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 100 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 would also like thank Richard Jones, PKF (UK) LLP, Kevin Reilly, PKF Witt Mares, and Kaarji Vaughan, PKF Melbourne for co-ordinating and checking the entries from countries within their regions.

The WWTG continues to expand each year reflecting both the growth of the PKF network and the strength of the tax capability offered by member firms throughout the world.

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.

Jon Hills
PKF (UK) LLP
Chairman, PKF International Tax Committee
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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 to 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
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- Corporate Finance
- Financial Planning
- Forensic Accounting
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- Management Consultancy
- Taxation

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Please visit www.pkf.com for more information.
STRUCTURE OF COUNTRY DESCRIPTIONS

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BRANCH PROFITS TAX
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FRINGE BENEFITS TAX
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OTHER TAXES

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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
Croatia .................................... 1 pm
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
Georgia .................................... 3 pm
Germany ................................... 1 pm
Ghana ...................................... 12 noon
Greece ..................................... 2 pm
Grenada .................................... 8 am
Guatemala ................................. 6 am
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
Jersey ...................................... 12 noon
Jordan ....................................... 2 pm

K
Kazakhstan .................................. 5 pm
Kenya ....................................... 3 pm
Korea ....................................... 9 pm
Kuwait ...................................... 3 pm

L
Latvia ....................................... 2 pm
Lebanon ..................................... 2 pm
Liberia ...................................... 12 noon
Luxembourg ............................... 1 pm

M
Malaysia .................................... 8 pm
Malta ........................................ 1 pm
Mauritius .................................... 4 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

P
Panama ...................................... 7 am
Papua New Guinea ........................ 10 pm
Peru .......................................... 7 am
Philippines ................................... 8 pm
Poland ....................................... 1 pm
Portugal ..................................... 1 pm
Puerto Rico ................................... 8 am
Q
Qatar ...................... 8 am

R
Romania .................. 2 pm
Russia -
   Moscow ................ 3 pm
   St Petersburg ........ 3 pm

S
Sierra Leone ............ 12 noon
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
Vietnam .................... 7 pm
Austria

Currency: Euro (EUR)  
Dial Code To: 43  
Dial Code Out: 00

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A. TAXES PAYABLE

FEDERAL TAXES AND LEVIES

COMPANY TAX
Public and private limited companies and certain other entities, such as co-operative purchasing societies and mutual insurance companies, are subject to corporate income tax at 25%.

Companies incurring a tax loss or earning small profits must pay a minimum tax of EUR 1,750, EUR 3,500 or EUR 5,452 depending on the legal status of the company and the industry. Non-resident companies are not subject to a minimum tax. Minimum tax may be credited against corporate tax payable in the following years.

Resident companies are subject to tax on their worldwide income. Non-resident companies are taxed on income attributable to an Austrian permanent establishment, immovable property located in Austria, deposits with Austrian banks, income from silent partnerships in Austria, income from leasing or renting certain property in Austria and income from commercial or industrial consulting or providing labour for domestic use. Companies are deemed to be resident if they are incorporated in Austria (i.e. the registered office is in Austria) or have their place of effective management in Austria.

The fiscal year usually runs from 1 January to 31 December, although a company can choose a different fiscal year under certain circumstances. Corporate income tax is assessed on an annual basis. However, quarterly advance payments have to be made.

CAPITAL GAINS TAX

There is no specific capital gains tax in Austria. Capital gains and losses are generally treated as ordinary business income (or loss) and are taxed at standard corporate income tax rates. Special rules apply to capital gains and losses on private property (eg ‘speculative transactions’ within certain periods are subject to income tax). A new tax regime has been introduced from 2011 for financial instruments held by private persons. Basically, capital gains are taxed at the lower of 25% and half the regular rate, regardless of any holding period.

BRANCH PROFITS TAX

There is no branch profits tax in Austria. Austrian branches of foreign companies are subject to Austrian (corporate) income tax on Austrian-sourced income only.

SALES TAX/VALUE ADDED TAX (VAT)

VAT is generally imposed on the delivery of goods and the rendering of other services within Austria by entrepreneurs within the scope of their business and on imports into Austrian customs territory.

The standard VAT rate is 20%. A reduced rate of 10% applies to some basic goods such as food. Some transactions such as exports are zero-rated. A number of transactions are exempt from VAT. VAT is generally assessed on a calendar year basis. Monthly or quarterly preliminary returns have to be filed.

FRINGE BENEFITS TAX (FBT)

There is no specific fringe benefits tax in Austria. However, fringe benefits are subject to salary tax according to the value of the benefit in kind. For assessment of the latter, special rules may apply. The fringe benefits are taxed on the employee.

LOCAL TAXES

A municipal tax of 3% is levied on the gross payroll of enterprises. In addition, municipalities levy land and property taxes.

OTHER TAXES

Austria imposes a number of other taxes such as:

- A 1% capital transfer tax on contributions to company capital.
- A real estate transfer tax of 2% to 3.5% of the real estate value or, alternatively, based upon a deemed tax value for some transactions.
- Insurance tax on insurance premiums, ranging from 1% to 11%.
• Social security is payable both by employers and employees. The employee rate ranges from 15.1% to 18.2% depending on the status and the income of the employee. The employer rate is roughly 21.8%. Apart from social security contributions, employers have to pay approximately 9.5% salary-related charges on top of gross salary. In all, staff costs are approximately 32% of gross salary.

• Stamp duties are due on certain transactions and documents.

Austria does not levy any tax on inheritance or gifts. No tax is imposed on gratuitous transfers (except for land transfer tax which is usually based on a tax value considerably lower than market value) but mandatory reporting on such transfers exceeding certain limits has been implemented.

**B. DETERMINATION OF TAXABLE INCOME**

Taxable income is calculated by ascertaining assessable income and then subtracting all allowable deductions. Generally, to be deductible, losses and expenses must have been incurred to generate assessable income.

Taxable income is based on the profit or loss shown in the financial statements prepared according to Austrian accepted accounting principles. This figure is then adjusted to special tax rules according to the Income Tax Act (to the profit shown in the financial statements). Non-deductible taxes (e.g. corporate tax) and non-deductible expenses (such as donations and general provisions) are added. On the other hand, special allowances and non-taxable income (inter-company dividends and losses carried forward) may be deducted.

**CAPITAL ALLOWANCES**

There are some special capital allowances in Austria that are particularly applicable to small and medium-sized enterprises.

**DEPRECIATION**

Assets subject to wear and tear have to be depreciated using the straight-line method. If an asset costs less than EUR 400, it can be written off immediately in the period of acquisition. The Income Tax Act stipulates fixed depreciation rates for buildings, ranging between 2% and 3% (depending on the use and type of building). For company cars, the Income Tax Act stipulates a fixed useful life of eight years for both acquisition and leasing. Other assets are depreciated over their useful life.

**STOCK/INVENTORY**

Stock is valued at the lower of cost or market value. Where inventory is valued according to the cost price, the FIFO method is generally accepted. Fungible goods may also be valued by using the weighted average cost method.

**CAPITAL GAINS AND LOSSES**

Under certain circumstances, roll-over of capital gains is allowed for individuals or partnerships but not for limited companies. If fixed assets are sold, gains resulting on disposal may be deducted from the cost of investments made in the same period or may be allocated to a tax-free reserve to be used against investments within the following 12 or 24 months. Any amounts not used within this period are subject to tax. Several restrictions apply to the rollover of capital gains (eg not applicable for limited companies). For companies, there is fundamentally no difference in the tax treatment of capital losses and trading losses. For international participations, one can choose between tax-free treatment (capital gains and losses, depreciation is treated as neutral for tax-assessment) or taxable treatment. The declared option is irrevocably binding for the future.

For privately held financial instruments the banks will collect a withholding tax of 25% on capital gains with effect from October 2011.

**DIVIDENDS**

There is a final withholding tax of 25% on domestic dividends. Withholding tax does not apply to dividends paid to:

• an Austrian company holding an interest of at least 10% in the distributing company

• a foreign resident company if, on the due date of the dividend, the recipient of the dividends has held at least 10% (if reciprocity is granted by the other state).

Where withholding tax is incurred on dividends paid between Austrian resident companies, this is creditable against the recipient’s corporate income tax liability. In accordance with double taxation treaties, withholding tax may be reduced through a refund procedure.

**INTEREST DEDUCTIONS**

Interest is deductible on an accruals basis.

Interest income from bank deposits and securities is subject to a withholding tax of 25%. The withholding tax on interest is a final tax (income, donation, inheritance) for
individuals. Interest income earned by a company is part of its business income and therefore subject to 25% corporate tax. For such companies, the withholding tax will be credited to corporate income tax due.

**LOSSES**

Losses may be set off against trading income and capital gains of the same accounting period. Excess losses may be carried forward indefinitely but not carried back. However, losses carried forward may only be set off against the current income, i.e. a minimum of 25% of the income is subject to corporate income tax, regardless of losses carried forward. The excess loss may be credited against profits in consecutive years.

**FOREIGN-SOURCED INCOME**

A resident company is subject to corporate income tax on its worldwide income. Income from foreign sources is taxable in Austria according to double taxation treaty rules. Austria does not have specific controlled foreign company (CFC) legislation. However, to avoid tax abuse, dividends from international participations located in tax havens may be taxed in Austria if certain criteria are fulfilled.

**INVESTMENT ALLOWANCE/INCENTIVES**

Under certain circumstances, the taxation of realised capital gains can be avoided or deferred by transferring the amount to an untaxed roll-over reserve. There are special allowances and/or tax benefits ranging from 6% – 20% for educational costs and research and development.

A further allowance for individuals and partnerships allows for 13% of annual profit (maximum EUR 100,000.00) to be exempt from tax provided the allowance amount is invested in certain tangible assets or securities with a holding period of at least four years. There is no requirement for the first EUR 30,000 of profit to be invested in tangible assets for the person to qualify for relief on this amount.

**TRUSTS (PRIVATE FOUNDATION)**

An Austrian Trust is a legal entity in civil law in which a donor transfers assets in order to achieve the objects of the Trust. Quite often, the purpose of a Trust is to provide for family members (‘family trust’). Trusts enjoy tax advantages because certain forms of income (eg certain capital gains, dividends, interest) are not subject to corporate tax. The transfers to private Trusts are subject to a fixed rate of 2.5% donation tax. In the transfer of real estate, there is a surcharge of 2% of the assessed value of the property. Transfers from the Trust to its beneficiaries (natural persons) are subject to withholding tax.

Trusts (Private Foundations) are subject to special tax regimes that vary from company taxation in quite a number of significant aspects.

**C. FOREIGN TAX RELIEF**

Austria has concluded a number of double taxation treaties with other countries. Generally, an Austrian resident is subject to taxation in Austria. The double taxation treaties may either exempt foreign-sourced income or grant a credit against Austrian tax for foreign taxes paid on the same income or gain in the same accounting period.

**D. CORPORATE GROUPS**

There is a special regime for the taxation of corporate groups where profits and losses can be set off within the group. The parent (or head of the national group) must be a resident corporation or permanent establishment of an EC-corporation. Basically, the parent must hold at least 50% of the shares and voting rights in any member of the group directly or indirectly and the group status must be kept for a minimum period of three years. Losses from non-resident group members reduce the Austrian tax basis (subsequent taxation of these losses applies if the foreign group member can realise losses carried forward in the future). If a member leaves the group for whatever reason before expiration of this period, tax will be assessed as if it had never been a group member.

Losses arising in relation to a member’s investment in another member of the corporate group are generally not deductible (for example, a realised loss on disposal of a subsidiary or impairment loss). However, deductions are available for the amortisation of goodwill arising on the acquisition of Austrian (not foreign) subsidiaries within the group over a 15 year period. The group taxation provides a considerably attractive tax instrument for corporate groups in Austria. However, thorough long-term tax planning is key to efficient utilisation of these provisions.

**E. RELATED PARTY TRANSACTIONS**

The arm’s length principle applies. In this context, the ‘substance-over-form’ principle, which is a general principle of Austrian income tax, has to be strictly
observed. This implies that a transaction must be assessed according to its economic effect and not according to the legal form it takes.

In 2010 the tax administration introduced internal guidelines to transfer pricing basically relying on the OECD TP Guidelines.

F. WITHHOLDING TAX

Austria imposes a 25% withholding tax on dividends, unless double taxation treaties provide otherwise. A withholding tax exemption applies if the recipient company is resident in another EU member state, holds at least 10% of the paying company’s share capital and has done so continuously for one year prior to the dividend payment. Otherwise, the amount withheld can be credited by the recipient company against its own tax liability. For international participations, the EC Parent-Subsidiary Directive applies. If the tax authorities suspect cases of tax avoidance or abuse, the withholding tax exemption can only be claimed through a refund procedure. In principle, Austria levies a 25% withholding tax not only on dividends but also on certain interest payments and capital income derived from securities. Corporate investors may achieve a tax exemption if certain conditions are met, even for portfolio dividends.

G. EXCHANGE CONTROL

Most exchange controls have been abolished in recent years. There are hardly any restrictions on the transfer of capital and currency transactions.

H. PERSONAL TAX

Austrian resident individuals are subject to unlimited tax liability on their worldwide income. Non-resident individuals are only required to pay tax on Austrian-sourced income.

Taxable income consists of the following seven sources:

(1) agriculture and forestry
(2) independent (professional) services (including scientific, artistic, literary, educational, or other professional services)
(3) trade or business, including gains on the sale of a business or partnership share
(4) employment, eg wages and salaries, social security pensions
(5) capital assets (dividends, interest and capital gains from financial instruments)
(6) rentals and royalties
(7) annuities and other income of a recurring nature, speculative gains, and income from special services.

The current average tax rates are as follows:

<table>
<thead>
<tr>
<th>Taxable income in EUR</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,000</td>
<td>0</td>
</tr>
<tr>
<td>11,001 – 25,000</td>
<td>0 – 20.4</td>
</tr>
<tr>
<td>25,001 – 60,000</td>
<td>20.4 – 33.70</td>
</tr>
</tbody>
</table>

Income exceeding EUR 60,000 per annum is taxed at 50%.

The tax payable is reduced by certain tax credits, depending on marital status, number of children and other personal circumstances. Special regulations and rates apply for non-residents. Approximately 1/7th of an employee’s salary per year is taxed at a fixed rate of 6%. The maximum tax rate for income from employment is therefore 43%.

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

<table>
<thead>
<tr>
<th>Dividends</th>
<th>Interest</th>
<th>Royalties Licences</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%</td>
<td>(%)</td>
<td>(%)</td>
</tr>
<tr>
<td>Non-Treaty Countries:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Treaty Countries:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albania:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15/5/15 (1b)</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Algeria:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15/5</td>
<td>0/10</td>
<td>15</td>
</tr>
<tr>
<td>Argentina:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>12.5/0</td>
<td>15</td>
</tr>
<tr>
<td>Armenia:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/15</td>
<td>10/0</td>
<td>5</td>
</tr>
<tr>
<td>Australia:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Country</td>
<td>Dividends (%)</td>
<td>Interest (%)</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>5/10/15</td>
<td>10</td>
</tr>
<tr>
<td>Bahrain</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Barbados</td>
<td>5 (1a) /15</td>
<td>0</td>
</tr>
<tr>
<td>Belarus</td>
<td>5 (1b) /15</td>
<td>0/5</td>
</tr>
<tr>
<td>Belgium</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Belize</td>
<td>5 (1b) /15</td>
<td>0</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>5/10</td>
<td>5</td>
</tr>
<tr>
<td>Brazil</td>
<td>15</td>
<td>15/0</td>
</tr>
<tr>
<td>Bulgaria</td>
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<td>0/5</td>
</tr>
<tr>
<td>Canada</td>
<td>15/5 (1a)</td>
<td>10/0</td>
</tr>
<tr>
<td>China</td>
<td>10/7 (1b)</td>
<td>0/10</td>
</tr>
<tr>
<td>Croatia</td>
<td>0/15</td>
<td>5</td>
</tr>
<tr>
<td>Cuba</td>
<td>15/5 (1b)</td>
<td>0/10</td>
</tr>
<tr>
<td>Cyprus</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0 (1a) /10</td>
<td>0</td>
</tr>
<tr>
<td>Denmark</td>
<td>15/0 (1a)</td>
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<tr>
<td>Egypt</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Estonia</td>
<td>5 (1b) /15</td>
<td>0/10</td>
</tr>
<tr>
<td>Finland</td>
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<td>0</td>
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<tr>
<td>France</td>
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<tr>
<td>Georgia</td>
<td>0/5/10</td>
<td>0</td>
</tr>
<tr>
<td>Germany</td>
<td>5 (1a) /15</td>
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</tr>
<tr>
<td>Greece</td>
<td>5 (1b) /15</td>
<td>0/8</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>0 (1a) /10</td>
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</tr>
<tr>
<td>Hungary</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>India</td>
<td>10</td>
<td>0/10</td>
</tr>
<tr>
<td>Indonesia</td>
<td>15/10 (1b)</td>
<td>10/0</td>
</tr>
<tr>
<td>Iran</td>
<td>5 (1b) /10</td>
<td>0/5</td>
</tr>
<tr>
<td>Ireland</td>
<td>10</td>
<td>0</td>
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<tr>
<td>Israel</td>
<td>25</td>
<td>15</td>
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<tr>
<td>Italy</td>
<td>15</td>
<td>10/0</td>
</tr>
<tr>
<td>Japan</td>
<td>20/10 (1c)</td>
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</tr>
<tr>
<td>Kazakhstan</td>
<td>15/5 (1a)</td>
<td>0/10</td>
</tr>
<tr>
<td>Korea</td>
<td>15/5 (1b)</td>
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<tr>
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<tr>
<td>Kyrgyzstan</td>
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<tr>
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<td>10/5 (1a)</td>
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<tr>
<td>Country</td>
<td>Dividends (%)</td>
<td>Interest (%)</td>
</tr>
<tr>
<td>------------------</td>
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<tr>
<td>Nepal</td>
<td>5 (1b) /10 (1a) /15</td>
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<tr>
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<tr>
<td>Norway</td>
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<tr>
<td>Pakistan</td>
<td>10/15 (1d)</td>
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<td>25/10 (1a)</td>
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<td>15/10 (1c)</td>
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<tr>
<td>Venezuela</td>
<td>5 (1e) /15</td>
<td>5/10</td>
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<tr>
<td>Vietnam</td>
<td>5 (1f) /10 (1b) /15</td>
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1a 10% min. share in subsidiary
1b 25% min. share in subsidiary
1c 50% min. share in subsidiary
1d 20% min. share in subsidiary
1e 15% min. share in subsidiary
1f 70% min. share in subsidiary

2 Normally, the withholding tax rate on bank deposits etc is 25%. However, a full exemption is frequently available where the bank receives a written declaration from the recipient that such interest forms part of the recipient’s business income. The exemption also applies to non-resident individuals for interest received on bonds if they disclose their identity and residence to the depository. Interest received by individuals on bank deposits attracts withholding tax at the rates specified in the treaties. Interest on convertible bonds is taxed as dividends.

3 Royalties to these countries are exempt from withholding tax unless more than 50% of the issued share capital is held. Where more than 50% of the issued share capital is held, the rate given is applicable.