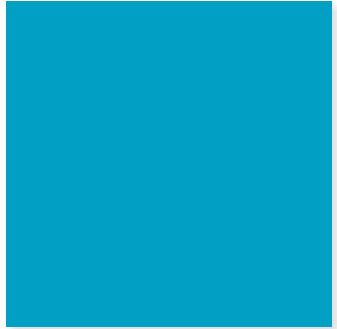


PKF



Germany
Tax Guide
2013

FOREWORD

A country's tax regime is always a key factor for any business considering moving into new markets. What is the corporate tax rate? Are there any incentives for overseas businesses? Are there double tax treaties in place? How will foreign source income be taxed?

Since 1994, the PKF network of independent member firms, administered by PKF International Limited, has produced the PKF Worldwide Tax Guide (WWTG) to provide international businesses with the answers to these key tax questions. This handy reference guide provides clients and professional practitioners with comprehensive tax and business information for over 90 countries throughout the world.

As you will appreciate, the production of the WWTG is a huge team effort and I would like to thank all tax experts within PKF member firms who gave up their time to contribute the vital information on their country's taxes that forms the heart of this publication.

I hope that the combination of the WWTG and assistance from your local PKF member firm will provide you with the advice you need to make the right decisions for your international business.

Richard Sackin

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PREFACE

The PKF Worldwide Tax Guide 2013 (WWTG) is an annual publication that provides an overview of the taxation and business regulation regimes of the world's most significant trading countries. In compiling this publication, member firms of the PKF network have based their summaries on information current on 1 January 2013, while also noting imminent changes where necessary.

On a country-by-country basis, each summary addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country's personal tax regime. The final section of each country summary sets out the Double Tax Treaty and Non-Treaty rates of tax withholding relating to the payment of dividends, interest, royalties and other related payments.

While the WWTG should not be regarded as offering a complete explanation of the taxation issues in each country, we hope readers will use the publication as their first point of reference and then use the services of their local PKF member firm to provide specific information and advice.

In addition to the printed version of the WWTG, individual country taxation guides are available in PDF format which can be downloaded from the PKF website at www.pkf.com

PKF INTERNATIONAL LIMITED
MAY 2013

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ABOUT PKF INTERNATIONAL LIMITED

PKF International Limited (PKFI) administers the PKF network of legally independent member firms. There are around 300 member firms and correspondents in 440 locations in around 125 countries providing accounting and business advisory services. PKFI member firms employ around 2,270 partners and more than 22,000 staff. PKFI is the 11th largest global accountancy network and its member firms have \$2.68 billion aggregate fee income (year end June 2012). The network is a member of the Forum of Firms, an organisation dedicated to consistent and high quality standards of financial reporting and auditing practices worldwide.

Services provided by member firms include:

- Assurance & Advisory
- Insolvency – Corporate & Personal
- Financial Planning/Wealth management
- Taxation
- Corporate Finance
- Forensic Accounting
- Management Consultancy
- Hotel Consultancy
- IT Consultancy

PKF member firms are organised into five geographical regions covering Africa; Latin America; Asia Pacific; Europe, the Middle East & India (EMEI); and North America & the Caribbean. Each region elects representatives to the board of PKF International Limited which administers the network. While the member firms remain separate and independent, international tax, corporate finance, professional standards, audit, hotel consultancy and business development committees work together to improve quality standards, develop initiatives and share knowledge and best practice cross the network.

Please visit www.pkf.com for more information.

STRUCTURE OF COUNTRY DESCRIPTIONS

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SALES TAX/VALUE ADDED TAX
FRINGE BENEFITS TAX
LOCAL TAXES
OTHER TAXES

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STOCK/INVENTORY
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INTEREST DEDUCTIONS
LOSSES
FOREIGN SOURCED INCOME
INCENTIVES

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E. RELATED PARTY TRANSACTIONS

F. WITHHOLDING TAX

G. EXCHANGE CONTROL

H. PERSONAL TAX

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

INTERNATIONAL TIME ZONES

AT 12 NOON, GREENWICH MEAN TIME, THE STANDARD TIME ELSEWHERE IS:

A

Algeria	1 pm
Angola	1 pm
Argentina	9 am
Australia -	
Melbourne	10 pm
Sydney	10 pm
Adelaide	9.30 pm
Perth	8 pm
Austria	1 pm

B

Bahamas	7 am
Bahrain	3 pm
Belgium	1 pm
Belize	6 am
Bermuda	8 am
Brazil	7 am
British Virgin Islands	8 am

C

Canada -	
Toronto	7 am
Winnipeg	6 am
Calgary	5 am
Vancouver	4 am
Cayman Islands	7 am
Chile	8 am
China - Beijing	10 pm
Colombia	7 am
Cyprus	2 pm
Czech Republic	1 pm

D

Denmark	1 pm
Dominican Republic	7 am

E

Ecuador	7 am
Egypt	2 pm
El Salvador	6 am
Estonia	2 pm

F

Fiji	12 midnight
Finland	2 pm
France	1 pm

G

Gambia (The)	12 noon
Germany	1 pm
Ghana	12 noon
Greece	2 pm
Grenada	8 am
Guatemala	6 am

VI

Guernsey	12 noon
Guyana	7 am

H

Hong Kong	8 pm
Hungary	1 pm

I

India	5.30 pm
Indonesia	7 pm
Ireland	12 noon
Isle of Man	12 noon
Israel	2 pm
Italy	1 pm

J

Jamaica	7 am
Japan	9 pm
Jordan	2 pm

K

Kenya	3 pm
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L

Latvia	2 pm
Lebanon	2 pm
Luxembourg	1 pm

M

Malaysia	8 pm
Malta	1 pm
Mexico	6 am
Morocco	12 noon

N

Namibia	2 pm
Netherlands (The)	1 pm
New Zealand	12 midnight
Nigeria	1 pm
Norway	1 pm

O

Oman	4 pm
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P

Panama	7 am
Papua New Guinea	10 pm
Peru	7 am
Philippines	8 pm
Poland	1 pm
Portugal	1 pm

Q

Qatar	8 am
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R

Romania	2 pm
---------	------

Russia -	
Moscow	3 pm
St Petersburg	3 pm

S

Singapore	7 pm
Slovak Republic	1 pm
Slovenia	1 pm
South Africa	2 pm
Spain	1 pm
Sweden	1 pm
Switzerland	1 pm

T

Taiwan	8 pm
Thailand	8 pm
Tunisia	12 noon
Turkey	2 pm
Turks and Caicos Islands	7 am

U

Uganda	3 pm
Ukraine	2 pm
United Arab Emirates	4 pm
United Kingdom	(GMT) 12 noon
United States of America -	
New York City	7 am
Washington, D.C.	7 am
Chicago	6 am
Houston	6 am
Denver	5 am
Los Angeles	4 am
San Francisco	4 am
Uruguay	9 am

V

Venezuela	8 am
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Z

Zimbabwe	2 pm
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A. TAXES PAYABLE**FEDERAL TAXES AND LEVIES
COMPANY TAX**

German-resident companies are subject to tax on their worldwide income. Non-resident companies are required to pay tax in various forms on income derived from German sources.

Resident companies are those that are incorporated in Germany or have their place of management and control in Germany.

The corporation tax rate is 15%. In addition, a solidarity surcharge is levied at the rate of 5.5% of the corporation tax.

The tax year in Germany is the calendar year. Companies are required to make quarterly prepayments of tax based on the previous year's income. Corporation tax returns should be submitted by 31 May of the following year. An automatic extension of seven months (31 December) is granted for returns prepared by a tax consultant.

TRADE TAX

Trade tax is applied only to business income. All business enterprises operating in Germany are subject to this tax. The trade tax rate is assessed independently by each municipality. The effective tax rates range from 7% to 17.50%.

Individuals may deduct trade tax as a block credit to a certain extent against

individual income tax. No tax relief by deduction or credit will be available to companies.

CAPITAL GAINS TAX

There is no special or separate capital gains tax. For privately held shares a flat withholding tax of 25% plus solidarity surcharge of 5.5% of the tax due has been introduced (for details see below under 'Capital gains and losses').

BRANCH PROFITS TAX

There is no separate branch profits tax in Germany. Trading profits and capital gains of a German branch of a foreign company are calculated and taxed on the same basis as those of a German resident company.

SALES TAX/VALUE ADDED TAX (VAT)

This is a tax on the supply of goods and services, other than exempt supplies and services, rendered in Germany by a taxable person.

The tax rates are as follows:

Standard rate:	19%
Reduced rate:	7%

FRINGE BENEFITS TAX

For some services provided to its employees (eg canteen food, office outings, transportation of employees, accident insurances and payments to retirement funds), the company has the option to pay the income tax on account for the employee. The tax is paid at a flat tax rate which varies depending on the service provided from 15% to 25% of the given value.

OTHER TAXES

In Germany a net wealth tax is not levied. Other taxes include real estate transfer tax (RETT) at a rate of 3.5% to 5.5% and insurance tax (excluding life insurance and private medical insurance) at 19%. Certain exemptions for RETT on intra-group restructurings have been introduced with effect from 1 January 2010.

B. DETERMINATION OF TAXABLE INCOME

The taxable income of a company is determined by ascertaining assessable income and then subtracting all allowable deductions. Business expenses are generally deductible for tax purposes, although there are some exceptions such as entertainment expenses which are only 70% deductible. Special rules apply in respect of the categories listed below.

DEPRECIATION

Tangible fixed assets, other than land, are written off over their estimated useful lives at rates prescribed by the tax law or an administrative regulation. For tangible goods bought after 31 December 2007, only the straight-line method of depreciation can be used. The declining-balance method applies for movable assets bought before 31 December 2007 and for a transition period between 31 December 2008 and 1 January 2011. In the case of a long-term devaluation of assets, an extraordinary depreciation is allowed. This write-down has to be reversed if the value of the asset increases again. Assets with purchase costs from EUR 150 to EUR 1,000 exclusive of VAT can be pooled every year. The pool for each year has to be written off in five years. The straight-line method applies in this case. A new law allows a taxpayer to elect for an immediate write-off of goods with a value of less than EUR 410.

STOCK/INVENTORY

Inventory includes raw materials, work-in-progress, finished goods and payments on account. Each item of inventory must be valued at acquisition cost or cost of production. Accepted valuation methods include 'last in, first out' (LIFO) and average cost.

CAPITAL GAINS AND LOSSES

In principle, capital gains from business assets are taxed at the ordinary tax rate. Profits on the sale of land and buildings may be reinvested tax-free (roll-over relief).

Where the shareholder is a corporation, capital gains relating to the sale of shares held in an enterprise (German or foreign) are tax-free. Correspondingly, a write-down of a participation does not have any tax consequences. Losses arising from the sale of such a stake will also not be recognised for tax purposes. However, a lump sum of 5% of the gains is added back to taxable income representing non-deductible business expenses. Where the shareholder is an individual or a partnership, capital gains arising from the sale of shares held as business assets are taxable, but only 60% of the capital gain is

added to the individual's/partner's annual gross income. The remainder is tax-free (40% participation exemption). Correspondingly, only 60% of the losses are deductible. Capital gains realised by partnerships are tax-free if reinvested in shares within two years (roll-over relief).

Where the shareholder is an individual, capital gains arising from the sale of privately held shares bought after 31 December 2008 are subject to a 25% flat withholding tax plus a solidarity surcharge of 5.5% of the tax due if the participation is below 1%. If the participation is 1% or more, the rules for shares held as business assets apply. Losses from the sale of privately held shares may be deducted only from gains arising on privately held shares. Non-deductible losses may be carried forward.

Capital gains arising from the sale of privately held shares bought before 31 December 2008 are not taxed unless the assets are sold within one year. In this case, only 50% of the capital gain is added to the individual's annual gross income. The remainder is tax-free (50% participation exemption). Correspondingly, only 50% of the losses are deductible.

Capital gains arising from the sale of other privately held movable assets are not taxed unless the assets are sold within one year. Capital gains arising from the sale of privately held land and buildings are not taxed unless the assets are sold within ten years.

DIVIDENDS

Dividend income is subject to 25% withholding tax plus a solidarity surcharge of 5.5% of the tax due. The withholding tax rate may be reduced in accordance with tax treaties or EU regulations (Parent-Subsidiary Directive).

Where the shareholder is a corporation, the dividend income is tax-free (100% participation exemption). However, a lump sum of 5% of the gross dividends is added back to taxable income representing non-deductible business expenses, irrespective of the actual expenses incurred by the company. This applies to dividends received from both German and foreign enterprises. There is no minimum shareholding and no minimum holding period for corporate tax purposes. For trade tax purposes a 15% minimum participation is required as at the beginning of the calendar year.

Where the shareholder is a partnership, only 60% of the dividend income is added to the partner's annual gross income. The remainder is tax-free (40% participation exemption). Correspondingly, only 60% of the expenses directly connected to the dividend are deductible. A resident taxpayer may credit the withholding tax which has been deducted by the corporation against his own individual tax liability. Corporation tax can no longer be credited against the individual tax.

Where the shareholder is an individual, dividends are subject to a 25% flat withholding tax plus a solidarity surcharge of 5.5% of the tax due. However, if the withholding tax rate exceeds the marginal income tax rate of the shareholder, the shareholder may opt to report the dividend in his income tax return instead. Economically connected expenses such as financing fees will no longer be deductible.

INTEREST DEDUCTIONS

Interest is deductible to the extent that it is payable on credits raised to generate taxable income. Where interest is paid in order to finance a participation in another company, the above mentioned special provisions concerning business expenses which are directly related to tax-free dividends apply.

In order to combat abusive transfers of profits outside the German tax jurisdiction, an "interest barrier" limiting the deductibility of interest payments as business expenses has been introduced. Interest payments are generally deductible if they do not exceed interest income for the period. The excess amount is only deductible up to 30% of EBITDA as defined for tax purposes. An additional 'exemption threshold' of EUR 3,000,000 is granted for excess interest expenses before the 30% barrier applies. An EBITDA carry-forward mechanism also exists.

The interest barrier is only applicable for companies belonging to a group. Such a group is deemed to exist if a German company may be consolidated with other companies. The interest barrier does not apply to companies that are part of a group if, under IFRS, the ratio of equity to total assets of the company is equal or higher than the ratio of equity to total assets for the group as a whole. In addition, a shortfall of up to 2% compared to the group ratio is permissible. This escape clause will not be applicable for corporations if more than 10% of the interest expenses are on related-party debt, ie to shareholders with participations of 25% or more.

LOSSES

In the year in which losses are incurred, they may, in principle, be deducted without restrictions. Remaining losses may be carried back to the preceding accounting period

up to an amount of EUR 511,500 (there is a current proposal to raise this to EUR 1 million but this is still under discussion and not yet decided). If there are still losses, they may be carried forward indefinitely to future years. However, in each future year, the deduction must not be more than EUR 1m. Profits in excess of this may be set-off only in an amount of 60% by a loss carry-forward. Loss carry-forwards may be forfeited by certain share transfers or corporate restructurings.

FOREIGN SOURCED INCOME

Foreign sourced income is generally taxable. In addition, Germany has a controlled foreign company (CFC) regime. Its objective is to ensure that profits of German controlled companies are not transferred to, or generated in, low tax jurisdictions. A low tax jurisdiction is deemed to be any country which taxes income at a rate of less than 25%. Where German residents hold more than 50% of the shares or the voting rights of an intermediate corporation with passive income, the income is deemed to be distributed to the German shareholders and taxed at their level if the intermediate corporation is located in a low tax jurisdiction. Under certain conditions, a participation of 1% in the foreign intermediate corporation is sufficient to trigger the CFC taxation.

Profit distributions by corporations and capital gains arising from the sale of these participations are deemed to be active income. Income derived by foreign holding companies is thus effectively exempt from CFC tax.

INVESTMENT ALLOWANCE/INCENTIVES

Qualifying investment aids are tax-free and available in selected areas from local authorities for the improvement of the regional economic structure. Investment grants are provided by the tax authorities for the acquisition of new buildings or depreciable, new movable assets in the new federal states.

C. FOREIGN TAX RELIEF

Even in the absence of a tax treaty, foreign tax on income derived by a German resident may be credited against his income or corporation tax liability. The tax relief must not exceed the German tax charged on the same profits. Alternatively, the foreign tax may be deducted from the income of the German resident.

D. CORPORATE GROUPS

Profits and losses of German group companies may be pooled for corporate tax and trade tax purposes if the requirements of the so-called 'Organschaft' are met. The controlling company must hold – directly or indirectly – the majority of the shares of the controlled company and there must be a profit and loss pooling agreement between the two companies.

E. RELATED PARTY TRANSACTIONS

Inter-company pricing between affiliated companies must be carried out on an arm's length basis. If this is not the case, the income of both companies is adjusted for tax purposes. Arbitration proceedings are available within the European Union.

Legislation is in force that specifies the duty to document the way in which a taxpayer arrives at the transfer prices on transactions with foreign closely related persons/enterprises. The documentation must encompass the nature and contents of the business relationship and the economic and legal basis underlying the arm's length prices. Specific legislation applies to a "transfer of functions" between intra-group companies.

F. WITHHOLDING TAX

Under domestic law, all dividends, regardless of whether they are paid to a resident or a non-resident, are subject to a 25% withholding tax plus solidarity surcharge of 5.5% of the tax due as a flat tax. This is reduced to nil in the case where the shareholder satisfies the conditions of the EU Parent/Subsidiary Directive (broadly that the shareholder is an EU resident company with a 10% or more interest in the company paying the dividend). Interest is subject to a 25% withholding tax plus solidarity surcharge of 5.5% of the tax due if it is paid to a resident. Interest paid to a non-resident is not subject to withholding tax. Royalties paid to a non-resident are subject to a 15% withholding tax plus a solidarity surcharge of 5.5% of the tax due. Certain German tax treaties provide for an exemption or a reduced rate (see below).

G. EXCHANGE CONTROL

There are no exchange control requirements.

H. PERSONAL TAX

Income tax is payable by German resident individuals on their worldwide income. Non-resident individuals are only required to pay tax on German-sourced income. Individuals are deemed resident if they have a residence in or their customary place of abode is in Germany. The latter is the case if the individual has spent more than 180 consecutive days in Germany.

Income tax is payable on assessable income less allowable deductions. Assessable income includes business income, income from agriculture and forestry, income from self-employment, income from employment, certain capital gains, capital investment income, and rental and royalty income. Allowable deductions include personal allowances, deductions for business/professional expenses and contributions to specified (insurance) bodies.

Tax instalment payments are withheld from employees' salaries by their employers. Self-employed individuals and those with non-salary income have to pay instalments on a quarterly basis with reference to the income realised in the previous year. The tax rates effective for single taxpayers are as follows:

Taxable income (EUR)	Tax payable (EUR)
Less than 8,004	Nil
8,005 to 52,881	Progressive rates of between 14% and 42%
52,882 to 250,000	42%
More than 250,000	45%

The highest tax rate is 45% for taxable income of individuals that exceeds EUR 250,731 (EUR 501,462 for married couples).

Retained profits from a trade or business, agriculture or self-employment generated by individually-owned firms or partnerships are taxable upon application at a reduced tax rate of 28.25%. When profits are withdrawn, the amount withdrawn is subject to a further tax charge (tax rate 25%) in the assessment year of the withdrawal but is reduced by taxes already paid on the profits distributed.

Interest and dividend income is subject to a 25% flat withholding tax plus solidarity surcharge of 5.5% of the tax due only. Expenses connected with the receipt of investment income are not deductible but a lump sum of EUR 801 can be deducted. The shareholder may opt to report the interest in his income tax return if the withholding tax rate exceeds his marginal income tax rate.

If the taxpayer is married, the income of the taxpayer can be combined with the income of the spouse. Then the tax on 50% of the combined income is doubled correspondingly.

In addition to the personal income tax, a solidarity surcharge is levied at the rate of 5.5% of the personal income tax.

Social security contributions are withheld from employees' salaries and wages. The employer and employee each generally contribute 50% of the total social security contributions. From 1 January 2010 the deductibility of medical insurance contributions has been reformed for income tax purposes to a large extent in favour of the taxpayer.

Members of the Roman Catholic, German Protestant, Lutheran and Jewish churches have to pay church tax. The tax rate amounts to about 8% or 9% of the annual income tax liability and varies according to the district of residence. It is a deductible expense for income tax purposes.

Assets transferred by gift or inheritance are subject to tax. If either the transferor or the recipient is resident in Germany, all transferred assets are taxed wherever situated. If neither party is a German resident, the tax is limited to property located in Germany. The Federal Republic of Germany keeps tax treaties with six countries for these purposes: Denmark, France, Greece, Sweden, Switzerland and USA.

With effect from 1 January 2009, the German national Inheritance and Gift Tax Act was significantly reformed. The tax rates and exemptions vary according to the relationship between the transferor and the recipient and the value of the assets. Where children or the spouse are the recipients, the rates range between 7% (where the assets have a value of EUR 75,000 or less) and 30% (where the assets have a value of more than EUR 26,000,000). In the new legislation the rates for brothers and sisters have

been reduced and vary between 15% and 43%. If the transferor and the recipient are unrelated, the rates vary between 30% and 50% respectively. The spouse of the transferor is granted a personal allowance of EUR 500,000 and the children of the transferor are granted an allowance of EUR 400,000.

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

	Dividends (%)	Interest (%)	Royalties (%)
<i>Non-Treaty Countries:</i>	25	0	20/15 (11)
<i>Treaty Countries:</i>			
Albania	15/5 (1)	0	5
Algeria	15/5 (3)	0	10
Argentina	15	0	15
Armenia	15/5 (3)	0	0
Australia	15	0	10
Austria	15/0 (6)	0	0
Azerbaijan	15/5 (1)	0	10/5 (5)
Bangladesh	15	0	10
Belarus	15/5 (2)	0	5/3 (9)
Belgium	15/0 (6)	0	0
Bolivia	10	0	15
Bosnia-Herzegovina (8)	15	0	10
Bulgaria	15/0 (6)	0	5
Canada	15/5 (3)	0	10/0 (5)
China	10	0	10
Croatia	15/5 (3)	0	0
Cyprus	15/0 (6)	0	0
Czech Republic	15/0 (6)	0	5
Denmark	15/0 (6)	0	0
Ecuador	15	0	15
Egypt	15	0	25/15 (5)
Estonia	15/0 (6)	0	10/5 (5)
Finland	15/0 (6)	0	5
France	15/0 (6)	0	0
Georgia	0/5/10 (7)	0	0
Ghana	15/5 (3)	0	8
Greece	25/0 (6)	0	0
Hungary	15/0 (6)	0	0
Iceland	15/5 (1)	0	0
India	10	0	10
Indonesia	15/10 (1)	0	15/10/7.5 (5)
Iran	20/15 (1)	0	10
Ireland	5/15 (3)	0	0
Israel	25	0	5/0 (5)
Italy	15/0 (6)	0	5/0 (5)
Ivory Coast	15	0	10
Jamaica	15/10 (1)	0	10
Japan	15/10 (1)	0	10
Kazakhstan	15/5 (1)	0	10
Kenya	15	0	15
Korea	15/5 (1)	0	10/2 (5)

	Dividends (%)	Interest (%)	Royalties (%)
Kuwait	15/5 (3)	0	10
Kyrgyzstan	15/5 (1)	0	10
Latvia	15/0 (6)	0	10/5 (5)
Liberia	15/10 (1)	0	10/20 (5)
Liechtenstein	0/5/15	0	0
Lithuania	15/0 (6)	0	10/5 (5)
Luxembourg	15/0 (6)	0	5
Macedonia	15/0 (3)	0	5
Malaysia	15/5 (3)	0	7
Malta	15/0 (6)	0	0
Mauritius	15/5 (3)	0	0
Mexico	15/5 (3)	0	10
Moldova	15/5 (3)	0	0
Mongolia	10/5 (3)	0	10
Montenegro (8)	15	0	10
Morocco	15/5 (3)	0	10
Namibia	15/10 (3)	0	10
Netherlands	15/0 (6)	0	0
New Zealand	15	0	10
Norway	15/0 (1)	0	0
Pakistan	15/10 (2)	0	10
Philippines	15/10 (1)	0	15/10 (5)
Poland	15/0 (6)	0	5
Portugal	15/0 (6)	0	10
Romania	15/5 (3)	0	3
Russia	15/5 (3)	0	0
Serbia (8)	15	0	10
Singapore	15/5 (3)	0	8
Slovak Republic	15/0 (6)	0	5
Slovenia	15/0 (6)	0	5
South Africa	15/7.5 (1)	0	0
Spain	15/0 (6)	0	5
Sri Lanka	15	0	10
Sweden	15/0 (6)	0	0
Switzerland	15/0 (3)	0	0
Syria	10/5 (3)	0	12
Tajikistan			
Taiwan	10	0	10
Thailand	20/15 (1)	0	15/5 (5)
Trinidad and Tobago	20/10 (1)	0	10/0 (5)
Tunisia	15/10 (1)	0	15/10 (5)
Turkey	15/5 (1)	0	10
Turkmenistan	15	0	0
Ukraine	10/5 (2)	0	5/0 (5)
United Arab Emirates	10/5 (3)	0	10
United Kingdom	15/0 (6)	0	0
United States	15/5 (3)	0	0

	Dividends (%)	Interest (%)	Royalties (%)
Uruguay	15/5 (3)	0	10
Uzbekistan	15/5 (1)	0	5/3 (5)
Venezuela	15/5 (4)	0	5
Vietnam	15/10/5 (4)	0	10/7.5 (5)
Zambia	15/5 (1)	0	10
Zimbabwe	20/10 (1)	0	7.5

- 1 Lower rate applicable where recipient holds an interest of at least 25%.
- 2 Lower rate applicable where recipient holds an interest of at least 20%.
- 3 Lower rate applicable where recipient holds an interest of at least 10%.
- 4 Lower rates applicable where recipient holds an interest of at least:
 - (a) 25% or 70% (Vietnam); or
 - (b) 15% (Venezuela).
- 5 The tax rates vary with the nature of the royalty/dividend.
- 6 The dividend is tax free within the EC where the recipient corporation holds an interest of at least 10% (Parent/Subsidiary EC Directive and domestic law).
- 7 The 5% rate applies where the dividend is paid to a company which holds directly at least 10% and has invested more than EUR 100,000 in the capital of the distributing company. The 0% rate applies where the dividend is paid to a company which holds directly at least 50% and has invested more than EUR 3 million in the capital of the distributing company.
- 8 The Treaty between Germany and ex-Yugoslavia is still applicable.

