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WORLDWIDE TAX OVERVIEW

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DFK INTERNATIONAL WORLDWIDE TAX OVERVIEW



A WORLDWIDE ASSOCIATION OF INDEPENDENT ACCOUNTING FIRMS AND BUSINESS ADVISERS

INTRODUCTION

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DFK INTERNATIONAL Member Firms provide international tax and accounting services and answers to questions on these subjects.

The **WORLDWIDE TAX OVERVIEW** gives brief details on the taxation régimes in many nations of the world. The Member Firms of **DFK INTERNATIONAL** can provide additional information concerning taxation legislation in these and other territories upon request.

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Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Argentina	35%	9% – 35%	10.5% – 21%	Income, VAT, payroll, excise	Tax imposed on income from resources and activities within Argentina. Withholding tax of 14% – 35% on interest, rents and royalties	Generally straight-line based on probable useful life	Provinces may levy gross receipts taxes. Branch profits tax on foreign company's permanent establishment is 35%. Lower tax rates are applied to some industrial activities. Dividends are tax free
Australia	30%	17% – 47%	10% Goods and Services Tax	Income, goods and services, payroll, capital gains, fringe benefits, excise, health care	Non-residents are taxed between 29% and 47%. Withholding tax of 10% – 30% on interest and dividends	2 Methods – straight-line and declining balance. Rates vary from 2.5% to 60%	Payroll tax is levied by individual states and territories (8) but all other taxes are levied by Australian government
Austria	34%	21% – 50%	10% – 20%	Income, VAT, real estate, payroll, import duties, inheritance and gifts	Income taxes on certain income derived from Austrian sources. Withholding tax on interest and dividends (25%) and on royalties (20%)	Movable assets: straight-line method dependent on useful life: 5% – 33.3%. Buildings: 2% – 3%.	Capital gains of companies relating to foreign investment are tax-free. Tax incentives for holding companies and Privatstiftung (foundations)
Belarus	7% – 30%	9% – 30%	10% – 20%	Income, VAT, payroll, capital assets, stamp duties, road tax, inheritance and gift	Business income and dispositions of certain property within Belarus. Interest and dividends (15%) and on rents and royalties (15%). For Natural persons 20%	Straight-line method and rates ranging from 1.5% to 40%	Local taxes may be imposed

Belgium	28% – 40.17%	25% – 55%	21%	Income, VAT, inheritance and gifts, payroll	Tax on income from Belgian sources. Personal tax allowances under certain conditions. Withholding tax of 15% – 25% on dividends, interest and royalties	Buildings 3% – 5%. Movable machinery 10% – 20%. Straight-line or (up to) double declining balance	Municipalities and provinces may impose taxes. Advance payments of taxes required
Bolivia	25%	12.5%	13%	Income, VAT, transactions	25% tax imposed on 50% of dividends, rents, royalties, et al paid	Straight-line method. Buildings – 2.5%. Machinery and equipment – 10% – 20%	
Brazil	15% – 25%	15% – 27.5%	7% – 25%	Income, sales, excise, payroll, services, import duties	15% withholding tax on any income earned within Brazil. Withholding tax of 15% on interest and royalties	Straight-line method and rates ranging from 4% to 50%	Social contribution on net income: 9% on net profit. Social development programme: 0.65% on revenue. Social contribution on billings: 3% on revenue
Canada	18% – 46%	22% – 53%	7% – 15% Goods and Services Tax	Income, goods and services, sales, payroll, capital, health care, workmen compensation, excise import duties, land transfer, property, et al	Employment income, business income and dispositions of certain capital property within Canada. Withholding tax of 25% on interest, dividends, rents and royalties	Declining balance method (in most cases) on assets available for use and owned at year end; various rates from 4% to 100%	Each province and territory may provide special tax incentives and impose its own income, sales, health care and other taxes

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	CORPORATE	INDIVIDUAL	VAT				
Channel Islands – Jersey	£600 – 20%	20%	–	Income, no others	Jersey-source income is taxed at a rate of 20%. By a general concession, bank interest is exempt	25% on reducing balance for machinery and equipment including motor cars	Companies owned by non-residents can be exempt from tax on payment of £600 per annum. An International Business Company can effectively choose the tax rate it wishes to pay between 2% and 30% with a minimum tax payable of £1,200
Chile	15%	5% – 33%	18%	Income, VAT, import duties, inheritance, excise, stamp duties, money transactions, real estate	35% on the transfer of money out of Chile	Straight-line and accelerated rate methods	
China (People's Republic of)	30%	5% – 45%	13% – 17%	Income, operating, VAT, consumption, stamp tax, housing property tax, tax on vehicles and ships, tax on resources	Income tax on all China-source income and all non-China-source income remitted to the PRC. 33% effective tax rate on foreign companies' business in China. Withholding tax of 20% on interest, dividends, rents and royalties	Generally straight-line to arrive at 10% (FIC, 3 - 5% for others) salvage value. Buildings – 20 years. Machinery – 5 -10 years. Accelerated rates can be negotiated	A) Income tax of 15% for companies with foreign investment (FIC) in Special Economic Zones. B) Income tax of 15% or 24% for the Industrial FIC in Economic Open Zone on Coastal Areas and those cities in Special Economic Zones or Economic and Technological Development Zones

Hong Kong (S.A.R.)	16%	2% – 15%	–	Income, estate duty, property	Only income arising in or derived from Hong Kong taxable	4% for buildings, 60% initial then 10% – 30% for machinery. 100% for computer equipment and manufacturing machinery	No interest tax and no capital gains tax. Dividend income and offshore income are not taxable
Costa Rica	10% – 30%	10% – 25%	13%	Income, sales, payroll, land transfer, tax on vehicles, property tax, import and stamp duties	Tax on all income derived in Costa Rica. Withholding tax of 5% – 20% on interest, dividends and royalties	Straight-line basis, sum-of-the-years-digits method. Rates ranging from 2% to 33%	Municipal tax of 1% to 5%.
Cyprus	20% – 25%	20% – 40%	10%	Income, capital gains, VAT, import and stamp duties	20% on Cyprus-source income. Withholding taxes of 10% – 30% on interest, dividends and royalties	Straight-line method ranging from 3% – 33½%; higher rates can be negotiated; first year investment allowance is available	Incentives available to international companies
Czech Republic	31%	15% – 32%	5% – 22%	Income, VAT, property, import duties, social insurance, et al	Tax on income from Czech sources. Withholding tax of 15% on interest, dividends and royalties	Straight-line and accelerated methods. Buildings – 30 years. Other assets – 4 – 12 years	
Denmark	30%	40% – 60%	25%	Income, VAT, estate, death duties, import duties, payroll, social security	Tax on income from Danish sources. Expatriates earning in excess of DKK 670,000 who work at least 6 months, up to 36 months, are taxed at a flat rate of 25%. Withholding tax of 25% on dividends	25% of the reducing balance for machinery and equipment. 5% for buildings (straight-line)	Special provisions for multinational groups and holding companies

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	CORPORATE	INDIVIDUAL	VAT				
Dominican Republic	25%*	15% – 25%**	12%	Capital gains tax, business operations tax, fringe benefits tax, luxury housing and land tax, consumption tax, tobacco, alcohol	Withholding tax of 15% on interest, 25% on dividends, commercial rents and temporary activities in the country	Declining balance method without residual value. Building 5%; machinery and equipment 15%; furniture and office equipment, light transportation equipment and data processing equipment 25%	Natural people, whether Dominican or foreigners, who come to reside in the Dominican Republic, have three years tax exemption on gains from investments and financial gains. *It is required by law to make a monthly advancement equal to 1.5% of the income generated by the sales.** Exemption of RD\$120,000 indexed annually for inflation
Egypt	32% for industrial activities. 40% for services and trading activities	20% – 48%	10%	Income, sales, payroll, customs duties	Income taxed only on income earned in Egypt. Withholding tax of 32% on interest and royalties paid to corporations	Straight-line method based on type of assets and number of hours worked – rates 2% – 25%	Tax incentives are available and vary from 5% to 20% according to projects and areas or zones
Fiji	34%	15% – 34%	10%	Income, VAT, payroll, import and excise duties, stamp duty, land sales tax	34% tax on Fiji-source income of branch of overseas company, 20% – 34% effective tax rates for non-resident individuals.	Buildings 1.25% – 5% with 10% first year write-off. Straight-line on other assets with rates ranging from 3% – 60% depending on the life of the asset	100% exemption on distribution of dividend that has been fully subject to company tax. Tax incentives available for hotels, filmmakers, agricultural and manufacturing. Profit on export sales exempted for 2001 and 2002

Finland	29%	6% – 38%	8% – 22%	Income, VAT, payroll, inheritance and gifts, wealth, dividends tax, capital gains	Income from Finnish sources other than interest income. Withholding taxes of 15% on interest, dividends and royalties. 35% tax on earned income of high paid foreign specialists	Declining balance method. Machinery 25%, buildings 4% – 20%. Other long term fixed assets 10% – 25%	Other individual rates: Municipal income tax at 15.5% – 20%
France	25% – 37.8%	16.25% – 61.25%	2.1% – 19.6%	Income, VAT, estate, payroll, import duties, wealth, inheritance, local tax on business, registration tax	Income taxes, wealth tax. Withholding taxes of 15% on interest, dividends and royalties. 3% on real estate market value in some cases	Numerous methods and rates ranging from 3 years to 30 years	Other individual rates: estate taxes, inhabited house tax
Georgia	20%	12% – 20%	20%	Income, VAT, profit, excise and import duties, property, vehicle ownership tax, property transfer tax, social tax, land tax	Income tax on Georgia-source income. Dividends and interest –10%; insurance and reinsurance, telecommunication and transportation services – 4%	Declining balance method. Buildings – 7%, other assets 8% – 20%	Local taxes at varying rates, including commercial businesses, gambling, hotel and advertisement taxes
Germany	25%	19.9% – 48.5%	16%	Income, VAT, trade, inheritance, gift, sales, payroll, import duties, real estate transfer tax	Income taxes on German-source income. Withholding tax of 20% on dividends and 25% on royalties	Numerous methods and rates ranging from 1 year to 50 years	Surcharge of 5.5% on tax. Each municipality imposes its own trade tax. Trade tax on income ranges from 7% – 20.5% of income and is deductible

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	CORPORATE	INDIVIDUAL	VAT				
Gibraltar	35%	20% – 50%	–	Income, no others	Income from Gibraltar sources taxable at resident rates unless special exemption status is claimed	Declining balance method at 15% – 25% for all items except buildings and ships which are depreciated at flat rates of 4% – 10%	A Resident Exempt Company (one that is owned by non-residents) pays a fixed fee of £225 per annum irrespective of profits and is exempt from all other taxes. A “Qualifying Company” pays tax at a rate of 2% – 35% (subject to negotiation) of taxable profits
Greece	32.5% – 35%	5% – 42.5%	8% – 18%	Income, VAT, payroll, fees, withholding tax, import duties, capital gains, capital transfers, estate duty, inheritance	On all income derived in Greece. Withholding tax of 20% on rents of tangible movable assets, royalties and other services and 37.5% on interest	Either declining balance or straight-line method for machinery. Straight-line basis for all other assets	Bank interest is taxed at 15%. Interest earned on deposits in foreign currency placed by foreign investors is tax-free. Government bond interest is taxed at 10% for Greek residents and tax-free for non-residents. Additional tax levied on gross rental income is 6.6%
Guatemala	31%	15% – 31%	10%	Income, VAT, payroll, state and import duties	Withholding tax of 31% on interest and royalties	Either declining balance or straight-line method. Other methods require specific approval	Capital gains – 15% tax rate. Dividends are tax-free. Various tax incentive programmes are available

Hong Kong (S.A.R.) See China (People's Republic of)

Hungary	18%	20% – 42%	12% – 25%	Income, VAT, payroll, turnover, import duties et al	Income taxes on Hungarian-source income. Withholding tax of 20% on dividends unless reinvested in Hungary	Buildings – 2% – 6%. Machinery and equipment 14% – 33%. 100% write-off on certain low cost equipment	Offshore companies established or registered in Hungary, but not doing business in Hungary, are subject to a 3% tax on profits
Iceland	18%	38.54%	14% – 24.5%	Income, VAT, estate, property, payroll	Income taxes on effectively connected income; estate taxes on property located within Iceland. Withholding tax of 10% – 20% on dividends and 18% – 38.54% on rents and royalties	Machinery and equipment 5% – 20%. Office equipment 10% – 20%. Buildings 1% – 6%	0.6% – 0.85% net worth tax imposed annually on individuals and corporations
India	35.10%	10% – 33.66%	8% – 24%	Income, wealth, excise, sales, import duty	On the entire income accrued or received within India. Withholding tax of 10% – 40% on interest, rents, royalties and capital gains and 48% on business/other income	Mainly declining balance method with rates varying from 5% to 100%	Income and wealth taxes, excise and import duties are subject to central legislation. Sales tax is subject to both central and state legislation

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	CORPORATE	INDIVIDUAL	VAT				
Indonesia	10% – 30%	5% – 35%	10%	Income, payroll, VAT, sales (luxury goods), import duties, estate, stamp duties, capital gains, real estate transactions, export tax	Income taxes on Indonesia-source income, estate taxes on property located within Indonesia. Withholding tax of 20% on interest, dividends, royalties, professional fees	Buildings consist of permanent (straight-line over 20 years) and non-permanent (straight-line over 10 years). Other fixed assets – double declining balance method – 10%, 12.5%, 25% and 50% rates or use straight-line method	Under the following conditions, intercompany dividends are free of tax: – whenever dividends come from retained earnings; – in the case of limited companies, state-owned companies receiving dividends, the proportion of share ownership in statutory bodies paying dividends is at least 25% of the total paid-in capital; <u>and</u> – they have active businesses other than ownership of shares
Ireland	10% for manufacturing companies. 12.5% – 20% for trading companies. 25% for non-trading companies	20% – 42%	21%	Income, capital gains, capital acquisitions (covering death and gifts), pay related social insurance, VAT, stamp duty on property transactions	Capital gains tax on land/property in Ireland. Tax at standard rate of 20% withheld from musicians, sportsmen, entertainment artists, rent, royalties and dividends	Annual straight-line allowances on cost ranging from 4% on buildings to 20% on machinery and motor vehicles	No provincial income tax; however, local authorities levy taxes on business property
Israel	36% reduced to 0% – 25% for approved enterprises	10% – 50%	17%	Income, capital gains, VAT, payroll, property taxes, customs duties, stamp duties, land betterment tax, acquisition tax on real-estate transactions	Income tax on income from sources within Israel, land betterment tax. Withholding tax of 25% on interest, dividend and royalties	Generally the straight-line method. Certain taxpayers may use declining balances, accelerated depreciation for production facilities	Inflationary tax. Tax incentives based on business location. Special rules for 'family companies'. Exemption from taxes on individual gains from Israeli marketable securities

Italy	36%	18% – 45%	20%	Income, excise, VAT, registration, consumer tax	Income taxes only on income arising in Italy. Withholding tax of 12.5% – 27% on interest, dividends and royalties	Straight-line method rates of depreciation are established by Ministry of Finance and rates range from 3% to 40%	Regional income tax of 4.25% on added value produced
Japan	22% – 30%	10% – 37%	5%	Income, inheritance, gift, consumption, liquor, tobacco, property, stamp duties	National income tax on entire Japanese-source income. Withholding tax of 15% – 20% on interest, dividends, rents and royalties	Numerous methods and rates but mainly straight-line method and declining balance method. Useful lives from 2 to 50 years	Inhabitant tax of 20.7% on corporation's tax liability and 5% – 13% on individual's taxable income. Non-residents not subject to local government tax
Kenya	30% 37.5% – Branch tax rate	10% – 30%	18%	Income, VAT, excise, import duties	Income taxes on trade, business or vocational income, withholding tax on interest (15%), dividends (10%), rents (30%), royalties (20%)	Reducing balance and rates ranging from 2.5% to 37.5%	Numerous incentives available to investors in the export processing zone, e.g. 10-year tax break, 100% depreciation write-off, etc
Korea (Republic of)	17.6% – 30.8%	11% – 44%	10%	Income, VAT, inheritance and gifts, consumption, acquisition, property, capital gains	Income from Korean sources. Withholding taxes of 2.2% – 27.5% depending on type of Korean-source income	Numerous methods and rates but mainly straight-line method and declining balance method. Useful lives from 3 to 50 years	Tax incentives available for foreign investors (individuals and companies) in high-technology businesses
Lebanon	15%	4% – 21%	10%	Income, capital gains, inheritance, payroll, property, import duties, stamp duties	Tax imposed on income from efforts and activities within Lebanon at 7.5% on income from services; at 1.5% on sales of materials; at 10% on interest, dividends and royalties	Straight-line based on type of asset with rates ranging 2% to 25%	Special provisions for holding companies and offshore companies

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	CORPORATE	INDIVIDUAL	VAT				
Liechtenstein	7.5% – 15%	1% – 17%	7.6%	Income, VAT, excise, import duties, stamp duty	No income tax for registered companies not conducting business in Liechtenstein; however, capital tax of 0.1% imposed with a minimum tax of SF1,000. No withholding tax	Numerous methods and rates ranging from 3% to 40%	Holding and domiciliary companies only subject to capital tax of 0.1%
Luxembourg	20% – 30.38%	8% – 38.95%	3% – 15%	Income, municipal business, net worth, capital contribution, excise duties, import, general registration, VAT	Commercial net income and property income; minimum 15%. Withholding tax of 20% on dividends and 10% – 12% on royalties	Rates 10% – 25% for equipment. 1.5% – 4% for buildings	Tax incentives for holding companies, reinsurance companies, film/movie production, finance companies and headquarters of industrial companies employing a number of staff
Malaysia	28%	1% – 28%	–	Income, capital gains on real property, sales, service, excise, import duties, stamp duties	Income tax on income accruing in or derived from Malaysia at 28%. Withholding tax of 28% on dividends and 10% – 15% on interest, rents and royalties, entertainers, certain fees and rental of tangible property	Depreciation in first year from 10% to 20%. In subsequent years, annual depreciation at rates varying from 3% to 40%	Labuan Tax Haven – Income tax at 3% on net audited profit of offshore companies trading in Labuan or a lump sum of RM20,000 on election. Tax incentives available for Malaysian-promoted activities, reinsurance and offshore insurance businesses, approved operational headquarters companies and foreign fund management companies

Malta	35%	0% – 35%	15% – standard 5% Accommodation Certain items e.g. food, medicines are exempt	Income, capital gains, VAT, excise and stamp duties	Income tax on income arising in Malta of 5% – 35%. Withholding taxes of 25% – 35% on dividends, rents and royalties	First year allowance 10% – 20%; annual depreciation of 5% – 20% on declining balance. 2% straight-line on hotels and industrial buildings	Reduced rates of income tax for qualifying companies of 5%-up to 7 years, 10% following 6 years and 15% following years. Substantially reduced rates for international companies. E.U. imports exempted from excise duty
Mexico	35%	3% – 40%	15%	Income, tax on assets (minimum income tax), VAT, import duties, etc	Withholding tax on dividends 5%; salaries 15% – 30%; fees 21%; rents 21%; interest 4.9% – 40%; sale of real property and shares 20% (or 40% on the profits). Estate taxes on property located within Mexico	Indexed (for inflation). Straight-line rates ranging from 5% to 100%	States may impose supplementary payroll tax (2%) and other taxes
Netherlands	30% – 35%	25% – 52%	6% – 19%	Income, payroll, property, death duties, VAT, import duties, excise, estate	Income taxes on effectively connected income. Property tax on estates located within the Netherlands. Withholding tax of 25% on dividends	Dependent on economic period of use	No local income tax.
New Zealand	33%	19.5% – 39%	12.5% Goods and Services Tax	Income, goods and services tax, fringe benefit taxes, gift, stamp, import and excise duties	Withholding tax 10% – 30% on interest, dividends and royalties. As an alternative to payment of withholding tax on interest, non-residents can elect to pay a 2% levy on interest earned from deposits with approved financial institutions	Numerous rates ranging from 1.5% to 100%. Methods available include straight-line and diminishing value	Local authorities impose property taxes (rates) on property located in their regions

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	CORPORATE	INDIVIDUAL	VAT				
Nigeria	10% – 30%	5% – 25%	5%	Income, capital gains, VAT, customs and excise, education tax	Capital gains tax on assets in Nigeria. 5% – 10% withholding tax on income derived in Nigeria	Straight-line method at various rates. One-off initial and investment allowances at various rates	States collect tax from their residents. States can and do impose personal tax. 2% education tax imposed on net profits. Petroleum profits tax rates range from 65.75% to 85%
Norway	28%	28% – 52.6%	24%	Income, wealth, estate, payroll, duties on imports, VAT	Income taxes etc. on income from permanent establishment – on same basis as Norwegian citizens. Withholding tax of 28% on dividends	Rates from 2% to 30%	Some special rates etc. for Northern part of Norway and Svalbard
Pakistan (Islamic Republic of)	<u>General Business</u> 33% – 58% (Minimum 0.5% on sales) <u>Supplies, Services and Contracts</u> 3.5% – 5% of sales <u>Dividends</u> 5% – 20% <u>Modaraba</u> 25%	<u>General Income</u> 5% – 35% For salary cases, rates apply on gross package when income exceeds Rs.300,000 <u>Supplies, Services and Contracts</u> 3.5% – 5% of sales <u>Dividends</u> 10%	15% Sales Tax (if sale is made to unregistered persons 18%) Service sector is exempt, except certain categories	Income, sales, property, customs, professional tax	Income tax on Pakistan-source. Dividends and interest 10%; royalties and technical services 15%; other payments 30%; technical contracts 4% – 8% of value	5% – 20% Double and triple shifts as also extra depreciation for initial, first year and re-investments allowed. Full rentals on capital leases are deductible	Almost all taxes are withheld. Important transactions must be channalized through banks. Tax incentives for exporters. Special tax rules for insurance and petroleum companies. More than 80% withholdings become final taxes

Panama	30% – 34%	4% – 30%	5% Sales Tax	Sales, income, payroll, land sales tax, tax on vehicles, capital gains, capital transfers	Tax on all income derived in Panama. Withholding taxes of 10% on dividends and royalties	Straight-line based on type of asset with rates ranging 3% – 33%, sum-of-the-years-digits method, man hours, machine hours, accelerated depreciation	Incentives available to offshore companies
Papua New Guinea	25% – 50%	10% – 47%	1% – 6.5%	Income, VAT, salary, withholding, training levy, stamp duties, import duties	Tax on income from PNG sources. Withholding tax on interest (15%), dividends (17%) and royalties (10% – 30%)	Various rates from 2% to 22.5% for buildings to 30% for vehicles. Flexible rates up to 100% for selected industrial sectors	
Peru	30%	15% – 30%	18% Sales Tax	Income, imports, housing, property, vehicles	Corporations – 30% tax on total income; individuals – 30% tax on 80% of total income	Generally, straight-line method. Buildings – 3%; vehicles – 20%; automation/computer equipment – 25%; machinery and equipment – 10% – 20%	Small companies (classified by sales volume) are not subject to the sales tax (18%) nor to the profit tax. They have a special and simplified tax system instead
Philippines	32% minimum corporate income tax of 2% of gross income for domestic and resident foreign corporations	5% – 32%	10%	Income, capital gains, VAT, inheritance and gifts, import duties, documentary stamp tax, motor vehicle tax	Income taxes on Philippine-source income. Withholding tax on interest (20%) and dividends (32%); Branch Profit Remittance Tax of 15%; tax on forex deposit interest is limited to 7.5%	Any method of depreciation is allowed as long as it is reasonable and consistent	Local governments assess realty, mining and amusement taxes; fiscal incentives available in Special Economic Zones and for certain businesses

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	CORPORATE	INDIVIDUAL	VAT				
Poland	28%	19% – 40%	7% – 22%	Income, withholding taxes, VAT, inheritance and gifts, payroll taxes	Income tax on Polish-source income. Withholding tax of 20% on dividends, interest and royalties	Buildings 2.5% – 4.5%. Tangible assets 7% – 30%	
Portugal	20% – 32% Additional municipal withholding tax may apply at rates up to 10%, depending on location.	14% – 40%	5% – 17%	Income, real estate transfer tax, inheritance and gifts, VAT, stamp tax, import duties	Income taxes on income from Portuguese sources. Estate taxes on property located within Portugal. Inheritance and gift tax on the transmission of goods located within Portugal. Withholding tax on interest (10% – 20%), dividends (5% – 30%) and royalties (5% – 15%)	Straight-line and declining-balance methods. Rates ranging from 2% – 50%	Portugal has two international offshore centres in Madeira and Azores. Companies established there are covered by the double tax treaties signed in Portugal.
Puerto Rico	20% – 39%	8% – 33%	–	Income, alternative minimum tax, capital gains, inheritance and gifts, payroll and property	Income taxes on Puerto Rican-source income and effectively connected income. Withholding tax of 10% – 29% on dividends and royalties	Straight-line and accelerated methods. Buildings 35 years. Machinery 10 – 20 years	Tax incentives programme – up to 90% of the income may be exempt
Romania	5% - 25%	18% - 40%	19%	Income, payroll, real estate, import duties, stamp duties, capital gains, excise, VAT	Income taxes on income from Romania. Range 10% - 15%. Special benefits are given when double-tax treaties apply	Three methods; straight-line, declining-balance and accelerated. Mainly straight-line. Useful lives from 3 to 50 years (buildings)	Local authorities impose property taxes on property located in their regions (tax on buildings, land, etc.)

Russia	24%	13% on dividends 6%, for residents on interest and prizes 35%	10% – 20%	Income, VAT, payroll, capital assets, stamp duties, road tax, inheritance and gift	Business income and dispositions of certain property within Russia. Withholding tax 30% on interest, dividends, rents and royalties for Natural persons. For Juridical persons with the permanent presentation 24%. Freight 10%, dividends and interests 15%, others 20%	Straight-line method and rates ranging from 1.5% – 40%	Local taxes may be imposed
Singapore	24.5%	3% – 26% (with rebates where applicable)	3% Goods and Services Tax	Income, goods and services, estate duty, property, stamp duty, road tax, foreign workers/skill development levies, duties on film hire, betting/sweepstakes, private lotteries, import and excise, et al	Exemption from tax on certain interest income. Withholding tax at 15% on royalties; 10% – 15% on interest; 5% – 15% on profit on real property transactions within 3 years of acquisition and at 25.5% on other Singapore-sourced income. Non-resident employees (excluding company directors) assessed at 15% flat rate or resident rates, whichever is higher	Numerous methods and rates ranging from 3 to 16 years. Automation/computer equipment enjoys 1 year write-off. Industrial buildings up to 25 years	Tax incentives are available. No capital gains tax but gains from sale of real property within 3 years of its purchase will be subject to tax and additional stamp duty
Slovakia	29%	15% – 42%	10% – 23%	Income, VAT, payroll, inheritance and gift, customs duties, road tax	Withholding tax of 15% on dividends and interest paid to individuals and 25% on royalties	Straight-line or accelerated method	
Slovenia	25%	17% – 50%	8% – 19%	Income, corporation, social security, VAT	Withholding tax of 15% on dividends	Straight-line method and rates ranging from 5% to 50%	

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	CORPORATE	INDIVIDUAL	VAT				
South Africa	30%	19% – 45%	14%	Capital Gains Tax became effective 1 October 2001. Minimal exemptions, mainly first R1m profit on private residence, certain personal assets and amounts subject to income tax. Relief for all assets held before that date on an apportionment basis. 25% inclusion rate for individuals and 50% for other tax payers. Maximum effective rates 10.5% for individuals, 15% for companies and 21% for trusts. Non-residents are taxable on domestic property and business disposal profits	Income from a source deemed to arise within South Africa is taxable. Withholding tax on royalties of 12%. Effective January 1, 2001, RSA residents are taxable on worldwide income	Straight-line and declining balance methods. Only certain buildings depreciable. Certain manufacturing equipment depreciable over 5 years	Local income taxes based on payroll and turnover of approximately 0.3%. 12.5% secondary tax on dividends paid; retirement fund industry tax (25%)
Spain	30% – 35%	18% – 48%	16%	Income, wealth, VAT, inheritance and gifts, transfers and transactions, social security and health insurance, special taxes (alcohol, tobacco, hydrocarbons, etc.)	Corporations – without permanent establishment – 25%, with permanent establishment – 35%, Individual – 25%. Withholding tax on royalties – 25%. Withholding tax on interest and dividends – 18%	Several methods may be applied. Rates: Buildings – from 1% to 3%. Other assets – from 8% to 25%	Urban property, rural and farm lands, business activities tax, Municipal location tax
Sweden	28%	27% – 60%	6% – 25%	Income, estate, wealth, excise duties, payroll, VAT, import duties, inheritance and gifts, et al	Income taxes on effectively connected income for individuals at 25%, and for corporations with a permanent establishment at 28%. Withholding	Machinery and equipment 30%. Declining balance method. Buildings 2% – 5%. Straight-line method	

tax at 30% on dividends; estate taxes on property located within Sweden

Switzerland	7.8% – 27%	6% – 46%	7.6%	Income, wealth, VAT, excise, import duties, stamp duty, inheritance and gifts, etc	Income taxes on effectively connected income; inheritance and property taxes on property located within Switzerland. Withholding tax on dividends of 35%	Numerous methods and rates ranging from 3% to 40%	Each canton may impose its own direct taxes. Tax incentive programmes available for new and existing companies depending on business location. Special provisions for holding, domiciliary, trading and service companies. Favourable tax assessment for retired foreign people
Taiwan (Republic of China)	15% – 25%	6% – 40%	5%	Income, VAT, payroll, land value tax, estate and gifts, import duties	Income taxes on income effectively connected from Taiwan sources. Withholding taxes of 20% – 35% on interest, dividends and royalties	Straight-line, declining balance, working hour methods, depreciable lives prescribed by government	Certain capital gain transactions are totally/partially tax-free. Tax incentive programmes
Tunisia	10% - 35% (with minimum income tax)	0% - 35%	6% - 29%	Income, VAT, payroll, social security, import duties, consumption duty, duties on real estate transactions, motor vehicle tax, stamp duties	Tax on income from Tunisian sources and activities. Withholding tax of 15%. These revenues having supported the withholding tax are waived from any supplemental income tax payment	Straight-line and declining balance methods. Rates vary from 2% to 33.33%. Possible accelerated rate method in specific cases	Total tax holiday for export companies. Tax incentives for foreign direct investment. Tax incentives available for hotels and agriculture. Incentives for certain regions of the country. Duty free zones
Turkey	33%	15% – 45%	18%	Income, VAT, estate, sales, payroll, import duties, stamp duties, user fees	Income taxes on effectively connected income. Estate taxes and property taxes on property located within Turkey. Withholding tax of 5% – 22% on interest, dividends, rents and royalties	Straight-line and reducing balance method ranging from 2% to 40%	Sundry municipality taxes, operation permit taxes, advertisement taxes, etc

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Uganda	30% (Minimum tax of 1% of gross revenue of Shs. 20 – 50 million)	10% – 30%	17%	Income, VAT, excise, import duties	Income taxes on trade business. Withholding tax of 15% on interest, dividends, royalties and management charges	Declining balance method on machinery at rates ranging from 5% – 40%. Straight-line at 5% on industrial buildings	Incentives to investors – initial allowance up to 75% on plant and machinery. This allowance reduces the cost basis for calculating annual depreciation
United Kingdom	10% – 30%	10% – 40%	17.5%	Income, capital gains, inheritance taxes, VAT, excise, import and stamp duties	Income taxes on U.K.- source income. Withholding tax of 22% on rents, royalties and sports/entertainment income, 20% on interest, 10% on dividends	Generally, 25% machinery on reducing balances, and 4% industrial buildings and hotels on cost. Some enhanced rates in special circumstances	No local taxes except Unified Business Rates on occupation of property based on rental values
United States	15% – 35%	10% – 38.6%	–	Income, alternative minimum tax, estate and gifts, capital gains, sales, excise, payroll, user fees, import duties, et al	Income taxes on effectively connected income. Estate taxes on property located within U.S. Withholding tax of 30% on interest, dividends and royalties	Numerous methods and write-off ranging from 3 years to 39 years	Each of the 50 states (and some jurisdictions within each state) may impose its own income, estate, sales, payroll and other taxes
Venezuela	1% – 34%	6% – 34%	8% – 16.5%	Income, VAT, assets, payroll, social insurance, stamp duties, vehicles, import duties	Venezuelan-source income taxed at 34%. Withholding tax of 1% – 34% on interest, rents and royalties	Any method of depreciation is allowed as long as it is reasonable and consistent. Indexed (for inflation)	Local taxes may apply

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