

Friday 24 April 2009

Taxation of savings income in the form of interest payments *

P6_TA(2009)0325

European Parliament legislative resolution of 24 April 2009 on the proposal for a Council directive amending Directive 2003/48/EC on taxation of savings income in the form of interest payments (COM(2008)0727 – C6-0464/2008 – 2008/0215(CNS))

(2010/C 184 E/85)

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2008)0727),
 - having regard to Article 94 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0464/2008),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on Legal Affairs (A6-0244/2009),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
 5. Instructs its President to forward its position to the Council and the Commission.

TEXT PROPOSED BY THE COMMISSION

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Amendment 26
Proposal for a directive – amending act
Recital 9 a (new)

(9a) In accordance with the ECOFIN Council conclusions of May 1999 and November 2000, the original choice to exclude all innovative financial products from the scope of Directive 2003/48/EC was accompanied by an express statement that this issue should be re-examined on the occasion of the first review of that Directive, with the aim of finding a definition covering all securities that are equivalent to debt claims so

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as to ensure the effectiveness of the Directive in a changing environment and to preventing market distortions. It is therefore appropriate to include all innovative financial products within the scope of the Directive. Accordingly the definition of interest payment should cover any revenue arising from the investment of capital where the return is fixed ex ante and the substance of the return arising from a transaction is similar to any interest income. In order to ensure a consistent interpretation of that provision throughout the Member States, the provision should be complemented by a list of the financial products concerned. The Commission should adopt that list in accordance with the regulatory procedure laid down in Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ().*

(*) OJ L 184, 17.7.1999, p. 23.

Amendment 1

Proposal for a directive – amending act
Recital 10 a (new)

(10a) The Community should promote global tax governance, in line with the Council conclusions of 23 October 2006, which invited the Commission to explore the possibility of negotiating specific agreements with Hong Kong, Macao and Singapore on savings tax with a view to concluding an international agreement on the application of equivalent measures to those applied by Member States under Directive 2003/48/EC.

Amendment 2

Proposal for a directive – amending act
Recital 12 a (new)

(12a) The Council Conclusions of 21 January 2003 considered that the United States of America applies measures equivalent to those provided for in Directive 2003/48/EC. However, it is appropriate to bring within the scope of Annex I of Directive 2003/48/EC certain legal forms and arrangements in order to ensure effective taxation.

Amendment 3

Proposal for a directive – amending act
Recital 13 a (new)

(13a) In reviewing the operation of Directive 2003/48/EC, the Commission should pay specific attention to certain types of capital income, such as income derived from life assurance products, annuities, swaps, and certain pensions, which are not yet within the scope of that Directive.

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Amendment 4**Proposal for a directive – amending act****Article 1 – point -1 (new)**

Directive 2003/48/EC

Recital 8

(-1) Recital 8 is replaced by the following:

‘(8) This Directive has a dual purpose: to enable savings income in the form of interest payments made in one Member State to beneficial owners who are individuals resident for tax purposes in another Member State to be made subject to effective taxation in accordance with the laws of their Member State of residence, and to ensure a minimum of effective taxation of savings income in the form of interest payments made in one Member State to beneficial owners who are individuals resident for tax purposes in another Member State.’

Amendment 5**Proposal for a directive – amending act****Article 1 – point -1 a (new)**

Directive 2003/48/EC

Recital 19

(-1a) Recital 19 is replaced by the following:

‘(19) Member States levying withholding tax should transfer most of the revenue they obtain from that withholding tax to the Member State of residence of the beneficial owner of the interest. The part of the revenue that the Member States concerned are able to withhold should be proportional to the administrative costs incurred in handling the revenue-sharing mechanism, taking into account the costs that would be incurred in exchanging information.’

Amendment 6**Proposal for a directive – amending act****Article 1 – point -1 b (new)**

Directive 2003/48/EC

Recital 24 a (new)

(-1b) The following recital is inserted:

‘(24a) So long as Hong Kong, Singapore and other countries and territories listed in Annex I do not all apply measures identical or equivalent to those provided for in this Directive, capital flight towards those countries and territories could imperil the attainment of the objectives of this Directive. It is therefore necessary for the Community to take appropriate action in order to ensure that an agreement is reached with those countries and territories under which they will apply such measures.’

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Amendment 7**Proposal for a directive – amending act****Article 1 – point -1 c (new)**

Directive 2003/48/EC

Article 1 – paragraph 1

(-1c) Article 1(1) is replaced by the following:**‘1. This Directive aims to:**

- *enable savings income in the form of interest payments made in one Member State to beneficial owners who are individuals resident for tax purposes in another Member State to be made subject to effective taxation in accordance with the laws of the latter Member State;*
- *ensure a minimum of effective taxation of savings income in the form of interest payments made in one Member State to beneficial owners who are individuals resident for tax purposes in another Member State.’*

Amendment 8**Proposal for a directive – amending act****Article 1 – point 1**

Directive 2003/48/EC

Article 1 – paragraph 2

2. Member States shall take the necessary measures to ensure that the tasks necessary for the implementation of this Directive are carried out by paying agents established within their territory, irrespective of the place of establishment of the debtor of the debt claim, or the issuer of the security, producing the interest payment.

2. Member States shall take the necessary measures to ensure that the tasks necessary for the implementation of this Directive are carried out by ***economic operators and*** paying agents established within their territory, irrespective of the place of establishment of the debtor of the debt claim, or the issuer of the security, producing the interest payment.

Amendment 9**Proposal for a directive – amending act****Article 1 – point 2 – point a – subpoint i**

Directive 2003/48/EC

Article 2 – paragraph 1 – introductory part

For the purposes of this Directive, and without prejudice to Article 4(2), ‘beneficial owner’ means any individual who receives an interest payment or any individual for whom such a payment is secured, unless he provides evidence that it was not received or secured for his own benefit, that is to say that:

1. For the purposes of this Directive, and without prejudice to Article 4(2), ‘beneficial owner’ means any individual who receives ***or should have received*** an interest payment or any individual for whom such a payment is secured ***or should be secured***, unless he provides evidence that it was not received or secured for his own benefit, that is to say that:

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Amendment 10**Proposal for a directive – amending act****Article 1 – point 3**

Directive 2003/48/EC

Article 3 – paragraph 2 – subparagraph 1 – point b

(b) for contractual relations entered into, or transactions carried out in the absence of contractual relations, on or after 1 January 2004, the paying agent shall establish the identity of the beneficial owner, consisting of the name, address, date and place of birth and, if the beneficial owner has his address or otherwise proves to be resident for tax purposes in a Member State listed in Annex II, the tax identification number or equivalent allocated by that Member State.

(b) for contractual relations entered into, or transactions carried out in the absence of contractual relations, on or after 1 January 2004, the paying agent shall establish the identity of the beneficial owner, consisting of the name, address, date and place of birth and, if the beneficial owner has his address or otherwise proves to be resident for tax purposes in a Member State listed in Annex II, the tax identification number or equivalent allocated by that Member State, **when that number or equivalent appears in the documentation presented for identification.**

Amendment 11**Proposal for a directive – amending act****Article 1 – point 3**

Directive 2003/48/EC

Article 3 – paragraph 2 – subparagraph 2

The details referred to in point (b) of the first subparagraph shall be established on the basis of **the** passport or of **the** official identity card or other official document listed in Annex II presented by the beneficial owner. Any such details which do not appear on **that** passport or on **that** official identity card or official document shall be established on the basis of any other official documentary proof of identity presented by the beneficial owner and issued by a public authority of the country where he has his address or otherwise proves to be resident for tax purposes.

The details referred to in point (b) of the first subparagraph shall be established on the basis of **a** passport or of **an** official identity card or other official document listed in Annex II presented by the beneficial owner. Any such details which do not appear on **a** passport or on **an** official identity card or **on any other** official document shall be established on the basis of any other official documentary proof of identity presented by the beneficial owner and issued by a public authority of the country where he has his address or otherwise proves to be resident for tax purposes.

Amendment 12**Proposal for a directive – amending act****Article 1 – point 3**

Directive 2003/48/EC

Article 4 – paragraph 2 – subparagraph 2

For the purpose of the first subparagraph a legal arrangement shall be considered to have its place of effective management in the country where the person who primarily holds legal title and primarily manages its property **and** income has his or its permanent address.

For the purpose of the first subparagraph a legal arrangement shall be considered to have its place of effective management in the country where the person who primarily holds legal title and primarily manages its property **or** income has his or its permanent address.

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Amendment 13**Proposal for a directive – amending act****Article 1 – point 3**

Directive 2003/48/EC

Article 4 – paragraph 2 – subparagraph 7

Any economic operator making an interest payment to, or securing an interest payment for, an entity or legal arrangement included in the list set out in Annex III shall communicate to the competent authority of its Member State of establishment the name and place of effective management of the entity, or in the case of a legal arrangement, the name and the permanent address of the person who primarily holds legal title and primarily manages the property **and** income of the legal arrangement, and the total amount of interest paid to, or secured for, the entity or legal arrangement. Where the place of effective management of the entity or legal arrangement is located in another Member State, the competent authority shall pass this information on to the competent authority of that other Member State.

Any economic operator making an interest payment to, or securing an interest payment for, an entity or legal arrangement included in the list set out in Annex III shall communicate to the competent authority of its Member State of establishment the name and place of effective management of the entity, or in the case of a legal arrangement, the name and the permanent address of the person who primarily holds legal title and primarily manages the property **or** income of the legal arrangement, and the total amount of interest paid to, or secured for, the entity or legal arrangement. Where the place of effective management of the entity or legal arrangement is located in another Member State, the competent authority shall pass this information on to the competent authority of that other Member State.

Amendment 14**Proposal for a directive – amending act****Article 1 – point 3**

Directive 2003/48/EC

Article 4 – paragraph 3

‘3. Those entities and legal arrangements referred to in paragraph 2 to whose assets or income no beneficial owner is immediately entitled at the moment of receipt of an interest payment shall have the option of being treated for the purposes of this Directive as an undertaking for collective investment or other collective investment fund or scheme as referred to in point (a) of paragraph 2.

deleted

Where an entity or legal arrangement exercises that option, the Member State in which it has its place of effective management shall issue a certificate to that effect. The entity or legal arrangement shall present that certificate to the economic operator making or securing the interest payment.

Member States shall lay down the detailed rules concerning this option for entities and legal arrangements which have their place of effective management in their territory and shall ensure that the entity or legal arrangement having exercised this option acts as paying agent in accordance with paragraph 1, up to the total amount of the interest payments received, on each occasion that a beneficial owner becomes immediately entitled to its assets or income.’

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Amendment 27**Proposal for a directive – amending act****Article 1 – point 4**

Directive 2003/48/EC

Article 6 – paragraph -1 (new)

-1. Without prejudice to the provisions laid down in the following paragraphs of this Article, the general principle under this Directive is that ‘interest payment’ means any revenue arising from the investment of capital where the return is fixed ex ante and the substance of the return arising from a transaction is similar to any interest income. In order to ensure a consistent interpretation of this provision throughout the Member States, it shall be complemented by a list of the financial products concerned. The Commission shall adopt this list by ... [the date specified in Article 2(1) of Council Directive 2009/.../EC amending Directive 2003/48/EC on taxation of savings income in the form of interest payments] in accordance with the regulatory procedure referred to in Article 18b(2) of this Directive.

Amendment 15**Proposal for a directive – amending act****Article 1 – point 4**

Directive 2003/48/EC

Article 6 – paragraph 1 – point c – subpoint ii

(ii) entities or legal arrangements having exercised the option under Article 4(3); deleted

Amendment 16**Proposal for a directive – amending act****Article 1 – point 4**

Directive 2003/48/EC

Article 6 – paragraph 1 – point d – subpoint ii

(ii) entities or legal arrangements having exercised the option under Article 4(3); deleted

Amendment 35**Proposal for a directive – amending act****Article 1 – point 4**

Directive 2003/48/EG

Article 6 – paragraph 1 – point e

(e) benefits from a life insurance contract where the contract provides for a biometric risk coverage which, expressed as an average over the duration of the contract, is lower than 5 % of the capital insured and its actual performance is fully linked to interest or income of the kinds referred to in points (a), (aa), (b), (c) and (d); for this purpose any difference between the amounts paid out pursuant to a life insurance contract and the sum of all the payments made to the life insurer under the same life insurance contract shall be considered benefits from life insurance contracts.

(e) in the case of insurance contracts:

(i) the difference between the insurance benefit and the sum of contributions paid in the event of the redemption of the contract in the case of endowment retirement insurance, where no lifelong pension is paid;

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- (ii) benefits from a life insurance contract where the contract provides for a biometric risk coverage which, expressed as an average over the duration of the contract, is lower than **10 %** of the **initial** capital insured and its actual performance is linked to interest or **its actual performance is expressed in or directly linked to units and more than 40 % of the underlying assets is invested in** income of the kinds referred to in points (a), (aa), (b), (c) and (d).

Where for a unit linked insurance contract a paying agent has no information concerning the percentage of the underlying assets invested in debt claims or the relevant securities, that percentage shall be deemed to be above 40 %.

For this purpose any difference between the amounts paid out pursuant to a life insurance contract and the sum of all the payments made to the life insurer under the same life insurance contract shall be considered benefits from life insurance contracts.

Where the underwriter of the contract, the insured person and the beneficiary are not identical, the biometric risk coverage is deemed to be lower than 10 %.

Amendment 36

Proposal for a directive – amending act

Article 1 – point 4

Directive 2003/48/EG

Article 6 – paragraph 1 – point e a (new)

- (ea) **income from structured products. Structured products are bonds for which the level of repayment obligations depends on developments in some form of agreed base value. The difference between the purchase cost and the revenue from the sale, refund or redemption of the structured product is also considered to be income;**

Amendment 37

Proposal for a directive – amending act

Article 1 – point 4

Directive 2003/48/EG

Article 6 – paragraph 1 – point e b (new)

- (eb) **dividends received by a credit institution or financial institution on behalf of the beneficial owner.**

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Amendment 18**Proposal for a directive – amending act****Article 1 – point 4**

Directive 2003/48/EC

Article 6 – paragraph 9

9. Income referred to in point (aa) of paragraph 1 shall be considered to be an interest payment only to the extent to which the securities producing that income were first issued **on or after 1 December 2008**.

9. Income referred to in point (aa) of paragraph 1 shall be considered to be an interest payment only to the extent to which the securities producing that income were first issued **six months after the date of publication of this Directive or later**.

Amendment 19**Proposal for a directive – amending act****Article 1 – point 4**

Directive 2003/48/EC

Article 6 – paragraph 10

10. Benefits from life insurance contracts shall be considered to be an interest payment in accordance with point (e) of paragraph 1 only to the extent to which the life insurance contracts giving rise to such benefits were first subscribed **on or after 1 December 2008**.

10. Benefits from life insurance contracts shall be considered to be an interest payment in accordance with point (e) of paragraph 1 only to the extent to which the life insurance contracts giving rise to such benefits were first subscribed **six months after the date of publication of this Directive or later**.

Amendment 20**Proposal for a directive – amending act****Article 1 – point 5 a (new)**

Directive 2003/48/EC

Article 10 – paragraph 2

(5a) Article 10(2) is replaced by the following:

‘The transition period shall end no later than 1 July 2014 or at the end of the first full fiscal year following the later of the dates given below, provided that this is earlier than 1 July 2014:

— the date of entry into force of the latest agreement between the European Community, following a unanimous decision of the Council, and the Swiss Confederation, the Principality of Liechtenstein, the

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Republic of San Marino, the Principality of Monaco and the Principality of Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (hereinafter the 'OECD Model Agreement') with respect to interest payments, as defined in this Directive, made by paying agents established within their respective territories to beneficial owners resident in the territory to which the Directive applies, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate defined for the corresponding periods referred to in Article 11(1),

- the date on which the Council agrees by unanimity that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments, as defined in this Directive, made by paying agents established within its territory to beneficial owners resident in the territory to which the Directive applies.
- *the date on which the Council agrees by unanimity that Hong Kong, Singapore and other countries and territories listed under Annex I are committed to exchanging information upon request as defined in the OECD Model Agreement with respect to interest payments, as defined in this Directive, made by paying agents established within their territory to beneficial owners resident in the territory to which the Directive applies.'*

Amendment 21

Proposal for a directive – amending act

Article 1 – point 6 a (new)

Directive 2003/48/EC

Article 12 – paragraphs 1 and 2

(6a) Article 12(1) and (2) are replaced by the following:

'1. Member States levying withholding tax in accordance with Article 11(1) shall retain 10 % of their revenue and transfer 90 % of the revenue to the Member State of residence of the beneficial owner of the interest.

2. Member States levying withholding tax in accordance with Article 11(5) shall retain 10 % of the revenue and transfer 90 % to the other Member States proportionate to the transfers carried out pursuant to paragraph 1 of this Article.'

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Amendment 22**Proposal for a directive – amending act****Article 1 – point 10**

Directive 2003/48/EC

Article 18

(10) *The first sentence of* Article 18 is replaced by the following:

'The Commission shall report to the Council every three years on the operation of this Directive on the basis of the statistics listed in Annex V, which shall be provided by each Member State to the Commission.'

(10) Article 18 is replaced by the following:

'Article 18**Review**

1. *By 31st of December 2010, the Commission shall present a comparative study analysing advantages and weaknesses of both the systems of exchange of information and of the withholding tax so as to assess the objective of effective suppression of fiscal fraud and evasion. That comparative study should take into consideration, in particular, aspects of transparency, respect of fiscal sovereignty of the Member States, fiscal justice and administrative burden attached to any of the two systems.*

2. *The Commission shall report to the Council and the European Parliament every three years on the operation of this Directive on the basis of the statistics listed in Annex V, which shall be provided by each Member State to the Commission. On the basis of those reports and the study referred to in paragraph 1, and in particular in relation to the end of transitional period referred to in Article 10(2), the Commission, shall, where appropriate, propose to the Council any amendments to this Directive that prove necessary in order to ensure effective taxation of savings income and to remove undesirable distortions of competition.*

3. *In the context of the study and the reports referred to in paragraphs 1 and 2, the Commission shall examine, in particular, whether it is appropriate to extend the scope of this Directive to all sources of financial income, including dividends and capital gains, as well as to payments made to all legal persons.'*

Amendment 23**Proposal for a directive – amending act****Article 1 – point 11**

Directive 2003/48/EC

Article 18 b – paragraph 3 a (new)

3a. *The Commission, assisted by the Committee, shall assess, every two years from 1 January 2010 onwards, the procedures, documents and common formats and forms referred to in Article 18a and shall adopt the measures required to improve them in accordance with the regulatory procedure referred to in Article 18b(2).*

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Amendment 24**Proposal for a directive – amending act****Annex – point 2**

Directive 2003/48/EC

Annex I

TEXT PROPOSED BY THE COMMISSION

ANNEX I

List of legal forms of entities and legal arrangements to which Article 2(3) applies because of the presence within the territory of specific countries or jurisdictions of their place of effective management

1. *Entities and legal arrangements whose place of effective management is in a country or jurisdiction outside the territorial scope of the Directive as defined in Article 7 and which is different from those listed in Article 17(2):*

<i>Antigua and Barbuda</i>	<i>International business company</i>
<i>The Bahamas</i>	<i>Trust Foundation International business company</i>
<i>Bahrain</i>	<i>Financial trust</i>
<i>Barbados</i>	<i>Trust</i>
<i>Belize</i>	<i>Trust International business company</i>
<i>Bermuda</i>	<i>Trust</i>
<i>Brunei</i>	<i>Trust International business company International trust International Limited Partnership</i>
<i>Cook Islands</i>	<i>Trust International trust International company International partnership</i>
<i>Costa Rica</i>	<i>Trust</i>
<i>Djibouti</i>	<i>Exempt company (Foreign) trust</i>
<i>Dominica</i>	<i>Trust International business company</i>
<i>Fiji</i>	<i>Trust</i>
<i>French Polynesia</i>	<i>Société (Company) Société de personnes (Partnership) Société en participation (Joint venture) (Foreign) trust</i>
<i>Guam</i>	<i>Company Sole proprietorship Partnership (Foreign) trust</i>
<i>Guatemala</i>	<i>Trust Fundación (Foundation)</i>

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Hong Kong	Trust
Kiribati	Trust
Labuan (Malaysia)	Offshore company Malaysian offshore bank, Offshore limited partnership Offshore trust
Lebanon	Companies benefiting from the Offshore company regime
Macao	Trust Fundação (Foundation)
Maldives	All the companies, partnership and Foreign trust
Northern Marianas Islands	Foreign sales corporation Offshore banking corporation (Foreign) trust
Marshall Islands	Trust
Mauritius	Trust Global business company cat. 1 and 2
Micronesia	Company Partnership (Foreign) trust
Nauru	Trusts/nominee company Company Partnership Sole proprietorship Foreign will Foreign estate Other form of business negotiated with the Government
New Caledonia	Société (Company) Société civile (Civil company) Société de personnes (Partnership) Joint venture Estate of deceased person (Foreign) trust
Niue	Trust International business company
Panama	Fideicomiso (Trust) Fundación de interés privado (Foundation)
Palau	Company Partnership Sole proprietorship Representative office Credit union (financial cooperative) Cooperative (Foreign) trust
Philippines	Trust
Puerto Rico	Estate Trust International banking entity
Saint Kitts and Nevis	Trust Foundation Exempt company

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<i>Saint Lucia</i>	Trust
<i>Saint Vincent and the Grenadine</i>	Trust
<i>Samoa</i>	Trust International trust International company Offshore bank Offshore insurance company International partnership Limited partnership
<i>Seychelles</i>	Trust International business company
<i>Singapore</i>	Trust
<i>Solomon Islands</i>	Company Partnership Trust
<i>South Africa</i>	Trust
<i>Tonga</i>	Trust
<i>Tuvalu</i>	Trust Provident fund
<i>United Arab Emirates</i>	Trust
<i>US Virgin Islands</i>	Trust Exempt company
<i>Uruguay</i>	Trust
<i>Vanuatu</i>	Trust Exempt company International company

2. Entities and legal arrangements whose place of effective management is in a country or jurisdiction listed in Article 17(2), to which Article 2(3) applies pending the adoption by the country or jurisdiction concerned of provisions equivalent to those of Article 4(2):

<i>Andorra</i>	Trust
<i>Anguilla</i>	Trust
<i>Aruba</i>	Stichting (Foundation) Companies benefiting from the offshore company regime
<i>British Virgin Islands</i>	Trust International business company
<i>Cayman Islands</i>	Trust Exempt company
<i>Guernsey</i>	Trust Zero tax company
<i>Isle of Man</i>	Trust
<i>Jersey</i>	Trust

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Liechtenstein	Anstalt (Trust) Stiftung (Foundation)
Monaco	Trust Fondation (Foundation)
Montserrat	Trust
Netherlands Antilles	Trust Stichting (Foundation)
San Marino	Trust Fondazione (Foundation)
Switzerland	Trust Foundation
Turks and Caicos	Exempted company Limited partnership Trust

AMENDMENT

ANNEX I

1. The legal forms of entities and legal arrangements to which Article 2(3) applies shall include the following:

- Limited liability companies whether limited by shares, guarantee or some other mechanism;
- Limited liability corporations whether limited by shares, guarantee or some other mechanism;
- International companies or corporations;
- International business companies or corporations;
- Exempt companies or corporations;
- Protected cell companies or corporations;
- Incorporated cell companies or corporations;
- International banks, including corporations of similar name;
- Offshore banks, including corporations of similar name;
- Insurance companies or corporations;
- Reinsurance companies or corporations;
- Co-operatives;
- Credit unions;
- Partnerships of all forms including (without limitation) general partnerships, limited partnerships, limited liability partnerships, international partnerships and international business partnerships;
- Joint ventures;
- Trusts;
- Settlements;
- Foundations;
- Estates of deceased persons;
- Funds of all forms;
- Branches of any of the entities and arrangements listed here;
- Representative offices of any of the entities and arrangements listed here;
- Permanent establishments of any of the entities and arrangements listed here;
- Multiform Foundation, however described

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2. *The specific countries or jurisdictions outside the territorial scope of the Directive as defined in Article 7 and which are different from those listed in Article 17(2) in which Article 2(3) applies with regard to the legal forms of entities and legal arrangements referred to in Part 1 of this Annex if their place of effective management is located therein includes:*

- *Anjouan*
- *Antigua and Barbuda*
- *The Bahamas*
- *Bahrain*
- *Barbados*
- *Belize*
- *Bermuda*
- *Brunei*
- *Cook Islands*
- *Costa Rica*
- *Djibouti*
- *Dominica*
- *Dubai*
- *Fiji*
- *French Polynesia*
- *Ghana*
- *Grenada*
- *Guam*
- *Guatemala*
- *Hong Kong*
- *Kiribati*
- *Labuan (Malaysia)*
- *Lebanon*
- *Liberia*
- *Macao*
- *Former Yugoslav Republic of Macedonia*
- *Maldives*
- *Montenegro*
- *Northern Marianas Islands*
- *Marshall Islands*
- *Mauritius*
- *Micronesia*
- *Nauru*
- *New Caledonia*
- *Niue*
- *Panama*
- *Palau*
- *Philippines*
- *Puerto Rico*
- *Saint Kitts and Nevis*
- *Saint Lucia*
- *Saint Vincent and the Grenadines*
- *Samoa*
- *Sao Tome e Principe*

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- *Seychelles*
- *Singapore*
- *Solomon Islands*
- *Somalia*
- *South Africa*
- *Tonga*
- *Tuvalu*
- *United Arab Emirates*
- *USA State of Delaware*
- *USA State of Nevada*
- *US Virgin Islands*
- *Uruguay*
- *Vanuatu*

3. *The specific countries or jurisdictions listed in Article 17(2) in which Article 2(3) applies pending the adoption by the country or jurisdiction concerned of provisions equivalent to those of Article 4(2) with regard to the legal forms of entities and legal arrangements referred to in Part 1 of this Annex if their place of effective management is located therein includes:*

- *Andorra*
- *Anguilla*
- *Aruba*
- *British Virgin Islands*
- *Cayman Islands*
- *Guernsey, Alderney or Sark*
- *Isle of Man*
- *Jersey*
- *Liechtenstein*
- *Monaco*
- *Montserrat*
- *Netherlands Antilles*
- *San Marino*
- *Sark*
- *Switzerland*
- *Turks and Caicos*

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4. Any of the legal forms of entities and legal arrangements referred to in Part 1 of this Annex shall be covered by Article 2(3) if their place of effective management is located in any of the specific countries or jurisdictions referred to in Parts 2 and 3 of this Annex subject to the following:

- (a) A country or jurisdiction referred to in Parts 2 and 3 can make an application to the Committee referred to in Article 18b to have any of the legal forms of entities and legal arrangements referred to in Part 1 removed from consideration for their country or jurisdiction on the grounds that the legal forms of entities and legal arrangements referred to could not have their place of effective management located therein or on the ground that appropriate taxation of interest income paid to these legal persons or arrangements is in fact ensured;
- (b) The Committee shall publish its decision with reasons stated within 3 months of such application being made and the legal forms of entities and legal arrangements noted as being removed from the scope of Part 1 for the country or jurisdiction that has made such application for a notified period, not to exceed two years, which period may be extended on application from the country or jurisdiction submitted no sooner than six months prior to its date of expiry.

Amendment 25

Proposal for a directive – amending act

Annex – point 2

Directive 2003/48/EC

Annex III

TEXT PROPOSED BY THE COMMISSION

ANNEX III

List of 'paying agents on receipt' under Article 4(2)

INTRODUCTORY NOTE

Trusts and similar legal arrangements are listed for those Member States that do not have a domestic fiscal regime for the taxation of income received on behalf of such legal arrangements by the person who primarily holds legal title and primarily manages its property and income, and is resident on their territory. This list refers to trusts and similar legal arrangements whose place of effective management of their movable assets is in these countries (residence of the main trustee or other administrator responsible for movable assets), irrespective of the laws under which these trusts and similar legal arrangements have been set up.

Countries	List of entities and arrangements	Comments
Belgium	<ul style="list-style-type: none"> — Société de droit commun / maatschap (Civil law or commercial company without any legal status) — Société momentanée / tijdelijke handelsvennootschap (Company without any legal status whose purpose is to deal with one or several specific commercial operations) — Société interne / stille handelsvennootschap (Company without any legal status through which one or more persons has (have) an interest in operations that one or more other persons manage(s) on their behalf) — 'Trust' or other similar legal arrangement 	<p>See Articles 46, 47 and 48 of the Belgian Company Code.</p> <p>These 'companies' (the name of which is given in French and Dutch) do not have legal status, and from the point of view of taxation, a look-through approach is applicable.</p>

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Countries	List of entities and arrangements	Comments
Bulgaria	<ul style="list-style-type: none"> — Дружество със специална инвестиционна цел (Special-purpose investment company) — Инвестиционно дружество (Investment company, not covered by Article 6) — 'Trust' or other similar legal arrangement 	<p>Entity exempt from corporate income tax.</p> <p>Trusts are allowed for public offering in Bulgaria and are exempt from corporate income tax.</p>
Czech Republic	<ul style="list-style-type: none"> — Veřejná obchodní společnost (ver. obch. spol. or V.O.S.) (Partnership) — Sdružení (Association) — Družstvo (Cooperative) — Evropské hospodářské zájmové sdružení (EHZS) (European Economic Interest Grouping (EEIG)) — 'Trust' or other similar legal arrangement 	
Denmark	<ul style="list-style-type: none"> — Interessentskaber (General partnership) — Kommanditselskaber (Limited partnership) — Partnerselskaber (Partner company) — Europæisk økonomisk firmagrupper (EØFG) (European Economic Interest Grouping (EEIG)) — 'Trust' or other similar legal arrangement 	
Germany	<ul style="list-style-type: none"> — Gesellschaft bürgerlichen Rechts (Civil law company) — Kommanditgesellschaft — KG, offene Handelsgesellschaft — OHG (Commercial partnership) — Europäische Wirtschaftliche Interessenvereinigung (European Economic Interest Grouping (EEIG)) 	
Estonia	<ul style="list-style-type: none"> — Täisühing- TÜ (General partnership) — Usaldusühing-UÜ (Limited partnership) — 'Trust' or other similar legal arrangement 	<p>General and limited partnerships are taxed as separate taxable entities, any distributions by which are deemed to be dividends (subject to distribution tax)</p>
Ireland	<ul style="list-style-type: none"> — Partnership and investment club — European economic interest grouping (EEIG) 	<p>Irish resident trustee taxable on income arising to the trust.</p>
Greece	<ul style="list-style-type: none"> — Omorythmos Eteria (OE) (General partnership) — Eterorythmos Eteria (EE) (Limited partnership) — 'Trust' or other similar legal arrangement 	<p>Partnerships are subject to corporate income tax. However, up to 50 % of the profits of partnerships is taxed in the hands of the individual partners at their personal tax rate</p>

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Countries	List of entities and arrangements	Comments
Spain	<p>Entities subject to the system for taxing attribution of profits:</p> <ul style="list-style-type: none"> — Sociedad civil con o sin personalidad jurídica (Civil law partnership with or without legal personality), — Agrupación europea de interés económico (AEIE) (European Economic Interest Grouping (EEIG)), — Herencias yacentes (Estate of a deceased person), — Comunidad de bienes (Joint ownership). — Other entities without legal personality that constitute a separate economic unit or a separate group of assets (Article 35(4) of the Ley General Tributaria). — 'Trust' or other similar legal arrangement 	
France	<ul style="list-style-type: none"> — Société en participation (Joint venture company) — Société ou association de fait (De facto company) — Indivision (Joint ownership) — 'Trust' or other similar legal arrangement 	
Italy	<ul style="list-style-type: none"> — Società semplice (Civil law partnership and assimilated entity) — Non-commercial entity without legal personality — 'Trust' or other similar legal arrangement 	<p>The category of entities treated as 'società semplici' includes: 'società di fatto' (irregular or 'de facto' partnerships), which do not have commercial activities as their purpose, and 'associazioni' (associations) organised by artists or professional persons for the practice of their art or profession in associative forms with no legal personality</p> <p>The category of non-commercial entities without legal personality is wide, and may include various types of organisations: associations, syndicates, committees, non-profit organisations and others</p>
Cyprus	<ul style="list-style-type: none"> — Syneterismos (Partnership) — syndesmos or somatio (Association) — Synergatikes (Cooperative) — 'Trust' or other similar legal arrangement — Ekswxwria Eteria (Offshore company) 	<p>Trusts created under Cypriot jurisdiction are considered transparent entities under national law.</p>

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Countries	List of entities and arrangements	Comments
Latvia	<ul style="list-style-type: none"> — Pilnsabiedrība (General partnership) — Komanditsabiedrība (Limited partnership) — Eiropas Ekonomisko interešu grupām (EEIG) (European Economic Interest Grouping (EEIG)) — Biedrības un nodibinājumi (Association and foundation); — Lauksaimniecības kooperatīvi (Agriculture cooperative) — 'Trust' or other similar legal arrangement 	
Lithuania	<ul style="list-style-type: none"> — Europos ekonominių interesų grupės (European Economic Interest Grouping (EEIG)) — Asociacija (Association) — 'Trust' or other similar legal arrangement 	Interests and capital gains on shares or bonds derived by associations are exempt from corporate income tax.
Luxembourg	<ul style="list-style-type: none"> — Société en nom collectif (General partnership) — Société en commandite simple (Limited partnership) — 'Trust' or other similar legal arrangement 	
Hungary	<ul style="list-style-type: none"> — 'Trust' or other similar legal arrangement 	Hungary recognises trusts as 'entities' under national rules
Malta	<ul style="list-style-type: none"> — Soċjetà in akomonditja (Partnership 'en commandite'), the capital of which is not divided into shares — Arrangement in participation (Association 'en participation') — Investment club — Soċjetà Kooperattiva (Cooperative society) 	Partnerships 'en commandite' the capital of which is divided into shares are subject to general CIT.
The Netherlands	<ul style="list-style-type: none"> — Vennootschap onder firma (General partnership) — Commanditaire vennootschap (Closed limited partnership) — Europese economische samenwerkingsverbanden (EESV) (European Economic Interest Grouping (EEIG)) — Vereniging (Association) — Stichting (Foundation) — 'Trust' or other similar legal arrangement 	General partnerships, closed partnerships and EEIGs are transparent for tax purposes. Verenigingen (associations) and stichtingen (foundations) are tax exempt unless they carry on a trade or business.

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Countries	List of entities and arrangements	Comments
Austria	<ul style="list-style-type: none"> — Personengesellschaft (Partnership) — Offene Personengesellschaft (General commercial partnership) — Kommanditgesellschaft, KG (Limited partnership) — Gesellschaft nach bürgerlichem Recht, GesBR (Civil law partnership) — Offene Erwerbsgesellschaft (OEG) (Professional general partnership) — Kommandit-Erwerbsgesellschaft (Professional limited partnership) — Stille Gesellschaft (Silent partnership) — Einzelfirma (Sole partnership) — Wirtschaftliche Interessenvereinigung (European Economic Interest Grouping (EEIG)) — Privatstiftung (Private foundation) — 'Trust' or other similar legal arrangement 	<p>Partnership is considered transparent, even if viewed as an entity for the purpose of profit computation.</p> <p>Treated like a normal 'partnership'.</p> <p>Taxed as a company, interest income taxed at a reduced rate of 12.5 %</p>
Poland	<ul style="list-style-type: none"> — Spółka jawna (Sp. j.) (General partnership) — Spółka komandytowa (Sp. k.) (Limited partnership) — Spółka komandytowo-akcyjna (S.K.A.) (Limited joint-stock partnership) — Spółka partnerska (Sp. p.) (Professional partnership) — Europejskie ugrupowanie interesów gospodarczych (EUIG) (European Economic Interest Grouping (EEIG)) — 'Trust' or other similar legal arrangement 	
Portugal	<ul style="list-style-type: none"> — Sociedade civil (Civil law partnership) which is not incorporated in a commercial form — Incorporated firms engaged in listed professional activities in which all partners are individuals qualified in the same profession — Agrupamento de Interesse Económico (AIE) (domestic economic interest grouping) — Agrupamento Europeu de Interesse Económico (AEIE) (European Economic Interest Grouping (EEIG)) 	<p>Civil law partnerships not incorporated in a commercial form, incorporated firms engaged in listed professional activities, ACE (type of incorporated joint venture), EEIGs and companies holding assets which are either controlled by a family group or fully owned by five members or less are fiscally transparent.</p> <p>Other incorporated partnerships are treated as companies and taxed under the general IRC rules.</p> <p>Offshore companies operating in free-trade zones in Madeira or in Azores island of Santa Maria are exempted from CIT and WHT on dividends, interest, royalties and similar payments made to the foreign parent.</p>

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Countries	List of entities and arrangements	Comments
	<ul style="list-style-type: none"> — Sociedade gestora de participações sociais (SGPS) (Holding companies which are either controlled by a family group or fully owned by five members or less) — Herança jacente (namely estate of a deceased person) — Unincorporated association — Offshore company operating in free-trade zones in Madeira or in Azores island of Santa Maria — 'Trust' or other similar legal arrangement 	The only trusts admitted under Portuguese law are those set up under foreign law by legal persons in the International Business Centre of Madeira and trust assets constitute an autonomous part of the patrimony of the legal person acting as trustee.
Romania	<ul style="list-style-type: none"> — Association (partnership) — Cooperative (Cooperative) — 'Trust' or other similar legal arrangement 	
Slovenia	<ul style="list-style-type: none"> — Samostojni podjetnik (Proprietorship) — 'Trust' or other similar legal arrangement 	
Slovak Republic	<ul style="list-style-type: none"> — Verejná obchodná spoločnosť (General partnership) — Európske združenie hospodárskych záujmov (European Economic interest grouping (EEIG)) — Komanditná spoločnosť (Limited partnership) re income attributed to a general partner — Združenie (Association) — Entities that are not set up for the purpose of conducting business: chambers of professionals, voluntary civic associations, Nadácia (foundations) — 'Trust' or other similar legal arrangement 	<p>The taxable base is first computed for the limited partnership as a whole and then allocated to the general partners and limited partners. The profit shares received by the general partners of a limited partnership are taxed at the level of general partners. The remainder income of the limited partners is taxed initially at partnership level according to the rules for companies.</p> <p>Tax-exempt income includes income derived from activities that are the purpose of the establishment of the organisation, except income subject to the WHT regime.</p>
Finland	<ul style="list-style-type: none"> — yksityisliike (Unregistered firm) — avoin yhtiö / öppet bolag (Partnership) — kommandiittiyhtiö / kommanditbolag (Limited partnership) — kuolinpesä / dödsbo (Estate of a deceased person) — eurooppalaisesta taloudellisesta etuyhtymästä (ETEY) / europeiska ekonomiska intressegrupperingar (European Economic interest grouping (EEIG)) — 'Trust' or other similar legal arrangement 	

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Countries	List of entities and arrangements	Comments
Sweden	<ul style="list-style-type: none"> — handelsbolag (General partnership) — kommanditbolag (Limited partnership) — enkelt bolag (Simple partnership) — 'Trust' or other similar legal arrangement 	
United Kingdom	<ul style="list-style-type: none"> — General partnership — Limited partnership — Limited liability partnership — EEIG — Investment club (where members are entitled to a specific share of assets) 	General partnerships, limited partnerships; limited liability partnerships and EEIGs are transparent for tax purposes.

AMENDMENT

ANNEX III

List of 'paying agents on receipt' under Article 4(2)

INTRODUCTORY NOTE

Trusts and similar legal arrangements are listed for those Member States that do not have a domestic fiscal regime for the taxation of income received on behalf of such legal arrangements by the person who primarily holds legal title and primarily manages its property and income, and is resident on their territory. This list refers to trusts and similar legal arrangements whose place of effective management of their movable assets is in these countries (residence of the main trustee or other administrator responsible for movable assets), irrespective of the laws under which these trusts and similar legal arrangements have been set up.

Countries	List of entities and arrangements	Comments
Belgium	<ul style="list-style-type: none"> — Société de droit commun / maatschap (Civil law or commercial company without any legal status) — Société momentanée / tijdelijke handelsvennootschap (Company without any legal status whose purpose is to deal with one or several specific commercial operations) — Société interne / stille handelsvennootschap (Company without any legal status through which one or more persons has (have) an interest in operations that one or more other persons manage(s) on their behalf) — 'Trust', foundation or other similar legal arrangement 	<p>See Articles 46, 47 and 48 of the Belgian Company Code.</p> <p>These 'companies' (the name of which is given in French and Dutch) do not have legal status, and from the point of view of taxation, a look-through approach is applicable.</p>
Bulgaria	<ul style="list-style-type: none"> — Дружество със специална инвестиционна цел (Special-purpose investment company) — Инвестиционно дружество (Investment company, not covered by Article 6) — 'Trust', foundation or other similar legal arrangement 	<p>Entity exempt from corporate income tax</p> <p>Trusts are allowed for public offering in Bulgaria and are exempt from corporate income tax</p>

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Countries	List of entities and arrangements	Comments
Czech Republic	<ul style="list-style-type: none"> — Veřejná obchodní společnost (ver. obch. spol. or V.O.S.) (Partnership) — Sdružení (Association) — Družstvo (Cooperative) — Evropské hospodářské zájmové sdružení (EHZS) (European Economic Interest Grouping (EEIG)) — 'Trust', foundation or other similar legal arrangement 	
Denmark	<ul style="list-style-type: none"> — Interessentskaber (General partnership) — Kommanditselskaber (Limited partnership) — Partnerselskaber (Partner company) — Europæisk økonomisk firmagrupper (EØFG) (European Economic Interest Grouping (EEIG)) — 'Trust', foundation or other similar legal arrangement 	
Germany	<ul style="list-style-type: none"> — Gesellschaft bürgerlichen Rechts (Civil law company) — Kommanditgesellschaft — KG, offene Handelsgesellschaft — OHG (Commercial partnership) — Europäische Wirtschaftliche Interessenvereinigung (European Economic Interest Grouping (EEIG)) — 'Trust', foundation or other similar legal arrangement 	
Estonia	<ul style="list-style-type: none"> — Täisühing- TÜ (General partnership) — Usaldusühing-UÜ (Limited partnership) — 'Trust', foundation or other similar legal arrangement 	General and limited partnerships are taxed as separate taxable entities, any distributions by which are deemed to be dividends (subject to distribution tax).
Ireland	<ul style="list-style-type: none"> — Partnership and investment club — European economic interest grouping (EEIG) — 'General partnership' — 'Limited partnership' — 'Investment partnership' — 'Non-resident limited liability company' — 'Irish common contractual fund' — 'Trust', foundation or other similar legal arrangement 	Irish resident trustee taxable on income arising to the trust.

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Countries	List of entities and arrangements	Comments
Greece	<ul style="list-style-type: none"> — Omorrythmos Eteria (OE) (General partnership) — <i>Eterorrythmos</i> Eteria (EE) (Limited partnership) — 'Trust', foundation or other similar legal arrangement 	Partnerships are subject to corporate income tax. However, up to 50 % of the profits of partnerships is taxed in the hands of the individual partners at their personal tax rate.
Spain	<p>Entities subject to the system for taxing attribution of profits:</p> <ul style="list-style-type: none"> — Sociedad civil con o sin personalidad jurídica (Civil law partnership with or without legal personality), — Agrupación europea de interés económico (AEIE) (European Economic Interest Grouping (EEIG)), — Herencias yacentes (Estate of a deceased person), — Comunidad de bienes (Joint ownership). — Other entities without legal personality that constitute a separate economic unit or a separate group of assets (Article 35(4) of the Ley General Tributaria). — 'Trust', foundation or other similar legal arrangement 	
France	<ul style="list-style-type: none"> — Société en participation (Joint venture company) — Société ou association de fait (De facto company) — Indivision (Joint ownership) — 'Trust', foundation or other similar legal arrangement 	
Italy	<ul style="list-style-type: none"> — Società semplice (Civil law partnership and assimilated entity) — Non-commercial entity without legal personality — 'Trust', foundation or other similar legal arrangement 	<p>The category of entities treated as 'società semplici' includes: 'società di fatto' (irregular or 'de facto' partnerships), which do not have commercial activities as their purpose, and 'associazioni' (associations) organised by artists or professional persons for the practice of their art or profession in associative forms with no legal personality.</p> <p>The category of non-commercial entities without legal personality is wide, and may include various types of organisations: associations, syndicates, committees, non-profit organisations and others.</p>

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Countries	List of entities and arrangements	Comments
Cyprus	<ul style="list-style-type: none"> — Syneterismos (Partnership) — syndesmos or somatio (Association) — Synergatikes (Cooperative) — 'Trust', foundation or other similar legal arrangement — Ekswxwria Eteria (Offshore company) 	Trusts created under Cypriot jurisdiction are considered transparent entities under national law.
Latvia	<ul style="list-style-type: none"> — Pilnsabiedrība (General partnership) — Komandītsabiedrība (Limited partnership) — Eiropas Ekonomisko interešu grupām (EEIG) (European Economic Interest Grouping (EEIG)) — Biedrības un nodibinājumi (Association and foundation); — Lauksaimniecības kooperatīvi (Agriculture cooperative) — 'Trust', foundation or other similar legal arrangement 	
Lithuania	<ul style="list-style-type: none"> — Europos ekonominių interesų grupės (European Economic Interest Grouping (EEIG)) — Asociacija (Association) — 'Trust', foundation or other similar legal arrangement 	Interests and capital gains on shares or bonds derived by associations are exempt from corporate income tax.
Luxembourg	<ul style="list-style-type: none"> — Société en nom collectif (General partnership) — Société en commandite simple (Limited partnership) — 'Trust', foundation or other similar legal arrangement 	
Hungary	<ul style="list-style-type: none"> — 'Trust', foundation or other similar legal arrangement 	Hungary recognises trusts as 'entities' under national rules
Malta	<ul style="list-style-type: none"> — Soċjetà in akomonditia (Partnership 'en commandite'), the capital of which is not divided into shares — Arrangement in participation (Association 'en participation') — Investment club — Soċjetà Kooperattiva (Cooperative society) — 'Trust', foundation or other similar legal arrangement 	Partnerships 'en commandite' the capital of which is divided into shares are subject to general CIT.

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Countries	List of entities and arrangements	Comments
Netherlands	<ul style="list-style-type: none"> — Vennootschap onder firma (General partnership) — Commanditaire vennootschap (Closed limited partnership) — Europese economische samenwerkingsverbanden (EESV) (European Economic Interest Grouping (EFIG)) — Vereniging (Association) — Stichting (Foundation) — 'Trust', foundation or other similar legal arrangement 	<p>General partnerships, closed partnerships and EFIGs are transparent for tax purposes.</p> <p>Verenigingen (Associations) and stichtingen (foundations) are tax exempt unless they carry on a trade or business.</p>
Austria	<ul style="list-style-type: none"> — Personengesellschaft (Partnership) — Offene Personengesellschaft (General commercial partnership) — Kommanditgesellschaft, KG (Limited partnership) — Gesellschaft nach bürgerlichem Recht, GesBR (Civil law partnership) — Offene Erwerbsgesellschaft (OEG) (Professional general partnership) — Kommandit-Erwerbsgesellschaft (Professional limited partnership) — Stille Gesellschaft (Silent partnership) — Einzelfirma (Sole partnership) — Europäische Wirtschaftliche Interessenvereinigung (European Economic Interest Grouping (EFIG)) Privatstiftung (Private foundation) — 'Trust', foundation or other similar legal arrangement 	<p>Partnership is considered transparent, even if viewed as an entity for the purpose of profit computation.</p> <p>Treated like a normal 'partnership'.</p> <p>Taxed as a company, interest income taxed at a reduced rate of 12,5 %</p>
Poland	<ul style="list-style-type: none"> — Spółka jawna (Sp. j.) (General partnership) — Spółka komandytowa (Sp. k.) (Limited partnership) — Spółka komandytowo-akcyjna (S.K.A.) (Limited joint-stock partnership) — Spółka partnerska (Sp. p.) (Professional partnership) — Europejskie ugrupowanie interesów gospodarczych (EUIG) (European Economic Interest Grouping (EFIG)) — 'Trust', foundation or other similar legal arrangement 	

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Countries	List of entities and arrangements	Comments
Portugal	<ul style="list-style-type: none"> — Sociedade civil (Civil law partnership) which is not incorporated in a commercial form — Incorporated firms engaged in listed professional activities in which all partners are individuals qualified in the same profession — Agrupamento de Interesse Económico (AIE) (domestic economic interest grouping) — Agrupamento Europeu de Interesse Económico (AEIE) (European Economic Interest Grouping (EEIG)) — Sociedade gestora de participações sociais (SGPS) (Holding companies which are either controlled by a family group or fully owned by five members or less) — Herança jacente (namely estate of a deceased person) — Unincorporated association — Offshore company operating in free-trade zones in Madeira or in Azores island of Santa Maria — 'Trust', foundation or other similar legal arrangement 	<p>Civil law partnerships not incorporated in a commercial form, incorporated firms engaged in listed professional activities, ACE (type of incorporated joint venture), EEIGs and companies holding assets which are either controlled by a family group or fully owned by five members or less are fiscally transparent.</p> <p>Other incorporated partnerships are treated as companies and taxed under the general IRC rules.</p> <p>Offshore companies operating in free-trade zones in Madeira or in Azores island of Santa Maria are exempted from CIT and WHT on dividends, interest, royalties and similar payments made to the foreign parent.</p> <p>The only trusts admitted under Portuguese law are those set up under foreign law by legal persons in the International Business Centre of Madeira and trust assets constitute an autonomous part of the patrimony of the legal person acting as trustee.</p>
Romania	<ul style="list-style-type: none"> — Association (partnership) — Cooperative (Cooperative) — 'Trust', foundation or other similar legal arrangement 	
Slovenia	<ul style="list-style-type: none"> — Samostojni podjetnik (Proprietorship) — 'Trust', foundation or other similar legal arrangement 	
Slovakia	<ul style="list-style-type: none"> — Verejná obchodná spoločnosť (General partnership) — Európske združenie hospodárskych záujmov (European Economic interest grouping (EEIG)) — Komanditná spoločnosť (Limited partnership) re income attributed to a general partner — Združenie (association) — Entities that are not set up for the purpose of conducting business: chambers of professionals, voluntary civic associations, Nadácia (foundations) — 'Trust', foundation or other similar legal arrangement 	<p>The taxable base is first computed for the limited partnership as a whole and then allocated to the general partners and limited partners. The profit shares received by the general partners of a limited partnership are taxed at the level of general partners. The remainder income of the limited partners is taxed initially at partnership level according to the rules for companies.</p> <p>Tax-exempt income includes income derived from activities that are the purpose of the establishment of the organisation, except income subject to the WHT regime.</p>

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Countries	List of entities and arrangements	Comments
Finland	<ul style="list-style-type: none"> — yksityisliike (Unregistered firm) — avoin yhtiö / öppet bolag (Partnership) — kommandiittiyhtiö / kommanditbolag (Limited partnership) — kuolinpesä / dödsbo (Estate of a deceased person) — eurooppalaisesta taloudellisesta etuyhtymästä (ETEY) / europeiska ekonomiska intressegrupperingar (European Economic interest grouping (EEIG)) — 'Trust', foundation or other similar legal arrangement 	
Sweden	<ul style="list-style-type: none"> — handelsbolag (General partnership) — kommanditbolag (Limited partnership) — enkelt bolag (Simple partnership) — 'Trust', foundation or other similar legal arrangement 	
United Kingdom	<ul style="list-style-type: none"> — General partnership — Limited partnership — Limited liability partnership — EEIG — Investment club (where members are entitled to a specific share of assets) — 'Trust', foundation or other similar legal arrangement — Entities and legal arrangements whose place of effective management is in the jurisdiction of Gibraltar, including: <ul style="list-style-type: none"> — Limited liability companies whether limited by shares, guarantee or some other mechanism; — Limited liability corporations whether limited by shares, guarantee or some other mechanism; — International companies or corporations; — International business companies or corporations; 	General partnerships, limited partnerships; limited liability partnerships and EEIGs are transparent for tax purposes.

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Countries	List of entities and arrangements	Comments
	<ul style="list-style-type: none"> — <i>Exempt companies or corporations;</i> — <i>Protected cell companies or corporations;</i> — <i>Incorporated cell companies or corporations;</i> — <i>International banks, including corporations of similar name;</i> — <i>Offshore banks, including corporations of similar name;</i> — <i>Insurance companies or corporations;</i> — <i>Reinsurance companies or corporations;</i> — <i>Co-operatives;</i> — <i>Credit unions;</i> — <i>Partnerships of all forms including (without limitation) general partnerships, limited partnerships, limited liability partnerships, international partnerships and international business partnerships;</i> — <i>Joint ventures;</i> — <i>Trusts;</i> — <i>Settlements;</i> — <i>Foundations;</i> — <i>Estates of deceased persons;</i> — <i>Funds of all forms;</i> — <i>Branches of any of the entities and arrangements listed here;</i> — <i>Representative offices of any of the entities and arrangements listed here;</i> — <i>Permanent establishments of any of the entities and arrangements listed here;</i> — <i>Multiform Foundation, however described.</i> 	