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Middle East – Year in review

2010 tax developments within the Gulf Corporation Council (or GCC, comprised of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE)) and the overall Middle East region include the introduction of new tax laws in Oman and Qatar and further developments to the recently implemented laws in Saudi Arabia and Kuwait. Speculation has continued as to whether corporate tax or VAT will be introduced in the UAE or Bahrain.

Qatar has been working since 2006 to reform its tax laws to attract more foreign investment in various sectors of the economy. To this end, the rate of corporate tax was reduced from 35% to 10% with effect from 1 January 2010. In September 2010, it was formally announced that the Qatar Financial Centre (QFC) tax law has been finalized and is effective from 1 January 2010. QFC entities had benefitted from a tax exemption until 31 December 2009, but now will be subject to a flat 10% rate of tax in line with businesses established in the State of Qatar. The QFC tax department is developing a technical manual that will provide guidance on the practical interpretation of the QFC regulations.

In addition, withholding taxes were introduced in Qatar for the first time in respect of payments made to nonresidents for services performed wholly or partly in Qatar. Although the law initially stated that withholding tax also would apply to interest payments made to nonresidents, the tax authorities subsequently issued a circular suspending this tax.

Oman implemented a new tax law with effect from 1 January 2010 that includes a number of changes expected to encourage foreign investment in Oman. The law imposes a flat corporate tax rate of 12% on all entities registered in Oman, including branches and permanent establishments of foreign companies. The law also introduced an annual 90-day threshold in the aggregate before a foreign entity conducting business in Oman is deemed to have a permanent establishment, thus providing more certainty to companies. Additionally, it has been enshrined in legislation that Omani companies will, in line with existing practice, be formally taxed on their worldwide income rather than just income realized or arising in Oman.

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The law also introduced a foreign tax credit for certain taxes paid overseas. A final withholding tax of 10% on gross revenues now applies to payments for royalties, R&D, computer software and management fees paid to foreign companies with no permanent establishment in Oman. The law provides a new definition of royalties for tax purposes that is broadly in line with the OECD definition. There is speculation that detailed transfer pricing legislation will be introduced, although this has not been confirmed.

As with all changes to the tax systems in the Middle East, it will be necessary to understand the practical application of the new law, since it is possible that the tax authorities within the region may interpret the rules differently than tax advisers.

The recent changes in Qatar and Oman are further evidence of the continued pace of tax reform in the Middle East, with these changes coming after recent reforms in other GCC countries. Kuwait introduced a new tax law in 2008 to encourage foreign investment; that law reduced the corporate income tax rate on profits for non-GCC investors from 55% to 15%, and the tax compliance process was simplified. Circulars have been issued in Kuwait that clarify, for example, the deductibility of interest expenses and lease payments for corporate tax purposes.

Saudi Arabia reformed its tax system in 2004, which resulted in a corporate income tax rate for foreign investors of 20%. Following enactment of the new law, the Department of Zakat and Income Tax (DZIT) has issued numerous explanations and interpretations. Nevertheless, some areas of uncertainty remain, for example, with respect to capital gains tax on internal reorganizations and double taxation in a Saudi Arabian group. We understand that the Ministry of Finance is working on developing participation exemption clauses that would allow relief for a minimum shareholding.

The DZIT issued a circular in May 2010 that sets out the procedures to claim tax treaty benefits on payments made to nonresidents. However, there are some practical difficulties in applying the procedures, such as the following:

- What is the effective date of the circular (e.g. the issuance date or another date)?
- Will a government entity that contracts with a nonresident file a refund application on behalf of the nonresident?
- How will contracts that were signed on the basis of the direct application of a tax treaty be dealt with?
- Does the Saudi payer have to submit an application to the DZIT in respect of each payment to a nonresident, or will one application suffice?
- If a refund is due, what is the time frame for the refund by the DZIT?
- Will compensation (e.g. interest) be paid on late refunds?

It will be interesting to see if further clarifications or changes to the procedures are made in 2011.

A circular issued by the tax authorities in December 2010 introduced a participation exemption in Saudi Arabia that applies where there is a minimum holding of 10%, the investment is held for not less than one year and the income of the subsidiary was subject to tax in Saudi Arabia. The circular also provides that income earned outside Saudi Arabia by a resident corporation will be subject to Saudi taxation unless the income is protected under a tax treaty.

A number of new tax treaties were signed during 2010 and the Saudi Arabia-Netherlands treaty came into effect as from 1 January 2011. A first-time treaty between Saudi Arabia and Japan was signed and Kuwait signed first-time treaties with Ireland and Portugal.

The broader Middle East region also witnessed a number of developments during 2010. Iraq introduced a new oil and gas law, which increases the rate of corporate tax from 15% to 35% for businesses operating in the oil and gas sector. The Ministry of Finance has yet to issue implementing regulations to the law and, accordingly, there is uncertainty as to how the law will be applied in practice. Jordan introduced a new law effective 1 January 2010 that lowered the general corporate tax rate from 25% to 14%. A new tax law in Libya became effective as from May 2010, setting the rate of corporate income tax at a flat fixed rate of 20% (previously progressive rates up to 40%) for both companies and branches of foreign companies. An additional 4% defense tax continues to apply on taxable income as the defense tax law remains unchanged. In Yemen a new tax regime came into effect as from 31 December 2010, repealing the existing tax law. The key features are a reduction in the general rate of corporate tax from 35% to 20% and a number of changes to the basis for taxation. Executive regulations on the interpretation of the law are expected to follow.

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Outlook for 2011

Speculation continues as to whether an announcement as to the introduction of taxes in the UAE and Bahrain will be made or whether there will be some form of harmonization of indirect tax across the GCC, given that talks have previously taken place in this respect. Until further long-term announcements are made that rule out introduction of such taxes by individual countries or the wider GCC for a defined period, speculation will continue.

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Australia:
Recommendations released on proposed mining taxes

Australia's Policy Transition Group (PTG), established by the federal government, issued two reports on 21 December 2010. One report sets out findings and recommendations to the Treasurer on the design of proposed new mining taxes in Australia. The other assesses fiscal incentives for exploration activities. These reports follow an Issues Paper released by the PTG on 1 October 2010.

In July 2010, the Australian government proposed the introduction of a Minerals Resource Rent Tax (MRRT) and the expansion of the Petroleum Resource Rent Tax (PRRT), the latter to capture both offshore and onshore oil and gas extraction profits. The MRRT would apply to companies in the coal and iron ore sectors earning more than AUD 50 million in resource profits, while the expanded PRRT would cover both the offshore and onshore oil and gas sectors.

Design of new mining taxes

In the report entitled *New Resource Taxation Arrangements*, the PTG made 94 recommendations on the design of the proposed MRRT and expanded PRRT regimes, comprising 67 recommendations on the MRRT and 27 recommendations on the PRRT. As noted above, the MRRT and expanded PRRT will affect resource entities in the iron ore, coal and offshore/onshore petroleum (including coal seam gas) industries.

One of the PTG's key recommendations for the MRRT is to establish the taxing point at the time the resource leaves the run of mine (ROM) stockpile. Where no ROM stockpile exists or is bypassed, the PTG recommends that the taxing point be at the time the resource is delivered to the first unit of operation after extraction (e.g. loading onto a conveyor or crusher). In other cases, the taxing point can occur earlier if there is a prior arm's length sale to a third party.

The PTG also made a number of recommendations clarifying the mechanics of the MRRT, which are yet to be agreed by the government.

Some of the notable recommendations are:

- The definition of "project" would be based on the concept of production rights over the same MRRT commodity managed as an integrated operation. This is to be self-assessed by the taxpayer based on legislative criteria.
- The taxpayer may be an income tax consolidated group (where one exists) by election or otherwise by separate entity, with MRRT loss transfers being compulsory between projects owned by that taxpayer after all project-based and transferable amounts have been applied.
- In determining the value of the resource at the taxing point, a safe harbor calculation method is proposed utilizing downstream operating costs and an allowance for capital employed downstream. However, this would be available only for organizations producing less than 10 million tons per annum of saleable coal and iron ore and vertically integrated transformative operations in existence at 1 May 2010.

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One of the PTG's key recommendations for the expanded PRRT is to clarify that the starting base would include all petroleum tenements in existence as at 1 May 2010, given that all existing petroleum projects currently not under the existing PRRT regime would now be caught under the proposed expanded rules.

In addition, the PTG also is recommending that all current and future state and territory government royalties be fully creditable under both the MRRT and expanded PRRT regimes, subject to a mechanism being established that prevents the states and territories from having an incentive to increase royalties as a consequence of this recommendation.

Comments

The 94 recommendations provided by the PTG provide considerable detail for affected resource entities to digest and it remains to be seen to what extent these recommendations will be accepted by the Australian government. For resource entities caught by the proposed MRRT and expanded PRRT, there will be much complexity in transitioning to the new rules and challenging times ahead.

In assessing the PTG's recommendations, some key considerations for affected resource entities will include:

- Determining the additional cost of the proposed new taxes, including valuation and transition considerations for existing projects;
- Undertaking modeling to determine the quantum and timing of deductions for existing projects caught by the proposed rules;
- Considering the timing of future capital project expenditure, particularly during the transition period from 1 May 2010 to 30 June 2012 before the implementation date of 1 July 2012; and
- Identifying the transferability and possible quarantining of losses under the new regimes, particularly in relation to current or proposed merger and acquisition transactions.

As next steps and subject to the government's response, the PTG has recommended the creation of an Implementation Group comprising government and industry representatives and tax professionals to elaborate and develop the recommendations. The government is expected to release draft legislation by 30 June 2011, thus allowing further consultation before the proposed implementation date for the MRRT and expanded PRRT of 1 July 2012.

For foreign investors, the PTG has also recommended that the federal government liaise with relevant overseas jurisdictions regarding a possible crediting of MRRT in those jurisdictions. This may necessitate amendments to relevant tax treaties to ensure that "taxes" as defined under such treaties also include MRRT to permit the claiming of foreign tax credits in the home country jurisdiction. It is noted that, in certain treaties, definitions of taxes already include PRRT.

Exploration incentives

In the second report entitled *Minerals and Petroleum Exploration*, it was disappointing to note that the PTG considered there was no compelling case to introduce any new exploration incentives due to current high commodity prices and uncertainty surrounding the effectiveness of such incentives and investment return to Australian taxpayers. However, should the federal government wish to introduce future tax incentives to promote exploration, the PTG would recommend the introduction of an Exploration Refundable Tax Offset (ERTO) regime, effectively allowing a miner to cash in exploration losses equivalent to AUD .30 for each exploration dollar spent. The ERTO incentive was preferred by the PTG over an Exploration Tax Credit regime that would provide a refundable tax offset at the shareholder level rather than at the company level.

On a more welcoming note, the PTG has recommended to the federal government that the income tax law be amended to ensure geothermal exploration is covered under the capital allowance provisions of the Income Tax Assessment Act 1997. This effectively means that geothermal exploration would be treated in the same manner for income tax purposes as other mining exploration costs and, therefore, may be deductible upfront.

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Austria:
R&D tax incentives enhanced

Recent amendments to Austria's R&D tax incentive regime include a generous cash tax premium equal to 10% of qualifying expenses (increased from 8%) and abolition of the R&D super deduction. The R&D cash tax premium will generate a higher tax benefit than the super deduction. The new rules, which are designed to foster R&D activities in the country, apply as from 1 January 2011.

The R&D cash tax premium is paid irrespective of the tax profits or losses reported by the taxpayer. The premium is granted as a tax "refund" that is paid directly to the tax account of the Austrian taxpayer, translating to an immediate cash benefit. The premium is claimed at the time the corporate income tax return is filed for the relevant year and the income represented by the refund is exempt from Austrian corporate income tax.

The premium involves relatively few formalities because there is no need to have existing patent protection of the result of the R&D or proof of the success of the R&D work in some other form. Rather, the cash premium can be claimed for a broad range of R&D activities because the benefit is based on the relatively expansive definition of R&D in the OECD's 2002 *Frascati Manual: Proposed Standard Practice for Surveys on Research and Experimental Development*. The benefit may be claimed even if the Austrian entity is a contract researcher and, therefore, does not own the intellectual property generated by the research; in fact, the premium can be claimed even if the R&D activities do not result in the desired outcome.

The R&D cash tax premium is equal to 10% of qualifying R&D expenses. Qualifying expenses include personnel expenses for researchers, materials, certain overheads, leasing costs, finance costs and capital expenditure for qualifying R&D equipment. For qualifying equipment, the premium is granted on the full acquisition/capital expenditure incurred in the year of acquisition. In return, depreciation/ amortization expenses are not qualifying expenses for purposes of the R&D premium. Subcontracting costs may be eligible expenses, although subcontracted R&D work as a rule entitles the subcontractor – and not the principal – to claim the premium. The principal may, however, opt to claim the premium instead of the subcontractor for qualifying expenses totaling EUR 100,000 per annum if the subcontractor is a qualifying EU/EEC institution and is not a related party.

Finally, grants or subsidies received by the taxpayer that are exempt from Austrian corporate income tax will reduce the base for the R&D cash premium to the extent they relate to expenses that generally also qualify for the premium.

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China:
SAT clarifies deduction of LAT for Enterprise Income Tax purposes

China's State Administration of Taxation (SAT) recently issued guidance to clarify specific issues relating to the deductibility of Land Appreciation Tax (LAT) for purposes of the Enterprise Income Tax (EIT) Law. The Bulletin (SAT Bulletin [2010] No. 29) is effective retroactively as from 1 January 2010.

According to the LAT rules, a real estate development company is required to prepay LAT based on a fixed percentage (i.e. prepaid LAT rate) of the proceeds derived from the sale of property at the time the proceeds are received. Once a project is completed and sold, the company must determine items that are deductible (e.g. development costs and expenses, etc.) from the proceeds to calculate the final LAT liability for the project. If the total prepaid LAT is less than the final amount (as is generally the case), a final settlement payment should be made; otherwise, the company is entitled to request a refund of excess LAT paid. This two-step LAT collection process has created issues about the timing of the LAT deduction for EIT purposes.

Most local tax authorities tend to allow the prepaid LAT to be deducted in the year the prepayment obligation arose, with the LAT settlement payment deducted in the year final settlement is made. This treatment, however, has been disputed because the final settlement payment also may be relevant to income realized in the previous period. Practically speaking, the final LAT settlement payment is often a considerable amount and, in many cases, has put the company in a loss position. This loss is less likely to be utilized because the company may not have sufficient income to offset the loss after the project is completed and sold. Therefore, it has been argued that the final LAT settlement payment should be reasonably allocated to the previous years of the project and the taxable income should be adjusted accordingly on a retroactive basis.

The SAT Bulletin addresses this issue. According to the SAT, if certain conditions are satisfied, a real estate development company is permitted to make a retroactive adjustment and claim a refund (if any) at the time the company carries out tax de-registration. However, the Bulletin seems to indicate that, if the conditions are not satisfied, the company must deduct the final LAT settlement payment in the year in which the settlement is made.

Overview of the Bulletin

Scope – The Bulletin provides that, if a real estate development company is still in loss position when carrying out its tax de-registration, the company is allowed to retroactively allocate the final LAT liability on a project to the periods covered by the project and then claim a refund of EIT (if any). This tax treatment only applies to a company in a loss position at the time it applies for tax de-registration, and it is worth noting that the retroactive adjustment may be made only at that time and not at the time the final LAT settlement is made. If a real estate development company falls into one of the following situations, however, no retroactive adjustment is permitted:

- The company is not in a loss position when making the final LAT settlement; or
- The company is in a loss position at the time of the final LAT settlement, but the tax loss has already been used for EIT purposes before the tax de-registration.

These exceptions seem to be based on the rationale that a retroactive adjustment would not be necessary if LAT expenses already have been recovered. It appears, however, that the Bulletin guidance does not take into account any income tax rate differential. For example, the applicable income tax rate of many real estate developers dropped from 33% to 25% when the new EIT Law was introduced in 2008. Even if all LAT expenses have been recovered, these companies may be adversely affected if no retroactive adjustment is allowed in respect of a project that commenced before 1 January 2008, but the final LAT settlement was made during or after 2008.

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Allocation of final LAT – The Bulletin provides that the final LAT amount (i.e. the aggregate of the prepaid and settlement payments) can be allocated to the relevant project period for deduction according to the following formula:

LAT allocated to a specific project year =
Final LAT amount of the project x Project sales income of the specific project year /
Total sales income of the project

Since the sales income from ordinary residential property with an appreciation rate of less than 20% is exempt from LAT, such income is excluded when the above formula is applied.

After the allocation of the final LAT, the taxable income (or loss) of each specific project year should be recalculated. For a specific project year, an additional deduction is allowed for the excess amount if the allocated LAT exceeds the LAT expenses previously deducted (i.e. the prepaid LAT). Where the company incurs a loss for a specific project year after making the recalculation, the Bulletin confirms that the loss may be carried forward to subsequent years (five years under the EIT Law). If the recalculation results in overpaid EIT, the company may claim a refund, which cannot exceed the accumulated EIT paid during the period of the project.

Documentation required for EIT refund application – According to the Bulletin, a real estate development company that applies for an EIT refund must submit relevant documentation to the competent tax authorities that shows a detailed calculation of the refund, as well as information on the final LAT and sales revenue of the entire project, sales revenue of each specific project year and the LAT allocation for each project year, the amount of prepaid LAT already deducted for each year, the applicable EIT rates for each year, etc.

Comments

In the past, some real estate developers have been reluctant to make a final LAT settlement, in part because a loss arose from the settlement and the developer was concerned that the settlement payment could not be recovered after completion of the project. The Bulletin provides favorable treatment to address this practical concern and, therefore, to a certain degree, encourages real estate developers to make timely final LAT settlements.

The Bulletin does leave some issues unanswered; for example, how does the retroactive adjustment work when a real estate company sets up a branch in various cities to develop multiple projects in different localities, and the branch de-registers and closes after the local project is completed? Can the company allocate the final LAT and make a retroactive adjustment when the branch de-registers for tax purposes or does it have to wait until the head office de-registers? Real estate developers should closely monitor the practice of the tax authorities and communicate with the competent tax authorities, if necessary, to mitigate any tax risk.

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Malta:
New treaties in effect

Malta's new income tax treaties with the Isle of Man, Jersey, Jordan, Serbia and the U.S. became generally applicable on 1 January 2011, as did the revised treaty with Libya.

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The five new treaties are important additions to Malta's tax treaty network, which now consists of 57 active treaties. Also signed and awaiting ratification are treaties with Russia and Switzerland and a revised treaty with China. The new treaties are generally based on the OECD Model (and the U.S. Model in the case of the Malta-U.S. treaty) and provide for beneficial tax rates on outgoing dividend, interest and royalty payments. The Malta-U.S. treaty contains a detailed limitation-on-benefits clause.

Permanent establishment (PE)

The treaties all contain a provision similar to article 5(3) of the OECD Model, as a result of which a building site or a construction or installation project constitutes a PE where the site or project continues for a specified period of time: six months in the treaties with Isle of Man, Jersey and Jordan, nine months in the treaty with Serbia and 12 months in the U.S. treaty. The treaties with Jordan and Serbia also include assembly projects and supervisory activities in connection with a building site, a construction, assembly or installation project as activities constituting a PE. The treaty with the U.S. includes an installation or drilling rig or ship used for the exploration of natural resources as an activity constituting a PE.

Furthermore, the treaties with Jordan and Serbia contain a service PE provision, under which the furnishing of services, including consultancy services, by an enterprise through employees or other personnel engaged by the enterprise for such purpose constitute a PE where the activities continue for a period more than one month (Jordan) or six months (Serbia) within any 12-month period.

Dividends

In accordance with its domestic law, Malta does not withhold taxes on dividends paid to nonresidents, and this in view of the fact that Malta tax law operates a full imputation system. Accordingly, Malta's treaties contain a special provision regarding dividends paid by a resident of Malta to a resident of the other contracting state: such dividends are taxable in Malta at a rate not to exceed that chargeable on the profits out of which the dividends are paid.

The treaties with the Isle of Man and Jersey provide for a zero withholding tax on dividends. The treaty with Jordan provides for a 10% tax. The treaty with Serbia provides for a 5% withholding tax where the beneficial owner of the dividends is a company that holds directly at least 25% of the capital of the company paying the dividends; the rate in all other cases is 10%. U.S. withholding tax, under the treaty, is limited to 0% where the beneficial owner is a qualifying pension fund, 5% where the beneficial owner is a company owns directly at least 10% of the voting stock of the payer company and 15% in all other cases. Special rules apply to U.S. regulated investment companies and real estate investment trusts. Although there is no branch profits tax under Maltese domestic law, the treaty with the U.S. provides for the imposition of a branch profits tax at a rate not exceeding 5%.

Interest and royalties

Malta does not impose withholding tax on interest and royalty payments made to nonresidents. While the treaties with the Isle of Man and Jersey also provide for a zero withholding tax on interest and royalties arising in those countries, the treaties with Jordan, Serbia and the U.S. provide for a 10% tax.

In the case of Serbia, the maximum withholding tax is reduced to 5% for royalties received for the use of, or the right to use, a copyright of literary, artistic or scientific work including cinematograph films or films or tapes used for radio or television broadcasting. In the case of the U.S., the withholding tax on interest is increased to 15% in the case of U.S.-source contingent interest of a type that does not qualify as portfolio interest under U.S. domestic law. Interest that is an excess inclusion with respect to a residual interest in a real estate mortgage investment conduit may be taxed by each state in accordance with its domestic law.

Elimination of double taxation

Malta generally uses the credit method for the elimination of double taxation. Thus, under the Malta-U.S. treaty, a Maltese company owning at least 10% of the voting stock of a U.S. company from which it receives dividends will be allowed a credit for the U.S. income tax paid on the profits out of which the dividends are paid.

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The Isle of Man, Jersey, Jordan, Serbia and the U.S. also will apply the credit method under their respective treaty with Malta. In addition, the Isle of Man will exempt from tax "qualifying" dividends received from a Malta resident company where the Isle of Man company holds at least 25% of the capital of the Malta dividend distributing company for at least 12 months before the dividend distribution. The U.S. treaty provides for a deemed-paid credit in respect of dividends received from a Malta corporation of which the U.S. corporation owns at least 10% of the voting stock.

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In brief

Indonesia – The Directorate General of Taxes has issued guidance confirming the VAT treatment of the delivery of taxable goods outside the Indonesian customs territory. The guidance confirms that, if a VATable firm delivers taxable goods or the right to taxable goods to an Indonesian tax resident, but the physical delivery takes place outside the Indonesian customs territory, the delivery is not subject to VAT if the delivery is supported by a deed or authentic evidence. For example, assume PT A, a VATable entrepreneur, delivers goods to PT B, an Indonesian tax resident. The delivery is made from a factory in Japan to PT B's warehouse in Singapore, and PT B subsequently imports the goods into Indonesia. In this case, the delivery of the goods from PT A to PT B is not subject to VAT, although PT B must pay VAT on the importation of the goods, in accordance with prevailing rules.

Poland – Beginning in February 2011, Intrastat returns must be filed electronically in Poland. Intrastat is the system for collecting statistics on the trade in goods between EU Member States. A registration procedure must be completed (in Polish), but a company is permitted to appoint a Polish representative (e.g. tax advisor or customs agency) to submit the Intrastat return. An exemption from the filing and registration requirements applies where dispatches (sales or exports) of goods from Poland or arrivals (purchases or imports) of goods to Poland have not exceeded in the preceding year and do not exceed in the current year a threshold of PLN 1 million. The Ministry of Finance recently announced that entities that already file Intrastat returns through an appointed representative have until 30 June 2011 to complete the registration process.

Tax treaty round up

At the end of each month, the World Tax Advisor provides an update on recent tax treaty developments, with a focus on items that directly affect the withholding tax rates of the key jurisdictions covered by the Deloitte International Tax Source (DITS). Additional coverage may include stated negotiating priorities and other important tax treaty trends. For updates on tax information exchange agreements, visit our DITS special feature.
URL: http://www.dits.deloitte.com
URL: http://www.dits.deloitte.com/Administration/ManageHomePage/Popup.aspx?ChildPage=InfoExchange

Austria-Hong Kong – The 2010 first-time tax treaty entered into force 1 January 2011 and will apply in Austria from 1 January 2012 and in Hong Kong from 1 April 2012. When in effect, dividends will be exempt from withholding tax if the beneficial owner is a company (other than a partnership) that holds directly at least 10% of the capital of the company paying the dividends; otherwise, the rate will be 10%. Interest will be exempt and royalties will be subject to a 3% withholding tax rate.

Austria-Qatar – When in effect, the first-time tax treaty signed on 30 December 2010 exempts dividends and interest from source country taxation. Royalties will be subject to a 5% withholding tax rate.

Germany-Turkey – Germany terminated the tax treaty with Turkey on 21 July 2009, with the treaty ceasing to apply as from 1 January 2011.

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Hong Kong-Brunei – The 2010 first-time tax treaty entered into force 19 December 2010 and generally applies in Hong Kong from 1 April 2011 (from 1 January 2011 in Brunei). When in effect, dividends will be taxable only by the residence state. The withholding tax rate will be 5% on interest received by a bank or financial institution, and 10% in all other cases. Royalties will be subject to a rate not to exceed 5%.

Hong Kong-U.K. – The 2010 first-time tax treaty entered into force on 20 December 2010 and applies for the U.K. as from 1 April 2011 for corporate taxes and as from 6 April 2011 for income and capital taxes. The treaty will apply in Hong Kong as from 1 April 2011. When in effect, dividends generally will be exempt, except where they are paid by a real estate investment trust (to other than a pension scheme) out of income (including gains) derived from immovable property, in which case a 15% withholding tax will apply. Interest generally will be exempt from withholding tax. A 3% withholding tax will apply to royalties.

Ireland-Bahrain – The 2009 first-time tax treaty entered into force on 9 November 2010 and applies retroactively as from 1 January 2010. The treaty exempts dividends, interest and royalties from source country taxation.

Korea-Switzerland – When in effect, the protocol signed on 28 December 2010 to amend the 1980 treaty provides for a 5% withholding tax on dividends paid to a company that directly holds at least 10% of the capital of the payer company, and 15% in all other cases. The withholding tax on interest and royalties will be 5%.

U.K.-Georgia – The 2010 protocol to the 2004 treaty entered into force 17 December 2010 and applies in the U.K. from 1 April 2011 for corporation tax and from 6 April 2011 for income tax and capital. The protocol applies in Georgia from 1 January 2011. When in effect in the U.K., dividends will be generally exempt from withholding tax in the source state except when paid (to other than a pension scheme) out of income from immovable property by an investment scheme that distributes most of the income annually and whose income from such immovable property is tax exempt. In such cases, dividends will be subject to a 15% rate. Interest and royalties will remain exempt.

Bilateral treaties and protocols in effect as from 1 January 2011

The table below reflects treaties and protocols that entered into effect on 1 January 2011 with respect to their provisions on withholding taxes. Rates shown are as provided in the treaty; domestic withholding tax rates or the EC directives, for example, may provide a lower rate. The table does not include standard exemptions or special rates such as those typically provided for dividends paid to pension funds or exempt/charitable organizations, government-related shareholders or special investment entities, or for interest paid to government entities, government-related loans and similar payments.

Treaty	Dividends	Interest	Royalties
Austria-Bahrain	**0**	**0**	**0**
Austria-Serbia	**5/15**	**10**	**5/10**
The 5% rate applies to dividends paid to a company that holds directly at least 25% of the payer company's capital; otherwise, the rate is 15%. The 5% rate applies to royalties paid in respect of a copyright of literary, artistic or scientific works (including cinematograph films or films or tapes used for radio or television broadcasting); and the 10% rate applies to royalties paid on patents, trademarks, designs or models, plans, secret formulae or processes, or for the use/right to use industrial, commercial or scientific equipment, or for information relating to industrial, commercial or scientific experience.			
Austria-Vietnam	**5/10/15**	**5/10**	**7.5/10**
The 5% rate applies to dividends paid to a company that holds at least 70% of the capital of the payer company; the 10% rate applies to dividends paid to a company that holds directly at least 25% of the company paying the dividends; otherwise, the rate is 15%. While the rate under the treaty is 10%, so long as Austria does not levy withholding tax on interest, the rate will be reduced to 5%. The 7.5% rate applies to technical services and the 10% rate to royalties.			

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Treaty	Dividends	Interest	Royalties
Belgium-Chile	**0/15**	**5/15**	**5/10**
The 0% rate applies to dividends paid to a company that holds at least 10% of the payer company's capital for an uninterrupted period of at least 12 months before the dividends are paid; otherwise, the rate is 15%. The 5% rate applies to interest paid on loans granted by banks and insurance companies, bonds and securities that are regularly and substantially traded on a regulated securities market and credit sales on machinery or equipment to a beneficial owner that also is the seller of the machinery or equipment; otherwise, the rate is 15%. The 5% rate applies to royalties paid for the use/right to use industrial, commercial or scientific equipment; otherwise, the rate is 10%.			
Belgium-Rwanda	**0/15**	**0/10**	**10**
The 0% rate applies to dividends paid to a company that holds directly at least 25% of the payer company's capital for an uninterrupted period of at least 12 months; otherwise, the rate is 15%. Interest exemptions include interest on commercial debt claims and interest paid by a company to a company that holds directly or indirectly at least 35% of the payer company's capital and meeting other criteria.			
Bulgaria-Germany	**5/15**	**0/5**	**5**
The 5% rate applies to dividends paid to a company that holds directly at least 10% of the payer company's capital; otherwise, the rate will be 15%. The 0% rate applies to interest paid in connection with the sale of industrial, commercial or scientific equipment on credit or the sale of goods by an enterprise to another enterprise on credit or for a loan of any kind made by a bank; otherwise, the rate is 5%.			
Canada-Greece	**5/15**	**10**	**0/10**
The 5% rate applies to dividends paid to a company that holds directly or indirectly at least 25% of the payer company's capital; otherwise, the rate is 15%. The 0% rate applies to copyright royalties and similar payments in respect of the production or reproduction of a cultural or artistic work (but not including royalties in respect of motion picture films or in respect of works on film or videotape or other means of reproduction for use in connection with television broadcasting); otherwise, the rate is 10%.			
Chile-Switzerland	**15/D**	**5/15**	**5/10**
The 15% rate does not apply to dividends paid from Chile if the first category tax (corporate tax) is fully creditable in computing the amount of additional tax. The 5% rate applies on interest derived from: loans granted by banks and insurance companies, bonds or securities that are regularly and substantially traded on a recognized securities market, or sales on credit paid by the purchaser of machinery and equipment to a beneficial owner that is the seller of the machinery and equipment; otherwise, the rate is 15%. The 5% rate applies to royalties paid for the use/right to use industrial, commercial or scientific equipment; otherwise, the rate is 10%.			
Chile-Thailand	**10/D**	**10/15**	**10/15**
The 10% rate does not apply to dividends paid from Chile if the first category tax (corporate tax) is fully creditable in computing the amount of additional tax. The 10% rate applies to interest derived from loans granted by banks and insurance companies; otherwise, the rate is 15%. The 10% rate applies to royalties paid for the use or the right to use industrial, commercial or scientific equipment; otherwise, the rate is 15%.			
China-Barbados	**5/10**	**10**	**10**
The 5% rate applies to dividends paid to a company (other than a partnership) that holds directly 25% or more of the equity interest in the payer company's capital; otherwise, the rate is 10%.			
China-Finland	**5/10**	**10**	**10**
The 5% rate applies to dividends paid to a company that holds directly at least 25% of the payer company's capital; otherwise, the rate is 10%.			
Czech Republic-Bosnia & Herzegovina	**5**	**0**	**0/10**
The 0% rate applies to royalties paid in respect of a copyright of literary, artistic or scientific work (except of computer software) and including cinematograph films, and films or tapes for television or radio broadcasting; the 10% rate applies to a patent, trademark, design or model, plan, secret formula or process and computer software, or any industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.			
Denmark-Switzerland	**0/15**	**0**	**0**
The 0% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 10% of the payer company's capital; otherwise, the rate is 15%.			

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Treaty	Dividends	Interest	Royalties
Estonia-Korea	**5/10**	**10**	**5/10**
The 5% rate applies to dividends paid to a company that holds at least 25% of the payer company; otherwise, the rate is 10%. The 5% rate applies to royalties paid for the use of industrial, commercial or scientific equipment; otherwise, the rate is 10%.			
Estonia-Serbia	**5/10**	**10**	**5/10**
The 5% withholding tax applies to dividends paid to a company (other than a partnership) that holds directly at least 25% of the capital of the company paying the dividends; otherwise, the rate is 10%. The 5% rate applies to royalties paid for the use of a copyright of a literary, artistic or scientific work (except for software); the 10% rate applies to royalties paid for a patent, trademark, design or model, plan, secret formula or process, or for the use/right to use industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.			
Finland-India	**10**	**10**	**10**
The treaty applies from 1 April 2011 in India. The 10% rate applies to royalties and fees for technical services.			
Finland-Kazakhstan	**5/15**	**10**	**10/D**
The 5% rate applies to dividends paid to a company that controls directly or indirectly at least 10% of the voting power of the payer; otherwise, the rate is 15%. The beneficial owner of royalties relating to payments for the use/right to use industrial, commercial or scientific equipment may elect to be taxed in the contracting state in which the royalties arise as if the equipment were effectively connected with a permanent establishment in that state; otherwise, the rate is 10%.			
Finland-Poland	**5/15**	**5**	**5**
The 5% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 25% of the payer; otherwise, the rate is 15%.			
Finland-Switzerland	**0/10**	**0**	**0**
The 0% rate applies to dividends paid to a company that holds at least 10% of the payer company; otherwise, the rate is 10%.			
France-Georgia	**0/5/10**	**0**	**0**
The 0% rate applies to dividends paid to a company that holds directly or indirectly at least 50% of the payer company's capital and has invested at least EUR 3 million in the capital of the subsidiary on the date the dividends are distributed; the 5% rate applies if the dividends are paid to a company that holds directly or indirectly at least 10% of the payer company's capital and has invested more than EUR 100,000 in the capital of the subsidiary on the date the dividends are distributed; otherwise, the rate is 10%.			
France-Switzerland	**0/15**	**0**	**5**
The 2009 protocol, among other amendments to the treaty, provides that the existing withholding tax exemption for dividends does not apply to dividends paid to a company held, directly or indirectly, by persons that are not residents of one of the contracting states unless the recipient company can prove that the corporate structure was not set up to benefit from the exemption.			
France-Taiwan	**10**	**0/10**	**10**
The 0% rate applies, inter alia, to interest paid on a loan granted, guaranteed or insured or credit extended, guaranteed or insured by an organization or approved instrumentality that aims at export promotion and on a loan between banks provided the recipient bank is the beneficial owner and a resident of the other jurisdiction; otherwise, the rate is 10%.			
Germany-Macedonia	**5/15**	**0/5**	**5**
The 5% rate applies to dividends paid to a company (other than a partnership) that holds at least 10% of the payer company; otherwise, the rate is 15%. The 0% rate applies to interest paid in connection with the sale of industrial, commercial or scientific equipment on credit or the sale of goods by an enterprise to another enterprise on credit; otherwise, the rate is 5%.			
Germany-Malaysia	**5/15**	**10**	**7**
The 5% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 10% of the payer company's capital; otherwise, the rate is 15%. The 7% rate applies to both royalties and fees for technical services.			
Germany-Syria	**5/10**	**10**	**12**
The 5% rate applies to dividends paid to a company that holds directly at least 10% of the payer company's capital; otherwise, the rate is 10%. The 0% rate applies to interest paid in connection with the sale of industrial, commercial or scientific equipment on credit or the sale of goods by an enterprise to another enterprise on credit or for a loan of any kind made by a bank; otherwise, the rate is 10%.			

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Treaty	Dividends	Interest	Royalties
Germany-U.K.	5/15	0	0
The treaty will otherwise apply in the U.K from 1 April 2011 for corporate taxes and from 6 April 2011 for income and capital gains taxe. The 5% rate applies to dividends paid to a company that holds at least 10% of the payer company's capital; otherwise the rate is 15%.			
Greece-Azerbaijan	8	8	8
Greece-Morocco	5/10	10	10
The 5% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 25% of the payer company's capital; otherwise, the rate is 10%.			
Greece-Qatar	5	5	5
Greece-Saudi Arabia	5	5	10
Greece-Serbia	5/15	10	10
The 5% rate applies to dividends paid to a company that holds directly at least 25% of the payer company's capital; otherwise, the rate is 15%.			
Greece-Tunisia	35	7	7
Hungary-Taiwan	10	0/10	10
The 0% rate applies, inter alia, to interest paid on a loan granted, guaranteed or insured or credit extended, guaranteed or insured by an organization or approved instrumentality that aims at export promotion and on a loan between banks provided the recipient bank is the beneficial owner and a resident of the other jurisdiction; otherwise, the rate is 10%.			
Ireland-Georgia	0/5/10	0	0
The 0% rate applies to dividends paid to a company that controls directly or indirectly at least 50% of the voting power of the payer company and has invested at least EUR 2 million (or its equivalent in Georgian currency) in the capital of the payer company; the 5% rate applies to dividends paid to a company that controls directly or indirectly at least 10% of the voting power of the payer company and has invested more than EUR 100,000 (or its equivalent in Georgian currency) in the payer company's capital; otherwise, the rate is 10%.			
Ireland-Moldova	5/10	5	5
The 5% withholding tax applies to dividends paid to a company that holds at least 25% of the voting power in the payer company; otherwise, the rate is 10%.			
Ireland-Serbia	5/10	10	5/10
The 5% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 25% of the voting power of the payer company; otherwise, the rate is 10%. The 5% rate applies to royalties paid for the use of a copyright of a literary, artistic or scientific work (except for software); the 10% rate applies to royalties paid for a patent, trademark, design or model, plan, secret formula or process, or for the use/right to use industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.			
Ireland-Turkey	5/10/15	10/15	10
When dividends are paid from Ireland, the 5% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 25% of the voting power of the payer company (additional requirements apply for the 5% rate on dividends paid from Turkey); the 10% rate applies on dividends paid from Turkey to a company (other than a partnership) that holds directly at least 25% of the voting power of the payer company; otherwise, the rate is 15%. The 10% rate applies to interest paid on loans from financial institutions or on loans with a maturity term exceeding two years; otherwise, the rate is 15%.			
Italy-Azerbaijan	10	0/10	5/10
The 5% rate applies to royalties paid for computer programs, patents, trademarks, designs, models, plans, secret formulae, the use/right to use processes, industrial, commercial and scientific equipment or information (know-how) about industrial, commercial or scientific experience; otherwise, the rate is 10%. The 0% rate applies in connection with debt from the sale of any industrial, commercial or scientific equipment.			
Italy-Jordan	10	10	10
Italy-Slovenia	5/15	10	5
The 5% rate applies to dividends paid to a company (other than a partnership) that directly holds at least 25% of the payer company's capital; otherwise, the rate is 15%.			
Japan-Bermuda	D	D	D
The treaty applies only to individuals. There are no provisions on dividends, interest or royalties, so the domestic rates apply.			

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Treaty	Dividends	Interest	Royalties
Luxembourg-Armenia	**5/15**	**0/10**	**5**
The 5% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 10% of the payer company's capital; otherwise, the rate is 15%. The 0% rate applies to interest paid in respect of a loan of any kind granted by a bank; otherwise, the rate is 10%.			
Luxembourg-Bahrain	**0/10**	**0**	**0**
The 0% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 10% of the payer company's capital; otherwise, the rate is 10%.			
Luxembourg-Liechtenstein	**0/5/15**	**0**	**0**
The 0% rate applies to dividends paid to a company that holds at least 10% of the payer company's capital for an uninterrupted period of at least 12 months; the 5% rate applies to dividends paid to a company that holds at least 10% of the payer company's capital; otherwise the rate is 15%.			
Luxembourg-Monaco	**5/15**	**0**	**0**
The 5% rate applies to dividends paid to a company that holds at least 10% of the payer company's capital; otherwise, the rate is 15%.			
Luxembourg-Qatar	**0/5/10**	**0**	**5**
The 0% rate applies to dividends paid to a company directly holding at least 10% of the payer company's capital; the 5% rate applies to dividends paid to an individual who holds at least 10% of the payer company for the 48-month period immediately preceding the year the dividends are paid; otherwise, the rate is 10%.			
Luxembourg-Switzerland	**0/5/15**	**0/10**	**0**
The 0% rate applies to dividends paid to a company (other than a partnership) that holds at least 10% of the payer company's capital for an uninterrupted period of two years preceding the date the dividends are paid; the 5% rate applies to dividends paid to a company that holds directly at least 10% of the payer company's capital; otherwise, the rate is 15%. Interest is generally exempt, but a 10% rate applies on interest arising from bonds and similar securities, as well as deposits with banks or savings institutions.			
Malaysia-Brunei	**10**	**10**	**10**
Malta-Isle of Man	**0**	**0**	**0**
The treaty generally exempts dividends, but Malta may charge tax on the gross amount of dividends not to exceed that chargeable on the profits from which the dividends are paid so long as Malta operates a full imputation system.			
Malta-Jersey	**0**	**0**	**0**
The treaty generally exempts dividends, but Malta may charge tax on the gross amount of dividends not to exceed that chargeable on the profits from which the dividends are paid so long as Malta operates a full imputation system.			
Malta-Jordan	**10/D**	**10**	**10**
Jordan is limited to a 10% rate on dividends; Malta may tax the gross amount of the dividends at a rate not to exceed that chargeable on the profits out of which the dividends are paid.			
Malta-Libya	**5/15/D**	**5**	**5**
Libya is limited to a 5% rate on dividends paid to a company (other than a partnership) that holds directly at least 10% of the payer company's capital, and 15% in all other cases. Malta may tax the gross amount of the dividends at a rate not to exceed that chargeable on the profits from which the dividends are paid.			
Malta-Serbia	**5/10/D**	**10**	**5/10**
Serbia is limited to a 5% rate on dividends paid to a company that holds directly at least 25% of the payer company's capital, and 10% in all other cases. Malta may tax the gross amount of the dividends at a rate not to exceed that chargeable on the profits from which the dividends are paid. The 5% rate applies to royalties received for the use/right to use a copyright of literary, artistic or scientific work, including cinematograph films or films or tapes used for radio or television broadcasting; otherwise, the rate is 10%.			
Malta-U.S.	**5/15/D**	**10/15**	**10**
The U.S. is limited to a 5% rate on dividends paid to a company that holds directly at least 10% of the payer company's capital and 15% in all other cases. Malta may tax the gross amount of the dividends at a rate not to exceed that chargeable on the profits from which the dividends are paid. The general rate on interest is 10%, but the rate may be increased to 15% in the case of U.S.-source contingent interest of a type that does not qualify as portfolio interest under U.S. domestic law.			

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Treaty	Dividends	Interest	Royalties
Mauritius-Bangladesh	10	D	D
The treaty does not provide for withholding tax on interest or royalties, so the domestic rate applies.			
Mexico-India	10	10	10
The agreement does not apply in India until 1 April 2011.			
Mexico-Panama	5/7.5	0/10	10
The rate is 5% on dividends paid to a beneficial owner that holds directly at least 25% of the payer company's capital; otherwise, the rate is 7.5%. The 0% rate applies to interest paid to a bank; otherwise, the rate is 10%.			
Mexico-South Africa	5/10	10	10
The 5% rate applies on dividends paid to a company that holds at least 10% of the payer company's capital; otherwise, the rate is 10%.			
Mexico-Switzerland	0/15	5/10	10
The 0% rate applies to dividends paid to a company that directly or indirectly controls at least 10% of the payer company's capital; otherwise, the rate is 15%. The 5% rate applies to interest is paid to a bank, an authorized securities dealer, an insurance or a reinsurance institution, or if derived from bonds or securities regularly traded on an authorized securities market; otherwise, the rate is 10%.			
Mexico-Uruguay	5	10	10
Netherlands-Saudi Arabia	5/10	5	7
A 5% rate applies where dividends are paid to a company (other than a partnership) that holds directly at least 10% of the payer company's capital; otherwise, the rate is 10%.			
Netherlands-U.A.E.	5/10	0	0
The 5% rate applies to dividends paid to a company that holds directly at least 10% of the payer company's capital; otherwise, the rate is 10%.			
Netherlands-U.K.	0/10	0	0
The treaty applies in the U.K. from 1 April 2011 for corporate taxes and from 6 April 2011 for income and capital gains taxes. The 0% rate applies where dividends are paid to a company that directly holds at least 10% of the voting power of the payer company; otherwise, the rate is 10%.			
New Zealand-U.S.	0/5/15	0/10	5
The 0% rate applies where dividends are paid to a company that holds 80% or more of the shares in the payer company and meets other criteria. The rate is 5% on dividends paid to a company that owns directly at least 10% of the voting power of the payer company; otherwise, the rate is 15%. A 0% withholding tax applies on interest paid to lending or finance businesses, provided the 2% Approved Issuer Levy is paid on New Zealand-source interest; otherwise, the rate is 10%.			
Norway-Poland	0/15	5	5
The 0% rate applies on dividends paid to a company that holds directly at least 10% of the payer company's capital on the date the dividends are paid and has held the participation or will have done so for an uninterrupted 24-month period within which that date falls; otherwise, the rate is 15%.			
Norway-Switzerland	0/15	0	0
The 0% rate applies to dividends paid to a company that holds directly at least 10% of the payer company's capital; otherwise, the rate is 15%.			
Portugal-Moldova	5/10	10	8
The 5% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 25% of the payer company's capital; otherwise, the rate is 10%.			
Russia-Cuba	5/15	10	0/5
The 5% rate applies to dividends paid to a company (other than a partnership) that holds direclty at least 25% of the payer company's capital; otherwise, the rate is 15%. The 0% rate applies to royalties paid in respect of literary, dramatic, musical or artistic copyrights; otherwise, the rate is 5%.			
Russia-Saudi Arabia	5	5	10
Singapore-Libya	5/10	5	5
The 5% rate applies to dividends paid to a company that holds directly at least 10% of the payer company's capital; otherwise, the rate is 10%.			
Singapore-Slovenia	5	5	5

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Treaty	Dividends	Interest	Royalties
Slovakia-Libya	**D**	**10**	**5**
The treaty does not provide a maximum rate for dividends, so the domestic rate applies.			
Slovakia-Macedonia	**5**	**10**	**10**
Slovakia-Syria	**5**	**10**	**12**
South Africa-Rwanda	**10/20**	**10**	**10**
The 10% rate applies to dividends paid to a company that holds at least 25% of the payer company's capital; otherwise, the rate is 20%.			
Spain-Bosnia & Herzegovina	**5/10**	**7**	**7**
The 5% rate applies where dividends are paid to a company (other than a partnership) that holds directly at least 20% of the payer company's capital; otherwise, the rate is 10%.			
Spain-Costa Rica	**5/12**	**5/10**	**10**
The 5% rate applies on dividends paid to a company that holds directly at least 20% of the payer company's capital; otherwise, the rate is 12%. A 5% rate applies on interest on loans concluded for a term of at least five years; otherwise, the rate is 10%.			
Spain-Serbia	**5/10**	**10**	**5/10**
The 5% rate applies to dividends paid to a company that holds directly at least 25% of the payer company's capital; otherwise, the rate is 10%. The 5% rate applies to royalties paid for the use of a copyright of a literary, artistic or scientific work (except for software); the rate is 10% for royalties paid for a patent, trademark, design or model, plan, secret formula or process, or for the use/right to use industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.			
Switzerland-Qatar	**5/10/15**	**0**	**0**
The 5% rate applies to dividends paid to a company that holds directly at least 10% of the payer company's capital; the 10% rate applies to dividends paid to an individual that holds directly at least 10% of the capital; otherwise, the rate is 15%.			
Turkey-Georgia	**10**	**10**	**10**
Turkey-Oman	**10/15**	**10**	**10**
The 10% rate applies to dividends paid to a company (other than a partnership) that holds directly at least 15% of the payer company's capital; otherwise, the rate is 15%.			
Ukraine-Libya	**5/15**	**10**	**10**
The 5% rate applies to dividends paid to a company that holds directly at least 25% of the payer company's capital; otherwise, the rate is 15%.			
U.K.-Qatar	**0**	**0/D**	**5**
While the agreement does not provide a maximum rate, interest is exempt if the beneficial owner is a resident of the other contracting state and (a) the interest is paid on a quoted Eurobond, or by a contracting state (or subdivision, etc.) or by a bank in its ordinary course of business; or (b) the interest is not paid as part of a back-to-back or similar loan and the beneficial owner is either the other state, an individual, a company in whose principal class of shares there is substantial and regular trading on a stock exchange, a company less than 25% of whose shares or other rights are owned (directly or indirectly) by persons who are not residents of Qatar, a pension scheme or a financial institution unrelated to and dealing wholly independently with the payer.			

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Japan

Proposed corporate tax rate reduction by 5% under 2011 Tax Reform

The government has proposed a reduction of the effective corporate income tax rate by approximately 5% under the 2011 Tax Reform, from the current approximately 41% to approximately 36%. [Issued: 25 January 2011]

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