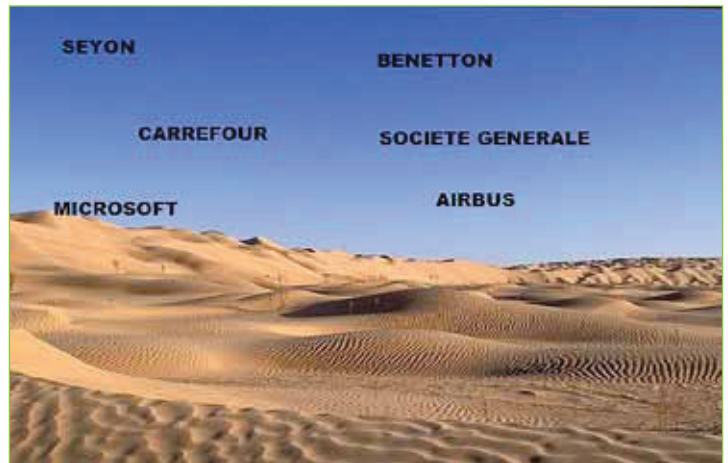




areas, such as exports as well as investments in developing areas, as examples. Thereby, fully exporting companies are subject to corporate income tax of 10%, after 1 January 2011, except for companies already active at that date as well as companies settled in regional development zones which benefit from a full tax exemption on profits for the first 10 years. In addition exporting companies are fully exempted from VAT and customs. It is worth noting that

dividends are also exempt from income tax and that Tunisia has signed Double Taxation Agreements with more than forty countries. Other incentives relating to social security exemption and state bonuses on investments are also provided subject to conditions.

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TUNISIA : Sea, Sun ...and what else?

Tax Haven Germany

By Oliver Biernat

This is not a joke! Many people might not be aware of the fact that Germany is no longer a high-tax country. Germany offers a lot of tax and subsidy incentives for investors and the tax burden for corporations has been reduced impressively since 2008. Together with the economic wealth, high standard of living, very efficient infrastructure, excellent engineering and high precision manufacturing, Germany is not only an attractive place for selling your products, but also for research & development and for production of quality products.

Here are some examples which might convince you that Germany is a tax haven:

In 2008 Germany reduced its corporate tax rate from 25% to 15%. If you add local trade tax and solidarity surcharge, you will obtain a total tax burden of about 30.9 % which is frequently used in many country comparisons establishing Germany somewhere in the



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mid-range. However, this total tax burden - true for big cities - neglects the fact that many multinational companies tend to be located in the outskirts or in rural areas where they profit from government subsidies for job creation and lower trade tax. Tax burden for corporations might then sink to only 22.83%.

Unlike many other countries, German tax law offers to deduct a lot of costs from the tax base. Losses can be carried forward and backwards within certain limits and by using fiscal unity it is possible to net profits and losses and

a group just pays taxes on the net amount of all German corporations.

Germany is also very attractive for holding companies. Corporations pay only 5% tax on dividends received from other corporations and on capital gains from the sale of other corporations resulting in an effective tax of just 1.1- 1.6%. According to the parent subsidiary directive no withholding tax will be levied on distributed dividends from German subsidiaries to parent companies in other EC Member states and under the conditions stated in the domestic law implementing the provisions of the EC Interest and Royalties Directive, outbound interest and royalty payments are exempt from withholding tax.

It should also not be neglected that Germany has double taxation treaties on income with 88 countries, thus avoiding double taxation with all major countries. So, withholding tax on dividends received from or payable to shareholders of other countries is often reduced or even zero.

Thin capitalisation rules can be avoided by most companies as a safe haven of EUR 3 million is granted for excess interest expenses. Real estate transfer tax can be avoided quite easily by purchasing only 94.9% of a property and the remaining part after 5 years.

Last but not least, no wealth tax and none of the following transaction taxes are levied in Germany: lease of land and buildings, stamp duty, shares, immaterial goods, stock-exchange transfer tax.

Be honest, if you add all taxes and fees in your country, isn't Germany really a tax haven?

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