in Spain is 25%.
Switzerland	11% to 21.5%	The general effective CIT rate in Switzerland (including federal, cantonal/communal rates and church tax) ranges — since the entry into force of the corporate tax reform — from approximately 11% to 21.5% (taking into account the tax deductibility of the CIT itself), depending on the location of the corporate seat of the company. With the entry into force of the corporate tax reform in 2020, the holding privilege and the exemption of (pure) holding companies from cantonal/communal CIT on any type of income (with the exemption of capital gains on Swiss real estate) was abolished. However, holding companies benefit for cantonal and communal CIT as well as for federal CIT from the PER.
UK	19%	The CIT rate in the UK is 19%.

1.2 Taxation of dividends received from domestic and foreign subsidiaries

	SHORT ANSWER	NOTES
Austria	Domestic subsidiary dividends 100% are exempt. Foreign subsidiary dividends are exempt under certain conditions.	Dividends received from another Austrian tax resident company are generally exempt from CIT. Dividends received by an Austrian tax resident from foreign participations are generally exempt, if the following conditions are met: With regard to participations of at least 10% "substantial participation," if: (i) The parent company holds, directly or indirectly, at least 10% of the equity of the subsidiary. (ii) The shares have been held continuously for at least one year. (iii) The foreign entity is comparable to an Austrian entity or is an entity mentioned in the PSD. With regard to portfolio participations (<10% shareholding), if: (i) The dividend paying company is comparable to an Austrian company. (ii) The dividend paying company is resident in a country with which an agreement on comprehensive administrative assistance is in place (not required for EU companies). Dividends derived from qualified portfolio participations (at least 5%) as well as "substantial participations" will, in any event, be subject to tax based on a shift from the exemption to the credit system; if (i) The foreign company derives mainly passive income. (ii) The total tax charge of the foreign company based on the determination of the taxable income by Austrian tax accounting methods does not exceed 12.5%. (iii) The CFC regime did not apply to these participations.
Belgium	Domestic subsidiary dividends are 100% exempt under certain conditions. Foreign subsidiary dividends are 100% exempt under certain conditions.	Dividends received by a Belgian company from foreign and domestic subsidiaries can benefit from the DRD, which provides for a 100% deduction of any qualifying dividend (net of foreign WHT, if any) received. For the DRD to apply, the following conditions need to be met: (i) The so-called "minimum-participation condition" is satisfied, which requires that the Belgian company holds a minimum participation of at least 10% in the distributing company's share capital or a minimum participation with an acquisition value of at least EUR 2.5 million.

	SHORT ANSWER	NOTES
		(ii) The shares are held in full ownership for an uninterrupted period of at least one year (this minimum holding period does not necessarily have to be completed upon distribution of the dividend, but can also be completed afterwards). (iii) The so-called "subject-to-tax condition" is satisfied, which is determined by reference to several specific exclusion rules applicable to: (a) dividends received from tax haven companies or companies that are not subject to CIT or an equivalent foreign tax; (b) dividends from financing companies, investment companies or treasury companies that are subject to a derogatory tax regime in their country of residence; (c) dividends from certain real estate companies that are subject to a derogatory tax regime, to the extent their real estate income: (i) does not originate from other EU Member States or third states with which Belgium has a DTT with an appropriate exchange of information clause (most DTTs concluded by Belgium qualify); or (ii) was not subject to CIT or an equivalent foreign tax, or was subject to a derogatory tax regime; (d) dividends coming from offshore income realized by the distributing company, to the extent that such offshore income benefits from a derogatory tax regime; (e) dividends coming from profits that the distributing company realizes through a foreign branch and which are subject to a (consolidated) tax regime that is substantially more advantageous than that in Belgium; (f) dividends from intermediary (holding) companies that come from dividend income received, of which 10% or more would be excluded from the DRD in the case of direct participation on the basis of any of the above rules; (g) dividends received from a company that was allowed to deduct these from its taxable base; (h) dividends received from a company distributing income related to legal acts aimed at avoiding taxes (i.e., implementation of the general anti-avoidance rule of the PSD). There are exceptions to most of these exclusion rules, particularly for participations held in other companies within the EU.
Dubai	None	Dubai does not levy a tax on dividends received from domestic and foreign subsidiaries.
Hong Kong	Domestic and foreign subsidiary dividends are 100% exempt.	Dividends received from foreign and domestic subsidiaries are exempt from CIT in Hong Kong.

	SHORT ANSWER	NOTES
Luxembourg	Domestic and foreign subsidiary dividends are taxable at a rate of 24.94% or are fully exempt under certain conditions.	Dividends received by Luxembourg parent companies from resident and foreign subsidiaries are generally taxable at the aggregate CIT rate and municipal business tax rate of 24.94%. However, dividends are exempt from CIT and municipal business tax under the participation exemption if the following conditions are met: (i) The holder of the shareholding ("Parent") is: (a) A Luxembourg resident and fully taxable "entity" incorporated under one of the (legal) forms listed in the appendix to paragraph (10) of article 166 of the Luxembourg income tax law. (b) A Luxembourg resident and fully taxable "share capital company" not listed in the appendix of paragraph (10) of article 166 of Luxembourg income tax law. (c) A Luxembourg permanent establishment of an entity covered by article 2 of the amended PSD. (d) A Luxembourg permanent establishment of a "share capital company" resident in a state with which Luxembourg has concluded a DTT. (e) A Luxembourg permanent establishment of a "share capital company" or of a cooperative company resident in a state that is part to the EEA Agreement other than a Member State of the EU. (ii) The distributing subsidiary ("Subsidiary") is: (a) An entity covered by article 2 of the PSD. (b) A Luxembourg resident and fully taxable "share capital company" not listed in the appendix of paragraph (10) of article 166 of Luxembourg income tax law. (c) A nonresident "share capital company" fully subject to a tax corresponding to Luxembourg CIT. This condition will be met if the foreign company is subject to CIT at a statutory tax rate at least equal to half of the CIT (excluding unemployment surcharge), i.e., 8.5% as of 1 January 2019. In addition, the tax base of the company must be comparable to the tax base that would result from the application of Luxembourg rules and methods relating to the determination of the tax base applicable to a fully taxable Luxembourg resident company. (iii) At the date the income is placed at the disposal of the Parent, the latter holds or commits to hold the Subsidiary for an uninterrupted period of at least 12 months ("Holding Period") and throughout that whole period, the shareholding in the Subsidiary represents at least 10% of the share capital of the latter or its acquisition price amounts to at least EUR 1.2 million ("Threshold Criteria"). As from 1 January 2016, specific anti-abuse rules apply under which dividends received by a Luxembourg Parent from a Subsidiary that is resident in another EU Member State and is

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			covered by article 2 of the PSD do not benefit from the aforementioned CIT and municipal business tax exemption if the said dividends: (i) Are tax deductible in the other relevant EU Member State. (ii) Are allocated as part of an arrangement or a series of arrangements that (having been put in place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the PSD) is not genuine with regard to all relevant facts and circumstances. An arrangement or a series of arrangements that may comprise several steps or parts is considered "not genuine" if it is not put into place for valid commercial reasons that reflect the economic reality. In circumstances where the Holding Period and Threshold Criteria are not met, the dividends received by the Luxembourg Parent from the Subsidiary will be half exempt from tax. In that respect, if the Subsidiary is a nonresident "share capital company" fully subject to a tax corresponding to Luxembourg CIT, the Subsidiary will also have to be resident in a country with which Luxembourg has signed a DTT in order to qualify for the half exemption. The law of 21 December 2018 implementing the EU ATAD I Directive extends the scope of the GAAR as well as the scope of the anti-hybrid provisions (not limited to dividends).
	The Netherlands	Taxed against the ordinary CIT rates, but exempt when the PER applies.	Dividends received from domestic and foreign subsidiaries are in principle taxable at the ordinary CIT rates in the Netherlands. However, where the taxpayer may apply the PER, dividends received from domestic and foreign subsidiaries are exempt from CIT. The PER normally applies if the following conditions are met: (i) The Dutch taxpayer holds at least a participation of 5% of the equity in the subsidiary that has a capital divided into shares. (ii) Less than 50% of the participation's assets consists of low-taxed portfolio assets ("Asset Test"), the participation is subject to tax at an effective rate of at least 10% ("Subject to Tax Test") or the shares in that company are not a portfolio investment ("Motive Test"). (iii) The dividend payment is not directly or indirectly tax deductible. It should be noted that there are other situations in which the PER can apply and that there are some exceptions to the conditions above.
	Singapore	Domestic subsidiary dividends are generally 100% exempt. Foreign subsidiary dividends are taxable at a rate of 17% or are 100% exempt under certain conditions.	All dividends paid by Singapore resident companies are exempt in the hands of shareholders at all levels. Foreign-sourced dividends received in Singapore by the holding company are tax-exempt if: (i) the holding company is tax resident in Singapore;

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

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	Switzerland	Domestic and foreign subsidiary dividends are taxable or 100% exempt under certain conditions.	Swiss tax law provides for a tax relief on dividends realized on "substantial/qualifying participations" held in a Swiss or foreign company, or several of such companies (on all levels of taxation: federal, cantonal and communal). The tax relief does not consist of a full, direct exemption of dividends, but in an indirect exemption by way of a tax reduction. To qualify for relief on dividend income, the Swiss company must either: (i) own at least 10% of the share capital of a domestic or foreign company; (ii) be entitled to at least 10% of the profits and reserves of that company; or (iii) have a participation in that other company with a fair market value of at least CHF 1 million. The tax exemption on dividend income applies based on Swiss domestic tax law without restriction, regardless of whether or not the subsidiaries paying the dividend are active companies, and regardless of whether or not these subsidiaries are subject to ordinary taxation in their country of residence. In other words, the relief also applies with respect to pure offshore subsidiaries.
	UK	Domestic and foreign subsidiary dividends are taxable at a rate of 19% or are exempt under certain conditions.	Dividends received by a UK resident company are generally exempt from CIT if: (i) No deduction is available, in respect of the dividend, to a nonresident; and (ii) The dividend falls within an exempt class or is paid to a small company (defined below) that benefits from an exemption for the dividend. Dividends received by small companies (i.e., companies whose annual turnover and annual balance sheet each do not exceed EUR 10 million) are exempt when the payer is resident in the UK or in a territory with which the UK has concluded a DTT containing a non-discrimination provision. The dividend must not be paid as part of a scheme the main purpose, or one of the main purposes, of which is to obtain a more than negligible tax advantage. The exempt classes for dividends received by non-small companies include: (a) Dividends paid to companies that control the distributing company; (b) Dividends paid in respect of nonredeemable ordinary shares; (c) Dividends paid in respect of portfolio shareholdings (less than 10% of the issued share capital); (d) Dividends paid in respect of shares that are accounted for as liabilities but are not taxed as debt under the loan relationship rules because they are not held for an unallowable purpose; and (e) Dividends paid on any other shares, provided they are paid out of profits available for distribution at the time the dividend is paid.

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

	SHORT ANSWER	NOTES
Austria	Taxable at a CIT rate of 25%.	Capital gains derived by an Austrian tax resident company from the sale of shares in another Austrian tax resident company are subject to CIT at a rate of 25%. Capital gains derived by an Austrian tax resident company from the sale of shares in a foreign subsidiary are taxed at the ordinary CIT rate of 25%, unless the shares sold qualify as substantial participations (above 10%) and the shift from the exemption to the credit system does not set in.
Belgium	100% exempt under certain conditions and otherwise taxable at a rate of 25% as from financial year 2020 linked to tax year 2021 (i.e., financial years ending on or after 31 December 2020).	Capital gains realized on shares in domestic and foreign subsidiaries by a Belgian company are fully tax exempt, provided that: (i) The subject-to-tax condition of the DRD is met with respect to the shares. (ii) The shares have been held in full ownership for an uninterrupted period of at least one year prior to their divestment. (iii) The company realizing the capital gain holds a participation in the underlying company of at least 10% of the share capital or EUR 2.5 million in acquisition value (minimum participation condition). If not all of the above-mentioned conditions are met, the capital gain realized on the shares is subject to the standard CIT rate of 25%, as from financial year 2020 linked to tax year 2021 (i.e., financial years ending on or after 31 December 2020).
Dubai	None	Dubai does not impose a capital gains tax on the disposal of shares in domestic and foreign subsidiaries.
Hong Kong	Domestic and foreign capital gains are 100% exempt.	Capital gains derived from the disposal of shares in domestic and foreign subsidiaries are exempt from CIT in Hong Kong.
Luxembourg	Domestic and foreign capital gains are taxable at a rate of 24.94% or are fully exempt under certain conditions.	Capital gains received by Luxembourg resident companies from resident and foreign subsidiaries are taxable at the aggregate CIT and municipal business tax rate of 24.94%. However, capital gains realized by the Parent (as defined in the Luxembourg entry of the 'Taxation of dividends received from domestic and foreign subsidiaries' section) upon the disposal of a shareholding held in the share capital of the Subsidiary (as defined in the Luxembourg entry of the 'Taxation of dividends received from domestic and foreign subsidiaries' section) are exempt from CIT and municipal business tax, provided that:

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		(i) On the date of the disposal of the shares, the Parent has been holding or committed to hold a direct shareholding in the Subsidiary for an uninterrupted period of at least 12 months. (ii) Throughout that whole period, the percentage of ownership in the share capital of the Subsidiary did not fall below 10% or the acquisition cost of the shareholding below EUR 6 million. As of 1 January 2019, the unlimited tax payment deferral available on gains realized on the transfer of assets outside Luxembourg is limited to five years for transfers to EU Member States or EEA countries, as provided under the law of 21 December 2018 implementing the EU ATAD I Directive.
The Netherlands	Taxed against the ordinary CIT rates, but exempt when the PER applies.	Capital gains derived from qualifying participations are exempt from Dutch corporate income tax. A participation is generally considered a qualifying participation if the following requirements are met: (i) The Dutch taxpayer holds at least a participation of 5% of the equity in the subsidiary which has a capital divided into shares; (ii) The interest is not held as a (deemed) portfolio investment ("Motive Test"); and (iii) The dividend payment is not directly or indirectly tax deductible. Even if the Motive Test is not satisfied, a participation is generally still considered a qualifying participation if: (i) Less than 50% of the participation's assets consists of low-taxed portfolio assets ("Asset Test"); or (ii) • The participation is subject to tax at an effective rate of at least 10% ("Subject to Tax Test")
Singapore	Domestic and foreign capital gains are not taxable in Singapore.	Capital gains derived from the disposal of shares in domestic and foreign subsidiaries are not subject to CIT in Singapore, as Singapore does not impose tax on capital gains. However, gains from the disposal of shares may be subject to CIT at the ordinary rate if they are: (i) income in nature (i.e., arising from any trade or business carried on by the seller); and (ii) Singapore-sourced (whether or not received in Singapore), or foreign-sourced and received in Singapore.

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		It is a question of fact whether the gains are capital or income in nature. Income from the disposal of shares is tax-exempt if the safe harbor exemption applies. The key conditions for the safe harbor exemption to apply are: (i) the seller is a company; (ii) the seller owned at least 20% of the ordinary shares in the target company for a continuous period of at least 24 months immediately before the disposal; (iii) the seller is not an insurance company; (iv) the target company is not an unlisted company in the business of trading or holding Singapore immovable property (other than a business of property development); and (v) the disposal takes place between 1 June 2012 and 31 May 2022 (both dates inclusive). It was announced in the Singapore Budget 2020 that the safe harbor exemption will apply to a share disposal that takes place on or before 31 December 2027 and, with effect from 1 June 2022, the safe harbor exemption will not apply where the target company is in the business of trading, holding or developing immovable properties in Singapore or abroad. Stamp duty at the rate of 0.2% may be applicable on the consideration or market value (whichever is higher) on the transfer of shares in a Singapore company or a foreign company with a share register in Singapore. Additional conveyance duty may be applicable where the target company holds, directly or indirectly, any interest in Singapore residential property.
Spain	Domestic and foreign capital gains are taxable at a rate of 25% or are 100% exempt under certain conditions.	Capital gains derived by a Spanish resident company from the sale of a shareholding in domestic and foreign subsidiaries are subject to CIT at the normal rate. If the requirements explained in the section above are met, the capital gain obtained in the sale of the resident or nonresident entities would be considered as exempt, except if the foreign subsidiary transferred resides in a tax haven (unless the tax haven is an EU Member State and provided that the incorporation and activity of the subsidiary meets valid business reasons and it carries out business activities). The shareholding threshold requirement should be complied with on the day when the transfer takes place, and the taxation requirement should be complied with during the entire holding period to obtain full exemption on the capital gains. If the taxation requirement is not complied with in every tax year throughout the holding period, there are special rules allowing the exemption to apply in those periods in which the condition was met. The capital gain exemption is not applicable in the event of a transfer of: (i) Shares of a passive company, i.e., an entity where more than 50% of its assets consist of assets not connected with a business activity or passive shareholdings — The

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			exemption will only apply to the part corresponding to retained earnings generated during the holding period. (ii) A subsidiary that is a Spanish or European economic interest group — The exemption will only apply to the part corresponding to retained earnings generated during the holding period. (iii) Shares of CFC entities — Where 15% or more of its income qualifies as passive income for CFC purposes.
	Switzerland	Domestic and foreign capital gains are taxable or 100% exempt under certain conditions.	Similar to the rules on the taxation of dividends, a relief on capital gains is available at all levels of taxation (federal, cantonal and communal). To qualify for this relief, a Swiss company must sell a participation: (i) of at least 10% of the share capital of another company; or (ii) which entitles the selling shareholder to at least 10% of the other company's profits and reserves; and (iii) a holding period of at least one year has to be fulfilled. In case of a sale of the shares in a real estate company (i.e. a company holding mainly Swiss real estate), the capital gain may be subject to real estate capital gains tax (depending on the canton(s) in which the company holds real estate) at the cantonal/communal level, but not at federal level.
	UK	Domestic and foreign capital gains are taxable at a 19% rate or are 100% exempt under certain conditions.	Capital gains derived by a UK tax resident company from the sale of shares in another company are subject to the ordinary CIT rate. However, capital gains may be tax exempt if: (i) The UK shareholder has a shareholding of at least 10% in a trading company or a member of a trading group; and (ii) The shareholding was held for a period of at least 12 months. A trading group is a group in which one or more of its members carries on trading activities, provided that the group's activities as a whole do not include non-trading activities constituting more than 20%.

1.4 Deductibility of losses on shares in domestic and foreign subsidiaries

	SHORT ANSWER	NOTES
Austria	Not deductible, unless exceptions apply.	Losses on shares are generally not tax-deductible in Austria. Losses may be deductible if the income resulting from the shares is taxed. With regard to foreign substantial participations, in the event that the taxpayer opted for taxation of the participation, the exemption does not apply. Capital losses on, and losses resulting from, impairments of domestic shares are deductible, unless the dropdown in value was triggered by a dividend distribution. However, the loss or impairment is not fully deductible in the year it occurred, but rather must be spread over seven years. In addition, losses resulting from a liquidation of the subsidiary are generally not considered, unless they are actual and final.
Belgium	Not deductible, unless specific exceptions apply.	Capital losses (in case of disposal) and write-downs on shares in domestic and foreign subsidiaries are generally not tax deductible in Belgium (unless specific exceptions apply). Under certain conditions, a capital loss on shares incurred (or confirmed) at the time of liquidation of a Belgian or foreign subsidiary can be deducted at that time, but only if and to the extent that a portion of the paid-up share capital of the subsidiary has not been recovered (and thus not for any other portion of the capital loss incurred).
Dubai	Not deductible	Dubai does not allow a deduction for losses on shares in domestic and foreign subsidiaries.
Hong Kong	Not deductible	Losses on shares in domestic and foreign subsidiaries are not tax deductible in Hong Kong.
Luxembourg	Deductible for a period of a maximum 17 years.	Capital losses (even on a participation qualifying for the exemption) remain deductible (even if capital gains would have been exempt) and can be used to shelter taxable income or can be carried forward for a maximum period of 17 years. Losses created prior to 1 January 2017 can be carried forward indefinitely and losses created as from that date can be carried forward for 17 years.
The Netherlands	Tax deductible, unless the PER applies.	Losses on shareholdings of <5% are in principle tax deductible in the Netherlands. Losses on shareholdings of >5% are generally exempt under the participation exemption and therefore losses are not tax deductible. There is an exception to this general rule, in cases where the taxpayer incurs a definitive loss upon the liquidation of a shareholding of >5%. Upon a liquidation, such loss may be taken into account under conditions. Based on the legislative

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		proposal on the liquidation loss regime, we expect that this regime will become stricter as of 2021.
Singapore	Not deductible	Capital losses on shares in foreign and domestic subsidiaries are not tax-deductible. However, losses from the disposal of shares may be deductible from the seller's assessable income if they are revenue in nature (i.e., arising from any trade or business carried out by the seller).
Spain	Not deductible, unless loss occurs upon the disposal of shares or liquidation of the company.	Impairment losses on shareholdings are not tax-deductible. Tax losses generated as a consequence of the disposal of shareholdings to third parties are tax-deductible (subject to special rules). Tax losses generated as a consequence of the disposal of shareholdings to another entity of the same group are not tax-deductible until such shares are transferred outside the group to an unrelated party, or the acquirer/transferor of the shares ceases to form part of the group (subject to special rules). Notwithstanding the above, with effect for tax periods beginning as from 1 January 2017, losses arising from the transfer of shareholdings in entities will not be deemed deductible for CIT purposes provided that those shareholdings have granted the right to obtain exempt income, both for dividends or in capital gains made in the transfer of shares. Likewise, losses arising from the transfer of shareholdings in entities resident in tax havens or subject to a tax on profits with a nominal rate lower than 10% will not be deemed deductible for CIT purposes. Final losses of subsidiaries (losses realized when a subsidiary ceases to exist) continue to be tax-deductible, subject to certain limitations, unless the liquidation occurs due to a corporate reorganization.
Switzerland	Deductible	Write-downs and capital losses on shares in domestic and foreign subsidiaries are generally tax deductible in Switzerland. Correspondingly, any catch-up of such write-downs/losses is subject to CIT and does not benefit from the participation/capital gains relief.
UK	Deductible, subject to restrictions and the application of anti-avoidance rules.	Capital losses on the disposal of shares in both domestic and foreign subsidiaries can be set against gains realized in the current tax year or, if unused in the current year, can be brought forward to set against gains in future years. However, for accounting periods ending on or after 1 April 2020, capital losses in excess of an annual allowance of GBP 5 million can only offset 50% of gains. Anti-avoidance rules apply to restrict the use of losses on a change of ownership in connection with arrangements where the main purpose, or one of the main purposes, is to secure a tax advantage. Where the conditions for the substantial shareholding exemption are met, any losses that arise cannot be set off against other gains.

1.5 Deductibility of interest expenses on loans for acquiring participations

	SHORT ANSWER	NOTES
Austria	Generally deductible, unless exceptions apply.	Generally deductible unless exceptions apply. Interest expenses incurred by Austrian companies are generally deductible from the entire income of the company and not only from the dividend income received. Interest is not deductible if it is incurred to generate tax-exempt income. However, interest paid on loans to acquire participations in resident or nonresident companies is deductible even where the participation exemption applies (provided that this was not an intragroup acquisition). This does not apply to any other financing expenses. Furthermore, the deductibility of interest payments is limited if made to a related entity located in a low tax jurisdiction (or is subject to a tax exemption). For the purposes of this provision, an effective tax rate of less than 10% (or a personal tax exemption) is considered as "low taxed." Thus, interest paid to a related company subject to a(n) (effective) tax rate of less than 10% is no longer tax-deductible
Belgium	Generally deductible	Interest expenses incurred to acquire shares are generally tax deductible in Belgium. They can be deducted from any profits, including operational profits, and without any later recapture rule. In order for interest to be tax deductible, the interest expenses must have been incurred or borne during the taxable period with a view to generate or maintain taxable income, and the existence and amount of expenses must be properly documented. Belgium has a general thin capitalization rule providing for a 5:1 debt/equity ratio for interest payments made to intragroup companies and (related or unrelated) companies located in tax havens. Moreover, the agreed conditions for any debt financing need to be at arm's length. Finally, certain specific anti-avoidance rules (reversal of the burden of proof) and disclosure obligations sometimes apply in case of payments to a low-taxed entity or an entity established in a tax haven. As of assessment year 2020 (FY 2019), Belgium applies an interest deduction limitation rule whereby the amount of "net borrowing costs" is tax deductible only up to EUR 3 million or 30% of the adjusted EBITDA, whichever is highest. Excess interest deduction capacity can be transferred between Belgian members of a group (i.e., Belgian companies or Belgian establishments of EEA companies) under certain conditions. An exception to the interest limitation rule is made for stand-alone entities, the financial sector and public infrastructure projects. Loan agreements concluded before 17 June 2016 are grandfathered — but remain subject to the thin capitalization rule — as long as they have not been subject to any

	SHORT ANSWER	NOTES
		fundamental change. The thin capitalization rule also continues to apply for interest payments made to tax havens (but, in that case, in addition to the application of the 30% EBITDA rule).
Dubai	Not deductible	Dubai does not allow a deduction for interest expenses as interest income is not taxable.
Hong Kong	Generally deductible, unless interest deductibility limitations apply.	Interest is only deductible if it is incurred for the purposes of producing assessable profits and meets a number of specified conditions. Hong Kong also has a range of interest deductibility limitations.
Luxembourg	Interest deduction limitation applies.	As of 1 January 2019, any exceeding borrowing costs (very broadly defined) are deductible up to an amount corresponding to the higher of EUR 3 million or 30% of EBITDA. This rule does not apply to financial undertakings, stand-alone entities or certain securitization vehicles. This rule does not apply to loans granted before 17 June 2016. On 31 March 2020, the Luxembourg government introduced a bill of law aiming to disallow the deduction of interest and royalty expenses paid to associated companies set up in EU blacklisted jurisdictions. The bill should be applicable as from 1 January 2021 but has not been adopted yet.
The Netherlands	Tax deductible, unless an interest deductibility limitation applies.	Interest expenses incurred by Dutch companies are in principle deductible for Dutch corporate income tax purposes. The most general interest deduction limitation is the "earning stripping rule" that restricts the deduction of excess "net interest expenses". The excess interest is calculated by deducting the taxpayer's interest income from its interest expenses. All interest expenses and income need to be taken into account - and this limitation will thus also apply to third party interest payments. Under this earning stripping rule, excess interest expenses are only deductible up to the highest of 30% of the EBITDA or EUR 1 million. Where the taxpayer has a negative EBITDA, the excess net interest is limited in deduction to EUR 1 million. Besides the earning stripping rule, intra group interest expenses are in principle not deductible if those expenses relate to the following actions: (i) a dividend distribution; (ii) a capital distribution; or (iii) acquisition or expansion of an interest in another company.

		SHORT ANSWER	NOTES
			However, the interest could still be deductible if the taxpayer provides evidence that the interest is based on business reasons or is taxed in another jurisdiction. Besides the above, the Netherlands has various other interest deduction limitations that can operate to limit the deductibility of interest expenses in certain abuse situations.
	Singapore	Generally deductible under certain conditions.	Interest expenses incurred to acquire shares are not deductible in Singapore if the dividend income received from such shares is not subject to income tax or exempt from tax in Singapore. Interest expenses incurred to acquire shares will be deductible if the dividend income from such shares is subject to income tax in Singapore, subject to other conditions being met.
	Spain	Generally deductible, unless interest deductibility limitations apply.	Financial expenses related to debts generated within a corporate group in order to acquire participations in the capital or equity of any kind of entities from other group entities, or to make capital or equity contributions to other group entities, are not deductible. The restriction does not apply if the taxpayer can provide evidence of valid economic reasons for the underlying transactions. The tax deductibility of net financing expenses is limited to 30% of the operating profit for the financial year if the financing expenses exceed EUR 1 million. An additional limitation on the deductibility of interest in leveraged buyout transactions exists. According to this provision, when calculating the 30% operating profit limit to deduct the interest accrued by the acquiring company on the debt borrowed to acquire the target entities, the operating income of the target entities that (i) have joined (in the following four tax periods) the acquiring company's tax group or (ii) have been merged (in the following four tax periods) into the acquiring company, should be excluded in order to determine said limit. This restriction will not apply if the debt does not exceed 70% of the purchase price of the shares and is reduced, from the time of acquisition, by at least the proportion relating to each one of the following eight years until the debt reaches 30% of the purchase price. This restriction is not applicable to entities that have been included in a tax group or restructuring transactions performed before 20 June 2014.
	Switzerland	Generally deductible, unless exceptions apply.	A Swiss company may deduct its own costs relating to the participation from its own profits. However, if the Swiss company does not have ordinarily taxable income (e.g., at the cantonal/communal level if it was taxed until 2019 (prior to the entry into force of the corporate tax reform) as a holding company, or at the federal/cantonal/communal level to the extent it benefits from the participation relief on dividend income), the deduction of costs is not tax effective.

	SHORT ANSWER	NOTES
		Interest paid for loans is considered as a normal business expense and, thus, is tax deductible. In certain cases, a tax adjustment can occur in connection with interest payments on shareholder loans. Interests paid on a loan amount that does economically qualify as equity are not tax-deductible expenses. Additionally, such interest payments are subject to Swiss WHT.
UK	Generally deductible, unless interest deductibility limitations apply.	Interest expenses on loans for acquiring participations are generally deductible. However, the UK has a wide range of interest deductibility limitations. A general 30% EBITDA limitation applies, as well as thin capitalization rules. Restrictions may also apply where a tax advantage arises from the use of hybrid entities or instruments, or where debt financing has an unallowable purpose.

	SHORT ANSWER	NOTES
Austria	Yes	Austria recently imposed CFC rules with the objective of implementing article 7 and 8 of the EU ATAD I Directive into Austrian national law. As a result, the income of foreign subsidiaries in low-tax countries will be added to the Austrian CIT base in the respective tax year, regardless of a profit distribution to Austria. The CFC rules apply if: (i) The Austrian company owns alone or together with affiliated entities more than 50% of the voting rights, the share capital or dividend rights. This ownership includes both direct ownership and indirect ownership. (ii) The total tax charge of the CFC based on the taxable income determined by Austrian tax accounting methods does not exceed 12.5%. (iii) The CFC derives more than a third of its overall income from passive income sources (i.e., interest, royalties, dividends, financial leasing, insurance, factoring). (iv) The CFC is considered to conduct no substantial business activity.
Belgium	Yes, as of FY 2019	Belgium introduced, as of FY 2019, a CFC rule that provides that non-distributed profits of a CFC will become taxable in the hands of the CFC's Belgian parent, to the extent that the profits are generated by assets and risks for which the relevant functions are exercised by the Belgian parent, if the following conditions are met: (i) The CFC is an artificial construction established with the main purpose of obtaining a tax advantage. (ii) The Belgian parent has a direct or indirect participation of more than 50% in the CFC, owns directly or indirectly more than 50% of the voting rights, or has a right to more than 50% of the CFC's profits. (iii) The CFC is not subject to income tax or is subject to tax that is less than half of the Belgian tax that would have been due if the CFC were a Belgian company.
Dubai	None	Dubai does not have any CFC regulations in place.
Hong Kong	None	Hong Kong does not have any CFC regulations in place.

	SHORT ANSWER	NOTES
Luxembourg	Yes	An entity or permanent establishment whose profits are not taxable in the Member State of the controlling taxpayer. To fall under the CFC rule, two cumulative conditions need be met: (i) The control test (i.e., an entity is a controlled entity if the taxpayer directly or indirectly, by itself or together with associated enterprises holds at least 50% of voting rights or capital or profits) (ii) The effective tax rate test (i.e., there is a CFC if the actual corporate tax paid by the entity or permanent establishment on its profits is lower than 50% of the CIT due in Luxembourg under domestic rules). The targeted income is the non-distributed income arising from non-genuine arrangements that have been put in place for the essential purpose of obtaining a tax advantage. "Non-genuine arrangements" is where the CFC do not own the assets or take risks that generate all, or part of, its income if it is not controlled by a company where the significant people function in relation to how those assets/risks are carried out. An entity or a permanent establishment is not considered a CFC when accounting profits are below EUR 750,000 or amount to less than 10% of their operating costs for the period.
The Netherlands	Yes	The Netherlands implemented CFC legislation that requires "non-distributed passive earnings" of "low-taxed CFCs" to be taxed in the Netherlands. A company is considered a CFC for Dutch tax purposes when the following conditions are met: (i) The Dutch company holds a direct or an indirect interest of more than 50% of the nominal paid-up capital, voting rights or profits in the subsidiary or permanent establishment. (ii) The foreign subsidiary or permanent establishment is either: (a) Not subject to CIT; (b) Subject to CIT at a statutory rate of less than 9%; (c) Located in a jurisdiction that is included as a non-cooperative jurisdiction. In 2020, the CFCs in the following jurisdictions are affected: American Samoa, American Virgin Islands, Anguilla, Bahamas, Bahrain, Bermuda, British Virgin Islands, Guam, Guernsey, Isle of Man, Jersey, Cayman Islands, Fuji, Samoa, Saudi Arabia, Trinidad and Tobago, Turks and Caicos Islands and Vanuatu. The non-distributed "net passive income" (e.g., interest, royalty's, dividends) of the CFC is fully taxable in the Netherlands unless the subsidiary is engaged in a business operation. Furthermore, Dutch taxpayers that have a participation of at least 25% in a "low-taxed subsidiary" should value that participation on the fair market value each year. A low-taxed subsidiary is regarded as such if the assets of that subsidiary consist directly or indirectly for

	SHORT ANSWER	NOTES
		90% or more of "low-taxed portfolio investments." The Dutch PER does not apply to such participations and therefore the results are subject to the ordinary Dutch CIT rates.
Singapore	None	Singapore does not have any CFC regulations in place.
Spain	Yes	Spanish tax regulations establish a CFC regime. Spanish CFC rules would be applicable with regard to certain "tainted income" obtained by foreign resident entities when the resident company or individual owns, alone or together with a related party, at least 50% of the capital, equity, results or voting rights of the CFC, and provided that such tainted income is subject to an income tax similar to the Spanish CIT at an effective rate lower than 75% of the Spanish CIT rate. CFC rules are not applicable to non-Spanish subsidiaries resident in the EU, as long as the incorporation and operations of the EU subsidiary respond to valid business reasons and the subsidiary carries out business economic activities or it is a collective investment institution regulated under the EU UCITS Directive. If the above requirements are met, and the nonresident entity (or its group) does not have an organization of human resources and material means to carry out its activities, all of the income obtained by the nonresident entity would generally be attributed to the resident company, thus being taxed in Spain, even if the foreign company had not distributed profits. However, if the nonresident entity (or its group) does have an organization of human resources and material means, only tainted income obtained by the CFC would be attributed to the resident company and, therefore, would be taxed in Spain. Tainted income includes the following income derived from a CFC: (i) income from real property or rights therein, unless the property is effectively connected with a business activity or is used by entities of the same group; (ii) dividends and other profit distributions derived from the holding, as well as interest income; (iii) capitalization and insurance activities of the nonresident entity as the beneficiary; (iv) intellectual and industrial property, technical assistance, image rights or renting of business and mines; (v) capital gains from the disposal of any of the assets or rights mentioned above; (vi) derivatives, except when they cover a risk specifically related to the economic activity. Income from banking, financial, insurance and service activities rendered to related Spanish resident individuals or entities, provided the payments have been deducted for income tax

	SHORT ANSWER	NOTES
		purposes by the Spanish resident payer (unless more than 50% of the nonresident company's gross income derives from transactions with non-related entities). The income referred to in (ii) or (v) above would not have to be reported when the income is obtained by "qualified subsidiaries." This would be the case when the CFC holds, directly or indirectly, more than 5% of the subsidiary, provided that the CFC manages its participation through an adequate organization of material and human resources and the subsidiary's assets are mainly (i.e., more than 50% of the value of the assets) connected to an economic activity. Likewise, income referred to in (i) through (vi) above would not be included when the tainted income earned is less than 15% of the nonresident's total income.
Switzerland	None	Switzerland does not have any CFC regulations in place.
UK	Yes	The CFC regime is designed to tax, in the UK, only those foreign profits of a UK-controlled group that have been artificially diverted from the UK into a low-taxed CFC (or exempt foreign branch of a UK company). The rules generally do not apply to foreign-to-foreign diversions of profits of a UK-controlled group. They also do not apply to capital gains; they only apply to income profits. If CFC profits are included as taxable income of the UK parent company, they will be subject to UK CIT. If the CFC incurs foreign tax on those profits, the UK will generally provide credit relief for that tax against the tax due in the UK under UK CFC rules.

1.7 Taxation of capital contributions received by the company

	SHORT ANSWER	NOTES
Austria	None	Austria does not impose any tax on capital contributions received by the company.
Belgium	None, except in very specific cases.	Belgium does not impose any tax on capital contributions received by the company, except in the case of a so-called "mixed contribution" of real estate assets and related liabilities.
Dubai	None	Dubai does not impose any tax on capital contributions received by the company.
Hong Kong	None	Hong Kong does not impose any tax on capital contributions received by the company.
Luxembourg	None	Luxembourg does not impose any tax on capital contributions received by the company.
The Netherlands	None	The Netherlands does not impose any tax on capital contributions received by the company.
Singapore	None	Singapore does not impose any tax on capital contributions received by the company. No stamp duty is applicable on the issuance of newly issued shares by a Singapore company. However, a buyer/transferee is liable to stamp duty on 0.2% of the consideration or market value (whichever is higher) for the transfer of shares in a Singapore-incorporated company or a foreign-incorporated company with a share register in Singapore.
Spain	None	Spain does not impose any tax on capital contributions received by the company.
Switzerland	1% stamp duty	Switzerland does not impose any tax on capital contributions received by the company. Stamp duty of 1% is due on both open and hidden capital contributions. Exemptions are available.

	SHORT ANSWER	NOTES
UK	None	The concept of "capital contribution" is not recognized as such under UK tax law (if made otherwise than by way of a share subscription or a loan). It is generally recommended that shares be issued in exchange for the capital contribution to mitigate any risk that the recipient could be regarded as receiving taxable income (and become subject to corporation tax on the same).

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

		SHORT ANSWER	NOTES
	Singapore	None	Singapore does not impose any wealth tax on the company.
	Spain	None	Spain does not impose any wealth tax on the company.
	Switzerland	0.001% up to 0.285% (as of 2020) 0.001% up to 0.525% (until 2019)	At the cantonal and communal level, an annual capital tax is levied on the net equity of companies (i.e., share capital plus open reserves). The capital tax rate ranged from 0.001% to 0.525% (depending on the canton of residence and the tax status of the respective company) ; some cantons levy a minimum capital tax (which is generally very low) until 2019 (prior to the entry into force of the corporate tax reform). — Since the corporate tax reform —the capital tax rates range from 0.001 to 0.285%, noting that reductions apply for the equity to be allocated to specific asset categories, such as qualifying participations, and that many cantons provide for crediting the cantonal CIT against the capital tax (in each case, including the communal tax), thus effectively eliminating the latter (which results in a mere minimum tax). Certain cantons (possibly including municipalities) levy an annual real estate tax (*impôt foncier, Grundsteuer*) at a rate between 0.05% and 0.20% of the tax value of the real estate owned by the company.
	UK	None	The UK does not impose any wealth tax on the company.

1.9 Minimum taxation

	SHORT ANSWER	NOTES
Austria	Reduced minimum tax in the initial 10 years, then EUR 1,750 for a GmbH and EUR 3,500 for an AG per year.	Austria levies an advance minimum tax of EUR 3,500 for AGs and EUR 1,750 for GmbHs. However, for the first five years in business, a reduced minimum tax for GmbHs of EUR 500 applies, and for the following five years the minimum tax amount is EUR 1000. The minimum tax may be credited against the normal corporate tax (for an unlimited period of time) and is therefore only disadvantageous in the case of permanent losses.
Belgium	Yes, as of FY 2018.	A minimum taxation rule was introduced as of assessment year 2019 (FY 2018), which limits the use of certain tax assets and deductions (tax losses, DRD NID, and Innovation Income Deduction carried forward, as well as the incremental NID and the group contribution) to EUR 1 million plus 70% of the taxable profit exceeding this amount. This will result in a minimum taxable base of 30% of the taxable profit above EUR 1 million.
Dubai	None	Dubai does not impose any minimum tax on the company.
Hong Kong	None	Hong Kong does not impose any minimum tax on the company.
Luxembourg	Yes	A fixed minimum net wealth tax of EUR 4,815 (including the solidarity surcharge) applies to regulated and non-regulated entities if the sum of their financial assets (including transferable securities, loans and bank deposits) exceeds 90% of their total assets and represents at least EUR 350,000. This minimum tax will also apply to Luxembourg companies that hold real estate in another jurisdiction through a tax-transparent entity. The progressive minimum net wealth tax applies to companies, other than financing companies, subject to fixed net wealth tax. It ranges from EUR 535 to EUR 32,100 (including the solidarity surcharge), depending on the total balance sheet. Securitization companies, risk capital investment companies (i.e., *société d'investissement en capital à risque* — SICAR), variable capital pension savings companies (i.e., *sociétés d'épargne pension à capital variable* — SEPCAV) and pensions savings associations (i.e., *Association d'Epargne Pension* — ASSEP) are also subject to this minimum net wealth tax.

	SHORT ANSWER	NOTES
The Netherlands	None	The Netherlands does not impose a minimum tax on the company.
Singapore	None	Singapore does not impose any minimum tax on the company.
Spain	None, but minimum tax rules exist in certain Spanish autonomous regions.	According to the Spanish CIT Act (i.e., applicable to the whole of the Spanish territory except for certain Spanish autonomous regions that have their own tax laws) no minimum tax is imposed on the company. On the other hand, certain minimum tax rules exist in the Spanish autonomous regions of Navarre and the Basque Country.
Switzerland	None, though some cantons may levy a minimum capital tax.	Switzerland does not impose any minimum tax on the company. Some cantons, however, levy a minimum capital tax (which is generally very low).
UK	None	The UK does not impose any minimum tax on the company.

1.10 Substance requirements for the company

	SHORT ANSWER	NOTES
Austria	None	There are no minimum substance requirements for the Austrian entity. There are substance requirements for the parent company or recipient of payments and in circumstances where an exemption from WHT under a DTT is claimed or the PSD is applicable. In this case the payee must: (i) Confirm in writing that it has its own employees. (ii) Pursue a business activity that exceeds mere asset administration. (iii) Have its own office space. (iv) Provide a residence certificate.
Belgium	No specific legal requirements, but in practice certain minimum requirements may apply to confirm the effective place of management in Belgium.	A Belgian company will be considered a Belgian tax resident if the place of its registered office, as well as its effective place of management, is in Belgium (i.e., essentially if its board of directors' meetings and shareholders' meetings take place in Belgium). There are no statutory rules, as such, requiring specific levels of substance for Belgian holding companies. However, it is recommended to have qualified board members and a daily management that is capable of managing the investments and shareholdings of the company. In a number of rulings where Belgian holding and finance companies have asked for certain confirmations, the Belgian Ruling Commission has required, in order to issue a ruling, that, among other things: (i) At least one or the majority of the directors was a Belgian resident, they were informed and capable and their liability as a director was not contractually excluded. (ii) The main bank account of the company was located in Belgium. (iii) The company's books were kept in Belgium. In practice, it is recommended to follow these requirements even when no ruling is pursued.
Dubai	None	There are specific economic substance requirements in Dubai. These are set out in federal legislation. In essence, holding companies are required to employ resources and assets in the country (the UAE) sufficient to undertake the holding company business. Holding company business is that which has, as its primary function, the acquisition and holding of shares or equitable interests in other companies, and does not carry on any other commercial activities. The company is effectively required to hold its board meetings mainly in that country. A holding company is required to comply with notification and annual reporting obligations.

		SHORT ANSWER	NOTES
			The manager of the holding company will necessarily have to be resident in the UAE. In addition, in order to obtain tax residence certificates (e.g., for DTT purposes), companies would typically be required to show that the key management personnel (a director or general manager) are UAE residents, and that the company: (i) has a bank account in the UAE; (ii) is licensed to conduct business in the UAE; (iii) has up-to-date audited accounts; and (iv) has leased or owns office accommodation in the UAE. Companies also need to provide audited financial statements.
	Hong Kong	None	When applying for a Hong Kong tax residency certificate, the Hong Kong tax authority requires information relating to the management and operations of the Hong Kong company. The Hong Kong tax authority may refuse to issue a tax residency certificate if the Hong Kong company does not have economic substance in Hong Kong.
	Luxembourg	Yes	According to the Luxembourg income tax law, a company is considered to be tax resident in Luxembourg if it has either: (i) its registered seat in Luxembourg; or (ii) its place of effective management in Luxembourg. In general, a company incorporated under Luxembourg corporate law whose registered office is in Luxembourg should be considered a Luxembourg tax resident, unless the company is managed and controlled outside of Luxembourg. In order to ensure that Luxembourg is considered the jurisdiction where the effective management of the company is situated, some guidelines should be observed, such as decision-making processes, residency and composition of board members, location of shareholder and board meetings, financing of the structure, office facilities, bank accounts in Luxembourg, and so on. Specific substance criteria should be met in case of intra-group financing activity (e.g., minimum level of equity). In any case, the list of substance requirements is not exhaustive and the required level of substance is determined on a case-by-case basis, depending mainly on the activity/investment of the company and on specific foreign requirements.

The Netherlands	Yes, depending on the activities of the company.	The incorporation of a company under Dutch law will result, by itself, in the company being treated as a Dutch tax resident by fiction of law. However, for certain tax benefits it is important that the company is also effectively managed in the Netherlands. **Best practice (non-binding)** Generally Dutch companies are not required to meet substance requirements, however the below-mentioned (binding) substance requirements do serve as a best practice for inter alia holding companies. **Binding substance requirements for back-to-back financing/leasing/licensing companies:** (i) At least 50% of the taxpayer's statutory directors that are authorized to represent the company are Dutch residents. (ii) The Dutch resident directors have sufficient professional expertise to properly fulfil their duties. These duties at least include decisions on entering into transactions and the follow-up on those transactions. (iii) The taxpayer has qualified personnel to execute and administer its transactions. (iv) The board decisions are made in the Netherlands. (v) The taxpayer's main bank accounts are held in the Netherlands. (vi) The taxpayer's bookkeeping is prepared in the Netherlands. (vii) The taxpayer's business address is in the Netherlands. (viii) The taxpayer is not, to its best knowledge, considered a tax resident in another jurisdiction. (ix) The taxpayer incurs a real risk in relation to the loans or legal relationships and the related loans or legal relationships that are underlying the interest, royalties, rent or lease instalments received and paid; and (x) The taxpayer has an equity that that is appropriate in terms of the real risk incurred under 9. From 1 January 2021 the above mentioned substance requirements will be extended with requirements 11 and 12 (below). (i) The taxpayer incurs an amount of EUR 100,000 of wage costs, which costs relate to the financing functions performed by the company; and (ii) The taxpayer has a Dutch office at its disposal during a period of at least 24 months, from where the abovementioned activities are performed. Furthermore, the Dutch government has announced in September 2020 that it is intending to implement regulations by 2022 that provide for an information exchange option with foreign jurisdictions in regard to intermediate holding companies (i.e. within the flow of dividends) that do not have sufficient substance in the Netherlands.

		SHORT ANSWER	NOTES
	Singapore	None	There are no specific minimum substance requirements for companies in Singapore. However, in order to obtain a Certificate of Residence from the Inland Revenue Authority of Singapore, in order that the company may claim benefits under DTTs, the company must be a tax resident in Singapore (i.e., the control and management of its business must be exercised in Singapore). A Certificate of Residence will generally not be issued to a company if 50% or more of the company's shares are held by foreign companies/shareholders and the company is an investment-holding company receiving purely passive sources of income or only foreign-sourced income, unless the company can demonstrate that its decisions on strategic matters are made in Singapore (e.g., its board of directors' meetings are held in Singapore), and that it: (i) Has other related companies (tax resident or with business activities) present in Singapore; (ii) Receives support or administrative services from a related company in Singapore; (iii) Has at least one director based in Singapore who holds an executive position and is not a nominee director; or (iv) Has at least one key employee (e.g., CEO, CFO or COO) based in Singapore.
	Spain	Yes	With regard to holding companies of nonresident entities (ETVEs) in Spain, the CIT Act states that they should have adequate organization of material and human resources. Spanish law does not provide a definition for the above-mentioned minimum human and material resources. The Spanish General Directorate of Taxes has not indicated a specific threshold of material and human resources in order to satisfy this requirement. Instead, it has stated that the entity holding foreign securities cannot be an "empty" entity, setting out in several rulings a number of factors that would have a potential to show that the entity is not an empty one. Taking into account the rulings issued by the Spanish General Directorate of Taxes and our experience with tax audits related to this matter, the following should be taken into account: • The administration and management has to be carried out with respect to the holding in the nonresident company (and not with regard to its activity). Therefore, the material and human resources are required not to manage the foreign subsidiary, but to exercise the political and economic rights derived from holding shares in foreign entities. • With reference to material resources, the Spanish General Directorate of Taxes has stated that having business premises exclusively dedicated to the business activity is not necessarily required, although it has also indicated that a rented office, shared with other companies, meets the requirement of having sufficient material resources. • With regard to human resources, the management of the holding in nonresident companies can be carried out by the ETVE's board of directors, which means that there

	SHORT ANSWER	NOTES
		is no need to have employees specifically dedicated to this activity. Nevertheless, the mere existence of a board of directors does not automatically mean that this requirement has been met. The board of directors must be effectively involved in the administration and management of the holding in the nonresident companies (e.g., determining the dividends distribution policy of the nonresident subsidiaries, reviewing financial statements). In this respect, the Spanish General Directorate of Taxes has stated that at least one member of the board should be expressly in charge of the management and supervision of the participations in the nonresident companies. • The administration and management of the holding in the nonresident companies cannot be carried out by external means or an external company. In this case, the entity will be considered not to have the necessary material and human resources.
Switzerland	None	There are no specific minimum substance requirements. However, along with anti-abuse rules provided for in most Swiss DTTs, Switzerland has also implemented unilateral anti-treaty shopping rules referring to substance requirements. The Swiss tax authorities may deny treaty benefits (i.e., full or partial reduction or refund of Swiss WHT) if the foreign shareholder does not have sufficient economic substance at its foreign domicile (under the current tax practice, an active operating business or minimum equity financing of the foreign corporate shareholder is required).
UK	None	There are no minimum substance requirements in the UK. However, CFC rules may be applicable (see above in 1.6).

1.11 Possibility of obtaining tax rulings

	SHORT ANSWER	NOTES
Austria	Yes	Binding tax rulings can be obtained in Austria on issues relating to group taxation, international tax law, assessment of tax abuse, VAT law and reorganizational measures, provided the ruling is applied for and granted prior to the underlying facts being materialized. Fees of between EUR 1,500 and EUR 20,000 will be triggered, depending on the revenue and other balance sheet figures of the applicant. If feasible, the tax authorities are obliged to supply tax rulings within two months.
Belgium	Yes	Taxpayers can obtain upfront legal certainty on how Belgian tax law will apply to a particular situation or transaction. For example, in the case of a holding company, a ruling can be applied with respect to the application of the DRD in any given case (if there is any doubt regarding its application), with respect to the tax characterization of a foreign subsidiary (as tax transparent or opaque) or with respect to the possible application of the GAAR. However, because of the so-called "advanced character" requirement, the relevant situation or transaction may not have already produced any effects from a tax perspective in Belgium, in order to be able to obtain a ruling. The ruling binds the Belgian tax authorities for a period of five years, unless the specific subject matter warrants a different period of validity. In principle, it is possible to obtain a ruling on all matters except those that are specifically excluded (e.g., when the application relates to operations that have no economic substance in Belgium, or to transactions with tax havens, or to tax laws concerning collection or prosecution).
Dubai	No	Not applicable
Hong Kong	Yes	There is a mechanism for making an ATR application (although a ruling would not normally be necessary in the context of a Hong Kong holding company).
Luxembourg	Yes	Upfront confirmation of the tax treatment applicable to a specific transaction could be obtained from the Luxembourg tax authorities by filing an ATR. This ATR has to provide all the facts and background of the transaction in an accurate and complete manner. APAs may be filed with the Luxembourg tax authorities and may assist multinational groups in resolving complex transfer pricing issues. A taxpayer may make an application for clarification by

	SHORT ANSWER	NOTES
		agreement with regard to the effect of the statutory transfer pricing provisions on the taxpayer's transactions. The procedure to obtain ATRs and APAs has been modernized and explicitly formalized into Luxembourg domestic law as of 1 January 2015, following the current global trend toward increased transparency. The request must be introduced in writing to the tax inspector of the tax office in charge. It must be duly motivated and must contain at least the following details: (i) Precise identification of the applicant. (ii) Detailed description of the operation(s) that is (are) seriously and effectively under consideration and that has (have) not yet produced effects. (iii) Detailed analysis of the tax issues arising from this operation with motivated tax position from the applicant. (iv) The applicant's confirmation that the facts and analysis given are complete and true. An ATR or APA is binding for a period of five years, unless the description of the situation/operations for which the ATR/APA was introduced is incomplete, inexact, has changed or is no longer in line with domestic, European or international laws. Corporate taxpayers who wish to obtain an ATR or APA have to pay an administrative fee ranging between EUR 3,000 and EUR 10,000 per request, depending on the complexity of the request and the workload of the tax authorities.
The Netherlands	Yes	Certainty in advance is one of the key strengths of the Dutch tax system. The Dutch tax authorities are willing to provide their written opinion on technical tax matters in the form of an ATR to taxpayers where there is doubt in respect of the treatment (e.g., application of the PER). It is also possible to conclude APAs with the Dutch tax authorities. From 1 July 2019, the requirements to apply for tax rulings with an international character have become stricter. In order to obtain a ruling under the new regime conditions a taxpayer must meet the following requirements: (i) An economic nexus with the Netherlands; (ii) Tax avoidance is not the main motive; and (iii) The transaction is not with an entity based in a low taxed jurisdiction. Please note that under the new ruling policy, an anonimized summary of the tax ruling is published by the DTA.

	SHORT ANSWER	NOTES
Singapore	Yes	It is possible to obtain advance rulings from the Comptroller of Income Tax.
Spain	Yes	It is possible to obtain replies to written queries made by taxpayers to the Spanish tax authorities. The taxpayer must state in their application the background information and the specific circumstances of their case. The tax authorities must reply within six months from the date the query is submitted. There are no fees or charges for submitting queries. The effects of the replies to the written questions are, as a rule, binding, and *erga omnes* with regard to the tax authorities (i.e., the tax authorities are bound by their reply). Rulings are generally published and may not be appealed. In addition, there are certain areas on which it is possible to obtain a tax agreement with the Spanish tax authorities, such as advance pricing arrangements for transfer pricing purposes or amortization plans.
Switzerland	Yes	ATRs can be obtained in Switzerland on any (technical) tax issue that may arise.
UK	Yes but limited	There are a limited number of statutory clearances in UK law. Taxpayers can request non-statutory business clearance on all aspects of business tax where there is uncertainty about HMRC's interpretation of tax legislation, subject to supplying full details of the transaction/arrangement in question.

1.12 Exchange of information on tax rulings

	SHORT ANSWER	NOTES
Austria	Yes	The EU Directive on Administrative Cooperation has been implemented in domestic law through the European Administrative Assistance Act (AAA). Based on the AAA, the Austrian authorities will exchange information, especially on rulings on transfer pricing. The AAA follows the EU Directive on Administrative Cooperation and generally applies the automatic exchange of rulings to rulings on transfer pricing issued after 31 December 2016. Rulings on transfer pricing issued on or after 1 January 2012 but before 31 December 2013 will only be exchanged if they were still valid on 1 January 2014. Rulings on transfer pricing issued between 1 January 2014 and 31 December 2016 will be exchanged irrespective of whether they are still valid. An information exchange with third countries will only occur provided the underlying DTT allows the exchange of information.
Belgium	Yes	Belgium complies with the requirements regarding the exchange of cross-border tax rulings as laid down in the EU Mutual Assistance Directive and BEPS Action 5.
Dubai	Yes	The UAE entered into the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The convention allows for the exchange of information and the implementation of the transparency measures of the OECD BEPS project, such as the automatic exchange of CbC reports. In 2019, the UAE introduced regulations on CbCr.
Hong Kong	Yes	In 2018, Hong Kong entered into the OECD's Convention on Mutual Administrative Assistance on Tax Matters, which, amongst other things, implements the spontaneous exchange of information on tax rulings under the BEPS package in Hong Kong. This came into effect on 13 July 2018.
Luxembourg	Yes	The law of 23 July 2016 transposed into Luxembourg domestic law the DAC 3 Directive (amending EU Directive on Administrative Cooperation) regulates the automatic exchange of information on ATRs and APAs in compliance with OECD requirements.
The Netherlands	Yes	The Netherlands has implemented the DAC 3 Directive relating to the mandatory automatic exchange of information on tax rulings. Exchange of information on tax rulings under OECD requirements will take place under existing legislation and bilateral and multilateral agreements.
Singapore	Yes	Under the BEPS inclusive framework and as a BEPS Associate, Singapore has committed to the four BEPS minimum standards, including Action 5 on countering harmful tax practices.

		SHORT ANSWER	NOTES
			Singapore has ratified the Convention on Mutual Administrative Assistance in Tax Matters (as amended under the 2010 Protocol) to enable the spontaneous exchange of information where certain conditions are met. The tax authority has indicated that it will spontaneously exchange information on, among others, incentive rulings, permanent establishment rulings and cross-border unilateral APAs.
	Spain	Yes	In Spain, there is domestic legislation in place that provides for the exchange of information on tax rulings.
	Switzerland	Yes	Spontaneous automatic exchange of information is limited to the jurisdictions that have signed the multilateral framework agreement. In general, Switzerland only exchanges information on tax rulings (i) issued from 1 January 2010 to 31 December 2016, which were still applicable on 1 January 2018 and (ii) issued from 1 January 2017. The rulings have to be submitted to a division of the Swiss Federal Tax Administration, which will analyze and forward the information (but not the ruling itself) to the relevant recipient state within three months.
	UK	Yes	HMRC guidance is in place for the exchange of information on tax rulings. While the UK may exchange rulings on a spontaneous basis, it also applies the recommendations from Action 5 of the BEPS project to automatically exchange rulings and APAs. In addition, the UK has implemented the DAC 3 Directive relating to the mandatory automatic exchange of information on tax rulings.

2 Taxation at the shareholder level

2.1 Withholding tax on dividend payments to resident shareholders

	SHORT ANSWER	NOTES
Austria	25%, but exempt or qualifies as an advance levy under certain conditions.	The statutory WHT rate on dividend distributions in Austria is 25%. Dividends paid by an Austrian tax resident company to an Austrian AG or GmbH are exempt from WHT. If the Austrian shareholder holds less than 10% of the shares, 25% WHT will be levied, which will be credited to the corporate tax liability of the shareholder.
Belgium	30% (generally creditable and reimbursable) or exempt.	The statutory WHT rate on dividend distributions in Belgium is 30%. Belgium provides for a WHT exemption for dividends paid by Belgian companies to Belgian parent companies under certain conditions. The exemption requires that the parent company holds, at the moment the dividend is declared, at least 10% of the share capital of the Belgian subsidiary and that it has held or will hold that minimum participation for an uninterrupted period of at least one year. The exemption can be refused to companies distributing income related to legal acts aimed at avoiding (withholding) taxes (i.e., implementation of the general anti-avoidance rule of the PSD).
Dubai	None	Dubai does not impose a WHT on dividend distributions to resident shareholders.
Hong Kong	None	Hong Kong does not impose a WHT on dividend distributions.
Luxembourg	15% or exempt under certain conditions.	The statutory WHT rate on dividend distributions in Luxembourg is 15%. However, the dividends paid by a Luxembourg company to its resident shareholder(s) are exempt from WHT provided that: (i) The distributing company is: (a) A Luxembourg resident and fully taxable "entity" incorporated under one of the (legal) forms listed in the appendix to paragraph (10) of article 166 Luxembourg income tax law. (b) A Luxembourg resident fully taxable "share capital company" not listed in the appendix of paragraph (10) of article 166 of Luxembourg income tax law. (ii) The beneficiary of the dividend is: (a) Another collective entity covered by article 2 of the PSD.

	SHORT ANSWER	NOTES
		(b) A Luxembourg resident and fully taxable "share capital company" not listed in the appendix of paragraph (10) of article 166 of Luxembourg income tax law. (iii) At the date the dividends are placed at the disposal of the beneficiary, the latter holds or commits to hold said shareholding for an uninterrupted period of at least 12 months and, throughout that whole period, the shareholding represents at least 10% of the share capital of the subsidiary or its acquisition price amounts to at least EUR 1.2 million.
The Netherlands	15% or exempt under certain conditions.	The Dutch statutory dividend WHT rate is 15%, which can be reduced or exempt under certain conditions. The Dutch dividend WHT is in principle an advance levy of Dutch CIT. Dividends paid to Dutch resident shareholders are not subject to WHT if one of the following conditions is met: (i) The Dutch PER applies and the qualifying participation can be allocated to the Dutch business enterprise of the taxpayer. (ii) The beneficiary of the dividend income is part of the same Dutch fiscal unity as the paying entity
Singapore	None	Singapore does not impose any WHT on dividend payments.
Spain	19% or exempt under certain conditions.	The statutory WHT rate on dividend distributions is 19%. No dividend WHT is levied if: (i) The recipient benefits from the PER (i.e., shareholders owning direct or indirect participation of at least 5% in the capital of the resident subsidiary (or its purchase value exceeds EUR 20 million) for an uninterrupted period of at least one year may qualify for an exemption of the gross dividend received). (ii) Both the recipient and distributing company file a consolidated tax return.
Switzerland	35%, which can be fully or partially reduced (notification or refund procedure), subject to certain conditions.	The Swiss statutory WHT rate on dividend distributions to shareholders in Switzerland amounts to 35%. However, dividends paid out of reserves from capital contributions are exempt from WHT. Such reserves from capital contributions need to be disclosed separately in the financial statements of the dividend-paying Swiss company and any changes thereto need to be declared to the Swiss Federal Tax Administration. Swiss resident corporate shareholders may claim a full WHT refund, provided that both conditions are met: (i) they are the beneficial owner of the respective dividend income; (ii) they have properly accounted for it in their financial statements.

		SHORT ANSWER	NOTES
			If the resident shareholder is a company holding a minimum participation of 20% or more, the withholding obligations may be fulfilled, under certain circumstances, by following a notification procedure instead of the usual withholding and refund procedure. The notification procedure or the respective forms have to be applied or filed, respectively, within 30 days after the due date of the dividend.
	UK	None	The UK does not generally impose a WHT on dividend distributions (although there are some exceptions for certain distributions made by particular types of property investment funds).

2.2 Nonresident corporate shareholder level

2.2.1 Withholding tax on dividend payments to nonresident shareholders

	SHORT ANSWER	NOTES
Austria	25%, which can be reduced or exempt under certain conditions.	The statutory WHT rate on dividend distributions in Austria is 25%. Under Austrian domestic law, no WHT applies to dividends distributed to EU companies, provided that: (i) The parent company has a form listed in the PSD. (ii) The parent company owns at least 10% of the equity in the subsidiary. (iii) The shareholding has been held directly for one continuous year. DTTs may also limit the WHT levied. To get a direct relief at source, the parent company has to confirm in writing that it has its own employees, pursue a business activity that exceeds mere asset administration and has its own office space. In addition, it must furnish the Austrian subsidiary with a residence certificate. If the parent company is unable to do so, WHT will apply and the shareholder may request a refund of the tax withheld.
Belgium	30% or exempt if P/S exemption of WHT is reduced by treaty.	The statutory WHT rate on dividend distributions in Belgium is 30%. Belgium exempts from WHT dividends paid by a Belgian company to parent companies that are established in the EU, and dividends paid to parent companies established in any third state with which Belgium has a DTT with an appropriate exchange of information clause (most DTTs concluded by Belgium qualify). The exemption requires that the parent company holds, at the moment the dividend is declared, at least 10% of the share capital of the Belgian subsidiary and that it has held or will hold the ownership over this minimum participation for an uninterrupted period of at least one year. Moreover, for dividends paid to companies established in the EU or in third states to qualify for the exemption, certain formalities must be met and both the parent company and the Belgian subsidiary must: (i) Have a qualifying legal form; (ii) Be considered tax residents of the country in which they are established not only according to the domestic law of, but also according to the DTT concluded by, that country; and (iii) Be subject to CIT or an equivalent tax without benefiting from a derogatory tax regime (with specific advantages that are not available to all taxpayers).

	SHORT ANSWER	NOTES
		Under certain conditions, when the participation held by a qualifying parent company is less than 10% but has an acquisition value of at least EUR 2.5 million, the exemption will also apply. Belgium has a specific domestic exemption for dividends paid to foreign pension funds.
Dubai	None	Dubai does not impose a WHT on the distribution of dividends to nonresident shareholders.
Hong Kong	None	Hong Kong does not impose a WHT on dividend distributions.
Luxembourg	15% or exempt under certain conditions.	The statutory WHT rate for the distribution of dividends to nonresident investors is 15%. Subject to the provisions of an applicable DTT, the WHT rate may be reduced. Nonetheless, there is a broad exemption system for the distribution of dividends in place in Luxembourg. With respect to nonresident shareholders, the exemption applies if: (i) The distributing company is: (a) A Luxembourg resident and fully taxable "entity" incorporated under one of the (legal) forms listed in the appendix to paragraph (10) of article 166 Luxembourg income tax law. (b) A Luxembourg resident fully taxable "share capital company" not listed in the appendix of paragraph (10) of article 166 Luxembourg income tax law. (ii) The beneficiary of the dividend is: (a) Another collective entity covered by article 2 of the PSD. (b) A Luxembourg permanent establishment of a collective entity referred to above. (c) A collective entity (or its Luxembourg permanent establishment) that is a resident of a country with which Luxembourg has concluded a DTT and is fully subject to a tax corresponding to Luxembourg CIT. (d) A Swiss resident "share capital company" that is effectively subject to a CIT in Switzerland without benefiting from an exemption. (e) A corporation or cooperative company that is resident in an EEA country other than an EU Member State and that is liable to a tax corresponding to the Luxembourg CIT. (f) A permanent establishment of a corporation or cooperative company that is a resident of an EEA country other than EU Member State. (iii) At the date the dividends are placed at the disposal of the beneficiary, the latter holds or commits to hold said shareholding for an uninterrupted period of at least 12 months and,

	SHORT ANSWER	NOTES
		throughout that whole period, the shareholding represents at least 10% of the share capital of the subsidiary or its acquisition price amounts to at least EUR 1.2 million. As of 1 January 2016, specific anti-abuse rules apply under which dividends distributed by a Luxembourg resident company to a resident of another EU Member State covered by article 2 of the PSD do not benefit from the aforementioned WHT exemption if the said dividends: (i) Are tax deductible in Luxembourg. (ii) Are allocated as part of an arrangement or series of arrangements that (having been put in place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the PSD) are not genuine with regard to all relevant facts and circumstances. An arrangement or a series of arrangements, which may comprise several steps or parts, is considered as "not genuine" if it is not put into place for valid commercial reasons that reflect the economic reality. The law of 21 December 2018 implementing the EU ATAD I Directive extends the scope of the GAAR as well as the scope of the anti-hybrid provisions (not limited to dividends) as of 1 January 2019. The EU ATAD II Directive was implemented in December 2019 and is effective for financial years starting on or after 1 January 2020, and it extends the scope of the anti-hybrids provisions to non-EU countries.
The Netherlands	15% or exempt under certain conditions.	The statutory WHT rate on dividend distributions in the Netherlands is 15%, which can be reduced or exempt under certain conditions. Dividends are not subject to dividend WHT if the following conditions are met: (i) The Dutch PER would apply to the participation if the parent company were a resident of the Netherlands. (ii) The parent company resides in an EU or EEA country, or in a jurisdiction that concluded a DTT with the Netherlands, which also includes a provision for dividends. (iii) The beneficiary of the dividend satisfies the "subjective test" and "objective test," which generally means that there is no abusive or artificial situation in place. It should be noted that there are some other exceptions to the conditions above and that double tax treaties may limit or exempt the Dutch dividend WHT levied.
Singapore	None	Singapore does not impose any WHT on dividend payments.
Spain	19%, which can be reduced or exempt under certain conditions.	The statutory WHT rate on dividends in Spain is 19%. The tax rate can be reduced when a dividend distribution is made to a shareholder resident in a country with which Spain has signed a DTT. Under the Spanish domestic law implementing the

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

		SHORT ANSWER	NOTES
	Switzerland	35%, which can be fully or partially reduced (notification or refund procedure), subject to certain conditions.	The Swiss statutory WHT rate on dividend distributions to foreign shareholders amounts to 35%. However, dividends paid out of reserves from capital contributions are exempt from WHT. Such reserves from capital contributions need to be disclosed separately in the financial statements of the dividend-paying Swiss company and any changes thereto need to be declared to the Swiss Federal Tax Administration. According to DTT provisions, WHT can be fully or partially reduced for a foreign shareholder if the shareholder holds a minimum percentage (as defined in the respective DTT) in the distributing entity. Further conditions may apply under the specific DTT (e.g., fulfilment of a holding period). A full WHT relief is also possible if the dividends are paid to a company located in an EU state, based on the amending protocol to the agreement between the EU and the Swiss Confederation providing for measures equivalent to those laid down in the EU Savings Directive of 3 June 2003 ("AEOI-Agreement" article 9 No. 1). If such reduction or relief applies, the withholding obligations may be (partially) fulfilled, under certain circumstances, by following a notification procedure instead of the usual withholding and refund procedure. The notification procedure needs to be requested prior to the dividend distribution and a respective notification form has to be filed within 30 days after the due date of the dividend distribution.
	UK	None	The UK does not generally impose a WHT on dividend distributions (although there are some exceptions for certain distributions made by particular types of property investment funds).

2.2.2 Taxation of the nonresident shareholder by the disposal of shares in the company

	SHORT ANSWER	NOTES
Austria	25%, unless DTTs apply.	As a general rule, Austria imposes tax on the disposal of a shareholding participation in an Austrian company by a foreign shareholder, provided that the nonresident shareholder owns, or owned at any time during the preceding five years, a substantial shareholding (1% of the share capital of the Austrian company). In this case, a tax rate of 25% applies and the seller has to file a tax return. DTTs may provide for the capital gain to be taxable in the country of the seller only. The DTTs concluded with Brazil and France do not provide for relief from Austrian capital gains tax.
Belgium	Generally exempt	Capital gains realized by foreign corporate shareholders upon disposal of shares in a Belgian company are generally not taxable in Belgium.
Dubai	None	Dubai does not impose a tax on nonresident shareholders for the disposal of shares in a Dubai company.
Hong Kong	None	Hong Kong does not impose a tax on the disposal of shares by a nonresident shareholder.
Luxembourg	None	As a general rule, Luxembourg does not levy tax on the disposal of a shareholding participation in a Luxembourg company by a foreign shareholder, unless: (i) The capital gains are derived from the sale of a substantial participation in a Luxembourg company within a six-month period from acquisition of the participation. (ii) No DTT gives the exclusive right to the country of the foreign seller to tax such capital gains. A participation is deemed substantial where a nonresident corporate shareholder holds or held, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of a Luxembourg company.
The Netherlands	Exempt, unless anti-abuse legislation applies.	Capital gains derived by nonresident shareholders from the disposal of shares in a Dutch tax resident company are in principle exempt from Dutch taxation. The Netherlands does levy tax at the ordinary Dutch CIT rate when the following conditions are met: (i) The nonresident shareholder has an interest of at least 5% in the equity of the Dutch subsidiary.

	SHORT ANSWER	NOTES
		(ii) The participation is held with the main purpose or one of the main purposes to prevent taxation of income at another person or entity. (iii) The arrangement or series of arrangements are artificial in the sense that they are not based on business reasons that reflect economic reality. Tax treaties may also limit the Dutch tax levied on the disposal of shares, if any.
Singapore	Not subject to tax if gains are capital in nature. Otherwise, CIT of 17% or 100% exempt under certain conditions. Stamp duty of 0.2% and additional conveyance duty may be applicable.	Capital gains are not taxable in Singapore. However, gains from the disposal of shares may be subject to CIT at the ordinary rate if they are: (i) income in nature (i.e., arising from any trade or business carried on by the seller); and (ii) Singapore-sourced (whether or not received in Singapore), or foreign-sourced and received in Singapore. It is a question of fact whether the gains are capital or income in nature. Income from the disposal of shares is tax-exempt if the safe harbor exemption applies. The key conditions of the safe harbor exemption are set out in "Taxation of capital gains from the disposal of shares in domestic and foreign subsidiaries" above. Stamp duty at the rate of 0.2% may be applicable on the consideration or market value (whichever is higher) on the transfer of shares in a Singapore company or a foreign company with a share register in Singapore. Additional conveyance duty may be applicable where the target company holds, directly or indirectly, any interest in Singapore residential property.
Spain	Taxable, however there are certain exceptions.	Capital gains obtained by nonresident shareholders are generally taxable at a rate of 19%. However, capital gains derived from the disposal of shares by EU residents are generally exempt from tax (except tax havens). This exemption does not apply when: (i) The transfer is of shares or participation in corporations or other entities whose assets mainly consist, directly or indirectly, of real property located in Spain; or (ii) The requirements for the Spanish PER are not met. Capital gains (including liquidation surplus) realized by nonresident entities (other than tax haven-based entities) on the sale of their participations in ETVEs, provided the capital gain corresponds to undistributed exempted reserves stemming from foreign-owned companies or to latent gains of underlying eligible foreign-owned companies, will not be deemed to have been obtained in Spain and, thus, will not be taxable.
Switzerland	Generally exempt, however there are exceptions.	In principle, there will be no Swiss tax consequences unless the sale of the participation in the holding company results in an indirect sale of the participation in a real estate company (in certain cantons). A real estate company is a company that exclusively or principally acquires, manages, exploits or sells real estate property. In such a case, the capital gain may be subject to

		SHORT ANSWER	NOTES
			a real estate capital gain tax (depending on the canton in which the company holds the real estate).
	UK	Generally exempt, with exceptions applying for shares held in the context of a trade and shares in property-rich entities.	The UK does not impose tax on gains realized by a nonresident company on the disposal of shares in a UK company, unless (i) The nonresident holds those shares for the purposes of carrying on trade in the UK through a UK permanent establishment; or (ii) The nonresident disposes of shares in a "property-rich" entity, i.e., an entity that derives 75% or more of its value from UK land. In the latter case, the gain accruing on such property from 6 April 2019 is subject to tax. The nonresident must own 25% or more in the entity in order to fall within the rules. An exception applies, subject to certain conditions, for interests held in property for trading purposes.

2.3 Withholding tax on outgoing interest and royalty payments

2.3.1 Withholding tax on royalty payments

	SHORT ANSWER	NOTES
Austria	20%, unless the IRD applies.	The standard WHT rate in Austria on royalties is 20%. The WHT may be reduced to 0% based on applicable double taxation treaties, or based on the IRD. No WHT is due if the recipient is subject to the provisions of the IRD as implemented into domestic law (Federal Gazette 124/2003, 99a EStG).
Belgium	30% (on maximum 85% of the amount of royalties paid), which can be reduced or exempt under certain conditions.	The net amount of royalties paid is subject to WHT at the standard rate of 30%, except if reduced by a DTT or pursuant to a domestic exemption or reduction. An exemption applies (based on the IRD) if the following conditions are met: (i) The receiving company qualifies as a "company of a Member State." (ii) Both the receiving and the Belgian paying company qualify as "associated companies." In this context, please note that Belgium has implemented the IRD in a more extensive manner, since the exemption applies not only to royalties paid to associated companies with a qualifying direct participation link with the Belgian payer, but also to royalties paid to associated companies with an indirect participation link (see below). The **receiving company** will qualify as a "company of a Member State" if: (i) It has a qualifying legal form. (ii) It is a tax resident of the relevant Member State. (iii) It is subject to CIT without being exempt. **Both companies** will qualify as "associated companies" if: (i) The receiving company directly or indirectly participates for at least 25% in the capital of the Belgian paying company during an uninterrupted period of at least one year; or vice-versa, the Belgian paying company directly or indirectly participates for at least 25% in the capital of the receiving company during an uninterrupted period of at least one year (such condition can also be fulfilled afterwards). (ii) A third EU company has such a direct or indirect participation in both the paying and the receiving company during an interrupted period of at least one year. The exemption is subject to certain formalities.

	SHORT ANSWER	NOTES
Dubai	None	Dubai does not levy a WHT on royalty payments.
Hong Kong	2.475% and 4.95%; or 8.25% and 16.5%	The standard WHT rate on royalties in Hong Kong is 4.95%. If the two-tiered system applies then the first HKD 2 million is taxed at a lower rate of 2.475%. A royalty payment of 16.5% will apply to royalty payments associated with a related licensor for the use of intangibles previously owned by a person carrying on business in Hong Kong. If the two-tiered system applies then the first HKD 2 million is taxed at a lower rate of 8.25%.
Luxembourg	None	Luxembourg does not levy a WHT on royalty payments.
The Netherlands	None	The Netherlands does not levy a WHT on royalty payments. Please note that as of 1 January 2021, the Netherlands will levy a WHT on royalty payments from a taxpayer to a related party in case: (i) The related party is on the list of low taxed jurisdictions; or (ii) The royalty payment is part of an artificial structure. The WHT tax rate is equal to the CIT rate.
Singapore	10%, which may be reduced under a DTT.	The WHT rate on royalty payments is 10%. The rate may be reduced under the provisions of an applicable DTT.
Spain	Taxable, but reductions or exemptions apply under certain conditions.	The standard WHT rate in Spain on royalties paid to resident companies is 19%. Royalties paid to nonresident companies are subject to a 24% WHT rate (19% when paid to residents of an EU or EEA country with which an effective exchange of information treaty exists). The WHT rate can be reduced under tax treaties or exempt when the Spanish domestic law implementing the provisions of the IRD is applicable.
Switzerland	None	Switzerland does not impose a WHT on royalty payments.
UK	20% or exempt under certain conditions.	The standard WHT rate in the UK on royalties is 20%. No WHT is due if the recipient is subject to the provisions of the IRD. This is likely to change after Brexit. DTTs may reduce the WHT rate or provide for an exemption, when available.

2.3.2 Withholding tax on interest payments

	SHORT ANSWER	NOTES
Austria	27.5% if paid to an individual, none if paid to a corporation.	There is no WHT on interest in Austria, provided the lender is a corporation. Interest on loans paid to individuals might trigger WHT at a rate of 27.5%.
Belgium	30%, which can often be reduced or exempt under certain conditions.	The statutory WHT rate on interest payments by a Belgian company is 30%. However, there are quite a number of domestic interest WHT exemptions on which a Belgian holding company can rely, in addition to possible reductions or exemptions under tax treaties concluded by Belgium. The Belgian WHT on interest payments can be exempt if the following conditions are met: (i) The receiving company qualifies as a "company of a Member State." (ii) Both the receiving and the Belgian paying company qualify as "associated companies." In this context, please note that Belgium has implemented the IRD in a more extensive manner, since the exemption applies not only to royalties paid to associated companies with a qualifying direct participation link with the Belgian payer, but also to royalties paid to associated companies with an indirect participation link (see below). The **receiving company** will qualify as a "company of a Member State" if: (i) It has a qualifying legal form. (ii) It is a tax resident of the relevant Member State. (iii) It is subject to CIT without being exempt. **Both companies** will qualify as "associated companies" if: (i) The receiving company directly or indirectly participates at least 25% in the capital of the Belgian paying company during an uninterrupted period of at least one year (condition can also be fulfilled afterwards); or vice-versa, the Belgian paying company directly or indirectly participates at least 25% in the capital of the receiving company during an uninterrupted period of at least one year. (ii) A third EU company has such a direct or indirect participation in both the paying and the receiving company during an uninterrupted period of at least one year. The exemption is subject to certain formalities. Finally, there are quite a number of other domestic WHT exemptions that can be relied upon by a Belgian holding, including but not limited to: (i) interest paid to credit institutions established in the EEA or in a tax treaty country; (ii) interest on certain receivables and registered bonds paid by "intragroup banks" and qualifying (listed) holding companies to nonresident investors; and

	SHORT ANSWER	NOTES
		(iii) interest paid to nonresident investors (with certain exceptions) on certain bonds issued in Belgium and registered with the issuer; and interest paid on certain securities cleared through the X/N clearing system (managed by the National Bank of Belgium).
Dubai	None	Dubai does not levy a WHT on interest payments.
Hong Kong	None	Hong Kong does not levy a WHT on interest payments.
Luxembourg	None	Luxembourg does not levy a WHT on interest payments (except under the Luxembourg provisions applicable to interest payments made to individuals who are resident in Luxembourg).
The Netherlands	None	The Netherlands does not levy a WHT on interest payments. Please note that as of 1 January 2021, the Netherlands will levy a WHT on interest payments from a taxpayer to a related party in case: (i) The related party is on the list of low taxed jurisdictions; or (ii) The interest payment is part of an artificial structure. The WHT tax rate is equal to the CIT rate.
Singapore	15%, which may be reduced under a DTT.	The WHT rate on interest payments is 15%. The rate may be reduced under the provisions of an applicable DTT.
Spain	Taxable, but reduction or exemption under certain conditions.	The statutory WHT rate on interest in Spain is 19% when interest is paid to resident and nonresident companies, which could be reduced under tax treaties. Moreover, interest received by EU tax residents without a permanent establishment in Spain and not resident in a tax haven is exempted from Spanish Nonresident Income Tax (NRIT) and therefore not subject to WHT.
Switzerland	None, however there are exceptions.	There is generally no WHT on interest paid by companies (except for banks) or individuals, to Swiss or foreign parties, except in the following limited cases: (i) The loan on which interest is paid qualifies as a bond or as a collective financing scheme. (ii) The loan on which interest is paid is secured by Swiss real estate.

	SHORT ANSWER	NOTES
		Relief from interest WHT may be available under a DTT between Switzerland and the jurisdiction in which the lender is located. Relief from interest WHT may also be available under the AEOI-Agreement between Switzerland and the EU (comparable to the EU Savings Directive; article 9 No. 2 of the AEOI-Agreement).
UK	20%, 0% or exempt under certain conditions.	The statutory WHT rate on interest in the UK is 20%. The WHT rate is 0% for bank deposits and Eurobonds. No WHT is due if the recipient is subject to the provisions of the IRD. This is likely to change after Brexit. DTTs may reduce the WHT rate or provide for an exemption, when available.

2.4 Nonresident individual shareholder level

2.4.1 Withholding tax on dividend payments to nonresident individual shareholders

	SHORT ANSWER	NOTES
Austria	27.5% unless DTTs apply.	The standard WHT rate on dividends in Austria is 27.5%. DTTs may reduce this tax rate. To get a direct relief at source, the individual shareholder has to furnish the Austrian company with a residence certificate. If the shareholder is unable to do so, WHT will apply and the shareholder may request a refund of the tax withheld. Certain simplifications exist if the amount distributed does not exceed EUR 10,000 per calendar year.
Belgium	30%, which can be reduced under tax treaties.	Dividends derived by nonresident individual shareholders are generally subject to a WHT of 30%, except if a lower domestic rate applies. Tax treaties may also limit the WHT levied.
Dubai	None	Dubai does not impose a WHT on dividend distributions to nonresident individual shareholders.
Hong Kong	None	Hong Kong does not impose a WHT on dividend distributions.
Luxembourg	15% of which can be reduced under tax treaties.	The statutory WHT rate on dividend distributions in Luxembourg is 15%. Subject to the provisions of an applicable DTT, the WHT rate may be reduced.
The Netherlands	15%, which can be reduced under tax treaties.	The Dutch statutory dividend WHT rate is 15%, which can be reduced under tax treaties.
Singapore	None	Singapore does not impose any WHT on dividend payments.
Spain	19%, which can be reduced under DTTs.	The standard WHT rate on dividends in Spain is 19%.
Switzerland	35%, which can be reduced by a DTT.	A federal WHT at a rate of 35% is levied on dividends to nonresident individual shareholders.

	SHORT ANSWER	NOTES
		According to DTT provisions, WHT can be reduced for a nonresident individual shareholder subject to the conditions defined in the respective DTT.
UK	None	The UK does not generally impose a WHT on dividend distributions (although there are some exceptions for certain distributions made by particular types of property investment funds).

2.4.2 Taxation of the nonresident individual shareholder in case of disposal of shares in the company

	SHORT ANSWER	NOTES
Austria	27.5% in case of a substantial shareholding.	As a general rule, Austria imposes tax on the disposal of a shareholding participation in an Austrian company by a foreign shareholder, provided that the nonresident shareholder owns, or owned at any time during the preceding five years, a substantial shareholding (1% of the share capital of the Austrian company). In this case, a tax rate of 27.5% applies and the seller has to file a tax return. DTTs may provide for capital gains being taxable in the country of the seller only.
Belgium	Possibly taxable (at specific rates of 16.5% or 33%, or at the normal progressive rates, depending on the circumstances) except if a treaty exemption applies.	Capital gains realized by a foreign individual shareholder on the shares of a Belgian company can be subject to tax in Belgium (when relating to a substantial participation, when the gain is considered outside the scope of the normal management of one's private assets, or when it is related to a professional activity), but an exemption then normally applies when the foreign shareholder can rely on the provisions of a DTT concluded between Belgium and their country of residence that gives the country of residence the right to tax.
Dubai	None	Dubai does not impose a tax on nonresident shareholders on the disposal of shares in a Dubai company.
Hong Kong	None	Hong Kong does not impose a tax on the disposal of shares by a nonresident shareholder.
Luxembourg	None	As a general rule, Luxembourg does not impose tax on the disposal of a shareholding participation in a Luxembourg company by a foreign shareholder, unless: (i) The capital gains are derived from the sale of a substantial participation in a Luxembourg company within a six-month period from the acquisition of the participation. (ii) No DTT gives the exclusive right to the country of the foreign seller to tax such capital gains. A participation is deemed substantial when a nonresident individual shareholder holds or held, either alone or together with their spouse/partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of a Luxembourg company.
The Netherlands	0% if a nonresident individual shareholder holds less than 5% of the shares in a company. If more than 5% of the shares are held, the taxation is	When an individual shareholder holds less than 5% of the shares in a Dutch company, capital gains are exempt from Dutch individual taxation.

		SHORT ANSWER	NOTES
		26.25% in 2020 unless limited by a DTT.	When an individual shareholder holds more than 5% of the shares in a Dutch company, capital gains realized are taxable against a rate of 26.25% in 2020, and 26.9% in 2021, unless limited by a DTT.
	Singapore	No capital gains tax. Stamp duty of 0.2% and additional conveyance duty may be applicable.	Capital gains derived from the disposal of shares in a Singapore company by a nonresident individual are not taxable in Singapore. However, gains from the disposal of shares may be subject to individual income tax at the prevailing rate if they are: (i) income in nature; and (ii) Singapore-sourced (whether or not received in Singapore). It is a question of fact whether the gains are capital or income in nature. Stamp duty at the rate of 0.2% may be applicable on the consideration or market value (whichever is higher) on the transfer of shares in a Singapore company or a foreign company with a share register in Singapore. Additional conveyance duty may be applicable where the target company holds, directly or indirectly, any interest in Singapore residential property.
	Spain	Taxable, however there are exceptions.	Taxable, however there are exceptions In general, capital gains obtained by nonresidents are taxed at a rate of 19%. However, capital gains derived from the disposal of shares by EU residents are generally exempt from tax (except tax havens). This exemption does not apply when: (i) the transfer is of shares or participation in corporations or other entities, the assets of which mainly consist, directly or indirectly, of real property located in Spain; or (ii) the seller has owned, directly or indirectly, at least 25% of the capital or net worth of the entity at any time during a 12-month period prior to the transfer.
	Switzerland	None, however there are exceptions.	Capital gains realized by a nonresident individual shareholder are not subject to Swiss CIT, unless the sale of the participation in the holding company results in an indirect sale of the participation in a real estate company (in certain cantons). A real estate company is a company that exclusively or principally acquires, manages, exploits or sells real estate property. In such case, the capital gain may be subject to a real estate capital gain tax (depending on the canton in which the company holds the real estate).
	UK	Generally exempt, with exceptions applying for shares held in the context of a trade and shares in property-rich entities.	The UK does not impose tax on gains realized by a nonresident individual on the disposal of shares in a UK company, unless (i) the nonresident holds those shares for the purposes of carrying on trade in the UK through a UK branch or agency, or (ii) the nonresident disposes of shares in a "property-rich" entity, i.e., an entity that derives 75% or more of its value from UK land. In the latter case, the gain accruing on such property from 6 April 2019 is subject to tax.

	SHORT ANSWER	NOTES
		The nonresident must own 25% or more in the entity in order to fall within the rules. An exception applies, subject to certain conditions, for interests held in property for trading purposes.

2.5 Has this jurisdiction signed the MLI?

	SHORT ANSWER	NOTES
Austria	Yes	In comparison to other contracting parties of the multilateral instrument, Austria has endorsed many of the optional provisions. Besides the minimum standard of the MLI, Austria has only voluntarily implemented articles 5, 10 and 13 of the MLI as well as the standards of part IV (Art 18 to 26). However, the implemented articles will only apply to a DTT if the respective contracting jurisdiction has also decided on the implementation of the standard. In respect of article 5 and 13 of the MLI, Austria chose to implement option A. However, Austria chose not to implement the article 13 (4) of the MLI anti-fragmentation-rule. Standards that were not implemented are: article 3, 4, 8, 9, 11, 12, 14, and 15. Individual articles in the following Austria DTTs were affected: Belgium, Bulgaria, Canada, Chile, China, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Greece, Hong Kong (China), Hungary, India, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, Mexico, Netherlands, Pakistan, Poland, Portugal, Rumania, Russia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Switzerland, Turkey.
Belgium	Yes	N/A
Dubai	Yes	The UAE signed the MLI on 27 June 2018. The MLI was ratified in 2019.
Hong Kong	Yes	N/A
Luxembourg	Yes	Luxembourg signed the MLI on 7 June 2017 and released its positions on the different options left available to the contracting states. Luxembourg implemented the MLI through the Law of 7 March 2019.
The Netherlands	Yes	The Netherlands signed the MLI, which entered into force as of 1 July 2019.
Singapore	Yes	Singapore became a signatory to the MLI on 7 June 2017.

	SHORT ANSWER	NOTES
Spain	Yes	Spain signed the MLI on 7 June 2017 and released its positions draft on the same date; however, the MLI is pending to be approved in Spain.
Switzerland	Yes	Unlike other signatories, Switzerland made a general reservation that it may choose to implement the BEPS minimum standards by way of bilateral renegotiations of its tax treaties instead of the mechanisms introduced by the MLI. Switzerland has selected about 12 out of over 90 Swiss tax treaties, which will be amended according to the MLI.
UK	Yes	The UK signed the MLI on 7 June 2017 with ratification effective on 29 June 2018. As a result, the MLI entered into force for the UK on 1 October 2018. The date on which the individual tax treaties, to which the UK is a party, are affected by the MLI depends on when the treaty partner has deposited its instrument of ratification. The earliest the MLI has effect for UK tax treaties is: (i) for WHT, 1 January 2019; (ii) for corporation tax, 1 April 2019; (iii) for income tax and capital gains tax, 6 April 2019.

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