



cutting through complexity

Corporate and Indirect Tax Rate Survey 2014

kpmg.com/tax



About KPMG's Corporate and Indirect Tax Rate Survey

The KPMG International Corporate and Indirect Tax Survey compares corporate and indirect tax rates from over 130 countries. For a more detailed analysis and information, please contact your local KPMG Tax professional.

For the latest rates please visit the KPMG's online rate tool at: www.kpmg.com/taxrates.

Footnotes and rates are provided by KPMG member firms. All charts and graphs are produced by KPMG International, 2014.

Contents

02	Overview
05	At a glance: Corporate and indirect tax rates in G20 and OECD countries
06	Exceptions to the rule: Indirect tax regimes of note
08	Recent changes
11	Corporate tax rates – 10 highest and lowest
13	Indirect tax rates – 10 highest and lowest
17	Corporate and Indirect Tax Rates 2014
20	Footnotes

Overview

While corporate tax rates have begun to stabilize, and indirect tax continues to rise, a 'new normal' has been created in the tax landscape. It is one of increased scrutiny and uncertainty, placing global companies under a microscope and raising the pressure to adhere to added regulation and compliance requirements.

The issue of tax transparency and morality has contributed to the shift in the global tax landscape. The question of companies paying their 'fair share' is now one of the most prominent areas being scrutinized by governments, the general public, investors and media. Companies are being challenged to disclose their total tax contributions publicly. To cope with this increasing demand, they must put solid tax strategies into place, invest in technology and commit to effective tax communications.

“Tax transparency and tax morality continue to overshadow and influence tax regulation around the world.”

Corporate tax rates stabilize, more pressure on governments to increase revenues

The global tax landscape is changing dramatically and will continue to do so for the foreseeable future. Although corporate tax rates in many countries have stabilized after a decade of decline, there are multiple issues currently at play that deeply influence the world of corporate tax.

As rates have leveled off, tax authorities in the vast majority of developed countries are facing pressure to increase revenues from their tax base with fewer resources. This has led to tax authorities pursuing more tax audits and investigations leading to larger adjustments, with more potential for penalties and interest. Moreover, tax authorities are also looking for coordinated solutions in the EU, OECD, and G20 context. In addition to the coordinated call for more tax transparency and effective exchange of tax information, tax authorities have focused in on three key areas:

1. The use of international tax planning schemes to reduce the effective tax rate, especially in situations where

double non-taxation arises as a result of the interaction of tax systems.

2. Transfer pricing methodologies that have been applied by large corporations.
3. Permanent establishment thresholds. The scope of the permanent establishment concept, is being broadened to capture more income under new business models and to further address the field of digital economy.

Tax transparency and morality

Tax transparency and morality continues to overshadow and influence tax regulation around the world. The public debate and the link between tax and morality have led to multiple discussions about corporate tax among international bodies and domestic governments. What is clear is that, in situations where double non-taxation occurs, there is immense pressure for governments around the world to take action. Accordingly, besides the multilateral actions pursued at the level of the OECD and EU, all countries are independently adjusting their legislation to better address this critical issue, while still trying to maintain their competitiveness. Within this framework, the cross-border interaction of all these new measures still remains to be seen.



Factors for consideration

In today's ever-changing tax landscape managing risk and proper communication has become necessary. When considering their corporate tax policy over the next 1 to 5 years, companies should consider the following three important factors:

- 1. Tax optimization:** As increased regulation and anti-abuse rules settle into place as a result of public and financial pressure, tax optimization will gradually become more difficult.
- 2. Tax risk and control:** It is extremely important that companies have a clear view of their current and future tax position. Identifying and managing tax risks is important for preventing any adverse impact on the overall corporate strategy.
- 3. Tax communications:** External communication around tax is relatively new for many companies. Born out of the age of additional scrutiny and regulation, it is becoming increasingly important that, with the aim of managing their reputation, companies are transparent with governments, public, key stakeholders and at times media, on how much they are contributing to society through tax.

All signs suggest that we will continue to see increased pressure for more

transparency between taxpayers and the tax authorities, and more disclosure by public companies as to the amount of their tax payments and where those taxes are being paid.

Ultimately, business leaders, tax authorities and policy makers will need to remember that this is a changing world and one can resist the change or embrace it. The problem with the former is that one tends to get left behind. Do not become complacent: this issue is not going away.

Country-by-country reporting, already mandatory for companies in the extractive industry and the banking industry in the EU, is likely the style of reporting that will grow on a global basis over the next decade. Companies should prepare themselves for this reality and be ready to comply. Tax law is local but companies are global. The complexity of applying national tax laws to companies that operate internationally causes problems. The avoidance of double taxation and unintended tax leakage are goals that require much more international cooperation than we have seen in the past. Countries need to work more closely together to achieve these goals. They must also continue to share information among themselves to be able to look at all sides of a transaction or revenue stream, and better understand how their separate tax systems handle a particular issue.



Wilbert Kannekens
**Global Head of
International Tax**

T: +31 20 656 1656
E: kannekens.wilbert@kpmg.nl



Tim Gillis
**Global Head of
Indirect Tax Services**

T: +1 202 533 3700
E: tgillis@kpmg.com

“*The number of changes to indirect tax regimes in recent years has been overwhelming, as have the challenges associated with implementing and reporting these changes.*”

Indirect tax is here to stay and companies must evolve

As indirect tax continues to rise on a global level, companies are forced to evolve and come to grips with the fact that indirect tax is here to stay. Around the world, countries have shifted and continue to shift to indirect tax, rather than direct tax to boost revenues. The number of changes to indirect tax regimes in recent years has been overwhelming, as have the challenges associated with implementing and reporting these changes.

Japan is a recent example. The Japan consumption tax rate rose from 5 percent to 8 percent effective 1 April 2014 and a further increase to 10 percent may take place in 2015 depending on the economic situation. Standard, Reduced and Intermediary rate increases at the end of 2014 are also expected in Luxembourg, the details of which are outlined in the footnotes section of this publication.

Other types of indirect taxes are also now being introduced, most notably the financial transaction tax (FTT).

A matter of complexity and compliance

In general terms, the degree of complexity in the area of indirect tax is on the rise.

Indeed, there are substantial challenges associated with the efficient management of these vast sums of information and data, particularly at a time when many businesses are grappling with lower head counts and increased regulation.

With respect to the challenges around compliance, more businesses are opting to outsource, since for many of them, handling the compliance

function in-house would mean an ever-growing head count in order to remain compliant against a backdrop of increasing complexity.

We are seeing more businesses centralizing the indirect tax function to a certain extent. So on one hand, while they might be outsourcing compliance, they are also centralizing the management of the indirect tax function so they can maintain better insight and oversight as to how it affects the entire organization. In the past, we would typically see this type of ‘oversight’ work being done locally on a country-by-country basis. Today, however, as the indirect tax function becomes more complex, far-reaching and unwieldy, more organizations are choosing to centralize the oversight function to ensure that they have someone who is looking at the big picture.

Preparing for the future

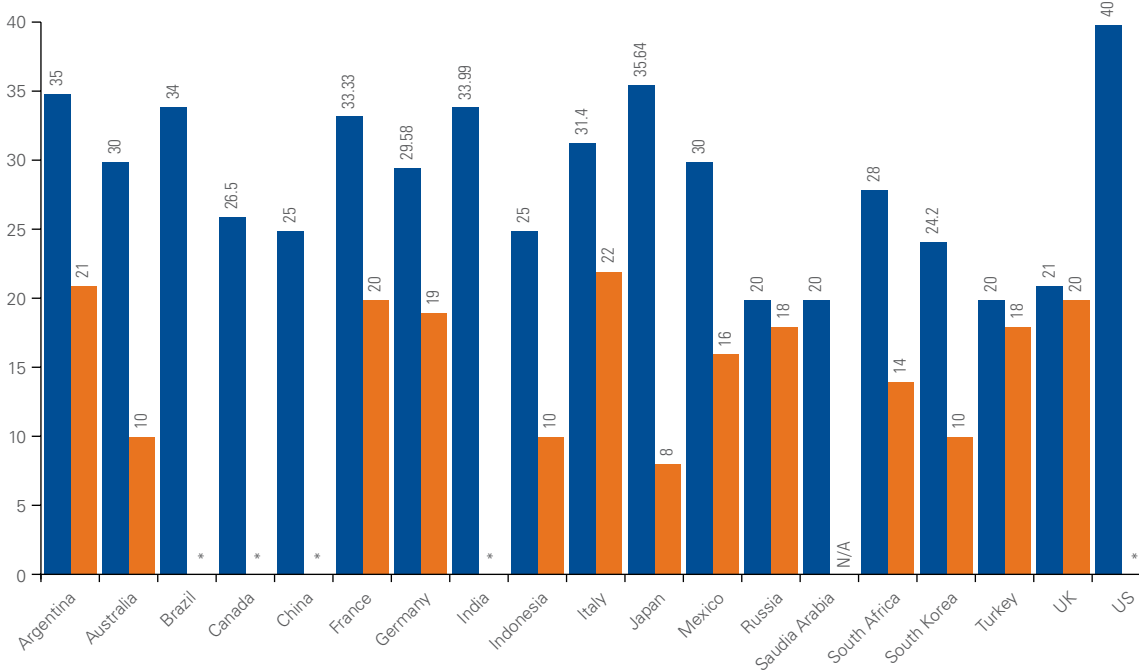
Data-driven, transaction-oriented taxes, like indirect tax, requires businesses to take a closer look at technology. Vast amounts of information and data must be processed timely and accurately, and the way to do this will be through implementing the right technology. Another key consideration is the fact that in the near future, countries will increasingly require the use of e-invoicing. As this occurs, both business and government will have more data than they ever have before.

Indirect taxes are here to stay. Businesses must ensure that their accounting and reporting systems are equipped to process these transactions. Errors can easily arise from something as simple as a rate change, resulting in penalties. It is imperative that businesses continue to embrace the technology and processes needed to cope with this increasingly complicated area.

At a glance

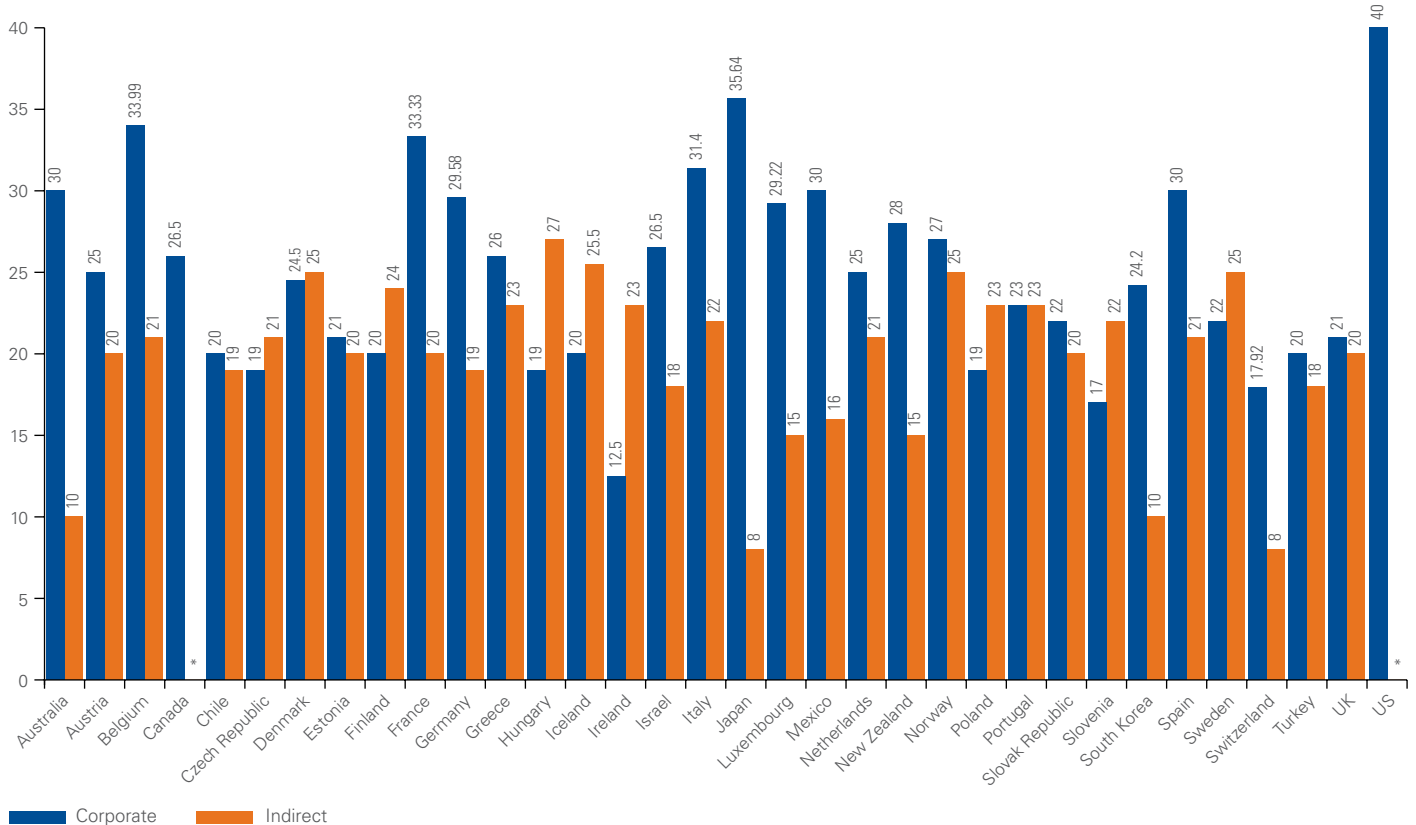
Corporate and indirect tax rates in G20 and OECD countries.

G20 countries



Although the EU is a member of the G20, it has not been included in this chart as it would not be consistent to compare a region's average with the rates of individual member states.

OECD countries



*Countries including Brazil, Canada, China, India, and the US impose indirect taxes of some sort not just at the federal/national level but also at their state, provincial, or municipal (or similar) level – and many of these levels have differences on what is taxed and at what rate. For complete details please refer to page 6: 'Exceptions to the rule' and the footnotes section of this publication.

Exceptions to the rule: indirect tax regimes of note

US

The US does not impose a national VAT, however most states, and some local governments levy transaction based taxes commonly referred to as sales and use taxes.

Forty-five states and the District of Columbia impose a state level tax on the sale or use of goods and some services. Local governments in 34 states are authorized to impose local sales taxes. There are about 7,600 jurisdictions across the country that impose a local sales tax. The state and local sales tax rate in the US ranges from 4 percent to 11 percent. For example, the combined state and local sales tax rate in Seattle, Washington is 9.5 percent and that is made of a 6.5 percent state sales tax, a 1.2 percent county sales tax, and a 1.8 percent special purpose district tax. Goods and services that are subject to tax, along with the applicable tax rates, vary according to the jurisdiction. All states and some localities with sales and use tax regimes are able to determine whether goods and services are fully taxable, taxable at a special rate, or are fully exempt.

Canada

The Canadian federal government levies a VAT of 5 percent, called the Goods and Services Tax (GST). The following Canadian provinces – Ontario, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador have imposed a Harmonized Sales Tax (HST). The rate of HST varies from 13 percent to 15 percent and is a combination of a federal component (i.e. 5 percent) and a provincial component (i.e. 8 percent to 10 percent). In all material respects (tax base and mechanics) the HST system is essentially the same as the GST system.

In addition, the provinces of Saskatchewan, Manitoba, and British Columbia levy retail sales taxes in their respective jurisdictions. The rates vary from 5 percent to 8 percent. The legislation and rules vary among the provinces (i.e., separate registration processes, returns, tax authorities, audits, etc.).

The province of Québec levies a 9.975 percent Québec Sales Tax (QST) that is generally the same as the GST in application.

Brazil

There are two types of VATs in Brazil. One is a state sales tax called the Imposto sobre Circulação de Mercadorias e Serviços (ICMS) and the other is a federal excise tax called Imposto sobre Produtos Industrializados (IPI).

ICMS is due on the physical movement of merchandise and is levied on inter-state and inter-municipal transport services, communications and electricity. The standard rate of ICMS is 17 percent. However, in São Paulo, Minas Gerais and Paraná the standard rate is 18 percent and Rio de Janeiro is 19 percent. On inter-state movement of goods, the rate applied may vary based on the state of destination (7 or 12 percent). The current variable rates (7 or 12 percent) applicable on inter-state sales are now unified into the single rate of 4 percent for transactions involving imported goods, under certain conditions.

IPI excise tax is due, with a few exceptions, on all goods imported or manufactured in Brazil. The tax is normally charged at an ad valorem rate according to the classification of the product based upon the international Harmonized Commodity Description and Coding System (HS), administered by the World Customs Organization. Rates range from zero to a maximum of 330 percent and average about 10 percent. Luxury goods are at the high end of the tax scale.

There are other taxes that are due on supply of goods or services: services tax (Imposto Sobre Serviços (ISS)), social contribution for social security financing (Contribuição para o Financiamento da Seguridade Social (COFINS)) and contribution to the social integration programme (Programa de Integração Social (PIS)).

Most countries who impose an indirect tax do so at the federal/national level with varying degrees of what is taxed (goods, service, industry etc.).

Countries including Brazil, Canada, China, India, and the US impose indirect taxes of some sort not just at the federal/

national level but also at their state, provincial, or municipal (or similar) level – and many of these levels have differences on what is taxed and at what rate.

Here is a review of five countries and their unique regimes.

China

There are three main forms of indirect taxes operating in mainland China: VAT, business tax (BT), and consumption tax (CT). Historically, VAT has applied to the sale of goods, the importation of goods, and the provision of repair, replacement and processing services in China. BT has applied to services and intangibles generally and CT has applied to specific categories of goods.

The Chinese government is currently embarking upon an extensive indirect tax reform with the ultimate objective of replacing BT with VAT across all service industries in China. As of 2013, the reforms have been implemented nationwide for the transportation, tangible and moveable asset leasing and modern services sectors, with VAT replacing business tax. Other sectors such as telecommunications, real estate and construction, financial services and insurance, and all other services are expected to transition to VAT during 2014 and early 2015.

The standard rate of VAT is 17 percent for general taxpayers with 6 percent and 11 percent also applying to some services recently transitioned from business tax to VAT. The rate of BT generally ranges from 3 percent to 5 percent, although the exception is entertainment services, which can be as high as 20 percent.

India

India is a federation of 28 states and 7 union territories. India has a dual tax structure with both federal and state specific indirect tax levies on the sale of goods. There is the Central Sales Tax (CST), which is levied on the sale of goods moving across states and the VAT, which is applicable on the sale of goods within the same state (subject to a threshold limit as prescribed under state specific VAT laws).

A sale by one taxable person to another taxable person across states is charged with CST at the rate of 2 percent, subject to the condition that the purchaser is able to issue statutory declarations and fulfill other specified conditions. Alternatively, CST is charged at the VAT rate applicable in the originating state in the absence of such declaration from the purchaser.

Generally, the VAT rate ranges from nil to 15 percent across different states and is also dependant on the nature of the goods. There are few demerit goods, which attract a higher VAT rate. An additional tax/surcharge generally ranging from 5 percent to 10 percent is being levied in certain states such as Punjab, Haryana, Gujarat, Uttar Pradesh.










The import of goods into India, the manufacture of goods in India and the rendition of services are not subject to VAT, as the same are governed at a federal level by independent legislations. Customs duty is levied on the import of goods in India, Central Excise duty is levied on the manufacture of goods in India (also known as CENVAT) and Service Tax is levied on the provision of services. The general rate of Excise duty and Service tax is 12.36% (subject to specific exemptions/ concessions).

Service Tax is applicable on the provision of all services except 17 services specified in the Negative List and 40 exempted services specified in a Mega-exemption Notification.











Corporate tax – recent changes










Since the publication of KPMG's Corporate and Indirect Tax Rate Survey 2012 (released in January 2013): 9 countries increased their corporate tax rate and 24 countries decreased their corporate tax rate.






All are listed alphabetically. "Previous rate" in the chart below refers to that which was reported in KPMG's Corporate and Indirect Tax Rate Survey 2012. In cases where a country was not included in the previous publication but a rate change has taken place during this time frame, and those countries where a rate has changed more than once since the previous publication (the most recent being reported below), please refer to the footnotes section (page 20) for complete details.

Country	Previous rate	Current rate
Increased		
 Albania	10%	15%
 Chile	18.5%	20%
 Cyprus	10%	12.5%
 Greece	20%	26%
 India	32.45%	33.99%
 Israel	25%	26.5%
 Luxembourg	28.8%	29.22%
 Serbia	10%	15%
 Slovak Republic	19%	22%

Source: KPMG International 2014

Country	Previous rate	Current rate
Decreased		
 Colombia	33%	25%
 Denmark	25%	24.5%
 Dominican Republic	29%	28%
 Ecuador	23%	22%
 Fiji	28%	20%
 Finland	24.5%	20%
 Guatemala	31%	28%
 Honduras	35%	30%
 Jamaica	33.33%	25%
 Japan	38.01%	35.64%

Country	Previous rate	Current rate
Decreased		
 Namibia	34%	33%
 Norway	28%	27%
 Pakistan	35%	34%
 Portugal	25%	23%
 Slovenia	18%	17%
 South Africa	34.55%	28%
 Sweden	26.3%	22%
 Switzerland	18.06%*	17.92%
 Syria	28%	22%

Country	Previous rate	Current rate
Decreased		
 Thailand	23%	20%
 Tunisia	30%	25%
 Ukraine	21%	18%
 United Kingdom	24%	21%
 Vietnam	25%	22%








*Until 2012, the tax rate in the city of Zurich was published in this survey as the main tax rate of Switzerland. However, it has been decided that the average rate applicable in the capital cities of the cantons is considered to be more meaningful. Thus, the previous rate reported here has been adjusted accordingly.







Source: KPMG International 2014

Indirect tax – recent changes

Since the publication of KPMG's Corporate and Indirect Tax Rate Survey 2012 (released in January 2013): 13 countries increased their standard indirect tax rate and 0 countries decreased their standard indirect tax rate.

All are listed alphabetically. "Previous rate" in the chart below refers to that which was reported in KPMG's Corporate and Indirect Tax Rate Survey 2012. In cases where a country was not included in the previous publication but a rate change has taken place during this time frame, and those countries where a rate has changed more than once since the previous publication (the most recent being reported below), please refer to the footnotes (page 20) section for complete details.









Country	Previous rate	Current rate
Increased		
 Cyprus	17%	19%
 Czech Republic	20%	21%
 Dominican Republic	16%	18%
 Finland	23%	24%
 France	19.6%	20%
 Honduras	12%	15%
 Israel	17%	18%










Country	Previous rate	Current rate
Increased		
 Italy	21%	22%
 Japan	5%	8%
 Montenegro	17%	19%
 Pakistan	16%	17%
 Slovenia	20%	22%
 Sudan	15%	17%

Source: KPMG International 2014

Corporate tax – 10 highest and lowest

Highest














Rank	Current rate	Country
1	55%	 United Arab Emirates*
2	40%	 United States
3	35.64%	 Japan
4	35%	 Angola
		 Argentina
		 Malta
		 Sudan
		 Zambia
















Rank	Current rate	Country
5	34.5%	 St. Maarten
6	34%	 Brazil
		 Pakistan
		 Venezuela
7	33.99%	 Belgium
		 India
8	33.33%	 France
9	33%	 Namibia
10	32%	 Mozambique

*Having the highest statutory rate does not mean that the tax is actually levied.

Source: KPMG International 2014

Lowest
















Rank	Current rate	Country
1	9%	 Montenegro
2	10%	 Bosnia and Herzegovina
		 Bulgaria
		 Gibraltar
		 Macedonia
		 Paraguay
		 Qatar
3	12%	 Macau
		 Oman
4	12.5%	 Cyprus
		 Ireland
		 Liechtenstein
5	14%	 Jordan















Rank	Current rate	Country
6	15%	 Albania
		 Georgia
		 Iraq
		 Kuwait
		 Latvia
		 Lebanon
		 Lithuania
		 Mauritius
		 Serbia
7	16%	 Romania
8	16.5%	 Hong Kong
9	17%	 Singapore
		 Slovenia
		 Taiwan
10	17.92%	 Switzerland

Source: KPMG International 2014











Indirect tax – 10 highest and lowest












Highest

Rank	Current rate	Country
1	27%	 Hungary
2	25.5%	 Iceland
3	25%	 Croatia
		 Denmark
		 Norway
		 Sweden
4	24%	 Finland
		 Romania
5	23%	 Greece
		 Ireland
		 Poland
		 Portugal
6	22%	 Italy
		 Slovenia
		 Uruguay

Rank	Current rate	Country
7	21%	 Argentina
		 Belgium
		 Czech Republic
		 Latvia
		 Lithuania
		 Netherlands
		 Spain
8	20%	 Albania
		 Armenia
		 Austria
		 Belarus
		 Bulgaria
		 Estonia
		 France















Highest












Rank	Current rate	Country
8	20%	 Isle of Man
		 Morocco
		 Serbia
		 Slovak Republic
		 Ukraine
		 United Kingdom
9	19%	 Chile
		 Cyprus
		 Germany
		 Montenegro

Rank	Current rate	Country
10	18%	 Dominican Republic
		 Georgia
		 Israel
		 Macedonia
		 Malta
		 Peru
		 Russia
		 Tanzania
		 Tunisia
		 Turkey
		 Uganda

Source: KPMG International 2014









Lowest





Rank	Current rate	Country
1	1.5%	 Aruba
2	5%	 Jersey
		 Nigeria
		 St. Maarten
		 Taiwan
		 Yemen
3	6%	 Curacao
4	7%	 Panama
		 Singapore
		 Thailand
5	8%	 Bonaire, St. Eustatius and Saba*
		 Japan
		 Liechtenstein
		 Switzerland

Rank	Current rate	Country
6	10%	 Angola
		 Australia
		 Cambodia
		 Egypt
		 Indonesia
		 Lebanon
		 Malaysia
		 Papua New Guinea
		 Paraguay
		 South Korea
		 Vietnam

*Bonaire, St. Eustatius and Saba are grouped together as per ISO standards. The 8 percent indirect tax rate noted here is for Bonaire. Both St. Eustatius and Saba currently have an indirect tax rate of 6 percent. (Further details on the various indirect tax rates operating in these countries are available in the footnotes section of this publication).

Lowest

Rank	Current rate	Country
7	12%	 Botswana
		 Ecuador
		 Guatemala
		 Kazakhstan
		 Philippines
		 Sri Lanka
		 Venezuela
8	12.5%	 Vanuatu

Rank	Current rate	Country
9	13%	 Bolivia
		 Costa Rica
		 El Salvador
10	14%	 South Africa

Source: KPMG International 2014

Corporate and Indirect Tax Rates 2014

Country	Corporate tax rate	Indirect tax rate
Afghanistan	20	N/A
Albania	15	20
Algeria	19	17
Angola	35	10
Argentina	35	21
Armenia	20	20
Aruba	28	1.5
Australia	30	10
Austria	25	20
Bahamas	0	N/A
Bahrain	0	N/A
Bangladesh	27.5	15
Barbados	25	17.5
Belarus	18	20
Belgium	33.99	21
Bermuda	0	N/A
Bolivia	25	13
Bonaire, St. Eustatius & Saba	0	8*
Bosnia and Herzegovina	10	17
Botswana	22	12
Brazil	34	**
Bulgaria	10	20
Cambodia	20	10
Canada	26.5	**
Cayman Islands	0	N/A
Chile	20	19
China	25	**
Colombia	25	16
Costa Rica	30	13
Croatia	20	25
Curacao	27.5	6
Cyprus	12.5	19
Czech Republic	19	21
Denmark	24.5	25
Dominican Republic	28	18
Ecuador	22	12
Egypt	25	10
El Salvador	30	13
Estonia	21	20
Fiji	20	15
Finland	20	24
France	33.33	20
Georgia	15	18
Germany	29.58	19
Ghana	25	17.5
Gibraltar	10	N/A

Country	Corporate tax rate	Indirect tax rate
Greece	26	23
Guatemala	28	12
Guernsey	0	N/A
Honduras	30	15
Hong Kong	16.5	N/A
Hungary	19	27
Iceland	20	25.5
India	33.99	**
Indonesia	25	10
Iraq	15	N/A
Ireland	12.5	23
Isle of Man	0	20
Israel	26.5	18
Italy	31.4	22
Jamaica	25	16.5
Japan	35.64	8
Jersey	0	5
Jordan	14	16
Kazakhstan	20	12
Kenya	30	16
Kuwait	15	N/A
Latvia	15	21
Lebanon	15	10
Libya	20	N/A
Liechtenstein	12.5	8
Lithuania	15	21
Luxembourg	29.22	15
Macau	12	N/A
Macedonia	10	18
Malawi	30	16.5
Malaysia	25	10
Malta	35	18
Mauritius	15	15
Mexico	30	16
Montenegro	9	19
Morocco	30	20
Mozambique	32	17
Namibia	33	15
Netherlands	25	21
New Zealand	28	15
Nigeria	30	5
Norway	27	25
Oman	12	N/A
Pakistan	34	17
Panama	25	7
Papua New Guinea	30	10
Paraguay	10	10
Peru	30	18

* Bonaire, St. Eustatius and Saba are grouped together as per ISO standards. The 8 percent indirect tax rate noted here is for Bonaire. Both St. Eustatius and Saba currently have an indirect tax rate of 6 percent. (Further details on the various indirect tax rates operating in these countries are available in the footnotes section of this publication).

** Countries including Brazil, Canada, China, India, and the US impose indirect taxes of some sort not just at the federal/national level but also at their state, provincial, or municipal (or similar) level – and many of these levels have differences on what is taxed and at what rate. For complete details please refer to page 6: 'Exceptions to the rule' and the footnotes section of this publication.

Country	Corporate tax rate	Indirect tax rate
Philippines	30	12
Poland	19	23
Portugal	23	23
Qatar	10	N/A
Romania	16	24
Russia	20	18
St. Maarten	34.5	5
Samoa	27	15
Saudi Arabia	20	N/A
Serbia	15	20
Sierra Leone	30	15
Singapore	17	7
Slovak Republic	22	20
Slovenia	17	22
South Africa	28	14
South Korea	24.2	10
Spain	30	21
Sri Lanka	28	12
Sudan	35	17
Sweden	22	25
Switzerland	17.92	8
Syria	22	N/A
Taiwan	17	5
Tanzania	30	18
Thailand	20	7
Trinidad and Tobago	25	15
Tunisia	25	18
Turkey	20	18
Uganda	30	18
Ukraine	18	20
United Arab Emirates	55	N/A
United Kingdom	21	20
United States	40	**
Uruguay	25	22
Vanuatu	0	12.5
Venezuela	34	12
Vietnam	22	10
Yemen	20	5
Zambia	35	16
Zimbabwe	25.75	15

Source: KPMG International 2014



Footnotes

Afghanistan

Corporate tax

The corporate tax rate is 20 percent.

Generally, two types of taxes are payable by corporate entities. The corporate income tax rate is 20 percent and is applied to the taxable income. Whereas the business receipt tax (ranging from 2 percent to 10 percent) is applied to the gross revenue. Qualifying extractive industries (mines and hydrocarbons) are exempt from the business receipt tax. Taxable income is determined by deducting all business-related tax deductible expenses from gross revenue. The tax deductible expenses also include dividends paid by the corporation and business receipt tax. Expenses which are subject to withholding tax are not tax deductible if the taxpayer fails to withhold withholding tax and to pay it to the tax authorities. Under a tax incentive scheme, so-called approved enterprises (that is, enterprises registered with the Afghanistan Investment Support Agency according to the Investment Law) are eligible for accelerated depreciation (four years for buildings and two years for other assets) and full carry forward losses.

Indirect tax

Currently, no VAT/GST is applicable in Afghanistan.

Albania

Corporate tax

The corporate tax rate is 15 percent.

The corporate income tax rate is applied to the taxable profit of the fiscal year (1 January to 31 December). Taxable profit is defined as gross income generated minus related tax deductible expenses. There are certain expenses that are not deductible for tax purposes, such as business expenses unsupported by a regular invoice, interest accrued up to a certain limit, interest paid on loans and pre-payments which exceed four times the amount of net equity during the period, representation expenses over a certain limit and cost of fringe benefits. Setting up reserves does not lead to tax deductible expenses, except for banks and insurance companies. Dividends derived by qualifying companies are tax exempt.

Indirect tax

The standard rate of VAT (tatimi mbi vleren e shtuar; TVSH) is 20 percent. There is a reduced rate of 0 percent applicable to the exports of goods, supply of services and goods connected to maritime commercial or industrial activities, and supplies related to international transport. The export of services and the supplies of certain goods and services are exempt from VAT, for example lease and sale of land (under certain conditions subject to 20 percent VAT), financial services, and certain supply in connection with oil exploration. Starting from April 2014, the supply of drugs and medical services offered by private or public health institutions shall be exempt from VAT.

Algeria

Corporate tax

The corporate tax rate is 19 percent.

Manufacturing and construction activities are subject to 19 percent.

Services and other activities are subject to the 25 percent rate.

Indirect tax

The standard rate Value Added Tax is 17 percent, the reduced rate applicable to a restrictive list of products and services is 7 percent and 0 percent for exempted goods and activities.

Angola

Corporate tax

The corporate tax rate is 35 percent.

According to the draft law of the Corporate Income Tax Code, the corporate tax should decrease to 30 percent from 2014 onwards. This change has already been approved, but not yet published in the National Gazette.

Indirect tax

There is no VAT system in Angola at this time. However, there is a consumption tax which to some extent substitutes VAT. Consumption tax is levied on: importation of goods, local production of goods and a range of services (e.g. consultancy services, tourism services). The rate for goods varies from 2 percent to 30 percent with the general rate being 10 percent. The rate for services is either 5 percent or 10 percent.

Argentina

Corporate tax

The corporate tax rate is 35 percent.

A minimum income tax at a rate of 1 percent is applied to the tax value of the company's assets (liabilities cannot be deducted). Some assets, such as stocks, shares in other entities that are subject to taxation, and assets of mining companies are exempt from minimum income tax. The acquisition of new goods, except for automobiles, as well as the investment in newly constructed or refurbished buildings (for the first two years) is also excluded from minimum income tax. The minimum income tax only applies to the extent it exceeds the (regular) income tax calculated as a percent of the taxable income. The minimum income tax paid in any given year reduces the (regular) income tax of subsequent years (maximum carry forward of 10 years).

Indirect tax

The standard rate of VAT (impuesto al valor agregado; IVA) is 21 percent applicable to goods and services. There is a reduced rate of 10.5 percent for certain goods and services, including, sales or imports of cattle, imports of certain capital goods included in the tariffs list of the Common Nomenclature of Mercosur (Southern Cone Common Market), interest on loans from foreign banks located in a country where the central bank has adopted the international supervision standards of the base Banks Committee. There is an increased rate of 27 percent for certain services.

Armenia**Corporate tax**

The corporate tax rate is 20 percent.

Indirect tax

The standard rate of VAT is 20 percent. There is also a 0 percent rate which applies to, for example, the export of goods from Armenia, the provision of services, the place of supply for which is outside Armenia, the maintenance of aircraft serving international flights, and the sale of goods in duty free shops in airports. Certain supplies of goods and services are exempt from VAT, for example the sale of magazines and newspapers, scientific research work, the provision of most types of financial services, insurance, and reinsurance activity.

Aruba**Corporate tax**

The corporate tax rate is 28 percent.

Indirect tax

The standard rate of turnover tax (Belasting op Bedrijfsomzetten; BBO) is 1.5 percent.

Australia**Corporate tax**

The corporate tax rate is 30 percent.

The corporate income tax rate applies to both resident and non-resident companies. A resident company is liable to corporate income tax on its worldwide income and capital gains. A non-resident company is liable to corporate income tax on its Australian-source income only, and on capital gains from the disposal of an asset that is taxable Australian real property (TARP). Broadly, TARP will include Australian real property and certain indirect interests in Australian real property. The Australian tax system provides taxation relief against international double taxation by granting foreign tax offsets in some circumstances and in others, by exempting the foreign income from Australian tax. The corporate income tax rate applies to income earned during the period from 1 July to 30 June of the following year. If

a company has approval to use a different year-end for tax purposes, the approved period must still relate to a 30 June year-end (that is, the year ended 31 December 2012 in lieu of 30 June 2013).

Indirect tax

There has been no recent changes to the GST rate of 10 percent.

Austria**Corporate tax**

The corporate tax rate is 25 percent.

There are no trade income or net worth taxes. Austrian corporations may benefit from the participation exemption and the group taxation (including cross-border loss utilization and goodwill depreciation for the acquisition of qualifying Austrian subsidiaries).

Indirect tax

The standard rate of VAT is 20 percent. VAT reduced rates of 10 percent and 12 percent are applicable on some supplies.

Bahamas**Corporate tax**

The corporate tax rate is 0 percent.

No taxes based on corporate earnings are assessed in The Bahamas. Effective 1 July 2013 the general rate of the Business License tax is 0.75 percent of turnover exceeding \$500,000 and up to 1.75 percent of turnover exceeding \$100 million.

Indirect tax

Currently there are no indirect taxes such as VAT, GST etc. levied in The Bahamas. However the Government of The Bahamas has proposed that VAT will come into effect on 1 July 2014 at a rate of 15 percent.

There are significant import duties and excise taxes on goods brought into the country. Such import duties and excise taxes range from 0 percent on certain essential items up to 85 percent on certain luxury vehicles.

Stamp duty is applicable to certain commercial transactions including conveyances of realty or personalty at rates ranging from 4 percent to 10 percent based on the value of consideration. The stamp duty for registration of a debenture or mortgage is 1 percent and the sale of a business insofar as it consists of personalty (chattels or moveable assets) exclusive of cash is 6 percent.

Business Licence tax is payable by businesses operating in The Bahamas at rates ranging from a flat rate of US\$100 to 3 percent of turnover.

In addition there are payroll, real property, vehicle and other taxes and fees which should be taken into account.

Bahrain

Corporate tax

The corporate tax rate is 0 percent.

Bahrain is an income tax-free country; there is no corporate or personal income tax in Bahrain (except for certain oil related activities). Accordingly, all profits, dividends, or any other income is tax free. Bahrain taxes oil and gas companies in the drilling and exploration sector at a rate of 46 percent. There are no exchange control regulations and accordingly there is no restriction on repatriation of capital, profits, royalties, or wages.

Indirect tax

There is no indirect tax in Bahrain. Bahrain follows the GCC Unified Customs Duty law and imposes 5 percent on most imports.

Bangladesh

Corporate tax

The corporate tax rate is 27.5 percent.

The corporate income tax rate is 27.5 percent for corporations (except banks and other financial institutions) listed at a stock exchange. If such listed corporation pays a dividend that exceeds 20 percent of the paid-up capital for a taxable year, it receives a 10 percent rebate on the tax payable. In cases where the dividend is lower than 10 percent of the paid-up capital, the corporate income tax rate is increased to 37.5 percent. Should the dividend amount be less than 15 percent in spite of having sufficient distributable profits, the company is subject to an additional 5 percent tax on the undistributed profits. Banks, insurance companies and other financial institutions are taxed at 42.5 percent, and mobile phone operators are taxed at 45 percent. All other companies including branches of foreign companies are taxed at 37.5 percent, however, if a mobile phone operator company converts itself into a publicly traded company by offering a minimum of 10 percent of its shares on the stock exchange through initial public offer, the applicable tax rate for such organization will be 35 percent. A rebate in the amount of 50 percent of the income derived from export business will be granted to companies registered in Bangladesh. Textile/jute industries are subject to 15 percent but these industries will not qualify for an export rebate. Tax at 0.4 percent deducted by a bank from export proceeds received by export-oriented knitwear and woven garment industries is treated as final tax. If the profit earned by a bank exceeds 50 percent of its capital and reserves, the bank is subject to a 15 percent excess profits tax on the additional profit. The aforesaid rates will remain valid for companies whose accounting year ends on any date up to 30 June 2010.

Indirect tax

The standard rate of VAT is 15 percent. There are reduced rates of 10 percent, 9 percent, 7.5 percent, 6 percent, 5.5 percent, 5 percent, 4.5 percent, 4 percent, 2.25 percent, 1.5 percent, and 0 percent which apply to, for example certain categories of air conditioned bus, launch and railway services (10 percent); rental premises (9 percent) sponsorship services (7.5 percent), restaurants (without air conditioning, furniture distributors – manufacturing stage) (6 percent), construction firms (5.5 percent), electricity distributors, seller of own branded ready-made garments sellers (5 percent), motor vehicle garages and workshops, producers of film or photo studio/shops, dockyards, carriers without petroleum, immigration advisers, English medium schools and Information Technology Enabled Services (ITES) (4.5 percent); supplies of goods and services through participation in a tender/quotation and buyers of auctioned goods, furniture distributors at distribution stage (4 percent); petroleum carriers (2.25 percent); goldsmith or silversmith (2 percent); and Land developers, construction of apartments (1.5 percent). Exempt from VAT are certain food items (such as meat, fish, potatoes, vegetable, and fruits); raw jute; social welfare, culture, training, and rehabilitation services; and agricultural development.

Barbados

Corporate tax

The corporate tax rate is 25 percent.

The corporate income tax rate may be reduced, on a sliding scale to 1.75 percent, by a foreign currency tax credit granted for qualifying foreign currency generating activities. Special rates apply for small business, manufacturing, or certain insurance concessions. An international financial service center tax regime provides for exemption from tax for certain insurance companies, a 1.75 percent rate for qualifying insurance companies and a variable rate of 0.25 percent to 2.5 percent for other qualifying international business activities.

Indirect tax

The standard rate of VAT is 17.5 percent. It was announced in the 2013 Budgetary Proposals that effective 1 October 2013, the VAT rate on accommodation in the hotel sector and on direct tourism services will be reduced to 7.5 percent. Zero-rated supplies include exports of goods and services, basic food items, printed matter, certain agricultural machinery, and international transport of passengers and freight, as well as importations by approved educational institutions and companies in the international financial services sector, among others. Exempt supplies include certain financial services, health and educational services, and specific supplies of real property. Companies in the international business sector are not required to register for VAT and any VAT which they suffer may be refunded on application to the VAT Division on the prescribed form.

Belarus
Corporate tax

The corporate tax rate is 18 percent.

Reduced rates are 12 percent for dividends; 10 percent for residents of science and technology parks; for producers of laser and optical equipment; for the sales of self-produced high-tech goods; 50 percent of the standard rate for the disposal of shares; and 5 percent for members of Science and Technology Association established by the State University. For special economical zones the CPT rate is 50 percent of the standard rate but not more than 12 percent if certain specific requirements are met.

Indirect tax

The standard VAT rate is 20 percent. Reduced rates are 10 percent (applied to clothes for children and some social products, such as grain, milk, butter, fish, flesh and other products included in a list approved by the president), and 0 percent (exports). Some goods and services are exempt from VAT application, such as medical equipment, medicines and other goods and services indicated in the Tax Code.

Belgium
Corporate tax

The corporate tax rate in Belgium is 33.99 percent.

A lower (progressive) tax rate may apply to companies that are more than 50 percent owned by individuals. All companies subject to resident or non-resident corporate tax benefit from the risk capital or 'notional interest' deduction that is computed on the companies' adjusted equity capital (including retained earnings). The deduction equals 2.63 percent (3.13 percent for small companies) for fiscal year 2015 (taxable years starting 1 January 2014 or later). The notional interest deduction reduces the effective tax rate to an average range from 24 percent to 27 percent (or lower depending on the equity capital).

Indirect tax

The standard rate of VAT (taxe sur la valeur ajoutée: TVA/ belasting over de toegevoegde waarde: BTW) is 21 percent. There are reduced rates of 12 percent, 6 percent and 0 percent. The 12 percent rate applies to, for example social housing (as from 1 January 2007, 6 percent in certain circumstances), restaurant and catering services (not drinks), agrochemicals, margarine. Most food and drinks, books, pharmaceuticals, hotel and camping accommodations, passenger transportation, refurbishment works to private dwellings (under certain conditions) and agricultural services are charged at a 6 percent rate. Newspapers and periodicals published (under certain conditions) are charged with 0 percent. Suppliers of certain goods and services are exempt from VAT, for example financial services, letting of immovable property, hospital services, medical care and cultural activities.

Bermuda
Corporate tax

The corporate tax rate is 0 percent.

Indirect tax

There is no indirect tax.

Bolivia
Corporate tax

The corporate tax rate is 25 percent.

The Bolivian corporate income tax is based on the territoriality principle, whereby tax is due only on business income derived from activities performed, property situated, or economic rights used in Bolivia, regardless of the nationality, domicile or residence of those who take part in the operations. Accordingly, business income realized through operating companies outside Bolivia is not taken into account for Bolivian tax purposes nor are losses pertaining to such companies.

Indirect tax

The standard rate of VAT (Impuesto al Valor Agregado; IVA) is 13 percent of the total price of the service rendered (effective rate of 14.943 percent). Exports of goods are zero-rated. Certain activities are exempt from VAT: financing transactions generating interest income, purchase and sales of shares, debentures, securities and credit title transactions, sales or transfers resulting from companies' reorganizations, capital contributions, imports made by country-accredited diplomats.

Bonaire
Corporate tax

The corporate tax rate is 0 percent.

The profit tax regime in the BES islands (Bonaire, St Eustatius and Saba) has been abolished as per 2011. According to the Tax Act BES the basic rule is that all companies established in the BES Islands are deemed to be established in the Netherlands and therefore subject to Dutch corporate income tax and dividend withholding tax. Consequently, such companies will be subject to Dutch corporate income tax levied at a rate of 20 percent on profits up to EUR200,000 and a rate of 25 percent for profits exceeding that amount. The dividend withholding tax rate is 15 percent.

However, certain qualifying companies can elect to be subject to the BES islands' property tax and distribution tax instead of being subject to the Dutch corporate income tax and Dutch dividend withholding tax. Instead, a property tax rate of 15 percent (tax rate for hotels: 5 percent) levied on 4 percent of the value of a company's real estate located in the BES islands and a distribution tax rate of 5 percent (levied on proceeds derived from shares in companies established in the BES islands) apply.

Indirect tax

The tax rate for the rendering of services is 6 percent (as of October 2011) and for the supply/import of goods, 8 percent.

The tax rate for services related to insurance is 7 percent (as of October 2011).

Bosnia and Herzegovina

Corporate tax

The corporate tax rate is 10 percent.

Bosnia and Herzegovina consists of two separately administered territorial entities: the Federation of Bosnia and Herzegovina (FBiH) and the Republic of Srpska (RS) with different corporate profit tax laws and regulations. In case of RS, effective date is 01/01/2002.

In both entities, dividends received are generally not subject to corporate profit tax.

Tax incentives envisaged in the FBiH include allowing a tax holiday for a year in which more than 30 percent of a taxpayer's total income is realized through export as well as tax incentives related to investment as per the FBiH corporate profit tax legislation.

Indirect tax

The standard rate of VAT (porez na dodanu vrijednost; PDV) is 17 percent. There is a reduced rate of 0 percent which applies to, for example, exports of goods and certain related services. Supplies of certain goods and services are exempt from VAT, for example, financial services, insurance and reinsurance services, education, health care, rent of residential property for a period longer than 60 days, certain supplies of immovable property, dealing in shares, management of investment funds and stamps.

Botswana

Corporate tax

The corporate tax rate for resident companies is 22 percent.

Dividends are subject to a general rate of 7.5 percent unless varied under a Double Tax Agreement. Non-resident companies rate is 30 percent with no additional taxes on remittance of profits.

Indirect tax

The standard VAT rate is 12 percent. There is a reduced rate of 0 percent which applies to exports of goods and services, international transport services, disposal of businesses as going concerns, certain food products not mixed with other products, some pesticides, fertilizers, farming tractors, supplies to the head of state etc. Certain supplies of goods and services are exempt from VAT, for example prescription drugs, residential accommodations, education at approved institutions, public medical facilities and services, non-fee based financial services, and passenger transportation (excluding the transportation of tourists).

Brazil

Corporate tax

The corporate income tax (IRPJ) rate is 25 percent.

The rate is a combination of a 15 percent basic rate and a 10 percent surtax on income that exceeds BRL240,000 per year. In addition, Brazilian tax legislation imposes a social contribution on net profits (CSLL) at a rate of 9 percent. Thus, corporate income taxation should be charged at a combined rate of 34 percent (IRPJ and CSLL). Note that as of 1 May 2008, the tax rate of the mentioned social contribution (CSLL) has been increased from 9 percent to 15 percent in case the taxpayer is a financial institution, a private insurance company, or a capitalization company. There are two main methods to calculate corporate income tax: (i) actual profit, where the taxable basis for both taxes should correspond to the company's net book profit, which is determined by applying Brazilian GAAP (adjusted by certain inclusions and deductions allowed under the Brazilian legislation); and (ii) presumed profit, wherein taxpayers shall calculate their corporate income taxes (at the same rate applied to the actual profit system) based on the application of a deemed profit margin. Brazilian entities may elect to compute corporate taxes based on this presumed profit mechanism; provided they (a) do not have total gross revenues in the preceding year higher than R\$48 million; (b) are not financial institutions, similar entities or factoring companies; (c) do not earn foreign profits, income or gains (i.e. directly or through foreign subsidiaries) and (d) do not qualify for an exemption or reduction of the corporate income tax.

Please, it is worth mentioning that, effective as of January, 2014, Federal Law 12,814/13 increased the gross revenue limit to apply for the presumed profit system R\$78 million opposed to currently R\$48 million.

Indirect tax

There are two types of VAT in Brazil: a state sales tax (imposto sobre circulação de mercadorias e serviços; ICMS) and a federal excise tax (imposto sobre produtos industrializados; IPI). There are other taxes on supplies of goods or services: a services tax (imposto sobre serviços; ISS), a social contribution for social security financing (contribuição para o financiamento da seguridade social; COFINS) and an employees' profit participation program (programa de integração social; PIS).

The standard rate of ICMS is 17 percent (in São Paulo, Minas Gerais, and Paraná; the standard rate is 18 percent and in Rio de Janeiro it is 19 percent). IPI is normally charged at an ad valorem (value) rate according to the classification of the product based upon the international Harmonized Commodity Description and Coding System, administered by the World Customs Organization in Brussels. Rates range from 0 percent to a maximum of 330 percent and average about 10 percent. The standard rate of ISS ranges from 2 percent to 5 percent. The standard rates of PIS and COFINS under the so-called non-cumulative regime are 1.65 percent and 7.6 percent, respectively. There are reduced rates of 7 percent and 12 percent ICMS which apply to inter-state supplies within Brazil depending on the region into which goods are sold and to certain intra-state supplies, for example to diesel oil

and hydrated ethyl alcohol fuel, motor vehicles and transport services (12 percent), products that are part of the basic food basket and products from the electronic data processing industry (7 percent). Certain supplies are exempt from ICMS, for example supplies of books, newspapers, periodicals, and the paper consumed in the printing of such products, sale of fixed assets, fruits, vegetables, and farm and garden produce and preservatives.

2013 ICMS changes: The interstate sale of imported goods (not submitted to any kind of industrialization), where similar goods are available in Brazil, is subject to the ICMS rate of 4 percent. Also, the inter-state sale of industrialized goods with imported content greater than 41 percent is subject to the ICMS rate of 4 percent. Exemptions: goods industrialized under the Basic Production Process (PPB) and goods without a national equivalent.

The reduced IPI rate of 0 percent applies to, for example live animals and animal products, plant products, chemical products, textile products, shoes and goods without a national similar. Certain supplies are exempt from IPI, for example supplies of vessels (except sporting or pleasure boats), exports, books, newspapers, periodicals, and paper consumed in the printing of such products, electric energy, petroleum products, fuel, and minerals belonging to the country.

There are reduced rates of ISS which vary from one municipality to another. Certain supplies are exempt from ISS, for example exports of services, amounts intermediated in the bonds and securities market, bank deposits, the capital, interests, and default interests regarding credit operations performed by financial institutions.

Reduced rates of 0.65 percent PIS and 3 percent COFINS apply under a so-called cumulative regime. Unlike the noncumulative regime there is no recognition of any tax credits under the cumulative regime. Certain supplies are exempt from PIS and COFINS, for example the exportation of goods, the exportation of services with payment in convertible currency, sales of products to a commercial export company for export purpose specifically and sales of fixed assets.

COFINS rate changes were introduced in 2012 in Provincial Measure MP 563/2012. Cofins on Importation rate has now been increased to 1 percent which will correspond to a total of 8.6 percent, applying to the import of operations with the products listed at the appendix to Law n° 12.546 of 2011. These include plastics, rubber made products, leather, textiles, several mechanical instruments and appliances, boats and floating structures, electrical equipments, among others.

Bulgaria

Corporate tax

The corporate income tax rate is 10 percent.

Indirect tax

The standard rate of VAT, which applies to most taxable supplies, is 20 percent. A reduced rate of 9 percent applies to

accommodation in hotels, sheltered housing and other places for accommodation.

Cambodia

Corporate tax

The corporate tax rate is:

- i. 0 percent for Qualified Investment Project under tax exemption period
- ii. 5 percent on gross premiums for Insurance business
- iii. 30 percent for oil & gas production, exploration and exploitation of natural resources
- iv. Others than above are subject to a standard rate of 20 percent

Indirect tax

A zero rate is applied to the following – exported goods and services, and certain charges in relation to international transportation of people and goods.

Exempt supplies include – public postal services; certain medical and dental goods and services; wholly state owned public transportation services; insurance services; primary financial services; importation of articles for personal use that are exempt from customs duties; and non-profit activities in the public interest recognised by the Ministry of Economy and Finance.

Canada

Corporate tax

The corporate income tax rate is 26.5 percent.

It comprises a 15.0 percent federal tax component and an 11.5 percent provincial tax component. Depending on the province, the combined general corporate income tax rate ranges from 25 percent to 31 percent. Lower corporate income tax rates are available to Canadian-controlled private corporations (CCPCs) on their first CAD\$500,000 (CAD\$350,000 to CAD\$425,000 for certain provinces) of taxable active business income. A 2014 representative tax rate for a CCPC on its first CAD\$500,000 of active business income is 15.5 percent (an 11 percent federal tax component and a 4.5 percent provincial tax component). Depending on the province, the 2014 combined active business income tax rate ranges from 11 percent to 19 percent.

Indirect tax

The standard rate of the federal GST is 5 percent. There is a reduced rate of 0 percent which applies to zero-rated supplies, for example exports of certain goods and services, prescription drugs, and basic groceries. Also, certain goods and services are exempt from GST, for example some supplies of residential property, financial services, educational services, and health care services. In addition, all provinces, except for Alberta, impose a value-added tax or a retail sales tax on the sales of taxable goods and services.

The provinces of Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island apply a harmonized value-added tax known as the harmonized sales tax (HST). The rates of the HST vary from 13 percent to 15 percent which include a federal component of 5 percent and a provincial component (8 percent to 10 percent). There is a reduced rate of 0 percent which applies to zero-rated supplies. The HST applies to the same base of goods and services as the GST. The province of Quebec applies its own value-added tax, the Quebec sales tax (QST), at a rate of 9.975 percent or 0 percent to generally the same base of goods and services as the GST. The provinces of Saskatchewan, Manitoba, and British Columbia levy retail sales taxes in their respective jurisdictions. The retail sales tax rates vary from 5 percent to 8 percent. British Columbia transitioned from an HST to the 5 percent GST and a 7 percent PST on 1 April 2013. Prince Edward Island harmonized its retail sales tax with the GST to create a new 14 percent HST on 1 April 2013.

Cayman Islands

Corporate tax

There is no corporate tax.

Indirect tax

There is no VAT or GST in the Cayman Islands. There is import duty on many goods with the rates ranging depending on the type of good being imported.

Chile

Corporate tax

The corporate tax rate is 20 percent. Dividend tax rates on non-residents have remained unchanged, and dividends paid out of 2013 earnings will carry a 20 percent imputation credit respectively. Chilean corporate income tax (named first category tax) applies to all types of taxable income realized by a taxpayer, individual, or legal entity, regardless of its nationality, residence, or domicile, with the exception of income from dependent employee's and independent personal services. The tax base is the accrued net taxable income after allowable deductions and expenses. First category tax paid can be credited against final taxes, which are a personal income tax with a progressive rate schedule (with some changes from 2013) in case of Chilean resident individuals and withholding tax with a 35 percent flat rate in case of non-residents. The 20 percent rate must be applicable not only from 2013 but also for income accrued during calendar year 2012.

Indirect tax

The standard rate of VAT (impuesto al valor agregado; IVA) is 19 percent. Locally registered taxpayers can deduct input VAT as a credit against output VAT. Exports of goods are zero-rated and exporters can recover the input VAT in cash. Exempt supplies include capital goods imported by foreign investors or companies receiving foreign investment that have subscribed an investment agreement with state of

Chile under Decree Law 600; international transportation of cargo or people; certain types of insurance premiums; payments for services provided by persons who are neither domiciled non-resident in Chile and who are subject to income withholding tax and have effectively paid it; interests on financial and credit transactions and instruments; services provided to persons neither domiciled nor resident in Chile and which are qualified as export services by the National Customs Service; educational establishments and universities conducting educational activities, among others. Consulting, advisory and professional services in general are not subject to VAT.

China

Corporate tax

The corporate tax rate is 25 percent.

Certain industries and qualified businesses may be entitled to lower corporate income tax rates such as 15 percent. Some tax holidays are also available to qualified taxpayers.

Indirect tax

There are three types of indirect taxes in China: VAT, business tax, and consumption tax.

VAT

The standard rate of VAT is 17 percent which applies to the sale and importation of goods, and the provision of repair, replacement and processing services in China. VAT also applies at the rate of 17 percent for the leasing of non-real estate assets, 11 percent for transportation services and 6 percent for 'modern services' which are subject to the VAT pilot program. Modern services includes research and development and technical services, information technology services, cultural and creative services, logistics and ancillary services and certification and consulting services. Reduced rates of VAT of 13 percent and 0 percent apply to, for example, basic necessities, agricultural products, utility services (13 percent), and exports of goods and certain services (0 percent). Exports of various goods are not wholly zero-rated and all the associated input tax is not always refundable in full to the exporters.

Small scale taxpayers, being those without sophisticated business, accounting and auditing systems, and whose turnover is below certain thresholds (ranging from RMB 500,000 to RMB 800,000 of annual turnover in the majority of provinces in China, and RMB 5,000,000 for businesses which are subject to the VAT pilot program) pay VAT at the rate of 3 percent and are ineligible for input VAT credits on purchases. The VAT pilot program currently applies to the transportation and modern services industries across mainland China. It is anticipated that the VAT pilot program will be expanded to other services during the course of 2014. The VAT pilot program seeks to replace business tax with VAT, eventually resulting in VAT applying to all goods and services in China.

Business tax

Business tax applies to those services which are not yet subject to VAT (including, telecommunications, construction and real estate, finance and insurance, and entertainment services). The rate of business tax is 3 percent for each of transportation, construction, post and telecommunication, cultural activities, and sports; and 5 percent for finance and insurance services, hotels, restaurants, catering, tourist, rental, leasing, advertising, the sale of intangible assets and transfer of immovable property. Entertainment services are taxed at rates between 5 percent and 20 percent. Business tax is a turnover tax in the sense that it is not creditable in business-to-business transactions.

Consumption tax

There are 14 categories of goods that are subject to consumption tax, including tobacco, liquor, cosmetics, jewellers, firecrackers, refined oil, motor vehicle tires, motorcycles, motor vehicles, golf balls and clubs, luxury watches, yachts, disposable wooden chopsticks, and wooden floor panels. Normally, consumption tax is charged at an ad valorem (value) rate that ranges from 1 percent to 56 percent, while exports are zero-rated. Some goods such as refined oil are levied on a quantum (unit/volume) basis. As for tobacco and some types of liquor, compound rate calculations, at both an ad valorem and quantum rate are applied.

Colombia

Corporate tax

The general income tax rate is 25 percent, plus the fairness tax (CREE as its name in Spanish) at the rate of the 9 percent.

For Industrial Users of goods and services located in a Free Trade Zone, the income tax rate is 15 percent and they would not be subjected to pay the CREE.

In addition to the corporate income tax and the CREE, there is a municipal industry and commerce tax levied on industrial, commercial and services activities carried out within a municipality. The rates are set by each municipality but cannot exceed 1.4 percent, taking into account that the taxable base is the gross income of the activity.

For income tax and CREE purposes deductible expenses include industry and commerce tax.

Finally, please note that for foreign entities without a PE or a branch in Colombia the tax rate is 33 percent and the CREE does not apply. Furthermore, portfolio investors may apply to a reduced rate of 14 percent (not in the case of dividends and tax havens which rate is 25 percent).

Indirect tax

The standard rate of VAT (impuesto sobre las ventas) is 16 percent.

Effective 1 January 2013 the reduced rate of 5 percent applies to certain supplies of goods such as coffee, some cereals, sugar, pasta, flour, some engines and agricultural machinery, and certain supplies of services such as storage

of agricultural products, fees related to trading of agricultural products traded, and agricultural insurance.

Zero-rated supplies (referred to as exempt supplies in Colombia) include exports of goods and services or tourist services provided to non-residents. Effective 1 January 2013, a new consumption tax was introduced and it applies to a range of supplies of goods and services, at the rates of 16 percent, 8 percent and 4 percent.

Costa Rica

Corporate tax

The corporate tax rate is 30 percent.

This income tax rate is applicable to entities whose gross income exceeds CRC 100,513,000. Entities with gross income up to CRC 49,969,000 are subject to a 10 percent corporate income tax rate, entities with income exceeding CRC 49,969,000, and up to CRC 100,513,000 are subject to a corporate income tax rate of 20 percent.

Indirect tax

The sale of electricity for residential use is subject to a 5 percent rate, and sale of wood is subject to a 10 percent rate. Exports and the sale of several goods specified in the law are zero rated. Services in general are not subject to VAT.

Croatia

Corporate tax

The corporate tax rate is 20 percent.

Taxable income is determined by adjusting accounting profit in accordance with the provisions of the Corporate Income Tax Law. Dividends received are not subject to corporate income tax. A company can reduce its tax base by the amount of declared after tax profit used to increase the company's share capital. Additionally, companies registered in Special State Care Areas or in the City of Vukovar employing a certain number of people residing in Special State Care Areas or in the City of Vukovar can apply for a 50 percent corporate tax rate reduction or for a corporate tax exemption provided certain conditions are met. Tourist tax, forestry tax, monumental protection fees, and Croatian Chamber of Commerce fees are taxes based on turnover.

Indirect tax

The standard rate of VAT (Porez na dodanu vrijednost; PDV) is 25 percent. There are reduced rates of 13 percent and 5 percent.

The reduced rate of 13 percent applies to: tourist accommodation; full or half board services and the rent of campsites; certain newspapers and magazines (except for newspapers subject to the reduced rate of 5 percent); edible oils and fats; baby food; supply of water (except bottled or otherwise packaged drinking water); refined (white) sugar; tickets for concerts; and services of preparation and serving of food, non-alcoholic drinks, wine and beer in registered hospitality facilities.

The reduced rate of 5 percent applies to: all kinds of bread; all kinds of milk; books (either printed or published on any other media - CDs, DVDs) of a professional, scientific, artistic, cultural, or educational character; certain medicines; certain medical implants and orthopedic devices; scientific magazines; certain daily newspapers; and cinema tickets.

Certain supplies of goods and services are exempt from VAT, for example: financial and insurance services; health and welfare services; educational services; deliveries by charitable organizations; deliveries by cultural institutions and cultural services; betting and gambling; and rent of residential property, etc.

Curacao

Corporate tax

The corporate tax rate is 27.5 percent.

Indirect tax

The following rates were introduced 1 May 2013:

- 6 percent: general rate
- 0 percent: exemptions
- 7 percent: insurances and (as of 1 January 2014) the provision of accommodation in immovable property or by means of timeshare to short-term tourists on the island
- 9 percent: for luxury and/or unhealthy goods and services.

Cyprus

Corporate tax

The corporate tax rate for tax year 2013 onwards is 12.5 percent.

The rate is applicable on business income derived by a company (defined as "anybody with or without legal personality, or public corporate body, as well as every company"; but it does not include a partnership). Dividends received are tax exempt. Income deriving from the sale of securities is also tax exempt. Only expenses wholly and exclusively related to the business activity are deductible.

Indirect tax

Effective 13 January 2014, the standard rate of VAT (Fors prostithemenis axis; FPA) is 19 percent. There are reduced rates of 5 percent and 9 percent, as well as 0 percent. For example, effective from 13 January 2014, 9 percent (up to 12/1/14 8 percent) applies to passenger transportation services within Cyprus; hotel accommodation; restaurant and similar catering services. 5 percent is applied to bottled and non-bottled water; books; newspapers; magazines and similar publications; gas; aids to disabled persons; animal feeds; fertilizers and insecticides; waste disposal. Since 1 January 2011, 5 percent is also applied to drugs and medicines; food items for human consumption. The export of goods is zero-rated. Supplies of certain goods and services are exempt from VAT, for example: certain financial

services; insurance; postal services; education, health care and welfare services; cultural services provided by public bodies or other non-profit organizations.

Czech Republic

Corporate tax

The corporate tax rate is 19 percent.

A special rate of 5 percent applies to profits of qualifying investment, mutual and pension funds.

Dividends received are, in principle, taxed at 15 percent. However, dividend received from a subsidiary in which the parent has held at least 10 percent for at least 12 months and which is resident in the EU is exempt. A dividend received from a subsidiary resident in a country with which the Czech Republic has signed a double tax treaty is also exempt upon following conditions: (i) the legal form of the subsidiary is similar to a limited liability company, joint stock company or a cooperative, (ii) parent has held at least 10 percent for at least 12 months, (iii) the corporate tax rate of the subsidiary is at least 12 percent.

Dividends paid are taxed at 35 percent or 15 percent, unless a double tax treaty provides for more favorable rates. However, dividends paid to a parent resident in the EU, Norway, Iceland or Switzerland which has held at least 10 percent for at least 12 months is exempt.

The 35 percent rate only applies to shareholders from jurisdictions with which the Czech Republic has not concluded an international agreement on the exchange of information on taxes or a Double Tax Treaty. The 35 percent will also not apply to signatories of the Council of Europe's Convention on Mutual Administrative Assistance in Tax Matters ("Convention"). As the Czech Republic has only just joined the Convention (signing it on 26 October 2012), the new regulation will apply once in force which will be on 1 February 2014.

Income tax relief for a period up to 10 years is available under special investment incentive schemes. However, it is currently being discussed that the investment incentive schemes might be greatly limited from mid 2014.

Indirect tax

The standard rate of VAT (dan z pridané hodnoty; DPH) is 21 percent (effective 1 January 2013). There is a reduced rate of 15 percent which applies to, for example, food products, books, brochures, newspapers and magazines, public transport services, social residential housing construction, and transfer of social residential houses unless exempt. Exports and intra community supplies of goods, international transport of goods relating to exports or imports of goods are zero-rated. Certain supplies of goods and services are exempt from VAT, for example insurance and financial services; postal services; education; health and welfare services; transfer and financial leasing of immovable property in certain conditions; and renting transfer of immovable property (under certain conditions).

Denmark

Corporate tax

The corporate tax rate is 24.5 percent.

Two prepayments of corporate income tax during the taxable year are mandatory. If the final tax liability exceeds the prepayments a surcharge of 6 percent (2014) of the outstanding tax liability is payable. There are no local taxes on corporate income.

The corporate tax rate is reduced to 23.5 percent in 2015 and 22 percent in 2016 (25 percent to apply for oil and gas companies).

Indirect tax

The standard rate of VAT (merværdiafgift; MOMS) is 25 percent. There is a reduced rate of 0 percent which applies to, for example exports of goods, newspapers, sale and leasing of ships and sale and leasing of aircrafts used by airlines predominantly operating internationally. Supplies of certain goods and services are exempt from VAT, for example health and welfare services, education, certain sport and cultural activities, land, financial and insurance services, postal services by Post Denmark, passenger transport services (excluding transport of tourists by bus).

be increased by the reinvested amount. This benefit is not applicable for private financial institutions.

Exemptions from income tax for five years from the first year may apply in cases where income attributed directly to new and productive investments.

Indirect tax

The standard rates of VAT (impuesto al valor agregado –IVA) are 12 percent and 0 percent. The following items are charged with 0 percent VAT: natural food such as: milk, bread, butter, sugar, salt, noodles, etc; seeds; bulbs; plants; live roots; fertilizers; insecticides; pesticides; herbicides; veterinarian products; tractors with tires up to 200 HP and other agricultural implements; medicines and drugs for human use; bond paper and books; exports; electric energy; aircraft, light aircraft and helicopters for commercial passenger transport, freight and services.

The following services are charged with 0 percent of VAT. Local transportation: by land, sea transport of passengers and cargo; international transportation of cargo; national transportation of cargo from and to Galapagos province; transportation of oil and natural gas by pipeline; services of medicines manufacturing; lease of housing; utilities; exportation services; inbound tour packages; crop-dusting; services provided by craftsmen; insurance and life and health reinsurance, healthcare and medical assistance.

Dominican Republic

Corporate tax

The corporate tax rate for 2012 and 2013 was 29 percent.

For the year 2014, such rate changes to 28 percent. In 2015, it will be reduced to 27 percent.

Indirect tax

The standard rate of VAT (impuesto sobre transferencia de bienes industrializados y servicios; ITBIS) is 18 percent. Exports of goods and services are zero-rated. Exempt supplies include basic consumption items, educational materials, medicines, health services, utilities, nonconventional or renewable energy equipment and supply, and inland transportation of individuals and cargo. Certain basic consumption goods are also levied at a rate of 11 percent.

Egypt

Corporate tax

The corporate tax rate is 25 percent.

The 25 percent rate would apply to the tax year 2013 onwards OR to the tax year which start as from the date on which the law was enacted (19 May 2013).

Indirect tax

The standard rate of general sales tax (GST) is 10 percent.

There are other rates that vary from 0 percent to 45 percent. The reduced rates apply to, for example coffee; all products made of flour, soap, fertilizers, gypsum, (5 percent); iron bars (8 percent) and exports of goods (0 percent). The increased rates apply to, for example national and international telecommunication services using mobile phones (15 percent); motor vehicles of a cylinder capacity less than 1600 cc (15 percent); some electrical appliances, perfumery (25 percent); motor vehicles of a cylinder capacity of 1600 cc up to 2000 cc; motor vehicles for the transport of goods and persons; jeep motor vehicles; camping trailers (30 percent); motor vehicles of a capacity of more than 2000 cc; and vehicles for trips and camping (45 percent).

Ecuador

Corporate tax

From 2013 onwards the corporate tax rate will be 22 percent.

The rate is reduced to 12 percent when the taxpayer decides to reinvest its profits. This reinvestment needs to be used for i) the acquisition of new machinery or equipment or assets related to research and technology to improve productivity; ii) the acquisition of fixed assets and all goods used for agricultural production, forestry, livestock and flower-growing. The reduced rate only applies to the amount of profit reinvested and the company's capital must

El Salvador

Corporate tax

The corporate income tax rate is 30 percent (this increased from 25 percent on 1 Jan 2012).

A 25 percent corporate income tax rate applies to taxpayers with less than US\$150,000 gross taxable income. Distributions of profits (e.g. dividends) to individuals or legal entities derived from domiciled corporations are subject to an additional 5 percent tax. If the shareholder is a non-domiciled individual or entity, the 5 percent tax will be withheld at the time the dividend is paid. Distribution of profits arising in tax years prior to 2011 are exempt from the dividend tax. Distribution of profits to low tax jurisdictions (tax havens) are subject to a 25 percent withholding tax. The 5 percent withholding tax is also applicable in the case of loans granted to non-domiciled shareholders, parent companies, branches or agencies, etc. However this withholding tax will not be applicable provided that certain requirements are met (i.e. interest rate agreed is at a fair market value or loan agreements executed between financial institutions regulated by the Superintendent of Financial Services etc). A minimum income tax is payable of 1 percent of the taxpayer's gross income (tax payable is the greater of 1 percent of gross income or 30 percent of taxable income). Certain exemptions exist for low margin operations e.g. gas stations. Certain limited exemptions to the minimum tax apply in the case of tax losses. Monthly advance (estimated) payments are made throughout the tax year based on 1.75 percent of gross monthly income. Payment of royalties, services, head office charges, etc. to non-domiciled corporations are subject to a withholding tax of generally 20 percent.

Indirect tax

The standard rate of VAT is 13 percent. There are no applicable reduced rates. A zero rate is applicable on exports.

Estonia

Corporate tax

According to the corporate income tax system applied in Estonia, undistributed profits are not subject to tax. Instead, income tax at the rate of 21 percent is charged on gross dividends. However, tax is calculated as 21/79 of the net dividend. Thus, a company not distributing profit is not obliged to pay income tax.

Taxable expenses are subject to 21/79 corporate income tax as well.

The corporate tax rate is reduced to 20 percent in 2015.

Indirect tax

The standard rate of VAT (käibemaks) is 20 percent. There are reduced rates of 9 percent and 0 percent which apply to, for example, books; certain printed periodicals; medicines; accommodations (9 percent); international and passenger transport; exports of goods; supply of aircraft and provision thereof used by air-carriers operating mostly on international routes; supply of sea-going vessels for navigation on high seas; services on board of such vessels or aircrafts; and goods placed in free zone, free warehouse, or VAT warehouse, (0 percent). Supplies of certain goods and services are exempt from VAT, for example immovable property, financial and insurance services, postal services, education, and health and welfare.

Fiji

Corporate tax

The corporate tax rate is 20 percent.

The corporate income tax rate applies to companies incorporated in Fiji and branches of non-resident companies. Reduced corporate tax rates apply for foreign companies that establish/relocate its headquarters to Fiji (17 percent) and companies listed under the South Pacific Stock Exchange (10 percent from 1 January 2014).

Dividend distribution from profits which have been fully subjected to income tax shall not be further subject to tax. The repatriation of after-tax branch profits (if earned in 2010 and subsequent years) shall not be subject to further tax.

Indirect tax

The standard rate is 15 percent.

Finland

Corporate tax

The corporate tax rate is 20 percent.

Indirect tax

The standard rate of VAT (arvonlisävero (ALV)) is 24 percent. The reduced rate of 14 percent is applicable, for example to food and animal feed and restaurant and catering services. The reduced rate of 10 percent applies, for example to accommodations, books, pharmaceuticals, passenger transport, cultural and sporting services and newspaper and magazines sold by subscription. The rate of 0 percent applies for example to the sale and hire of certain vessels and exports of goods.

France

Corporate tax

The corporate tax rate is 33.33 percent.

A 3.3 percent social contribution is levied on the part of the corporate income tax that exceeds EUR763,000, resulting in an overall maximum tax rate of 34.43 percent. In addition, a temporary 10.7 percent surtax is levied on the (full) corporate income tax for entities with a sales turnover greater than EUR250 million. This temporary surtax, which brings the overall maximum tax rate to 38 percent, applies to financial years (closed) from 31 December 2011 until financial years (closed) on 30 December 2015. Specific categories of income can benefit from a reduced corporate tax rate under conditions. In particular, licensing fees relating to certain IP rights can benefit from a 15 percent corporate tax rate (respectively 15.5 percent or 17.1 percent taking into account the above two surtaxes). Small and medium size companies with a turnover of EUR763 million or less owned at least 75 percent by individuals (or owned by companies meeting the same conditions) are subject to a corporate income tax rate of 15 percent. This reduced rate applies to taxable profits up to EUR38,120. These small and medium size

companies are not subject to the above-mentioned social contribution and temporary surtax. Fidal is an independent legal entity that is separate from KPMG International and KPMG member firms.

Indirect tax

The following new VAT rates are applicable in France as of 1 January 2014:

- The standard 19.6 percent VAT rate was raised to 20 percent.
- The intermediary 7 percent VAT rate was raised to 10 percent.
- The reduced 5.5 percent VAT rate has not been impacted by the reform and thus remains applicable.
- The 8 percent rate applicable in Corsica (construction work, etc.) was raised to 10 percent.

Hotel accommodation is subject to the 10 percent VAT rate. Passengers transport is also subject to the 10 percent VAT rate as are supplies by restaurants. Food (with few exceptions) and beverages (except alcohol beverages) is subject to the 5.5 percent VAT rate. Many other specific goods and services could be subject to reduced VAT rates, depending on their exact nature. Moreover, there are several other specific VAT rates applicable in Corsica and the overseas territories.

With effect from 1 January 2014, some specific operations have seen their applicable VAT rate decreasing to 5.5 percent such as sales of movie tickets, some specific works on immovable property (such as thermic improvement or building or improvement of social housing), intra-EU acquisition or import of works of art.

Georgia

Corporate tax

The corporate tax rate is 15 percent.

The Corporate Income Tax is calculated on an annual basis; the rate of 15 percent is applied to the taxable profit. The taxable profit is defined as the difference between the gross income and the relevant deductions stipulated by the Tax Code of Georgia.

Indirect tax

The standard rate of VAT is 18 percent which applies to all transactions except for: exempted transactions with the right to offset input VAT (i.e. similar to zero rated transactions), exempted transactions without the right to offset input VAT and transactions not carried out in the territory of Georgia.

Germany

Corporate tax

The corporate tax rate is 29.58 percent.

The overall income tax rate for corporations includes corporate income tax at a rate of 15 percent, solidarity surcharge at a rate

of 0.825 percent (5.5 percent of the corporate income tax), and local trade tax. The local trade tax generally varies between 7 percent and 17.15 percent, assuming a municipality multiplier (Hebesatz) ranging normally from 200 percent to 490 percent (the average multiplier for 2012 was 393 percent). The local trade tax is not deductible as a business expense.

Indirect tax

The standard rate of VAT (Umsatzsteuer (USt)) is 19 percent. Reduced rates apply to certain items; 7 percent (e.g. food, plants, animals, books/newspapers, short term accommodation including certain connected services and short distance passenger transport) and 0 percent (e.g. cross-border air passenger transport, financial services to non-EU recipients, exports, and certain transactions involving ships and aircrafts). Special rates (5.5 percent and 10.7 percent) apply under the farmers' flat-rate scheme. VAT exempt transactions include financial services to EU recipients, insurance services, certain supplies of land, health, welfare, education, specific public postal services, and supplies within the Real Estate Acquisition Law.

Ghana

Corporate tax

The corporate tax rate is 25 percent.

The above rate is the general corporate tax rate. However, there are specific rates applicable to certain sectors as follows:

Mining – 35 percent since 9 March 2012

Hotel – 20 percent

Free Zone Entities

- Income from Sales Outside the Domestic Market – maximum of 8 percent after their ten-year tax holiday
- Income from Sales to the Domestic Market – maximum of 25 percent after their ten-year tax holiday

Petroleum Operations – Not more than 50 percent; but currently the rate applicable to all the operators is 35 percent

Export of non-traditional goods – 8 percent

There are also specific rates for certain areas in the agriculture sector

Indirect tax

The 17.5 percent rate is made up of VAT of 15 percent and a National Health Insurance Levy of 2.5 percent. Please note that the rate of 15 percent was introduced by the VAT Act 2013 which received Presidential Assent on 30th December 2013. Previously the standard rate of VAT was 12.5 percent (plus the NHI levy). While there are no reduced rates per se, Ghana does exempt certain supplies from VAT (Schedule I of VAT Code), zero rate certain supplies (Schedule II of the VAT Code) and also provides reliefs in respect of certain supplies listed in Schedule III of the VAT code.

Gibraltar

Corporate tax

The corporate tax rate is 10 percent.

Companies pay tax on income that is accrued and derived in Gibraltar. If it can be shown that income is not accrued and derived in Gibraltar, the income is not taxable in Gibraltar. The company can apply to the Commissioner of Income Tax to have this confirmed in an advance tax ruling (subject to certain conditions and restrictions).

A higher rate of 20 percent applies to utility companies e.g. electricity, fuel, telephone service and water providers and companies abusing a dominant market position.

Indirect tax

There is no VAT or equivalent tax in Gibraltar.

Greece

Corporate tax

The corporate tax rate for FY 2013 onwards is 26 percent.

The withholding rate on dividends/profits which are paid within 2014 for distribution is 10 percent. General partnerships (OE) and limited partnerships (EE) are taxed as separate legal entities and for fiscal year 2013 onwards are taxed as follows: in case they do not maintain double-entry accounting books, they are subject to corporate tax at a rate of 26 percent for taxable income up to EUR 50 000 and the excess is taxed at a tax rate of 33 percent, while in case they do maintain double-entry accounting books, their total net income is subject to tax at a rate of 26 percent (and an additional tax of 10 percent applies on profit distributions).

Indirect tax

The standard rate of VAT is 23 percent (from 15 March until 30 June 2010 the standard VAT rate was 21 percent). There are reduced rates of 13 percent and 6.5 percent. For the Aegean islands all VAT rates are further reduced by 30 percent (i.e. from 23 percent to 16 percent, from 13 percent to 9 percent and from 6.5 percent to 5 percent) provided that certain conditions are cumulatively met. This reduction does not apply for supplies of tobacco products and means of transportation. VAT exemptions apply, inter alia, to (a) intracommunity supplies and exportations of goods, (b) the majority of services provided to foreign persons subject to VAT, (c) international transports, (d) supplies made in connection with qualifying vessels and aircraft, including the VAT-exempted release of imported goods for free circulation in Greece when they are placed in a VAT warehouse before being delivered to qualifying vessels and aircrafts and (e) services provided by the educational, medical, insurance and financial sectors.

Guatemala

Corporate tax

The corporate tax rate is 28 percent or 7 percent.

The Guatemalan corporate income tax system is based on the territoriality principle; all Guatemalan-source income is taxed. The taxpayer's choice to be under the tax system at a rate of 28 percent on taxable income (the general system) or at a rate of 7 percent on gross income (the optional system). Under the general system, corporate income tax is paid annually but quarterly advance payments are required. Under the optional system, corporate income tax is paid on a monthly basis.

Indirect tax

The standard rate of VAT (Impuesto al Valor Agregado (IVA)) is 12 percent. Exports are zero-rated. Exempt supplies include certain imports, certain medicines, specified financial services, and specified supplies of real property.

Guernsey

Corporate tax

The standard corporate tax rate is 0 percent, unless the 10 percent or 20 percent tax rates apply based on the circumstances set out below.

Income derived from certain regulated banking and money lending activities is taxable at 10 percent.

The 10 percent tax band was extended effective 1 January 2013 to include income from licensed fiduciaries (in respect of regulated activities), licensed insurers (in respect of domestic business), licensed insurance intermediaries and licensed insurance managers.

Furthermore, income derived from regulated utility activities and Guernsey real estate is taxable at 20 percent.

Indirect tax

Guernsey does not levy VAT or any similar indirect tax.

Honduras

Corporate tax

The corporate tax rate is 30 percent.

The overall income tax rate for corporations comprises of a 25 percent corporate income tax rate and a temporary solidarity surcharge of 5 percent for 2014 that applies if the taxable income exceeds HNL1 million. In addition, there is a net assets tax of 1 percent of the value of the assets of the company (less allowances for certain accounts and accumulated tax depreciation). Net assets tax is payable only to the extent it exceeds the corporate income tax.

Indirect tax

The standard rate of sales tax (impuesto sobre ventas (ISV)) is 15 percent. An increased rate of 18 percent applies to imports and national supplies of alcoholic beverages and tobacco products also airplane tickets in first class and executive class are taxed with an 18 percent rate and telecommunication services will be taxed with a 15 percent rate, also the excess consumption of 750 kw/h of electricity is subject to VAT at 15 percent. The goods and services exported abroad are subject to 0 percent. Exempt

supplies include basic food items for human consumption; livestock and certain agricultural goods, and machinery; pharmaceutical products for humans and animals; books, magazines, newspapers, and school supplies; most financial services; educational services; the supply of water and electricity; professional and sports services; and terrestrial transportation of passengers.

Hong Kong

Corporate tax

The corporate tax rate is 16.5 percent.

Hong Kong SAR is a special administrative region of the People's Republic of China. The 16.5 percent rate applies to Hong Kong-sourced profits that are derived from a business carried on in Hong Kong. Offshore profits, capital gains, dividends, and most Hong Kong bank deposit interest income are exempt from tax. Profits derived from certain securities or types of business (such as qualifying debt instruments or profits derived from the business of reinsurance of offshore risks by a professional re-insurer) are either exempt from tax or subject to a concessional rate of 8.25 percent (50 percent of the 16.5 percent standard rate).

Indirect tax

There is no VAT or GST in Hong Kong.

Hungary

Corporate tax

The corporate tax rate is 19 percent.

A 10 percent corporate income tax rate applies for taxable income up to HUF 500 million (approximately US\$2,500,000). The excess is taxed at 19 percent. These rates are expected to be applicable also in 2014.

From 1 July 2007, a minimum tax (AMT) applies. The AMT base amounts to 2 percent of total income, as decreased by the cost of goods sold and the value of intermediated services and some further adjustments. Please note that deduction of cost of goods sold and mediated services is capped as of 1 January 2013.

An additional local business tax (LBT) of up to 2 percent is applicable based on the adjusted net sales (certain expenses are deductible). This local business tax is deductible for corporate income tax purposes.

Indirect tax

The standard rate of VAT is 27 percent (since 1 January 2012). There are reduced rates of 18 percent and 5 percent. 18 percent relates to hotels and basic food, such goods as milk, certain dairy products, bread and other bakery products and to the admission to short-term open-air events. There is a reduced rate of 5 percent for the sale of most medicines, medical instruments, certain medical aids with 90 and 98 percent social security subsidy, books, newspapers, and magazines. Books and music notes on non-paper based but on a different type of device are subject to the reduced 5 percent rate unless electronic services are required to

enlist them. Central ('distance') heating is also subject to the reduced 5 percent rate. Live performances under certain conditions are also subject to the reduced 5 percent rate (in restaurants, in the course of family events, in the course of other events where no admission fee is payable for the performance itself, etc.).

Iceland

Corporate tax

The corporate tax rate is 20 percent.

The income tax rate for other resident legal entities, such as limited partnerships, associations, private non-profit institutions, trust funds, estates of deceased persons and bankrupt estates is 36 percent. Tax is imposed on net income after allowable deductions. A non-resident entity permanent establishment tax rate and deduction depends on the type of income and the entity legal form, the tax rate of the permanent establishment tax rate depends on what type of legal entity the head quarters correspond to in Iceland.

Indirect tax

The standard rate of VAT (virdisaukaskattur (VSK)) is 25.5 percent. There are reduced rates of 7 percent and 0 percent. The 7 percent rate applies to, for example accommodation, books and periodicals, licenses to use radio and television broadcasting services, and certain food intended for human consumption. The 0 percent rate applies to, for example exports of goods and services; international transportation; fuel and equipment delivered for use in ships and aircraft engaged in international traffic; sales and rentals of ships and aircraft; and repairs and maintenance services rendered to ships and aircraft. Certain supplies of goods and services are exempt from VAT, for example real estate and parking space leases, health services, social services, educational and sport activities, passenger transport, postal services, financial services, and services of travel agencies.

India

Corporate tax

The corporate tax rate is 33.99 percent.

Tax Rates

The corporate tax rate for domestic companies is 30 percent.

Foreign companies are taxable at 40 percent. A minimum alternate tax (MAT) is levied at 18.5 percent of the adjusted profits of companies where the tax payable is less than 18.5 percent of their book profits.

There is a special method for computation of total income of insurance companies. The rate of tax on profits from life insurance business is 12.5 percent.

Surcharge and Education Cess

Surcharge is levied on the basic tax rate based on the level of total income as mentioned below. Further, education cess is applicable at 3 percent on income tax (inclusive of surcharge, if any).

Domestic Company

- Where the total income is not more than INR10 million – Nil
- Where the total income is in excess of INR10 million but does not exceed INR100 million – 5 percent
- Where the total income exceeds INR100 million – 10 percent

Accordingly, the effective tax rate of a domestic company would be 30.9/32.445/33.99 percent respectively.

Foreign Company

- Where the total income is not more than INR10 million – Nil
- Where the total income is in excess of INR10 million but does not exceed INR100 million – 2 percent
- Where the total income exceeds INR100 million – 5 percent

Accordingly, the effective tax rate of a foreign company would be 41.2/42.024/43.26 percent respectively.

Dividend distribution tax is levied at 16.995 percent on dividends distributed by a domestic company.

Securities transaction tax is levied on the value of taxable securities transactions in equity shares and units of equity oriented funds.

With effect from 1 July 2013, Commodities Transaction Tax has been introduced on the sale of commodity derivatives (other than agricultural commodities) traded in recognised associations, at the rate of 0.01 percent on the value of such transaction and such tax shall be payable by the seller.

Wealth tax is imposed at a rate of 1 percent on the value of specified assets held by the taxpayer in excess of the basic exemption of INR3 million.

A presumptive tax regime is applicable in case of certain specified sectors viz. shipping, exploration of mineral oil, operation of aircrafts and turnkey power projects.

Indirect tax

The average standard rate of VAT is currently 14 percent. India has a federal structure with both federal and statespecific indirect taxes. Intra-state sale of goods is subject to VAT and sale of goods occasioning movement across states is subject to Central Sales Tax (CST). The standard VAT slab rates across States ranges from 12.5 percent to 15 percent. There are reduced rates of 4 percent to 5 percent, 1 percent, and 0 percent which apply to, for example IT products, intangible goods (such as patents and copyrights), capital goods, chemical fertilizers, cotton, drugs and medicines, iron and steel, industrial inputs, sports goods, tractors (4 percent to 5 percent); gold, silver, precious stones (for example diamonds), articles or ornaments made of the aforementioned (1 percent); and exports of goods (zero rated). There are increased rates of 20 percent and above, applicable to petroleum products (such as diesel, petrol, lubricants, and aviation turbine fuel), natural and other gases used as fuel,

liquor and beer. Certain supplies of goods are exempt from VAT, for example books, periodicals and journals, electric energy, milk, fresh plants, flowers, vegetables and fruits, meat, fish, prawn, rice, and wheat.

CST is charged at the rate of 2 percent or alternatively at the VAT rate applicable in the originating state. In addition, there is another indirect tax on provision of services known as Service tax, which is ordinarily discharged by the service provider. The standard rate of Service tax with effect from 1 April 2013 is 12.36 percent. In terms of the Service tax law, all services other than those mentioned under the Negative List of services or specifically exempted under a Notification, would be liable to Service tax at of 12.36 percent. While any services exported out of India would be zero rated, any services received in India from outside India ('import') would be liable to Service tax in the hands of the recipient of such service under 'reverse charge mechanism'. Whether a service would qualify as 'export'/'import' would be determined by the Place of Provision of Service Rules, 2012, which prescribe for specified rules for different type of services.

Indonesia**Corporate tax**

The corporate tax rate is 25 percent.

Listed companies which meet certain conditions are eligible for a 5 percent reduction in the corporate tax rate.

A company with gross turnover less than IDR50 billion (approximately US\$5.5 million) is eligible for a 50 percent reduction of the corporate tax rate on the proportion of taxable income which results when IDR4.8 billion is divided by the gross annual turnover. Where gross turnover is below IDR4.8 billion, the reduction applies on all taxable income.

Indirect tax

The standard rate of VAT (pajak pertambahan Nilai (PPN)) is 10 percent. There are two types of indirect tax in Indonesia: a VAT (pajak pertambahan Nilai (PPN)) and a sales tax on luxury goods (pajak penjualan atas barang mewah (PPnBM)). The rates of PPnBM range from 10 percent to 200 percent. The reduced PPN and PPnBM rates of 0 percent apply to exports of goods. Certain supplies of goods and services are exempt from PPN, for example unprocessed minerals, agricultural products, basic necessities, banking and insurance services, finance leasing, hotel and restaurant activities, employment and manpower services, various social services, and the certain supply of electric power and potable water.

Iraq**Corporate tax**

The corporate tax rate is 15 percent.

Starting from 2003, Iraq starts applying 15 percent CIT on all industries. In 2010 they introduced Oil & Gas law and started applying 35 percent CIT in Oil & Gas companies and industries related to Oil & Gas.

Indirect tax

There is currently no VAT/GST regime in Iraq.

Ireland

Corporate tax

The corporate tax rate is 12.5 percent.

The corporate income tax rate is 12.5 percent for active income of new operations. A corporate income tax rate of 25 percent applies to passive income and income from certain land dealing activities, mining, and petroleum activities. Capital gains are taxed at 33 percent with a participation exemption for gains on disposals of certain shareholdings of 5 percent or more of companies resident in EU or income tax treaty states.

Indirect tax

The standard rate of Irish VAT is 23 percent. There are also reduced rates of 13.5 percent, 9 percent, 4.8 percent, and 0 percent. The main reduced rate of 13.5 percent applies to, for example immovable goods, building services and repair, and maintenance services. The second reduced rate of 9 percent applies to certain goods and services in the tourism sector such as hotels accommodation and restaurant meals. Changes were recently announced with respect to the reduced rate (9 percent) which will also apply to (a) the supply of live horses other than those intended to be used for foodstuffs/agricultural production only, (b) greyhounds and (c) the hire of horses. These changes will come into force upon implementation of a Ministerial Order which has yet to be announced. The 4.8 percent rate will continue to apply to other livestock and horses intended for use as foodstuffs/agricultural production only. The export of goods, basic foodstuffs, oral medicines, medical equipment, and appliances are liable to the 0 percent rate. There is a special farmer's flat rate addition of 5 percent (with effect from 1 January 2014 – previously 4.8 percent) which applies to certain sales by unregistered farmers. In addition, supplies of certain goods and services are exempt from VAT, such as financial, insurance, passenger transport, education, and health and welfare services.

Isle of Man

Corporate tax

The corporate tax rate is 0 percent.

A rate of 10 percent applies to certain profits of licensed banks and to profits derived from Isle of Man land or property. Furthermore, with effect from 6 April 2013, retailers with taxable profits in excess of GBP500,000 are taxed at 10 percent.

Indirect tax

The rate of VAT follows that of the United Kingdom.

Israel

Corporate tax

The corporate tax rate is 26.5 percent.

Companies with a beneficial or approved or preferred enterprise are taxed at a reduced tax rate that varies depending on the circumstances. Capital gains are subject to the standard corporate tax rate. Dividends from foreign sources are subject to a 25 percent tax with a credit for foreign withholding tax, and in certain circumstances, at the standard corporate tax rate on the "grossed up dividend" with a credit granted on all foreign taxes paid by the direct and second tier subsidiary on the dividend and the income from which it is distributed.

Indirect tax

The standard rate of VAT is 18 percent.

Italy

Corporate tax

The corporate tax rate is 31.4 percent (IRES at 27.5 percent plus IRAP ordinary at 3.9 percent).

The IRES rate of companies producing and distributing energy, including renewable energy, is increased of additional 6.5 percent (10.5 percent for 2011, 2012 and 2013) if certain thresholds are met. For the 2014 IRES rate of companies producing and distributing energy, including renewable energy, the additional rate should come back to 6.5 percent.

An increased rate (38 percent versus the ordinary 27.5 percent) applies also to those entities that either are considered "dormant" or declared tax losses for three consecutive years.

Indirect tax

The standard rate of Italian VAT is 22 percent for transactions with tax points arising after 1 October 2013. Reduced rates of VAT of 10 percent, 4 percent and 0 percent also can apply in Italy.

Examples of items subject to the 10 percent rate include certain domestic supplies of fuel, hotel, accommodation, water and social housing. Examples of supplies qualifying for the 4 percent rate include basic foodstuffs, books and periodicals. Examples of zero rated supplies include intra community supplies, exports and certain services supplied in relation to qualifying international vessels and aircraft.

A number of transaction types may also qualify for VAT Exemptions in Italy such as as certain financial services, insurance and real estate transactions.

Jamaica

Corporate tax

The corporate tax rate is 25 percent for all companies that are not regulated companies (later defined) including large unregulated companies whose corporate tax rate was reduced from 30 percent to 25 percent on 1 January 2014.

Large unregulated companies are those with annual revenue of at least J\$500,000,000. Regulated companies are those regulated by the Bank of Jamaica, the Financial Services Commission, the Office of Utilities Regulation and the Ministry of Finance and Planning ("regulated companies") and these entities are taxed at 33.33 percent. These regulated companies generally fall within the categories of financial institutions, securities dealers, insurance companies and utility companies. Large unregulated companies whose accounting year ends are other than December 31 for the year of assessment 2014, may need to calculate their tax liability for 2014 on a time apportioned basis: the 25 percent rate applies to taxable net profits earned before April 1, 2013, the 30 percent rate applies to taxable net profits earned as at that date and 25 percent applies on taxable net profits earned from January 1, 2014. Companies must declare their income and make prepayments of the corporate tax in four installments (15 March, 15 June, 15 September and 15 December) during the taxable year. If the final tax exceeds the prepayments, the balance is payable by the due date of filing the income tax return (15 March of the year following the year of assessment).

Indirect tax

The standard rate of GCT (our local Value Added Tax) is 16.5 percent. The rate of 10 percent applies to certain tourism services. The supply of electricity services for commercial use is liable at the rate of 16.5 percent. The rate of 25 percent applies to the supply of certain telecommunication services and instruments. Telecommunication providers attract Telephone Calls Taxes at rates of J\$0.05, J\$0.40 and US\$0.075 per minute, on certain calls. Commercial importers pay an Advanced GCT Payment of 5 percent on the importation of certain goods in addition to the standard GCT rate applicable on imports. Zero rated supplies include exports, certain agricultural equipment and material, certain books, certain health supplies and medications and goods purchased by or services rendered to government entities. Exempt supplies include certain medical supplies and equipment, certain books and educational supplies, energy-saving devices and miscellaneous services including construction, health, public utilities and financial services.

Japan

Corporate tax

The corporate tax rate is 35.64 percent.

This is an illustrative effective tax rate for a company in Tokyo with paid-in capital of more than JPY100 million for fiscal years beginning on or after 1 April 2014. Size-based business tax is also levied on a company with paid-in capital of more than JPY 100 million, in addition to the income-based business tax. The size-based business tax rates in Tokyo are 0.504 percent on the added-value component tax base (total of labor costs, net interest payments, net rent payments, and income/loss of the current year) and 0.21 percent on the capital component tax base (total paid-in capital and capital surplus).

Indirect tax

The standard rate of consumption tax is 8 percent, which was increased from 5 percent on 1 April 2014. The rate is scheduled to increase to 10 percent on 1 October 2015.

There is a reduced rate of 0 percent, which applies to, for example, sales or leasing of goods as export transactions; sales or leasing of foreign cargo; international transportation services; and services provided to non-residents (except for transport or storage of assets in Japan; provision of accommodation and food in Japan; and provision of services of a similar nature in Japan). Supplies of certain goods and services are exempt from consumption tax, for example, sale or leasing of land; rental of housing; sales of securities, and similar instruments; medical treatment under public medical insurance laws; social welfare activities; school tuition; and examination services.

Jersey

Corporate tax

The corporate tax rate is 0 percent.

The tax rate applicable depends on the activities of the company.

Financial services companies pay tax at 10 percent.

Utility companies e.g. electricity, water and gas pay tax at 20 percent.

Companies importing and/or distributing hydrocarbon oils pay tax at 20 percent.

Companies pay 20 percent on Jersey source rental income.

All other companies are subject to the general rate of 0 percent.

Indirect tax

The standard rate of GST is 5 percent. The rate increased from 3 percent to 5 percent on 1 June 2011.

Jordan

Corporate tax

The corporate income tax rates are 14 percent/24 percent/30 percent.

The corporate income tax rate of 14 percent applies to all companies except the below:

- A) a 24 percent rate applies on Main Telecom Companies, insurance companies, financial mediators and financial companies and finance leasing activities companies.
- B) a 30 percent rate applies to banks. These rates apply pursuant to a temporary law effective from 1 January 2010 onwards.

Indirect tax

General sales tax rates applicable are as follows:

The standard rate is 16 percent and applies to products, merchandise and transactions that are not subject to the reduced rate.

The zero rate (0 percent) applies to certain basic foodstuffs listed in the law; certain pharmaceutical products; and fuel oil, diesel oil, propane gas and butane gas.

Examples of goods exempted from sales tax are wheat, bread, olive oil, paper money, gold and jewelry, electric power, vehicles used locally, cellular devices, milk, coffee, tea, rice.

Examples of goods that are liable to VAT at the reduced rate of 4 percent include certain items of food, phosphate, potash, pens and notebooks and lead school and university, heaters, certain agricultural equipment, ambulances, equipment and medical supplies, school uniforms, and medicines. Goods liable to VAT at the reduced rate of 8 percent include constructions steel.

Kazakhstan

Corporate tax

The corporate tax rate is 20 percent.

Branches of foreign companies operating in Kazakhstan are subject to an additional branch profits tax of 15 percent of their after-tax income, resulting in an overall tax rate of 32 percent for branch offices. Income tax treaties may reduce the branch profits tax.

Indirect tax

The standard VAT rate is 12 percent. A 0 percent VAT rate applies to exports of goods and international transportation of passengers, baggage, and goods into or out of Kazakhstan, and the sale of refined gold to the National Bank. Certain supplies of goods and services are exempt from VAT, including sales or lease of residential buildings and land plots; financial and insurance services by companies licensed in Kazakhstan; contributions to the charter capital of legal entities; and medical and veterinary services.

Kenya

Corporate tax

The corporate tax rate is 30 percent.

The corporate tax rate for branches is 37.5 percent. Profits after tax are subject to 5 percent or 10 percent withholding tax, for residents and non-residents respectively, when distributed as dividend.

Export processing zone enterprises are exempt from corporate tax for the first 10 years and subsequently enjoy a reduced tax rate of 25 percent for the next 10 years.

Newly listed companies, approved under the Capital Markets Authority enjoy reduced corporation tax rates depending on the percentage of shares floated to the public.

Informal businesses with turnover above five hundred thousand Kenya shillings but not exceeding five million Kenya shillings in a year of income pay a turnover tax of 3 percent which is a final tax.

Indirect tax

The VAT Act 2013 (effective 2 September 2013), provides for two rates applicable on VATable supplies – 16 percent and 0 percent.

The zero rate largely applies to the export of taxable goods and services and supplies made to privileged persons and institutions.

Exempt sales under the VAT Act include medical services, financial services, passenger transportation, residential accommodation, pharmaceutical products, unprocessed agricultural produce and lease of aircrafts.

All other supplies that are neither listed as exempt nor zero-rated are VATable at the standard rate of 16 percent.

Kuwait

Corporate tax

The corporate tax rate is 15 percent.

A flat rate of 15 percent has been introduced effective for fiscal periods commencing after 3 February 2008. Prior to this date, the tax rates ranged from 0 percent to 55 percent and were based on taxable income.

Indirect tax

There are currently no indirect taxes in Kuwait. Custom duty is however charged at 5 percent of the value of the imported goods.

In addition, we understand that the Kuwait Government has plans to introduce Value Added Tax (VAT) in the next couple years. Currently, further details on the implementation of VAT have not been announced by the Government.

Latvia

Corporate tax

The corporate tax rate is 15 percent.

There are four regions in Latvia called Special Economic Zones (SEZ). Companies operating in these zones are subject to a corporate income tax rate of 25 percent, but are granted an 80 percent corporate income tax relief. Very small companies with an annual turnover less than EUR100,000 may elect to pay tax of 9 percent of turnover.

Indirect tax

The standard rate of VAT (pievienotās vertības nodoklis (PVN)) is 21 percent. There are reduced rates of 12 percent and 0 percent which apply to, for example pharmaceuticals, passenger transport, and heating for inhabitants (12 percent); supply, import, repair and maintenance of certain ships and aircraft, passenger transport by air or sea, financial transactions outside the EU and exports (0 percent). Supplies of certain goods and services are exempt from VAT, for example land and used immovable property, financial and insurance services, education, and health and welfare services.

Lebanon

Corporate Tax

The corporate tax rate is 15 percent.

This rate has been in force since 1999. According to the provisions of the Income Tax Law 144 dated 1959, a corporate tax rate of 15 percent is levied on profits from industrial, commercial and non commercial professions - Schedule I. Taxable income is computed according to the real profit method or deemed profit method based on the principle of territoriality and the legal structure and nature of the business.

Indirect Tax

The standard rate of VAT is 10 percent.

The rate is reduced to 0 percent in certain situations such as export of goods and services, supply of international transportation, activities in free zones.

Exempt activities include education, medicine, banking, activities of nonprofit organizations, transportation, sale of built property; exempt supplies includes bread, books, pharmaceuticals, aircraft, supplies to the Lebanese state and its organs that are financed from non-resident sources.

Services and goods provided by non-resident providers into Lebanon are subject to VAT.

Libya

Corporate tax

The corporate tax rate is 20 percent.

In addition to the 20 percent tax rate, a Jihad tax is levied (4 percent of profits).

Indirect tax

There is no VAT/GST in Libya.

Liechtenstein

Corporate tax

The corporate tax rate is 12.5 percent.

It might get some changes backdated on 1 January 2014.

Indirect tax

The standard rate of VAT (Mehrwertsteuer (MWST)/taxe sur la valeur ajoutée (TVA)/ imposta sul valore aggiunto (IVA)) is 8 percent. There are reduced rates of 3.8 percent, 2.5 percent, and 0 percent which apply to, for example hotel accommodations (3.8 percent); water in conduits, medications, books, newspapers, food and non-alcoholic beverages (2.5 percent); and exports of goods (0 percent). Supplies of certain goods and services are exempt from VAT, for example official postal service, health and welfare, education, insurance, finance, and supply of certain immovable property.

Lithuania

Corporate tax

The general corporate income tax rate is 15 percent.

A reduced rate of 5 percent applies for agricultural companies, including cooperatives, and for small companies, if, among other conditions, i) their average number of employees does not exceed 10 and ii) the income does not exceed LTL 1,000,000 (EUR289,620). A 0 percent tax rate may be applied for companies established in free economic zones and for social companies. Currently, corporate income tax incentives are available for manufacturing companies employing people with disabilities, companies implementing investment or scientific research and experimental development projects. All incentives are applied only if certain conditions are satisfied and their impact varies depending on the specific facts and circumstances.

Indirect tax

The standard rate of VAT (Pridetinė vertės mokestis (PVM)) is 21 percent. The reduced rate of 9 percent is applicable for certain periodicals (e.g. newspapers) and non-periodicals (e.g. books); certain regular passenger transportation and related baggage handling services; the supply of heating for dwellings and the supply of hot water (until 31 December 2014).

A 5 percent reduced VAT rate is applicable to certain drugs and medicine; technical aids for disabled and their repair. There is a compensational rate of 6 percent for supplies of goods and services under the farmer's flat rate scheme.

The zero-rate applies to exports of goods outside the EU; intra-Community supplies and supply, modification, modernization, and hiring of seagoing ships and aircrafts. Supplies of certain goods and services are exempt from VAT, such as health and welfare, educational, cultural, sports, postal, financial, and insurance services; land (except for building purposes); sale of real estate (older than 24 months); and leasing of real estate.

Luxembourg

Corporate tax

The corporate tax rate is 29.22 percent.

The corporate income tax rate of 22.47 percent includes a 7 percent employment fund contribution. Additionally, a municipal business tax is levied. The rate for the city of Luxembourg is 6.75 percent. The municipal business tax rate varies depending on the location.

Indirect tax

The standard rate of VAT (taxe sur la valeur ajoutée (TVA)) is 15 percent. There are reduced rates of 12 percent, 6 percent, 3 percent, applicable for example to certain wines, safekeeping and management of securities, management of credit by persons not granting it (12 percent); electricity and gas (6 percent); food (except drinks containing alcohol), animal feed, books (including e-books from January 2012; infringement procedure initiated by European Commission,

referred to the Court of Justice of the European Union in February 2013), newspapers and periodicals, passenger transport, hotel accommodations, certain sporting and cultural services, and certain pharmaceutical products (3 percent). Exports and intra-Community supplies of goods, supplies of goods and services used by airlines operating for reward chiefly on international routes, and services supplied for the needs of high-seagoing vessels and international passenger transport services are VAT exempt. Luxembourg also provides other exemptions for VAT, for example for banking and financial services, management of UCITS collective investments funds, SICAR, specialized investment funds, some pension funds and securitization vehicles, insurance and reinsurance operations, supply and letting of immovable property, postal services, education and certain medical supplies.

It is planned that the VAT rates in Luxembourg will increase from the end of 2014 as follows:-Standard rate from 15 percent to 17 percent; Reduced rate from 6 percent to 8 percent; Intermediary rate from 12 percent to 14 percent.

Macau

Corporate tax

The corporate tax rate is 12 percent.

Progressive tax rates range from 3 percent to 12 percent.

The Macau Government announces an exemption on taxable income up to MOP300,000 for the year of assessment 2013 (1 January – 31 December). The excess is taxed at 12 percent.

Indirect tax

There is no value-added tax or goods and services tax in Macau.

Macedonia

Corporate tax

The corporate tax rate is 10 percent.

A resident company is subject to corporate income tax on its worldwide income. No profit tax is due on undistributed profits, i.e. profit tax becomes due at the moment of payment of dividends or other distributions of profit. However, at each year end, profit tax is due separately on a tax base consisting of unrecognized expenses and understated revenues, reduced by the amount of any available tax credits arising from temporary tax differences.

There are no local taxes on corporate income.

Companies investing in technological industrial zones are exempt from corporate income tax for a period of 10 years.

Indirect tax

The standard rate of VAT (danok na dodadena vrednost (DDV)) is 18 percent. The reduced rate of 5 percent applies to some supplies such as the supply of food products, publications, seeds and planting materials, agricultural machines, pharmaceutical and medical devices, computers,

thermal-sun systems, passenger transport, accommodation services provided by hotels, motels etc, software and supply of apartments used for residential purposes if performed within five years from construction (the preferential rate is deemed to apply until 31 December 2015, after which these supplies would be taxable at the general rate of 18 percent). Supplies of certain goods and services are exempt from VAT, for example financial and insurance services, education, health, and supplies and rental of buildings and apartments used for residential purposes, except for their first sale if performed within five years from their construction.

Malawi

Corporate tax

The corporate tax rate is 30 percent.

The Corporate Income tax rate is 30 percent for locally incorporated companies. For foreign and those operating as branches, the rate is 35 percent. For mobile phone operators the tax rate is 33 percent with effect from 1 July 2012.

Indirect tax

The standard rate of VAT (general consumption tax) is 16.5 percent.

Exempt supplies include supplies of live animals, animal products (meat and edible meat offal in raw form, fish and crustaceans molluscs and other aquatic invertebrates, vegetable products in raw state, water i.e. tap or well water, residuals and waste from the food industries, petroleum products, miscellaneous chemical products (fungicides and herbicides), fuel wood, printed matter – books, coin, mechanical appliances (whether or not hand-operated) for projecting, dispensing or spraying liquids or powders, medical equipment, education services, banking and life insurance services, postal services, funeral services, medical services, transport of exports, rentals and sale of properties used for residential purposes, ordinary bread, vehicle ambulances, motor cycle ambulance, hessian cloth. Zero-rated supplies include exports, fertilizers, sheath contraceptives (condoms), exercise books, laundry soap, salt, machinery – zero-rating covers agricultural, horticultural, forestry machinery, e.g. ploughs, harrows, manure spreaders, harvesting machinery, e.g. lawn mowers, egg grading machinery, combine harvesters, haymaking machinery, goods for use in tourism industry, military equipment, syringes with or without needles, furnishing articles, pharmaceutical products, sand flynet, cycle ambulances, motor cycle ambulances. Changes are anticipated in July 2014 following Parliamentary sittings in May & June 2014.

Malaysia

Corporate tax

The corporate tax rate is 25 percent.

Resident companies with a paid up capital of MYR 2.5 million and below (as defined) at the beginning of the basis period for a Year of Assessment (YA) are subject to a corporate

income tax rate of 20 percent on the first MYR 500,000 of chargeable income. For chargeable income in excess of MYR 500,000, the corporate income tax rate is 25 percent. Leasing income (from moveable property) derived by a permanent establishment in Malaysia is taxed against a rate of 25 percent whereas a non-resident corporation with no Malaysian permanent establishment is taxed against a rate of 10 percent. A special 5 percent rate applies to corporations involved in qualified insurance businesses. Income generated by a life fund of an insurance company is taxed against a rate of 8 percent. A non-resident corporation with shipping or air transport income may also benefit from a special tax regime. 70 percent of statutory income of resident corporations derived from the transportation of passengers or cargo on Malaysian ships is exempt. Companies engaged in petroleum operations are subject to a rate of 38 percent.

Indirect tax

GST has been proposed to be implemented on 1 April 2015. At the present moment, Malaysia has sales tax and service tax. Sales tax is imposed on taxable goods manufactured locally/imported, unless exempted. The standard rate of sales tax is 10 percent. A reduced sales tax rate of 5 percent is applicable to certain items such as foodstuffs, alcoholic beverages, and tobacco products. Service tax is charged on specific types of services (taxable services) provided by taxable persons. The rate of service tax is 6 percent (effective 1 January 2011). Prior to that, the rate was 5 percent. In addition, certain taxable services provided within a group and services relating to goods or matters outside Malaysia are not subject to service tax.

Malta

Corporate tax

The corporate tax rate is 35 percent.

Malta operates a full imputation system of taxation for both residents and non-residents, which ensures the full relief of economic double taxation upon the distribution of taxed profits by companies resident in Malta. On the distribution of taxed profits, the shareholders may opt to claim a partial/full refund of the tax paid by the distributing company. As a general rule, the tax refund amounts to six-sevenths of the tax paid. The refund will be reduced to two-thirds if the shareholder claims double-taxation relief and five-sevenths in those cases where the distributed profits are derived from passive interest or royalty income being subject to foreign tax at less than 5 percent. Dividends and capital gains derived from participation holdings will qualify for a full refund. The Malta tax suffered on distributed profits hence ranges between 0 percent and 10 percent. The tax paid on profits derived, directly or indirectly, from immovable property situated in Malta is not available for refund.

Indirect tax

The standard rate of VAT (taxxa fuq il-valur miz'jud) is 18 percent. There are reduced rates of 7 percent, 5 percent and 0 percent which apply to, for example, the supply of electricity, medical accessories, printed matter, and items for

the exclusive use of the disabled (5 percent); and exports of goods, international transport and ancillary services, supplies of certain qualifying vessels and aircraft, the chartering thereof and certain services provided thereto, food, and pharmaceutical goods (0 percent). Furthermore, with effect from 2011, there is a special reduced VAT rate for the letting or provision of hotel and private accommodation (including related services up to full board basis) of 7 percent (formerly 5 percent). Supplies of certain goods and services are exempt from VAT, for example immovable property (with some exceptions); insurance services; credit, banking, and other related services; cultural, sporting and religious services; postal services; education; and health and welfare.

Mauritius

Corporate tax

The corporate tax rate is 15 percent.

Indirect tax

The standard rate of VAT is 15 percent. There is a reduced rate of 0 percent which applies to, for example exports of goods other than exempt goods, sugar, sugar cane, wheat flour, books, booklets, brochures of specific customs headings, the supply of electricity, water, international transport of passengers and goods, certain pharmaceutical products and supplies of services to non-residents. Supplies of certain goods and services are exempt from VAT, for example rice, wheat, bread, butter, milk and cream, medical, hospital and dental services other than cosmetic surgery services, certain medical and dental equipment, educational and training services, postal services, cargo handling, and certain residential buildings.

Mexico

Corporate tax

The corporate tax rate is 30 percent.

The rate reduction that was foreseen in the previous tax law was amended and the rate will remain at 30 percent. The Business Flat Tax has been abrogated starting January 2014 with some transitory rules applicable.

Indirect tax

The preferential VAT rate of 11 percent for transactions conducted in the border region has been repealed from January 2014.

Montenegro

Corporate tax

The corporate tax rate is 9 percent.

Taxable profit is calculated by adjusting the company's profit or loss declared in the P&L account according to the provisions of the Corporate Income Tax Law. Adjustments include certain disallowed costs, transfer pricing as well as depreciation. Operating losses stated in the tax balance

may be carried forward for five years and offset against operating profit declared in the tax balance. Capital losses could be carried forward and offset against capital gains up to five years.

Indirect tax

The standard rate of VAT (porez na dodatu vrijednost; PDV) is 19 percent (effective 1 July 2013). There are reduced rates which apply to, for example basic foodstuffs, medicines not listed on the Health Fund list, textbooks and teaching aids, books, monographic and serial publications, daily and periodic press (with some exceptions), hotel and other accommodations, public transportation of passengers and their personal baggage (7 percent); exports of goods, transport, and other services in relation to exports, goods and services used in international air and maritime traffic, and medicines and medical devices listed on Health Insurance Fund list (0 percent). Supplies of certain goods and services are exempt from VAT, for example financial and banking services, insurance and reinsurance services, the supply of immovable property (except the first transfer), health and social security services, cultural, sport, and religious services.

Morocco

Corporate tax

The corporate tax rate is 30 percent.

As of 1st January 2008, the corporate tax rate is 30 percent. This corporate tax is 37 percent for banks and insurance companies. Companies with a profit not exceeding 300,000 MAD VAT excluded benefit from a reduced corporate tax rate of 10 percent. Export enterprises benefit for the part of the taxable income corresponding to the export turnover from a total exemption from corporate tax during the first 5 years and subsequently enjoy a reduced tax rate of 17.5 percent. There are also additional exemptions and reduced rates for some activities.

The amount of tax payable may not be less, for any financial year and regardless of the taxable profit, than the minimum levy of 0.5 percent of turnover, profits of various kinds and subsidies but excluding capital gains (0.25 percent for turnover related to the sale of oil, gas and some other goods). There is an exemption from the minimum levy during the first 36 months following commencement of the operations. If the minimum levy made during a year exceeds the actual corporate tax calculated on the profit, the excess may be credited against actual corporate tax less the minimum levy of the following three years.

A social contribution is levied from 2013 to 2015 on the accounting profit exceeding 15 million MAD. The applicable rate in this regard varies between 0.5 percent and 2 percent.

The withholding tax rate is 15 percent on the distribution of dividends to non-resident shareholders and after tax profits to branch's head office.

Indirect tax

The standard rate of VAT is 20 percent.

There are reduced rates of 14 percent, 10 percent and 7 percent:

- 7 percent rate applies for some goods of general consumption, water, renting out of water and electricity meters, pharmaceutical products, etc.
- 10 percent rate applies for bank, credit transactions and exchange commissions except leasing, the supply of catering services and hotel accommodations, the activities of some professions (e.g. lawyer, interpreters), etc.
- 14 percent rate applies to transportation transactions, electric energy, etc.

Mozambique

Corporate tax

The corporate tax rate is 32 percent.

Agricultural companies are taxed at a rate of 10 percent until 31 December 2010. Furthermore, agricultural, cultural, and artisan cooperatives may benefit from a 50 percent reduction in the tax rate.

Indirect tax

The standard rate of VAT (imposto sobre o valor acrescentado (IVA)) is 17 percent. There is a reduced rate of 0 percent which applies to, for example, exports of goods, services linked to exports of goods, international passenger transportation and some basic foodstuffs. Supplies of certain goods and services are exempt from VAT, for example medical and health services, goods and services linked to welfare and social security, education (with some exceptions), banking and financial transactions, insurance and reinsurance transactions, leasing of immovable property for residential, commercial use and industries in rural zones, goods and services related to agricultural, forestry, livestock and fishing activities, and importation of certain goods approved for mining and industrial free-zone operations. Additionally, services related to drilling, research and construction of infrastructure relating to mining and oil and gas activities during the exploration and appraisal stages are exempt from VAT according to a project of law regarding changes to the VAT Code from 2012, which has yet to be formally approved, this exemption may be withdrawn in 2014. As such, it is uncertain as to when the amendment would in fact enter into force.

Namibia

Corporate tax

The corporate tax rate is 33 percent.

The tax rate of 33 percent is applicable to companies other than those carrying on mining or long term insurance operations.

It should be noted that companies that have been awarded manufacturing and export status qualify for special incentives such as reduced corporate tax rates.

Indirect tax

Namibia levies VAT at a rate of 15 percent or 0 percent on supplies made by an enterprise.

For imports, the rate of tax is also 15 percent. However, the value of imported goods for purposes of calculating the tax is the free on board ("FOB") value plus 10 percent of that FOB value. It is important to note that certain imports may be considered as exempt or zero rated if the provision of those goods or services would have been exempt or zero rated had they been supplied by a Namibian supplier.

Netherlands

Corporate tax

The corporate tax rate is 25 percent.

The corporate tax rate is 20 percent/25 percent – The first EUR200,000 of taxable profit is taxed at 20 percent. These rates have been in force since 2011.

Indirect tax

The standard rate of VAT (omzetbelasting (BTW)) is 21 percent (as of 1 October 2012). There are reduced rates of 6 percent and 0 percent. The reduced rate of 6 percent applies to, for example, the supply of foods, drinks (excluding alcoholic beverages), medicines, books, daily newspapers and magazines, passenger transport, some labor intensive services, sports events and since 1 July 2012, performing arts. The zero rate applies to for example exports of goods, intra-Community supplies, services regarding goods not yet imported and supplies of sea-going vessels or aircrafts. Supplies of certain goods and services are exempt from VAT, for example immovable property (with some major exceptions), financial and insurance services, education, and health and welfare.

New Zealand

Corporate tax

The corporate tax rate is 28 percent.

The 28 percent corporate tax rate applies from the 2012 income tax year. The effective date depends on the taxpayer's book year. For example, a book year-end of 31 December will have the 28 percent rate effective 1 January 2011, whereas a taxpayer with a standard 31 March year-end will apply the new rate effective from 1 April 2011. 10 percent of general insurance premiums paid to non-residents are deemed to have a New Zealand source and are therefore taxable at the 28 percent rate.

Indirect tax

The standard rate of GST is 15 percent. The rate is reduced to 0 percent in certain situations such as the export of goods

and services, the supply of a business as a going concern, the supply of land on or after 1 April 2011, and the supply of financial services under the "business-to-business" regime. Supplies of certain goods and services are exempt from GST unless the supplies can be zero-rated. Exempt supplies include the supply of financial services, the supply by non-profit bodies of donated goods and services, the supply of residential accommodation, and the supply of fine metals. New Zealand also operates a GST reverse charge for imported services.

Nigeria

Corporate tax

The corporate tax rate is 30 percent.

The corporate tax rate was changed from 35 percent to 30 percent with effect from 1 January 1996. In addition to the corporate tax at 30 percent, Nigerian companies (i.e., companies incorporated in Nigeria) are liable to tertiary education tax at 2 percent of their assessable profit.

Indirect tax

The VAT rate is 5 percent. Some supplies may be zero-rated or completely exempt.

Norway

Corporate tax

The corporate tax rate is 27 percent.

Indirect tax

The standard rate of VAT (merverdiaavgift (MVA)) is 25 percent. There are reduced rates of 15 percent, 8 percent, and 0 percent which apply to, for example food (15 percent); hotel accommodations, passenger transportation, communication of such services, the right to attend museums, cinemas etc. (8 percent); and exports of goods, certain supplies relating to ships and aircrafts as well as books, magazines and newspapers on paper (0 percent). Supplies of certain goods and services are exempt from VAT, for example financial services, real estate (with some major exceptions), education, health services, and social services.

Oman

Corporate tax

The corporate tax rate is 12 percent.

This rate is based on taxable profits exceeding OMR 30,000 and it applies to all companies irrespective of the form of the company or the nationality.

The 12 percent tax rate was effective under the old Income tax law, however, other rates were also applicable up to 30 percent depending on circumstances. From 1 Jan 2010, only the 12 percent rate is applicable.

Indirect tax

Currently there is no VAT or GST in Oman.

Pakistan

Corporate tax

The corporate tax rate is 34 percent.

For tax year 2014 tax rate for companies other than banking companies shall be 34 percent and for banking companies it will be 35 percent. Previously, from 1 July 2006 to 30 June 2013, the tax rate for all companies including banking companies was 35 percent. Small companies may be taxed at a rate of 25 percent, subject to specified conditions.

Indirect tax

The standard rate of Federal sales tax is 17 percent ad-valorem on the supply of taxable goods, whereas specified services are subject to standard rate of sales tax at 16 percent ad-valorem under the Provincial laws. Indirect taxes in Pakistan include sales tax, Federal excise duty (FED) and Provincial sales tax. Zero-percent sales tax is applicable on all exports from Pakistan, whereas the local supply of major export sectors to downstream industry is subject to the levy of sales tax at reduced rates. Certain supplies of goods and services are exempt from sales tax, for example agricultural products, unprocessed food items, animals and their meat, fisheries, dairy products, sale to hospitals and educational non-profit organizations. FED applies to the import and manufacture of specified goods and provision of specified services at different rates. The rate of FED or Provincial sales tax on specified services is generally applicable at standard rate of 16 percent, however on franchise services and telecommunication services, the applicable rates are 10 percent and 19.5 percent respectively.

Panama

Corporate tax

The corporate tax rate is 25 percent.

For entities in which the State is the owner of more than 40 percent of the shares the corporate income tax rate will be 30 percent.

Indirect tax

The standard rate of VAT (impuesto sobre la transferencia de bienes corporales muebles y la prestación de servicios) (ITBMS) is 7 percent. A special increased rate of 10 percent applies to the import, wholesale, and retail sales of alcoholic beverages and hotel accommodation services. A special increased rate of 10 percent applies to hotel accommodation services. A special increased rate of 15 percent applies to the import, wholesale, and retail of all kinds of cigarettes, cigars and other tobacco products. Zero-rate supplies include exports and re-exports of goods and the sales of pharmaceutical and food products when certain conditions are met (that is, the taxable person is engaged exclusively in such activities and its total output is sold within Panamanian territory). Exempt supplies include (among others) the sale of food; sales of oil fuel and similar products; newspapers; magazines, educative magnetic media, notebooks, pencils, and other items for school purposes; medicines and

pharmaceutical products; and interest payments (other than commissions or fees) arising from financial services and financial leasing contracts defined by law.

Papua New Guinea

Corporate tax

The corporate tax rate is 30 percent.

For mining and gas companies, the corporate income tax rate is 30 percent. Petroleum projects commenced prior to 1 January 2001 are subject to a 50 percent tax rate while petroleum projects commenced on or after 1 January 2001 are taxed at either 45 percent or 30 percent depending on when the license is issued. Non-resident mining companies pay tax at 40 percent. In case of other businesses, a branch of a foreign company is taxed at 48 percent. Certain non-resident companies are taxed on a deemed profit basis (shipping at 5 percent, that is an effective tax rate of 2.4 percent of gross income; insurance at 10 percent, that is an effective tax rate of 4.8 percent of gross income). Foreign contractors can elect to be taxed on a deemed profit basis of 25 percent (that is an effective tax rate of 12 percent of gross income, subject to reduction if a non-discrimination clause in a double tax treaty applies).

Indirect tax

The standard rate of goods and services tax (GST) is 10 percent. There is a reduced rate of 0 percent which applies to, for example exports of goods and services, medical supplies, supplies of goods and services to prescribed foreign aid providers, supplies of goods, and services to a non-profit body, supplies of goods and services to resource companies. Supplies of certain goods and services are exempt from GST, for example financial, medical, and educational services, public road transport, postage stamps, and the retail supply of newspapers.

Paraguay

Corporate tax

The corporate income tax general rate is 10 percent.

An additional 5 percent tax is imposed on profits distribution (dividends) to domestic shareholders; Dividends paid to non-resident shareholders are subject to a 15 percent withholding tax. The accrued application of the mentioned tax rates results in an effective rate of 25.46 percent. Different effective tax rates apply to different activities performed by non-resident entities in the following cases: 3 percent for qualified insurance premiums; 3 percent for qualified freight and transport; 3 percent for communications (phone, internet, and similar); 4.5 percent for news agencies; 12 percent for distributors of movies, cinema/television, and similar; and 4.5 percent for transfer of the use of containers. For financings received from external banks, current effective rate is 6 percent. Corporate income earned by individuals/foreign entities for their activities carried out in Paraguay (e.g. through a branch or permanent establishment) is currently taxed at an effective rate of 15 percent.

Indirect tax

10 percent is the general VAT rate. A reduced (or differential) rate of 5 percent applies to:

- The lease and transfer of properties
- The transfer of agricultural products, fruits, horticultural products in their natural state and live animals; products obtained from hunting and fishing, alive or not; vegetable oil, virgin or crude degummed; certain basic foodstuffs such as: rice, noodles, mate (yerba mate), edible oils, eggs, raw (not cooked) meats, flour and iodized salt
- Interest, fees and charges on loans granted by banking and financial entities
- The transfer of pharmaceuticals products

Peru**Corporate tax**

The corporate tax rate is 30 percent.

The tax rate on dividends is 4.1 percent; on interest is 4.99 percent or 30 percent for related parties or when requirements stated by law are not comply. Capital gains are taxed at 30 percent.

Indirect tax

The standard rate of VAT (impuesto general a las ventas (IGV)) is 16 percent (since 1 March 2011). The municipal promotion tax (impuesto de promoción municipal (IPM)) of 2 percent is also added to the value of goods or services used to determine the IGV, which results in an 18 percent sales tax overall.

Philippines**Corporate tax**

The corporate tax rate is 30 percent.

Corporations and resident foreign corporations are subject to a 2 percent minimum corporate income tax (MCIT) starting their fourth year of operation. The MCIT is based on gross income and it is paid in lieu of the 30 percent corporate tax on net income whenever it is greater than the latter. A 10 percent improperly accumulated earnings tax (IAET) is imposed on undistributed earnings of closely-held corporations, except branches of a foreign corporation and Philippine Economic Zone Authority (PEZA) registered corporations. PEZA registered corporations pay the special tax on gross income earned in lieu of all taxes.

Indirect tax

The standard rate of VAT is 12 percent.

Poland**Corporate tax**

The corporate tax rate is 19 percent.

Statutory withholding tax rates are the following:

- Dividends 19 percent;
- Interest 20 percent;
- Royalties 20 percent.

Indirect tax

The standard VAT rates are: 23 percent, 8 percent, 5 percent and 0 percent. The rates were increased on 1 January 2011. Some of the goods (mostly food products) formerly taxed with a 7 percent VAT rate are now taxed with a 5 percent VAT rate in order to minimize the impact of the increase of VAT rates on the poorest. The new increased rates were initially introduced for a period of three years. According to the adopted Amendment of Value Added Tax Act, increased VAT rates will continue to apply until the end of 2016. Certain supplies of goods and services are exempt from VAT, for example: financial services, healthcare or education services.

Portugal**Corporate tax**

The corporate tax rate is 23 percent.

The general CTR of 23 percent is increased by (i) a municipal surcharge (Derrama Municipal) varying from 0 percent to 1.5 percent to be levied over the taxable profit and (ii) a State surcharge (Derrama Estadual) of 3 percent to be levied over the taxable profit between EUR1,500,000 and EUR7,500,000, 5 percent to be levied over the taxable profit between EUR7,500,000 and EUR35,000,000 and 7 percent exceeding EUR35,000,000.

According to the Corporate Income Tax Reform, the corporate tax rate is expected to be further reduced between 2015 and 2018, as follows (CIT rate/Municipal Surcharge/State Surcharge): 2015 (20 percent/1.5 percent/5 percent); 2016 (17 percent to 19 percent/1.5 percent/5 percent); 2017 (17 percent to 19 percent/1.5 percent/2 percent); and 2018 (17 percent to 19 percent/0 percent/0 percent). Please note that this reduction is not yet approved and should depend on the performance of the Portuguese economy and the State deficit during the following years.

Indirect tax

On the mainland the standard rate of VAT is 23 percent, with reduced rates of 13 percent and 6 percent. Madeira island has a standard VAT rate of 22 percent, with reduced rates of 12 percent and 5 percent. Azores island has a standard VAT rate of 18 percent with reduced rates of 10 percent and 5 percent (from 1st January 2014).

Qatar**Corporate tax**

The corporate tax rate is 10 percent in Qatar and is generally applicable to only foreign investors. Wholly owned Qatari/GCC entities are exempt from corporate taxation.

Indirect tax

No indirect tax regime exists in Qatar. However, Qatar does follow the GCC Unified Customs Regime and applies a customs duty rate of 5 percent on most imports into Qatar.

Romania

Corporate tax

The statutory corporate income tax rate is 16 percent.

Taxpayers involved in activities related to nightclubs, casinos, discotheques, and sport-betting organisers, including legal entities which obtain such type of revenues based on an association contract, and in case the relevant profit tax is lower than 5 percent of the revenues derived from those activities, then such taxpayers are obliged to pay a profit tax of 5 percent levied on the respective registered revenues.

Certain exceptions would apply to investments in deprived areas (according to transitional dispositions).

Moreover, there is a specific regime applicable to Romanian legal entities which may fulfill certain conditions to qualify as micro – enterprises. Such regime is mandatory. The relevant corporate income tax rate under this regime is 3 percent (levied on revenues of any source).

Indirect tax

The standard rate of VAT is 24 percent. VAT reduced rates of 5 percent and 9 percent are applicable on some supplies. Starting from 1 September 2013, the reduced rate of 9 percent also applies to supplies of bread and bakery products, flower and wheat.

Russia

Corporate tax

The corporate tax rate is 20 percent.

Tax payments are split into federal part (2 percent) and regional part (18 percent that can be reduced to 13.5 percent for some categories of taxpayers). Dividends are taxed at 15 percent, 9 percent or 0 percent. Interest income on state securities is taxed at 15 percent, 9 percent or 0 percent.

Indirect tax

The standard rate of VAT (nalog na dobavlenuyu stoimost' (NDS)) is 18 percent. There are reduced rates of 10 percent and 0 percent which apply, for example to sale of certain food products, specific goods intended for children, certain books and periodicals, certain pharmaceutical and other medical products (10 percent); and exports of goods, rendering of international transportation and certain types of related services, services related to transit of goods through Russia, international passenger transportation, and export of fuel for ships and aircraft (0 percent). Supplies of certain goods and services are exempt from VAT, for example lease of premises to foreign companies accredited in Russia, rendering of certain types of medical services and sale of certain medical products, public transportation, the sale of securities, rendering of certain types of banking services,

insurance services, the sale of residential property. There is a specific rate of 15.25 percent (effectively it is a computed rate 18/118) which is applicable to the sale of a whole enterprise (plant). There are also computed VAT rates (18/118 and 10/110) for specific cases when VAT is applicable to the VAT inclusive amount of revenue (e.g., receipt of advance payments and other payments connected with settlements for suppliers).

Saba

Corporate tax

The profit tax regime in the BES islands (Bonaire, St Eustatius and Saba) has been abolished as per 2011. According to the Tax Act BES the basic rule is that all companies established in the BES Islands are deemed to be established in the Netherlands and therefore subject to Dutch corporate income tax and dividend withholding tax. Consequently, such companies will be subject to Dutch corporate income tax levied at a rate of 20 percent on profits up to EUR200,000 and a rate of 25 percent for profits exceeding that amount. The dividend withholding tax rate is 15 percent. However, certain qualifying companies can elect to be subject to the BES islands' property tax and distribution tax instead of being subject to the Dutch corporate income tax and Dutch dividend withholding tax. Instead, a property tax rate of 15 percent (tax rate for hotels: 5 percent) levied on 4 percent of the value of a company's real estate located in the BES islands and a distribution tax rate of 5 percent (levied on proceeds derived from shares in companies established in the BES islands) apply.

Indirect tax

The tax rate for the rendering of services is 4 percent (as of October 2011) and for the supply/import of goods 6 percent.

The tax rate for services related to insurances is 5 percent (as of October 2011).

St. Eustatius

Corporate tax

The profit tax regime in the BES islands (Bonaire, St Eustatius and Saba) has been abolished as per 2011. According to the Tax Act BES the basic rule is that all companies established in the BES Islands are deemed to be established in the Netherlands and therefore subject to Dutch corporate income tax and dividend withholding tax. Consequently, such companies will be subject to Dutch corporate income tax levied at a rate of 20 percent on profits up to EUR200,000 and a rate of 25 percent for profits exceeding that amount. The dividend withholding tax rate is 15 percent. However, certain qualifying companies can elect to be subject to the BES islands' property tax and distribution tax instead of being subject to the Dutch corporate income tax and Dutch dividend withholding tax. Instead, a property tax rate of 15 percent (tax rate for hotels: 5 percent) levied on 4 percent of the value of a company's real estate located in the BES islands and a distribution tax rate of 5 percent (levied on proceeds derived from shares in companies established in the BES islands) apply.

Indirect tax

The tax rate for the rendering of services is 4 percent (as of October 2011) and for the supply/import of goods is 6 percent.

The tax rate for services related to insurances is 5 percent (as of October 2011).

St. Maarten***Corporate tax**

The corporate tax rate is 34.5 percent (incl. 15 percent surcharges).

Indirect tax

The standard rate of turnover tax (Belasting op Bedrijfsomzetten; BBO) in St. Maarten as of 11 February 2011 is 5 percent.

*applies to the Dutch part of St. Maarten.

Samoa**Corporate tax**

The corporate tax rate is 27 percent.

Indirect tax

The standard rate of VAT is 15 percent.

This rate applies to ordinary businesses, trade and professionals, public authorities, non profit bodies, clubs, societies and associations. There is a reduced rate of 0 percent (and zero-rated;) for exported goods and certain exported services, duty free goods, goods not in Samoa at the time of supply and educational services provided by approved institutions. Medical goods and services supplied by the hospital and water supply provided by the Samoa Water Authority are also zero-rated. Those supplies exempt from VAT are locally produced raw and unprocessed food, financial services, donated goods and services sold by non-profit bodies, bus and taxi fares, electricity and inter-island passenger fares in Samoa.

Saudi Arabia**Corporate tax**

The corporate income tax rate is 20 percent.

Corporate income tax is payable by non-Saudi shareholders only. Zakat (a religious tax) at 2.5 percent is levied on Saudi and the Gulf Cooperation Council (GCC) nationals or companies owned by them. The GCC countries consist of Saudi Arabia, Kuwait, United Arab Emirates, Bahrain, Qatar, and Oman. In addition to corporate income tax, withholding tax of 5 percent is payable on dividends distributed to non-resident shareholders.

Indirect tax

There is no VAT or GST in Saudi Arabia.

Serbia**Corporate tax**

The corporate tax rate is 15 percent.

The corporate tax rate has been increased to 15 percent as of 1 January 2013. Taxable profit is calculated by adjusting the company's profit or loss declared in the P&L account according to the provisions of the Corporate Income Tax Law. Adjustments include certain disallowed costs, adjustment of certain revenues, transfer pricing as well as depreciation.

Indirect tax

The standard rate of VAT (porez na dodatu vrednost (PDV)) is 20 percent (effective 1 October 2012). There are reduced rates of 10 percent (effective 1 January 2014) and 0 percent which apply to, for example basic foodstuffs, medicines, textbooks and daily newspapers, hotel services, gas, and first transfer of ownership on residential buildings (10 percent); and exports of goods, transport and other services in relation to export, supply, repair, maintenance, charter and lease of aircraft and river vessels predominantly operating in international traffic, and international air and river transport of passengers under a reciprocity rule (0 percent). Supplies of certain goods and services are exempt from VAT, for example financial and banking services, insurance and reinsurance services, supplies and renting of land, transfer of shares and securities, transfer of immovable property (except first transfer), medical and welfare services, education and professional retraining, cultural, scientific, sport, and religious services.

Sierra Leone**Corporate tax**

The corporate tax rate is 30 percent.

The tax is applicable on the ordinary chargeable business.

Singapore**Corporate tax**

The corporate tax rate is 17 percent.

From the Year of Assessment (YA) 2013 to 2015, companies will receive a 30 percent corporate income tax rebate capped at SGD30,000 per YA. There is a partial exemption of 75 percent on the first SGD10,000 and 50 percent on the next SGD290,000 of the company's income. Start-up tax exemption can be granted on the regular income of a qualifying company on its first SGD100,000, and a further 50 percent exemption is given on the next SGD200,000, for each of its first three consecutive years of assessment. A concessionary tax rate of 10 percent or lower applies to qualified entities.

Indirect tax

The standard rate of GST is 7 percent.

There is a reduced rate of 0 percent which generally applies to export of goods and international services. Supplies of certain financial services, the sale or lease of residential properties and the supply of investment-grade gold, silver and platinum are exempt from GST.

Slovak Republic

Corporate tax

The corporate income tax rate for 2014 is 22 percent.

This tax rate applies only for taxable periods which started on 1 January 2014 or later. Therefore, taxpayers with a financial year other than the calendar year have to apply the 23 percent tax rate for their entire financial year 2013/2014.

Indirect tax

The standard rate of VAT (dan z pridanej hodnoty (DPH)) is 20 percent. There is a reduced rate of 10 percent which applies to medicaments; certain other medical and pharmaceutical products; contact and spectacle lenses; certain hygienic products; books and other printed products where advertisement does not exceed 50 percent of the content of the product. International passenger transportation, exports of goods, intra-community supply of goods, supply, rental, repair, and maintenance of sea craft and aircraft and some other supplies are VAT exempt with the entitlement for input VAT deduction. Supplies of certain goods and services are exempt from VAT with no entitlement for input VAT deduction, for example postal services; financial and insurance services; education and training; health and welfare; cultural services, supply and rental of immovable property (under certain conditions), etc.

Slovenia

Corporate tax

The corporate tax rate is 17 percent.

Taxable persons performing non-profit activities are exempt. There is also a special rate of 0 percent which, subject to certain conditions, may apply to investment funds, pension funds, insurance undertakings for pension plans, and qualified venture capital companies.

Indirect tax

As of 1 July 2013 the standard rate of VAT is 22 percent and the reduced rate is 9.5 percent.

South Africa

Corporate tax

The corporate tax rate is 28 percent.

From 1 April 2012 Secondary Tax on Companies at a rate of 10 percent was abolished and replaced by a dividend withholding tax at a rate of 15 percent. This moves the dividend tax to a shareholder tax. This means that the effective corporate tax rate is 28 percent going forward.

South Korea

Corporate tax

The corporate tax rate is 11 percent (including 10 percent of local income tax) up to 200 million Korean Won, 22 percent (including 10 percent of local income tax) over 200 million to 20 billion Korean Won and 24.2 percent (including 10 percent of local income tax) over 20 billion Korean Won.

Indirect tax

The standard rate of VAT is 10 percent. Certain taxable transactions are subject to a VAT zero-rate. The following categories of taxable transactions are zero-rated: (1) the export of goods and services, (2) services supplied outside of Korea, (3) the supply of international transportation services by vessel or aircraft, and (4) the supply of certain goods or services in Korea where the compensation is received in foreign, non-KRW currency. The supply of certain designated goods and services is nontaxable and therefore exempt from VAT. The following supplies of goods or services are treated as VAT exempt: unprocessed basic foodstuffs, medical and health services, educational services, passenger transport services, books, newspapers and magazines, postage stamps, land and banking/insurance services etc.

Spain

Corporate tax

The corporate tax rate is 30 percent.

Where a company's turnover (alone or combined with other group companies) in the immediately preceding tax period is less than EUR10 million, it is taxed on the first EUR 300,000 of taxable income at 25 percent and the excess being taxed at 30 percent. Where a company's turnover in 2014 is less than EUR5 million and the average labor force from 2009 to 2014 tax year is less than 25 employees, it is taxed on the first EUR 300,000 of taxable income at 20 percent and the remaining at 25 percent. Certain specific requirements need to be met.

Entities taxed at 25 percent include general mutual insurance companies; social welfare institutions and qualified social security mutual and reciprocal guarantee entities; credit and rural credit co-operatives; professional associations, business associations, official chambers, workers unions and political parties; non qualified non-profit organizations, qualified employment promotion funds; cooperative unions, federations and confederations.

Tax protected co-operatives will be taxed at 20 percent, except in respect of results not related to their corporate purpose, which will be taxed at the general rate.

Qualified non-profit organizations are taxed at a rate of 10 percent.

Entities taxed at 1 percent include qualified collective investment institutions, qualified investment funds.

Start-up companies incorporated as from 1st January 2013 will be taxed in the first period showing a positive taxable base and the following fiscal year on a progressive rate. In this respect,

the first EUR 300,000 of taxable income will be taxed at 15 percent and the excess will be taxed at 20 percent.

Indirect tax

The standard rate of VAT is 21 percent (effective 1 September 2012).

The reduced rates are 10 percent and 4 percent. The reduced rate of 10 percent applies to the following: food and drink used for human or animal consumption (excluding tobacco and alcoholic beverages), animals, substances to be ordinarily used in agricultural activities, pharmaceutical products for animals, prescription glasses, contact lenses, aid implements, material and equipment for prevention, flowers, etc. Relating to the application of the reduced rate of 10 percent to pharmaceutical products and medical equipment please note that according to CJEU case(C-360/11), Spain has failed to fulfil its obligations under Article 98 EU VAT Directive. The Spanish government has not yet changed the internal VAT Law following the case. The reduced rate of 4 percent applies to the following: Newspapers, magazines and books that do not contain mainly advertisements, ordinary bread, flour, milk, eggs, cheese, vegetables and fruit, medicines and pharmaceutical products (excluding products for hygiene purposes), etc.

Sri Lanka

Corporate tax

The corporate income tax rate is 28 percent.

Small companies (with turnover not exceeding LKR 500 million and not belonging to a group of companies) are taxed at a lower rate of 10 percent. Certain sectors enjoy concessionary rates, such as exports (other than traditional products), tourism and construction which are taxed at 12 percent, and agriculture which is taxed at 10 percent, with an exemption on offshore services. Companies engaged in liquor or tobacco products are taxed at a higher rate of 40 percent. The social responsibility levy of 1.5 percent on income tax was rescinded effective 1 April 2011. A deemed dividend tax at 15 percent is applicable for non-declaration of at least 10 percent of distributable profits.

Indirect tax

The standard rate of VAT is 12 percent. There is also a reduced rate of 0 percent. The VAT rate on financial services is also 12 percent.

Sudan

Corporate tax

The corporate tax rate is (0 percent/10 percent/15 percent/30 percent/35 percent).

Agricultural companies are subject to corporate income tax at a rate of 0 percent. Industrial companies are subject to corporate income tax at a rate of 10 percent. Trading, real estate, and service companies are subject to corporate

income tax at a rate of 15 percent. Banks & Tobacco companies are subject to corporate income tax at a rate of 30 percent. Oil companies are subject to corporate income tax at a rate of 35 percent. Entities that are exempt from corporate income tax will be subject to development tax at a rate of 5 percent of the exempt taxable profit.

Indirect tax

There is a flat rate of 17 percent VAT for all service and purchases in Sudan. However, a VAT rate of 30 percent applies to telecommunication service. These rates have applied since July 2012.

Sweden

Corporate tax

The corporate tax rate is 22 percent as from 1 January 2013.

Indirect tax

The standard rate of VAT (mervärdeskatt (MOMS)) is 25 percent. There are reduced rates of 12 percent, 6 percent, and 0 percent which apply to, for example, restaurant services (from 1 January 2012), food and hotel accommodations (12 percent); domestic passenger transportation including ski lifts, books and newspapers, certain sporting and cultural events (6 percent); and exports of goods, fuel to aircrafts, ships and aircrafts for commercial transport and services related to them and prescription pharmaceuticals (0 percent). Supplies of certain goods and services are exempt from VAT, for example health and welfare; education, financial, and insurance services; and the sale and letting of real property.

Switzerland

Corporate tax

The maximum effective corporate income tax rates range from 11.48 percent to 24.43 percent depending on canton and commune. The rates comprise federal, cantonal, and communal taxes. However, please note that to date 9 of 26 cantons have not yet published the 2014 tax rates.

All 26 cantons apply different tax rates and in most of them the statutory tax rate needs to be multiplied with the communal and/or cantonal coefficients that may vary from tax period to tax period. As all taxes including corporate income taxes are deductible when computing the tax basis, the effective corporate income tax rates are lower than the statutory rates published in the tax codes.

The average of the maximum effective corporate income tax rates in the capital cities of the cantons is 17.92 percent. Please note that until 2012 the tax rate in the city of Zurich (currently 21.15 percent) was published in this survey as the main tax rate of Switzerland. However, it has been decided that the average tax rate applicable in the capital cities of the cantons is considered to be more meaningful. The 2006 – 2012 tax rates have been adjusted accordingly.

In 2014, the community of Meggen in the canton of Lucerne has the lowest corporate income tax rate (11.48 percent) while some communities in the canton of Geneva have the highest (24.43 percent). However, if a company qualifies for a holding, principal, or mixed company ruling, the effective tax rate can be reduced to a minimum of 5 percent. Additionally, full tax holidays up to 10 years might be available in some regions.

Indirect tax

The standard rate of VAT (Mehrwertsteuer (MWST)/taxe sur la valeur ajoutée (TVA)/imposta sul valore aggiunto (IVA)) is 8 percent. There are reduced rates of 2.5 percent (e.g. water in conduits, medications, books, newspapers, food and nonalcoholic beverages) and 3.8 percent (accommodation services only). Some transactions are VAT exempt (with credit), for example exports of goods. Supplies of certain goods and services are not subject to VAT (without credit unless the option to tax is levied when applicable) for example official postal service, health and welfare, education, insurance, finance and supply of certain immovable property.

Syrian Arab Republic

Corporate tax

The corporate tax rate is 22 percent.

The lower progressive rates are on the first SYP 3 million of taxable profit. Investment law entities, LLCs and closed JSCs are taxed at a flat rate of 22 percent; private banks at a flat rate of 25 percent; and public majority joint stock companies at a flat rate of 14 percent. Additional local administration surcharges vary from 4 percent to 10 percent of the tax amounts, depending upon location. Branches of foreign companies are subject to withholding taxes on cash payments received in lieu of corporate income tax and tax on salaries and wages, at rates that vary from 3 percent to 10 percent depending on their activities. Tourism entities of the luxury and international class are subject to tourism tax at 3 percent of gross monthly turnover in lieu of income tax and tax on salaries and wages.

Indirect tax

There is currently no VAT in Syria.

Taiwan

Corporate tax

The corporate tax rate is 17 percent.

The 17 percent rate is applicable to income when it is more than TWD 120,000. However, the income tax payable shall not exceed half of the part of taxable income that exceeds TWD 120,000. Starting from the fiscal year of 2010, the corporate income tax rate is reduced from 25 percent to 17 percent.

Indirect tax

Under the Taiwan Value-added and Non-value-added Business Tax Act, there are two systems of business tax,

one being the VAT system and the other being the gross business receipts tax (GBRT) system. The standard VAT rate is 5 percent. GBRT applies mainly to financial institutions operating in banking, insurance, trust and investment, securities, futures, and short-term commercial papers business. The GBRT rate is generally 2 percent on revenues generated from core business. There is a reduced rate of 0 percent which applies to, for example, export sales of goods, services rendered which relate to export sales, services supplied in Taiwan but used outside of Taiwan, and goods or services supplied to a bonded area business for operational use. Supplies of certain goods and services are exempt from VAT, such as land, medical services, medicine, education services, and newspapers and magazines.

Tanzania

Corporate tax

The corporate tax rate is 30 percent.

Profits after tax are subject to 10 percent withholding tax when distributed as dividend, resulting in an effective tax rate of 37 percent for a profit-making and dividend-distributing business organization.

Indirect tax

The standard rate of VAT is 18 percent. Some supplies may be zero-rated or completely exempt. Other indirect taxes include stamp duty (1 percent to 4 percent) and levies such as a skills and development levy (5 percent of payroll cost per month), payroll tax vary from 0 to 30 percent of taxable salary and city service levy (0.3 percent of turnover).

Thailand

Corporate tax

The corporate tax rate is 20 percent.

The CIT rate is reduced from 30 percent to 23 percent for the tax year starting in 2012, and to 20 percent for the two subsequent tax years. It is expected that the 20 percent CIT rate will be effective post-2014. A progressive CIT rate applies to small and medium sized enterprises (SMEs), starting with a 0 percent tax bracket scaling up to a highest bracket of 23 percent for 2012 and 20 percent for 2013 and thereafter. An SME is a company with no more than THB 5 million of paid-up capital and no more than THB 30 million turnover. Remittances of dividends and branch profits are subject to 10 percent withholding tax. The Board of Investment (BOI) provides tax incentives for promoted businesses, including CIT exemptions and reductions, dividend WHT exemption, and import duty exemptions. Application must be made with the BOI to qualify. The CIT rate applicable to a company operating as a regional operating headquarters (ROH) company can range from 0 percent to 10 percent. No WHT is assessed on dividends paid from certain income earned by the ROH. A 50 percent petroleum income tax is imposed on profits earned from petroleum sales. Foreign companies engaged in international transportation are taxable at the rate of 3 percent on gross income.

Indirect tax

The current rate of Thai VAT is 7 percent. Please note that this is a temporary rate, reduced from the standard rate of 10 percent introduced by a special Royal Decree valid until 30 September 2014.

Trinidad and Tobago**Corporate tax**

The corporate tax rate is 25 percent.

For companies engaged in the liquefaction of natural gas, manufacture of petrochemicals, physical separation of liquids from a natural gas stream and natural gas processing from a natural gas stream, transmission and distribution of natural gas or wholesale marketing and distributions of petroleum products a corporate tax rate of 35 percent applies.

Tunisia**Corporate tax**

The corporate tax rate is 25 percent.

Fully export companies are taxable at the rate of 10 percent as per 1 January 2014. Such companies established before 1 January 2014 and for which the 10 years tax holidays did not expire, continue to benefit from a tax holiday for 10 years. For new fully exporting companies, to be incorporated by 31 December 2013 and starting their first sale exporting during 2014, they benefit of 10 years Corporate Income Tax exemption on their export activities.

A 35 percent rate applies to the financial activities, for telecommunication operators and for the service suppliers of the gas and oil operators; those latter are subject to a progressive tax rate ranging between 50 percent and 75 percent. A rate of 10 percent applies to the agriculture and fishing sectors. The corporate income tax rate applies to resident companies and to permanent establishments of non-resident companies with a minimum tax payable of 0.2 percent under certain conditions.

Indirect tax

The standard rate of VAT is 18 percent. There are reduced rates of 12 percent and 6 percent. The 12 percent rate is mainly applicable to the supply of services, for example services rendered by hotels; services rendered by lawyers, notaries, legal and tax counsels, and other experts; catering and IT services. The 6 percent rate applies to supplies such as services carried out by doctors, nurses, masseurs, veterinarians, and analytical laboratories; the transport of persons and agricultural products; the import, production, and sale of fertilizers; supplies of livestock concentrate food; soy beans; fish meal; and products and articles for the pharmaceutical industry (6 percent). Supplies of certain goods and services are exempt from VAT, for example school education; imports; the production and sale of aircrafts for public transport; services rendered by maritime transport and ship agencies; aircraft transport services; leasing of vessels and aircrafts for international maritime and air

transport; the production and sale of flower, bread, pasta (normal quality), olive oil, soy, and soy oil; and the production, refining, and conditioning of vegetable oil.

Turkey**Corporate tax**

The corporate tax rate is 20 percent.

A resident company is liable to corporate income tax on its worldwide income. A non-resident company is liable to corporate income tax on its Turkish-source income only.

Indirect tax

In Turkey, the following VAT rates are applied:

- standard rate: 18 percent
- reduced rates: 1 percent and 8 percent

The standard VAT rate applies to all supplies of goods or services, unless a specific measure provides for a reduced rate or exemption.

Examples of goods and services taxable at 1 percent are as follows: newspapers and magazines (including sale of the newspapers and magazines in electronic where this reduced rate does not cover the electronic devices, electronic tablet devices, etc.); some foods and beverages; used passenger cars; financial leasing services (with certain conditions).

Examples of goods and services taxable at 8 percent are as follows: some foods and beverages; books (including e-books); pharmaceuticals and medical products; some construction equipment; ready-wear products, garments and textile products; admission charges for cinemas, theatres, and operas.

Uganda**Corporate tax**

The corporate tax rate is 30 percent.

Indirect tax

The standard rate of VAT is 18 percent. There is however, a reduced rate of 0 percent which applies to: supply of goods or services where the goods or services are exported from Uganda as part of the supply; supply of international transport of goods or passengers and tickets for their transport; certain food products produced in Uganda; supply of drugs and medicines; supply of seeds, fertilizers, pesticides and farm implements; the supply of aircraft, parts thereof and maintenance equipment; and the supply of some hygiene products. There is another category of supplies called; exempt supplies; which covers the supply of unprocessed agricultural products, postage stamps, insurance and financial services, unimproved land, supply by way of leasing residential immovable property, supply of education services and other specified supplies. Any supply that is neither exempt or zero rated, is automatically considered standard rated.

Ukraine

Corporate tax

The corporate tax rate is 18 percent.

A 0 percent rate applies to income of insurance companies (from long-term life and pension insurance) as well as eligible small and medium-size companies.

A 3 percent rate applies to income derived by insurance companies from other insurance activities.

A 5 percent rate applies to eligible IT businesses.

A 10 percent rate applies to capital gains realized on dispositions of certain securities and derivatives.

Businesses that operate in certain industries (e.g. hoteling, shipbuilding and aircraft manufacturing, agricultural machinery manufacturing, clean energy sector, light industry), or implement priority investment projects, can be temporarily exempt from paying corporate income tax (in full or in part).

Eligible domestic agricultural producers can elect to pay a fixed agricultural tax in lieu of the corporate income tax and certain other taxes.

Indirect tax

The standard rate of VAT (podatok na dodanu vartist (PDV) is 20 percent. A reduced VAT rate of 0 percent applies to, among other things, exports of goods and related services, servicing or processing of goods temporarily imported to Ukraine (including goods temporarily imported to Ukraine pursuant to international tolling arrangements), supplies for airplanes and ships used in international traffic, international transportation of passengers and their luggage, and servicing of airplanes engaged in international traffic. The Tax Code became effective 1 January 2011 and had a major impact on the VAT regime in Ukraine. In practice, most previously VAT-exempt supplies of goods and services retained the VAT-exempt status. These include, for example, supplies of certain financial services, insurance services, royalty and dividend payments, transactions with securities and corporate rights with settlements in cash funds, subscriptions to and delivery of local newspapers, magazines and books, prescribed pharmaceuticals, certain transfers of immovable residential property and land, charitable donations, local passenger transportation (except for taxis), education, and prescribed health and welfare. Supplies of grain and industrial crops (except for the first supply transactions by the agricultural producers) have also been exempted from the VAT. A sale of business as a going concern is no longer a VAT-exempt transaction. A special VAT regime is available for designated agricultural producers. Effective 3 August 2012, a law came into effect which envisages that for the period from 1 January 2013 to 1 January 2023, transactions relating to the supply of software products will be VAT-exempt. Starting 1 January 2015, it is planned that the VAT rate will be reduced to 17 percent. However, this reduction may be cancelled again as it was originally planned for 1 January 2014.

United Arab Emirates

Corporate tax

The corporate tax rate applicable in the UAE is 0 percent/20 percent/55 percent.

The United Arab Emirates consists of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Fujairah, and Ras Al Khaimah. While there are no corporate income taxes at a federal level, the emirates have issued their own income tax decrees. Although in theory these emirate-level decrees impose tax on the income of all corporate entities, in practice tax is currently only enforced on foreign oil companies engaged in the exploration and production of oil and branches of foreign banks. Although the tax rate applicable to oil companies is generally 55 percent of operating profits, the amount of tax actually paid by such companies is based on a rate agreed in individual concessions between the company and the respective emirate. This rate can range between 55 percent and 85 percent. Branches of foreign banks are subject to tax at 20 percent of their profits under the banking tax decrees. Municipal taxes are also levied in some of the emirates in the UAE. In Dubai, a 10 percent municipal tax is charged on hotel revenues (usually passed on to the consumer as a service charge), a 10 percent municipality fee is levied on the rent from commercial property, and a 5 percent fee is levied on the rent of residential property. Abu Dhabi does not levy a municipality tax on rented premises, but landlords are required to pay certain annual license fees (which they may pass on to tenants).

Indirect tax

There is no VAT or GST in the United Arab Emirates.

United Kingdom

Corporate tax

The corporate tax rate is 21 percent.

The UK government has announced a staged reduction in the main rate of corporation tax. From 1 April 2012 the main rate of corporation tax was reduced from 26 percent to 24 percent, from 1 April 2013 it was reduced to 23 percent, from 1 April 2014 it was reduced to 21 percent and from 1 April 2015 it will be reduced to 20 percent. A small companies rate applies until 1 April 2015 to companies with taxable profits of up to GBP 300,000 with marginal relief up to GBP 1.5 million. The current small companies rate of 20 percent has been in place since 1 April 2011. Companies with taxable profits of GBP 1.5 million or more pay tax at the main rate. All these thresholds are reduced for accounting periods of less than 12 months and if there are associated companies. Bermuda, Gibraltar, Guernsey, Isle of Man, and Jersey are dependent territories or crown dependencies of the United Kingdom, but have their own tax systems.

Indirect tax

The standard rate of VAT is 20 percent (effective 4 January 2011). There are reduced rates of 5 percent and 0 percent which apply to, for example children's car seats, certain contraceptive

products, domestic fuel and power, and renovations/conversions of residential properties (5 percent); and food and animal feed, books and newspapers, prescription drugs and medicines, children's clothes, passenger transport, and exports of goods (0 percent). Supplies of certain goods and services are exempt from VAT, for example financial and insurance services; education services supplied by eligible bodies; certain cultural services; betting, gaming, and lotteries; subscriptions; and health and welfare.

United States

Corporate tax

The corporate income tax rate is approximately 40 percent.

The marginal federal corporate income tax rate on the highest income bracket of corporations (currently above US\$18,333,333) is 35 percent. State and local governments may also impose income taxes ranging from 0 percent to 12 percent, the top marginal rates averaging approximately 7.5 percent. A corporation may deduct its state and local income tax expense when computing its federal taxable income, generally resulting in a net effective rate of approximately 40 percent. The effective rate may vary significantly depending on the locality in which a corporation conducts business. The United States also has a parallel alternative minimum tax (AMT) system, which is generally characterized by a lower tax rate (20 percent) but a broader tax base.

Indirect tax

While the United States does not impose a national VAT, most states and some local governments impose transaction-based taxes commonly referred to as sales and use taxes. Forty-five states and the District of Columbia impose a state-level tax on the sale or use of goods and some services. Local governments in 34 states are authorized to impose local sales taxes. There are about 7,600 jurisdictions across the country that have chosen to impose a local sales tax.

The state and local tax sales tax rate in the United States may range from 4 percent to 11 percent. As an example, the combined state and local sales tax rate in Seattle, Washington is 9.5 percent and that is made of a 6.5 percent state sales tax, a 1.2 percent county sales tax, and a 1.8 percent special purpose district tax. Which goods and services are subject to tax, and the applicable tax rates, vary according to the jurisdiction. All states and some localities with sales and use tax regimes possess broad powers to determine whether goods and services are fully taxable, taxable at a special rate, or are fully exempt.

Uruguay

Corporate tax

The corporate tax rate is 25 percent.

Indirect tax

The standard rate of VAT (impuesto al valor agregado (IVA)) is 22 percent (as from 1 July 2007).

The reduced rate of 10 percent applies to specific consumer goods, lodging services, and medicines. Moreover, the standard rate will be reduced to 20 percent when the consumer pays by debit or credit card (not in force yet); Exports are zero-rated as well as purchases where the consumer pays with the special aid card granted by the government to low-income taxpayers. Exempt supplies include certain agricultural goods and machinery, specified fuels, commissions, interests on specific financial transactions, and transport services.

Vanuatu

Corporate tax

Corporate income tax is not levied within the Republic of Vanuatu. Furthermore, there are no income taxes, estate duties, gift duties, capital gains taxes, tax treaties or withholding taxes.

Indirect tax

The standard rate of VAT is 12.5 percent.

Venezuela

Corporate tax

The corporate tax rate is 34 percent.

Corporations engaged in the exploitation of hydrocarbons and related activities are generally subject to corporate income tax at 50 percent (also applicable to income from any other sources). This rate does not include municipal business taxes which range from 0.3 percent to 9.4 percent of gross income, depending on the district, and the business activity. The 34 percent marginal income tax rate is triggered at net taxable income exceeding 3,000 tax units (TU). The value of tax units is annually adjusted. For the year 2014 1TU is Bs. 107.

Indirect tax

The standard rate of VAT (impuesto al valor agregado (IVA)) is 12 percent. The increased rate of 22 percent (which results from adding 10 percent to the standard rate) applies to luxury goods. Certain goods and services (such as red meat, animal oil, or local plane tickets) have a temporary rate of 8 percent. Exports are zero-rated. Exempt supplies include basic food items, medicine, fertilizer, fuel, newspapers, books and magazines, education, intangible assets, loans, banks, and financial institutions operations except leasing, insurance services, payroll, operations performed in specified duty free and tourist areas, national electricity, water, and natural gas.

Vietnam

Corporate tax

The standard tax rate is reduced to 22 percent from 1 January 2014. From 2016 it will be further reduced to 20 percent. Special or preferential tax rates of 10 percent or 20 percent can be granted to encouraged investment projects. Certain industries may have a higher tax rate

applied (e.g. oil and gas operations and natural resources exploitation from 32 percent to 50 percent).

Indirect tax

The standard rate of VAT (gia tri gia tang (GTGT)) is 10 percent. There are reduced rates of 5 percent and 0 percent which apply to, for example, medical equipment and instruments, fresh foodstuffs, scientific and technical services, manufacturing equipment and machinery for agriculture, sale or lease of socialized houses (5 percent); and the exports of goods and services (0 percent). It is restated in the Amended Law on VAT, effective from 1 January 2014, that export services mean those being provided directly to overseas customers/customers in non-tariff zones and being consumed outside Vietnam/in non-tariff zones respectively.

Supplies of certain goods and services are exempt from VAT, for example life insurance, financial services (other than fees for services), transfer of land use rights, health care services, computer software, printing, publishing and distribution of newspapers, magazines, and certain books.

There are also certain VAT transactions whereby the supplier is not required to charge VAT but is generally allowed to claim the input VAT associated with such transactions. These include, but are not limited to, payments of indemnities, bonuses, financial assistance or other financial receipts; specified services rendered by foreign contractors such as repair of means of transportation, advertising, brokerage services; disposal of assets owned by non VAT-registered owners; certain intercompany transfer of fixed assets; capital contributions in the form of assets, and so on.

Also according to the Amended Law on VAT, the VAT rate on the sale or lease of commercial apartments (with a floor space of less than 70m² and priced under VND15 million/m²) will be temporarily reduced to 5 percent from 10 percent for the period from 1 July 2013 to 30 June 2014.

Yemen

Corporate tax

The corporate tax rate is 20 percent.

The corporate income tax rate applies to all categories of commercial activity. A tax rate of 15 percent is available to projects licensed under the investment law. Special rates of taxation apply for: oil, gas and minerals (35 percent), international telecommunication (35 percent), mobile operators (50 percent), tobacco (35 percent), and agriculture production is tax exempt.

Indirect tax

There is a 5 percent general rate. Special rates apply to a few categories of goods and services.

Zambia

Corporate tax

The corporate tax rate is 35 percent.

The tax rate for mining profits is 30 percent plus a variable profit tax of up to 15 percent if the profit is in excess of 8 percent of the turnover.

Income earned by telecommunication companies is subject to 40 percent tax on profits in excess of ZMK 250 million.

Profits from farming are taxed at 10 percent.

Profits from the manufacture of chemical and organic fertilizer production, and export of non-traditional items are taxed at a rate of 15 percent.

Companies with a turnover of ZMK 800 million or less pay a turnover tax of 3 percent.

Finally, the tax fiscal year now runs from January 1 to December 31.

Indirect tax

The standard rate of VAT is 16 percent. There is a reduced rate of 0 percent which applies to exports of goods, supplies to privileged persons, books, medical & building supplies, agricultural equipment & accessories etc. Exempt goods and services include water supplies, educational services, passenger transport services, selected financial services, conveyance of domestic property among other products and services. With effect from 1 January 2011, VAT applies on all non life insurance products. Previously, all insurance services were exempt from VAT.

Zimbabwe

Corporate tax

The effective corporate tax rate is 25.75 percent.

Standard rate is 25 percent and in addition there is a 3 percent AIDS Levy on the tax making the rate effectively 25.75 percent

Indirect tax

Zero-rating and exemption is available for few specified goods and services.

Contact us

Wilbert Kannekens

Global Head of International Tax

T: +31 20 656 1656

E: kannekens.wilbert@kpmg.nl

Tim Gillis

Global Head of Indirect Tax Services

T: +1 202 533 3700

E: tgillis@kpmg.com

kpmg.com/tax

kpmg.com/socialmedia



kpmg.com/app



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2014 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International.

Designed by Evalueserve.

Publication name: Corporate and Indirect Tax Rate Survey 2013

Publication number: 130240

Publication date: April 2014