



WORLDWIDE TAX OVERVIEW 2009

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# DFK INTERNATIONAL WORLDWIDE TAX OVERVIEW



A WORLDWIDE ASSOCIATION OF INDEPENDENT ACCOUNTING FIRMS AND BUSINESS ADVISERS

# INTRODUCTION

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The **WORLDWIDE TAX OVERVIEW** gives brief details on the taxation régimes in many nations of the world. The Member Firms of **DFK INTERNATIONAL** can provide additional information concerning taxation legislation in these and other territories upon request.

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Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
<b>Argentina</b>	35%	9% – 35%	10.5% – 21%	Income, VAT, payroll, excise. Tax on assets for companies and individuals	Tax imposed on income from resources and activities within Argentina. Withholding tax of 14% – 35% on interest, rents and royalties	Generally straight-line based on probable useful life	Provinces may levy gross receipts taxes. Branch profits tax on foreign company's permanent establishment is 35%. Lower tax rates are applied to some industrial activities. Dividends are tax free
<b>Australia</b>	30%	15% – 45%	10% Goods and Services Tax	Income, goods and services, payroll, capital gains, fringe benefits, excise, health care	Non-residents are taxed between 29% and 45%. Withholding tax of 10% – 30% on interest and dividends	2 Methods – straight-line and declining balance. Rates vary from 2.5% to 60%	Payroll tax is levied by individual states and territories (8) but all other taxes are levied by Australian government
<b>Austria</b>	25%	38.33% – 50%	10% – 20%	Income, VAT, real estate, payroll, import duties	Income taxes on certain income derived from Austrian sources. Withholding tax on interest (0%) and dividends (25%) and on royalties (20%)	Movable assets: straight-line method dependent on useful life: 5% – 33.3%. Buildings 2% – 3%	Tax incentives for Privatstiftung (foundations). Group taxation incentives
<b>Belgium</b>	24.98% – 35.54% (lower rates) 33.99% (standard)	25% – 50%	6% – 21%	Income, VAT, inheritance and gifts, payroll	Tax on income from Belgian sources. Personal tax allowances under certain conditions. Withholding tax of 10% – 15% – 25% on dividends, interest and royalties	Buildings 3% – 5%. Movable machinery 10% – 20%. Straight-line or (up to) double declining balance	Municipalities and provinces may impose taxes. Advance payments of taxes required

<b>Bolivia</b>	25%	13% on salary & 12.5% on other income	13%	Income, goods and services sales, payroll, commerce exercise, social security, import duties, hydrocarbons production	Local entities, include Bolivian establishment of foreign companies, that pay Bolivian-sources income to foreign beneficiaries must withhold 12.5% of the amounts paid	Straight-line method based on useful life, from 2.5% for Buildings to 25% for Computer equipment	Land and vehicle transfer, real property and vehicle to the Municipalities payments made based on their tax value
<b>Brazil</b>	34%	27.5%	7% – 25%	Income, sales, payroll, sales and service tax, excise tax	Income taxed on Brazilian source income. Withholding taxes of 15% apply to interest and royalties paid to non-residents	Straight-line method of 4% for buildings, 10% for machinery, equipment, furniture and fittings, 10% for tools and 20% for vehicles and computer equipment	Investment incentives available in underdeveloped and developing regions including Amazonian region, Northeast region and Manaus free trade zone
<b>Bulgaria</b>	10%	10% flat rate from January 1, 2008	20% some tourist services - 7%	Income, VAT, payroll, excise, import duties, capital gains, fringe benefits, social security, transfer tax on real estate, tax on possession of real estate, vehicle tax, inheritance and gifts, certain expenses	Tax on certain income from Bulgarian sources, some tax allowances if there is a signed double taxation treaty, withholding tax – 10% on accrued interest, royalties, consultancy, engineering and marketing services, certain capital gains and other. Withholding tax on dividends is 5%	Depreciation calculated using the straight-line method. 4% buildings, 30% moveable machinery, 10% vehicles (except cars). 50% computer equipment. 25% specific tax assets. 15% other assets	Advance payments of some taxes required. Special regimen for tax - recognised amount of interest expenses and regulation of “loss of capitalisation. Dividends to parent companies in EU are tax free in certain conditions. Lots of registration, notary, state and municipal fees.

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<b>Canada</b>	15% – 36%	19% – 53%	5% – 13% Goods and Services Tax	Income, goods and services, sales, payroll, capital, health care, workmen compensation, excise import duties, land transfer, property	Employment income, business income and dispositions of certain capital property within Canada. Withholding tax of 25% on interest, dividends, rents and royalties	Declining balance method (in most cases) on assets available for use and owned at year end; various rates from 4% to 100%	Each province and territory may provide special tax incentives and impose its own income, sales, health care and other taxes
<b>Channel Islands – Jersey</b>	0 – 10 – 20%	10%	3% referred to as GST	Income, and goods and services tax	Jersey-source income is taxed at a rate of 20%. By a general concession, bank interest is exempt	25% on reducing balance for machinery and equipment including motor cars	Companies owned by non-residents suffer tax at 0% unless they are involved in local financial services businesses (10%), or local property owning and development activity (20%), or the provision of utility services (20%) GST is suffered at 3% on local consumption. By concession companies owned by non residents not engaged in local businesses activity will pay a sum of £100 per annum.
<b>Chile</b>	17%	5% – 40%	19%	Income, VAT, payroll, import duties, inheritance, excise, stamp duties, and real estate	Taxed on Chilean source income; withholding tax (35% or 30%) at the time of withdrawal, distribution or remittance of income abroad	Straight-line and accelerated rate methods. Buildings 20-40 years. Heavy machinery 15 years	

<b>China (People's Republic of)</b>	25%	5% – 45%	0% – 13% – 17%	VAT, consumption, business, enterprises income tax, individual income tax, resource, land appreciation, urban real estate, vehicle and vessel usage license, stamp and custom duties	Income tax on all China-source income and all non-China-source income remitted to the PRC. 25% effective tax rate on foreign companies' business in China. Withholding tax of 10% on interest, dividends, rents and royalties	Generally straight-line to arrive at 5– 10% salvage value. Buildings 20 years. Machinery 5 – 10 years. Accelerated rates can be negotiated	A) Income tax of 20% for small scale enterprises with minimal profits which are qualified. B) Income tax of 15% for high and new technology enterprises which require key state support.
<b>Hong Kong (S.A.R.)</b>	16.5%	2% – 17%	–	Income, stamp duties, property, social security, gambling tax and hotel accommodation tax	Only income arising in or derived from Hong Kong taxable	4% for buildings, 60% initial then 10% – 30% for machinery. 100% for prescribed fixed assets.	No interest tax and no capital gains tax. Dividend income and offshore income are not taxable. No VAT
<b>Colombia</b>	33%	0.26% – 35%	General 16%	Income, VAT, remittance tax, municipal tax, real estate tax, stamp tax, motor vehicle tax, tax on financial movements, equity tax and social security tax	Consultancy, technical services and technical assistance (withholding of 10%) interests, commissions, honorarium, royalties, industrial property (withholding of 34%)	Straight-line and accelerated methods. Building 20 years, machinery 10 years and other assets 5-3 years. Other methods based on probable useful life require approval	Municipal tax (0.2% – 1% of income). Tax incentives for foundations. Certain payments to offshore pay tax. Reduced corporate tax rate for companies operating in particular areas

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	CORPORATE	INDIVIDUAL	VAT				
<b>Costa Rica</b>	10% – 30%	10% – 25%	13%	Income, sales, payroll, land transfer, tax on vehicles, property tax, import and stamp duties, social securities	Tax on all income derived in Costa Rica. Withholding tax of 5% – 20% on interest, dividends and royalties	Straight-line basis, sum-of-the-years-digits method. Rates ranging from 2% to 50%	Municipal tax of 1% to 5%
<b>Croatia</b>	20%	15% – 45%	0%,10%, 22%	Income, social security, real estate transfer, VAT, excises, tourist, forestry, inheritance, municipal and county taxes	Taxed on the income obtained in Croatia; 15% withholding on royalties and interest. None on dividends.	Straight-line and accelerated methods. Building and ships 5%, cars 20%, computers 50%, equipment and machinery 25%, other assets 10%. Companies free to follow IAS depreciation methods	Reduced rates of corporate income tax for companies operating in particular areas
<b>Cyprus</b>	10%	Progress rates up to 30%	0% – 15%	Income, capital gains, VAT, import and stamp duties, real property tax, payroll tax, social security, transfer tax	Non-residents are subject to tax only on their income derived in Cyprus	Straight-line method ranging from 3% – 33 $\frac{1}{3}$ %; higher rates can be negotiated	Pensions received from abroad are taxed at 5% on income exceeding EUR 3,417
<b>Czech Republic</b>	21%	15%	19% & 9%	Income, real estate, road tax, VAT, excise duties, custom duties, real estate transfer, social security, inheritance, TV tax, pollution tax, capital gains tax and gift tax	Tax on income from Czech sources. 15% withholding tax on dividend and interest, 25% on royalties	Straight-line and accelerated methods. Buildings 30 – 50 years. Other assets 4 – 20 years	Reduced corporate tax rates for investment companies and pension funds. R & D incentives

<b>Denmark</b>	25%	38% – 59%	25%	Income, VAT, estate, death duties, import duties, payroll, social security	Tax on income from Danish sources. Expatriates earning in excess of DKK 832,179 who work at least 6 months, up to 36 months, are taxed at a flat rate of 25%. Withholding tax of 28% on dividends	25% of the reducing balance for machinery and equipment. 4% for buildings (straight-line)	Special provisions for multinational groups and holding companies. Companies can pay dividend without withholding tax to a foreign company if the ownership exceeds 10%
<b>Ecuador</b>	25%	5% – 25%	12%	Income, VAT, payroll, tax on assets, import duties, social security	Tax imposed on income from activities within Ecuador; 25% withholding tax at the time of withdrawal, distribution or remittance of income abroad	Generally straight-line based on probable useful life from 5% to 33%	Municipalities may impose taxes. Advance payments of taxes required
<b>El Salvador</b>	25%	10% – 30% limit 25%	13%	Income, VAT, payroll, fees, withholding tax, import duties, social security. Property transfer tax. 10% over net profit in the sale of other fixed assets. Sale in the same period subject to 25%. Tax on vehicles	20% withholding tax on all income except for dividends and services. In case, the company or Corporation had paid income tax. Exception: Industrial Free Zones and Commerce, and International Freight	Straight-line method. Other methods require specific approval. Depreciation at flat rates of 5%-50%. Computer programs at 25%.	Municipal tax levied over the net assets of companies, the rates vary in each municipality. Net capital gains: 10% over net profit in the sale of real estate owned for less than 6 years. The sales of fixed assets % tax free (VAT) after 2 years

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	CORPORATE	INDIVIDUAL	VAT				
<b>Fiji</b>	29%	25% – 31%	12.5%	VAT, hotel turnover tax, gambling turnover tax; stamp duty, land sale tax and fringe benefit tax	31% tax on Fiji-source income of branch of overseas company, 20% – 31% effective tax rates for non-resident individuals	Buildings 2.5% – 15%. Straight-line, other assets with rates ranging from 3% – 60% depending on the life of the asset. New commercial building and residential apartments 20% p.a. if completed by 31 December 2010	100% dividend exemption on distribution that has been fully subject to company tax. 50% profit on export sales exempt, 0% in 2009 and thereafter. Tax holidays available for investment in agriculture, agro-processing, bio-fuel production, ICT industry hotel development, etc.
<b>Finland</b>	26%	6% – 38%	8% – 22%	Income, VAT, payroll, inheritance and gifts, wealth, dividends tax, capital gains	Income from Finnish sources other than interest income. Withholding taxes of 15% on interest, dividends and royalties. 35% tax on earned income of high paid foreign specialists	Declining balance method. Machinery 25%, buildings 4% – 20%. Other long term fixed assets 10% – 25%	Other individual rates: Municipal income tax at 15.5% – 20%. The sales of fixed asset shares tax free. Dividends paid to Finnish limited liability companies are usually tax free
<b>France</b>	15% – 34.4%	5.5% – 40%	2.1% – 19.6%	Income, VAT, estate, payroll, import duties, wealth, inheritance, local tax on business, registration tax, social security and transfer tax	Income tax, wealth tax, branch remittance tax of 25%, withholding tax of 25% on dividends, 16% on interest and 33.3% on royalties. 100% exceptions available.	Numerous methods and rates ranging from 3 years to 50 years	Other individual rates: estate taxes, inhabited house tax

<b>Germany</b>	15%	15% – 45%	19% and 7%	Income, VAT, trade, inheritance, gift, payroll, import duties, real estate transfer tax	Income taxes on German-source income. Withholding tax of 25% on dividends, withholding tax of 20% on royalties and income of sportsmen, artists, writers and journalists	Numerous methods and rates ranging from 1 year to 50 years. Declining-balance method for moveable assets is about to be re-established at rates up to 25%.	Surcharge of 5.5% on income tax amount. Additionally each municipality imposes its own trade tax on trade income. Trade tax ranges from 7% – 17.15% of income and is not deductible; in general an individual as a partner of a partnership receives a trade tax related credit on his personal income tax
<b>Gibraltar</b>	20% – 33% from 1.7.08 27% then 10-12% from 2010	17% – 40%	–	Income, withholding, stamp duties, customs duties and social security	Income from Gibraltar sources taxable at resident rates unless special exemption status is claimed	Declining balance method at 25% for all items except buildings and ships which are depreciated at flat rates of 4% – 10%	Exempt company regime being phased out. No new certificates issued after 30.06.06
<b>Greece</b>	25%	10% – 40%	19%, 9%	Income, VAT, withholding, import duties, capital gains, property, inheritance, stamp duties, vessels tonnage tax, capital acquisition tax, real property tax, social security and payroll	Taxed on income derived in Greece. Withholding tax at 20% on royalties and 25% on interest, subject to bilateral treaty reduced rates	Either declining balance or straight-line method for machinery. Straight-line basis for all other assets. Rates vary from 5% to 20%. Reduced depreciation rates apply in certain cases for up to 3 consecutive years from zero to 50% of normal rate	There are fiscal incentives for regional development investments. Specially licensed entities with non-domestic activities are taxed on notional profit

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	CORPORATE	INDIVIDUAL	VAT				
<b>Hong Kong (S.A.R.) See China (People's Republic of)</b>							
<b>Hungary</b>	20%	18%, 36%	20%,5%	Income, VAT, social security, inheritance, local business, R&D, energy, custom duties, capital gains, excise, property, transfer	Income taxes on Hungarian-source income. Reduced rates subject to double tax treaties. Withholding tax of 25% or 35% on dividends for individuals. No withholding tax for corporations	Rates for machinery and equipment vary from 14.5% to 33%, buildings from 2% to 6%. In some cases GAAP rates can be applied for taxation	Fiscal incentives for development reserves, research and experimental development, regional incentives, tax reductions for certain capital gains
<b>Iceland</b>	15%	35.72%	7% – 24.5%	Income, VAT, estate, payroll, real property tax, social security, stamp duty and inheritance tax	Income taxes on effectively connected income; estate taxes on property located within Iceland. Withholding tax of 10% on dividends, 10% on interest and 18% royalties	Buildings 1% – 6% Straightline method. Machinery and equipment 10% – 30% and office equipment 20% – 35% declining balance method	
<b>India</b>	33.99%	11.33% – 33.99%	0% – 20%	Income, wealth, excise, sales/VAT, import duty, service tax, fringe benefits tax	On the entire income accrued or received within India. Withholding tax of 10% – 30% on interest, rents, royalties and capital gains and 45.32% on other income	Mainly declining balance method with rates varying from 5% to 100%	Income and wealth taxes, service, excise and import duties are subject to central legislation. VAT /sales tax is subject to both central and state legislation. *All above taxes attract 2% education cess and 1% additional secondary & higher education cess

<b>Indonesia</b>	28%	5% – 30%	10%	Income, VAT, payroll, capital gains, land & building transfer, property tax, stamp duties and, social security	Non-residents without certificate of domicile. Tax withheld at 20% on dividends, interest and royalties. If they have COD, taxes depend on tax treaty	Assets depreciated on straightline and reducing balance basis. Rates or depreciation 5% – 50% depending on type of asset.	Tax incentives in certain approved industry sectors.
<b>Ireland</b>	12.5% for trading companies 25% for non-trading companies	20% – 42%	13.5% – 21.5%	Income, capital gains, capital acquisitions (covering death and gifts), pay related social insurance, VAT, stamp duty on property transactions	Capital gains tax on land/property in Ireland at 22%. Tax at standard rate of 20% withheld from musicians, sportsmen, entertainment artists, rent, royalties and dividends	Annual straight-line allowances on cost ranging from 4% on buildings to 12.5% on plant and machinery and motor vehicles, with exception of taxis and cars on short-term hire conditions, 40% on reducing balance basis	Income earned by artists, writers, composers, and sculptors from the sale of works, and income from patent royalties, stallion services, woodlands is exempt from tax in certain circumstances. Transfer of intellectual property rights exempt from stamp duty
<b>Isle of Man</b>	0% – 10%	10% – 18% Liability capped at £100,000	15% until 31.12.09 17.5% from 01.01.10	Income, VAT, national insurance. No capital taxes, inheritance tax or stamp duties	Income Tax on Isle of Man source income but by concession bank interest is exempt. Withholding tax is deducted on dividends paid to Non Residents at the applicable corporate rate of 0% or 10%	Generally 25% on reducing balances with 100% first year allowance. Enhanced rates on industrial buildings and hotels in special circumstances	0% is the standard rate for companies. The higher rate of 10% only applies to licensed banks and income from Isle of Man land and property

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<b>Israel</b>	26% reduced to 0% – 25% for approved enterprises	10% – 46%	15.5%	Income, capital gains, VAT, payroll, property taxes, customs duties, stamp duties, land betterment tax, acquisition tax on real-estate transactions	Income tax on income from sources within Israel, land betterment tax. Withholding tax of 15%-25% on interest, dividend and royalties	Generally the straight-line method. Certain taxpayers may use declining balances, accelerated depreciation for production facilities	Inflationary tax. Tax incentives based on business location. Special rules for 'transparent companies'. Other foreign investment incentive and R & D incentives
<b>Italy</b>	27.5%	23% – 43%	4% – 10% – 20%	Income, excise, VAT, registration, consumer tax, real property tax, social security, stamp duty, transfer tax and capital gains	Income taxes only on income arising in Italy. Withholding tax of 12.5% – 27% on interest, dividends and royalties	Straight-line method rates of depreciation are established by Ministry of Finance and rates range from 3% to 40%	Regional income tax of 3.9% on added value produced
<b>Japan</b>	30%	5% – 40%	5%	Income, inheritance, gift, consumption, liquor, tobacco, property, stamp duties	National income tax on entire Japanese-source income. Withholding tax of 7% – 20% on interest, dividends, rents and royalties	Numerous methods and rates but mainly straight-line method and declining balance method. Useful lives from 2 to 50 years	Inhabitant tax of 20.7% on corporation's tax liability and 10% on individual's taxable income. Non-residents not subject to local government tax
<b>Jordan</b>	15% – 35%	5% – 25%	4% or 16%	Income, VAT, Payroll, Excise, Import duties, stamp duties	Tax on income from Jordanian source. Withholding tax of 10% on royalties, interests, and dividend	Building – 2%, 4% or 10%. Furniture – 2%, 10% or 15%. Transportation – 5% or 15%. Equipment – 10%, 15%, 20% or 25%	Free zone and qualified industrial zone are tax incentive areas

<b>Kenya</b>	30% 37.5% – Branch tax rate Turnover tax of 3% not exceeding K.Shs. 5 million p.a of gross receipts	10% – 30%	16%	Income, VAT, excise, import duties, social security, stamp duty and transfer tax	Income taxes on trade, business or vocational income, non-resident withholding tax on interest (15%), dividends (10%), rents and royalties (20%)	Straight line and reducing balance. Rates ranging from 2.5% to 37.5%. Investment deduction allowance 100% on eligible assets	Numerous incentives available to investors in the export processing zone, e.g. 10-year tax break, 100% depreciation write-off, etc
<b>Korea (Republic of)</b>	14.3% – 27.5%	8.8% – 38.5%	10%	Income, VAT, inheritance and gifts, consumption, acquisition, property, capital gains	Income from Korean sources. Withholding taxes of 2.2% – 27.5% depending on type of Korean-source income	Numerous methods and rates but mainly straight-line method and declining balance method. Useful lives from 3 to 50 years	Tax incentives available for foreign investors (individuals and companies) in high-technology businesses
<b>Lebanon</b>	15%	4% – 21%	10%	Income, capital gains, inheritance, payroll, property, import duties, stamp duties	Tax imposed on income from efforts and activities within Lebanon at 7.5% on income from services; at 1.5% on sales of materials; at 10% on interest, dividends and royalties	Straight-line based on type of asset with rates ranging 2% to 25%	Special provisions for holding companies and offshore companies
<b>Liechtenstein</b>	7.5% – 15%	1% – 17%	7.6%	Income, VAT, excise, import duties, stamp duty	No income tax for registered companies not conducting business in Liechtenstein; however, capital tax of 0.1% imposed with a minimum tax of SF1,000. No withholding tax	Numerous methods and rates ranging from 3% to 40%	Holding and domiciliary companies only subject to capital tax of 0.1%

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<b>Luxembourg</b>	20% – 29.34%	8% – 38%	3% – 15%	Income, municipal business, net worth, capital contribution, excise duties, import, general registration, VAT, social security, real property tax and stamp duty	Commercial net income and property income; minimum 15%. Withholding tax of 15% on dividends (0% for DTT countries) and 0% on royalties	Rates 10% – 25% for equipment. 1.5% – 4% for buildings	Tax incentives for holding companies, reinsurance companies, film/movie production, finance companies and headquarters of industrial companies employing a number of staff
<b>Malaysia</b>	20% – 25%	1% – 27%	–	Income, sales, service, excise, import duties, stamp duties, real property tax, social security, payroll and capital duty	Income tax on income accruing in or derived from Malaysia at 27%. Withholding tax of 10% – 15% on interest, rents and royalties, entertainers, certain fees and rental of tangible property. Payment of dividend will be changed to a single tier system from 1.1.2008. The tax imputation system for dividend payment may still be applicable from 1.1.2008 to 31.12.2013 at 26%.	Depreciation in first year from 10% to 20%. In subsequent years, annual depreciation at rates varying from 3% to 40%	Labuan Tax Haven – Income tax at 3% on net audited profit of offshore companies trading in Labuan or a lump sum of RM20,000 on election. Further election is available for the income Tax Act. Tax incentives available for Malaysian-promoted activities, reinsurance and offshore insurance businesses, approved operational headquarters companies and foreign fund management companies

<b>Malta</b>	35%	0% – 35% (including special 15% flat rate scheme for foreigners taking up residence)	18% – Standard 5% – hotel accommodation, some confectionery items, electricity & other supplies. Reduced VAT incidence on yacht finance leasing	Income tax (including tax on certain capital gains). Property transfer tax (12% final tax), VAT, stamp duty (on transfers, inheritance of shares and immovable property), Eco-tax, import duties, excise tax and motor vehicle registration tax. No municipality or local taxes. No inheritance tax, social security	Income tax on income arising in Malta: Companies– 35%. Individuals 0% – 35% Withholding tax of 25% or 35% on certain taxable income paid to non-residents. Exemption on royalties, interest and capital gains on certain share transfers derived by non-residents	Straightline 4 – 20 years for plant and machinery. 2% on industrial buildings and structures.	Tax refunds available to shareholders of Maltese Companies and branches of foreign companies (6/7, 5/7, 2/3 or 100%). Participation exemption. 15% withholding tax on certain investment income. No withholding tax on outbound dividends. 25% (deemed) flat rate foreign tax credit in respect of profits derived through a foreign PE. Various types of tax credits and other incentives for qualifying companies and activities
<b>Mauritius</b>	15%	15%	15%	Income, VAT, tax deduction at source for residents, P.A.Y.E, import duties, registration duties. National residential property tax	Income derived from Mauritius	Annual allowance: 5% – 50% on diminishing balance method	Double taxation treaties available for global business. No capital gains tax.
<b>Mexico</b>	28%	0% – 28%	0%, 10% & 15%	Income, VAT, import duties, payroll, business flat tax, tax on cash deposits	Withholding tax on dividends 0%; fees 21%; interest 4.9% – 28%; royalties 5%	Indexed (for inflation). Straight-line rates ranging from 4% to 100%	States may impose supplementary payroll tax (2%) and other taxes. Tax on cash deposits from 1 July 2008
<b>Netherlands</b>	20% – 25.5%	33.6% – 52% including social security contributions	6% – 19%	Income, payroll, inheritance and gift, VAT, custom duties, excise duties, environmental taxes, transfer tax, estate tax, municipal taxes	Income taxes on effectively connected income and on property on estates located within the Netherlands. Withholding tax of 15% on dividends	Dependent on economic period of use. Rented out real property depreciation up to recent value, real property use within the company of up to 50% of recent value. Goodwill depreciation period minimal 10 years. Cars and inventory minimal 5 years.	No local income tax participation exemption for active companies, 30% deduction on income tax for expat with special skills. Also R & D tax credit can lead to 10% effective tax rate

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	CORPORATE	INDIVIDUAL	VAT				
<b>New Zealand</b>	30%	Progressive rates up to 39%	12.5% Goods and Services Tax	Income, goods and services tax, fringe benefit taxes, gift, import and excise duties, property tax	Withholding tax 15% – 30% on interest, dividends & royalties. As an alternative to payment of withholding tax on interest, non-residents can elect to pay a 2% levy on interest earned from deposits with approved financial institutions	Numerous rates ranging from 1.5% to 100%. Methods available include straight-line and diminishing value	Local authorities impose property taxes (rates) on property located in their regions
<b>Nicaragua</b>	30% Flat	10% – 30%	15%	Income, VAT, Selective Excise Tax (ISC)	20% flat rate tax imposed on services income	Straight-line for all tangible and intangible assets	Constitutional protection for foreign investment. 10 year corporate income tax exemption for the tourist industry. Dividend distributions are non-taxable to payees
<b>Norway</b>	28%	28% – 55.3%	0%,14%, 25%	Income, wealth, estate, payroll, duties on imports, VAT	Income taxes etc. on income from permanent establishment – on same basis as Norwegian citizens. Withholding tax of 25% on dividends	Rates from 2% to 30%	Some special rates etc. for Northern part of Norway and Svalbard

<b>Pakistan (Islamic Republic of)</b>	Corporate Business 35% Sale of goods 3.5% of value Contracts 6% of value Dividends 10% Commercial Importers 2% of value Exporters 1% of value	General Income 0.25% – 25%	Sales Tax at 16% of the value of taxable supplies and goods imported into Pakistan. Service sector is exempt except certain categories	Federal: Income, sales and customs provincial: Property and professional tax capital gains, excise duty, stamp duty, capital value tax, wealth tax, payroll tax and social security	Income tax on Pakistan source. Dividends 10% Royalty and technical services 15% of gross amount Shipping Income 8% of value Air transport income 3% of value Media persons 10% Other payments 30% of value (including interest at 30%)	15% – 30% Initial allowance at 50% is also allowed in first year. Full rentals on capital leases are deductible. Amortization of pre-commencement expenditure at 20%	Almost all taxes are withheld at source. Exemption for small companies. Important transactions must be made through banks. Tax incentives for exporters. Special tax rules for insurance and petroleum companies
<b>Papua New Guinea</b>	30%	25% – 42%	10%	Income, GST, payroll, import duties, social security and stamp duty	Income tax 30% – 42%. Withholding tax of 10% – 17% for interest dividends, royalties etc	2 methods – straight-line and diminishing value. Rates vary from 2.5% – 30%	Tax incentives for agriculture and tourism
<b>Peru</b>	30%	15% – 30%	19% General Sales Tax	Income, general sales, excise, custom duties, real estate property, social security extraordinary solidarity	Non-domiciled companies and individuals are taxed on their income from Peruvian source. Income obtained by non-domiciled individuals is subject to 4.1% withholding tax	Generally, straight-line method. Buildings 3%; vehicles 20%; automation/computer equipment 25%; machinery and equipment 10% – 20%	Small companies (classified by sales volume) are not subject to the sales tax (18%) nor to the profit tax. They have a special and simplified tax system instead

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
<b>Philippines</b>	30% (Previously at 35%) or 2% Minimum Corporate Income Tax (whichever is higher)	5% – 32%	12%	Income, withholding, VAT, estate and gifts (graduated), fringe benefits, payroll, improperly accumulated earning tax, capital gains, documentary stamp tax, import and excise tax	Non-resident foreign corporation and individuals are taxed on their Phil-source income; 35% of gross income for corporation; 25% of income for non-resident alien not engaged in business; non-resident alien engaged in business is taxed in the same manner as residents. For non residents; dividends 15%; interest 20%, royalties 20%	Any method of depreciation is allowed as long as it is reasonable, consistent and in agreement with Philippine Accounting Standards (now aligned with IAS)	Local governments assess realty, mining and amusement taxes; fiscal incentives available in Special Economic Zones and for certain business lines as approved by National Economic Development Authority
<b>Poland</b>	19%	18% – 32%	22%, 7%, 3% and 0%	Income, withholding, VAT, Civil Law activities tax, inheritance and gift, payroll, excise duties, custom duties, local taxes, real estate	Income tax on Polish-source income. Withholding tax of 19% on dividends, 20% on interest, royalties and services	Straight-line or accelerated methods. Buildings 1.5% – 10%. Tangible assets 7% – 30%	Under certain conditions expenses incurred acquiring technological knowledge reduces taxable base. A depreciation write off for small and start up taxpayers up to 50,000 Euros may be available

## Portugal

International Business Centre of Madeira (IBCM) 0% – 3% Mainland 12.5 – 25% Azores 17.5%	10.5% – 42%	Azores and Madeira: 4% – 8% – 14% (lowest standard rate of Europe) Mainland: 5% – 12% – 20%	Personal income, corporate income, local tax on real estate, municipal transfer, VAT, stamp duty, excise and import duties	Income taxes on income from Portuguese sources. Estate taxes on property located within Portugal. Withholding tax on interest (5% – 20%), dividends (0% – 20%) and royalties (5% – 15%). Companies established in the International Business Centre of Madeira (IBMC) are free of withholding taxes on payment of income and take advantage of EU directives and Portugal double tax treaties	Under straight-line method rates from 2% to 50%. Under the declining-balance method rates are increased by 50% or 100% or 150%	International Business Centre of Madeira (IBCAM) provides attractive conditions for: Registration of ships and yachts; holding companies; financial operations - free of stamp duty; trading operations; Intra group centres; payments of dividends, royalties, interest, fees and other services - free of withholding taxes
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## Romania

2% on turnover or 16% on profit	16%	9% and 19%	Income, payroll, real estate, import duties, stamp duties, capital gains, excise, VAT	Income taxes on income from Romania. Range 10% – 16%. Special benefits are given when double-tax treaties apply	Three methods; straight-line, declining-balance and accelerated. Mainly straight-line. Useful lives from 3 to 60 years	Local authorities impose property taxes on property located in their regions (tax on buildings, land, etc.)
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## Russia

20%	13% on dividends 9%, for residents on interest and prizes 35%	10% – goods for children, medicines, some periodicals; 18% – other	Income, VAT, payroll, capital assets, stamp duties, inheritance and gift and transport tax	Business income and dispositions of certain property within Russia. Withholding tax 30% on interest, dividends, rents and royalties for individuals. For Juridical persons with the permanent presentation 24%. Freight 10%, dividends and interests 15%, others 20%	Several methods but mainly straight-line and rates ranging from 1 year to 100 years	Specific taxes; water tax, mining operation tax and land tax. Local taxes may be imposed
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Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
<b>Singapore</b>	18%	3.5% – 20%	7% Goods and Services Tax	Income, goods and services, property, stamp duty, road tax, foreign workers/skill development levies, duties on film hire, betting/sweepstakes, private lotteries, import and excise, et al	Exemption from tax on certain interest income. Withholding tax at 10% on royalties; 15% on interest, rent and other payment for use of movable properties. 20% on technical assistance service fee and management fee. Non-resident employees (excluding company directors) assessed at 15% flat rate or resident rates, whichever is higher	Numerous methods and rates ranging from 3 to 16 years. Industrial buildings of not more than 50 years. 5 years write-off for intellectual property rights. One year write-off for automation/computer equipment and approved cost-sharing agreement for R&D activities	Tax incentives are available. No capital gains tax. No dividend tax. Group relief and carry back of current years' tax losses and capital allowances available. Exemption of up to \$200,000 of chargeable income for newly incorporated private exempt companies for first 3 years of incorporation
<b>Slovakia</b>	19%	19%	19%	Income, VAT, payroll, inheritance and gift, customs duties, road tax	Withholding tax of 19% on interest and royalties. None on dividends	Straight-line 5 – 20%	
<b>Slovenia</b>	21%	16% – 41%	8.5% – 20%	Income, corporation, social security, VAT	Withholding tax of 15% on dividends, interest and royalties	Straight-line method and rates ranging from 5% to 50%	

<b>South Africa</b>	28% 0% – 28% (small business corporations)	18% – 40%	14%	Income, capital gains tax, secondary tax on dividends, donations tax, estate duty, customs and excise duty, VAT, payroll	Income from a source deemed to arise within South Africa is taxable. Withholding tax on royalties of 12%. No withholding tax on dividends paid. Interest earned is exempt from tax	Straightline method. Industrial buildings 2% to 10%. Plant and machinery Acquisitions from 1 April 2005 50% in first year. 30% in second year. 20% in third year. Intellectual property (Trademarks) 5% to 10%	10% tax on dividends paid by corporations; retirement fund industry tax (18%). Skills Development Levy – 1% of payroll
<b>Spain</b>	25% – 30%	24% – 43%	16%	Income, wealth, VAT, inheritance and gifts, transfers and transactions, social security and health insurance, special taxes (alcohol, tobacco, hydrocarbons, etc.)	Corporations – without permanent establishment – 24%, with permanent establishment – 30%, Individual – 24%. Withholding tax on royalties – 24%. Withholding tax on interest and dividends – 18%	Several methods may be applied. Rates: Buildings – from 1% to 3%. Other assets – from 8% to 25%	Urban property, rural and farm lands, business activities tax, Municipal location tax
<b>Sweden</b>	28%	27% – 60%	6% – 25%	Income, estate, wealth, excise duties, payroll, VAT, import duties, et al	Income taxes on effectively connected income for individuals at 25%, and for corporations with a permanent establishment at 28%. Withholding tax at 30% on dividends; estate taxes on property located within Sweden	Machinery and equipment 30%. Declining balance method. Building 2% – 5%. Straight-line method	

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
<b>Switzerland</b>	7.8% – 27%	6% – 46%	7.6%	Income, wealth, VAT, excise, import duties, stamp duty, inheritance and gifts, etc	Income taxes on effectively connected income; inheritance and property taxes on property located within Switzerland. Withholding tax on dividends of 35%	Numerous methods and rates ranging from 3% to 40%	Each canton may impose its own direct taxes. Tax incentive programmes available for new and existing companies depending on business location. Special provisions for holding, domiciliary, trading and service companies. Favourable tax assessment for retired foreign people
<b>Taiwan (Republic of China)</b>	15% – 25%	6% – 40%	5%	Income, VAT, payroll, land value tax, estate and gifts, import duties	Income taxes on income effectively connected from Taiwan sources. Withholding taxes of 20% – 30% on interest, dividends and royalties	Straight-line, declining balance, working hour methods, depreciable lives prescribed by government	Certain capital gain transactions are totally/partially tax-free. Tax incentive programmes
<b>Tunisia</b>	10% – 35% (with minimum income tax)	0% – 35%	6% – 29%	Income, VAT, payroll, social security, import duties, consumption duty, duties on real estate transactions, motor vehicle tax, stamp duties	Tax on income from Tunisian sources and activities. Withholding tax of 15%. These revenues having supported the withholding tax are waived from any supplemental income tax payment	Straight-line and declining balance methods. Rates vary from 2% to 33.33%. Possible accelerated rate method in specific cases	Total tax holiday for export companies. Tax incentives for foreign direct investment. Tax incentives available for hotels and agriculture. Incentives for certain regions of the country. Duty free zones

<b>Turkey</b>	20%	15% – 35%	1% – 8% – 18%	Income, VAT, estate, sales, payroll, import duties, stamp duties, special communication, special consumption	Income taxes on effectively connected income. Estate taxes and property taxes on property located within Turkey. Withholding tax of 5% – 20% on interest, dividends, rents and royalties	Straight-line and reducing balance method ranging from 2% to 50%	Sundry municipality taxes, operation permit taxes, advertisement taxes, etc
<b>Ukraine</b>	25%	15%	20% & 0%	Corporate profits, personal income, withholding, VAT, social security, excise, land, import duties, stamp duty, motor vehicles, pension fund charge, local taxes, inheritance, capital gains	Taxed only on Ukrainian-source income. Withholding tax at 15% on dividends, interest and royalties	Reducing balance method. Buildings 1 – 2%. Office equipment 6 – 10%. Other assets 3 – 6%	Special tax rates are applicable to insurance companies. Tax incentives can reduce the corporate income tax rate. Special tax rates apply to certain types of income received by individuals
<b>United Kingdom</b>	21% – 28%	10% - 40%	15% (to 31.12.09) 17.5% (from 01.01.10)	Income, capital gains, inheritance taxes, VAT, excise, import, stamp duties, stamp duty land tax, and national insurance	Income taxes on U.K. source income. Withholding tax of 22% on rents, royalties and sports/entertainment income, 20% on interest, 0% on dividends	Generally 20% from April 2008 machinery on reducing balances. Industrial buildings and hotels on cost being phased out over 4 year period	Tax incentives for research and development. Enhanced tax allowances for some capital expenditure

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
<b>United States</b>	15% – 35%	10% – 35% (General rate for qualified dividends and certain capital gains is 15% through 31/12/10)	–	Income, alternative minimum tax, estate and gifts, capital gains, sales, excise, payroll, user fees, import duties, et al	Income taxes on effectively connected income. Estate taxes on property located within U.S. Withholding tax of 30% on interest, dividends and royalties and 35% on share of income from U.S. partnerships	Numerous methods ranging from 3 years to 40 years; up to \$133,000 can be expensed immediately, subject to certain limitations	Each of the 50 states (and some jurisdictions within each state) may impose its own income, estate, sales, payroll and other taxes
<b>Venezuela</b>	15% – 34%	6% – 34%	0% – 9% – 19%	Income, VAT, assets, payroll, social security, stamp duties, vehicles, import duties	Venezuelan – source income taxed at 34%. Withholding tax of 1% – 34% on interest, rents and royalties	Any method of depreciation is allowed as long as it is reasonable and consistent indexed (for inflation)	
<b>Vietnam</b>	25%	10% – 35%	0% – 5% – 10%	Income, VAT, excise, personal income tax, royalty, import – export tariffs, land use right transfer, social security	Non-residents are taxed 25%, foreign contractor withholding tax 2% – 15% on turnover	Straight-line method, declining balance method and unit-of-output method. Buildings 5% – 15%. Machinery 20% – 25%. Other fixed assets 10% – 18%	Preferential corporate tax rates 10% – 20% applies for investment incentive sectors and regions

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