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TAX

Corporate and Indirect Tax Survey 2011

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Each year KPMG International strives to make this Corporate and Indirect Tax Survey a better product for all our stakeholders.

As such, year-over-year you will note that we have many improvements.

Please note the following when reviewing the information in this report.

As always, for a more detailed analysis and information, please contact your local KPMG corporate or indirect tax professional.

- Information is current as of time of printing and the report and data presented is intended only to be a snapshot in a particular time frame. Changes to rate information following 1 March 2011 for corporate tax and 1 October 2011 for indirect tax, will be reflected in future annual reports. For the latest rates please visit the new online rate tool www.kpmg.com/taxrates.
- Corporate and indirect rate data have been provided and verified by participating KPMG member firms.
- Where blanks appear for corporate and indirect tax rates of a particular country, this indicates that the country did not contribute to and participate in the report for that year.
- Average corporate and indirect tax rate calculations have been based on the data within each year to accurately reflect year-over-year changes.
- Countries have been assigned to their sub-region based on United Nations definitions.
- The Netherlands Antilles ceased to exist on 10 October 2010. Before then, the Netherlands Antilles consisted of Curaçao, St. Maarten, Bonaire, St. Eustatius, and Saba, and formed, together with the Netherlands and Aruba, the Kingdom of the Netherlands. Since 10 October 2010, Bonaire, St. Eustatius and Saba, also referred to as the BES islands, have, as public entities, become part of the Netherlands. Curaçao and St. Maarten obtained the autonomous status ("status aparte") and became separate countries within the Kingdom of the Netherlands. This report and our calculations reflect this change with the addition of the three new countries.
- Bosnia and Herzegovina consists of two separately administered territorial entities: Federation of Bosnia and Herzegovina (FBiH) and Republic of Srpska (RS), which impose different corporate profit tax laws and regulations. As of 2008, the tax rate in both the FBiH and the RS is 10 percent. This report and our calculations for corporate tax rate separate FBiH from RS.
- Footnote and rates provided by KPMG member firms. All charts and graphs are produced by KPMG International, 2011.

Contents

Introduction	02
Corporate Tax Rates 2011	06
Corporate Tax Rates Footnotes	09
Corporate Tax Rates 2006–2011	22
Indirect Tax Rates 2011	27
Indirect Tax Rates Footnotes	30
Indirect Tax Rates 2006–2011	47
Appendix	52
Averages	66

22.96%

From 2010 to 2011, the average corporate tax rate fell slightly to 22.96 percent.

Average indirect tax rates have been stable, hovering at or near the 2011 average of 15.47 percent.



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Introduction

Corporate versus Indirect Taxes – Global Re-balancing Continues

Our 2011 survey of the world's corporate and indirect tax rates continues the story told in earlier years. Corporate tax rates have been steadily falling for a decade in many countries, while value added tax and goods and services tax (VAT/GST) systems have proliferated across the globe, rising each year to higher rates and applying to more items as indirect tax systems mature.

Some commentators have wondered if these dual trends were temporary anomalies that would reverse over time. Based on our reading of this year's survey results, the chance of a return to the pre-2000 status quo is remote and the global re-balancing of corporate and indirect taxes will continue. International businesses should ensure they have the right mix of income tax and VAT/GST management resources in place to stay ahead of this long-term trend.

Corporate tax cuts about to hit bottom?

The world's average corporate tax rate has fallen in each of the past 11 years, from 29.03 percent in 2000 to 22.96 percent in 2011.

Regionally we see that:

- The Asia Pacific Region average rate went from 23.96 percent in 2010 to 22.78 percent in 2011.
- The Latin America region went from 25.33 percent in 2010 to 25.06 percent in 2011.*
- North America went from 23.67 percent in 2010 to 22.77 percent in 2011.
- Oceania went from 24.17 percent in 2010 to 23.83 percent in 2011.
- Europe was the only region where we saw a slight increase – from 19.98 percent in 2010 to 20.12 percent in 2011.
- The Africa Region remained flat.

Based on these results, it seems certain that the decade-long era of sharply declining corporate tax rates is almost behind us.

VAT/GST rates continue to climb

Average indirect tax rates at the global level have been stable, hovering at or near the 2011 average of 15.41 percent for the past three years. Excluding the countries that do not charge VAT/GST, we found:

- The Africa region saw its average VAT/GST rate rise from 13.91 percent in 2010 to 14.17 percent in 2011, while the average rate in Asia rose from 11.64 percent in 2010 to 11.73 percent in 2011.

*The movement in the average is driven by the addition of Trinidad and Tobago to the survey this year as well as the BES Islands.

- Oceania's average rose from 12 percent in 2010 to 12.5 percent in 2011.
- Latin America bucked the trend, if only slightly, by dropping from 13.90 percent in 2010 to 12.78 percent in 2011.
- Europe saw its average VAT rate rise slightly from 19.67 in 2010 to 19.71 percent in 2011.*

Europe's average VAT rate has hovered around its current rate for the past six years. The region's relatively high but stable average bears out a common pattern. New VATs are usually introduced at lower rates, but as business and consumers come more conditioned to accepting them, VAT rates tend to climb and the goods and services to which they apply tend to expand. Europe's VAT systems are among the world's most mature, and so its relatively high average rates are not surprising. As we note below, however, a country's headline VAT/GST rates is only a starting point for comparing indirect tax costs in different countries.

Politics versus economics in tax policy

Governments are increasing their reliance on VAT/GST systems for economically sound reasons. Compared to income taxes, VATs are less affected by economic ups and downs and thus more stable, their revenue bases are less mobile, and their real-time collection provides a steadier revenue stream.

But political concerns drive tax policy as much or even more than economic ones. In many countries, the policy reasons for cutting corporate taxes are purportedly based on making the

country more competitive to foreign investment. Debates on the issue are quick to polarize, with those promoting a country's ability to compete lining up against those wanting to ensure that big companies pay tax on their profits.

As the end of the decade-long trend approaches, year-over-year corporate tax rate cuts have become much smaller. This suggests that many countries believe they have achieved competitiveness and that public opinion will not support any more sharp declines. By continuing to promote smaller corporate tax cuts, however, today's governments can attract investors with promises that would have only minimal budgetary impact if implemented.

Reducing income based taxes, including corporate income taxes, can have other political and competitiveness implications:

- **Social change.** In favoring consumption and indirect taxes over income taxes, governments are changing their ability to use taxes to promote policies of social change, and they may need to adopt other approaches. Governments have less scope to use income tax as a policy lever, for example, to redistribute wealth to lower-income citizens and smaller businesses through graduated tax rates, income-tested deductions, and similar measures. VAT/GST regimes can also drive social change through targeted exemptions, reduced rates, refunds, credits, and other special schemes. However, some argue that it is simpler and more efficient to tax all consumption and to pursue social policy goals through more direct subsidies such as social welfare payments and grants.

*It is worth noting that this year, Liechtenstein is included in the Europe region. Since the local standard VAT rate is substantially below the regional average rate, it has an impact on the average. Without the inclusion of Liechtenstein, Europe's average rate would rise slightly to 20 percent, which is in line with the regional developments.

- **Existing investors.** To foreign investors, a government's credibility and consistency are as important as its statutory tax rates. Cutting nominal corporate income tax rates may attract new offshore investors but may penalize existing ones if the effective tax rate increases. Long-term foreign investors may have tax plans in place that hinge on steady effective tax rates (for example, plans involving depreciable assets and deductibility of financing costs). Unpredictable changes in a tax system can disrupt these plans and even prompt investors to undo their existing structures. Attempts to finance corporate cuts with base-broadening measures – like recent moves to deny previously-available interest deductions and depreciation on fixed, intangible assets – may also displease this group.
- **"Imputation" systems.** In reducing corporate income taxes, policy makers need to keep an eye out for the effects at the shareholder level. Many

country's income tax systems were based on the concept of "imputation" (or "integration"). Under these policies, shareholders get a form of credit for the underlying tax paid at the level of the corporation. Now, with many countries moving from imputation systems to "classical systems" that give no credit for underlying taxes at the individual shareholder level, the ultimate effect of a corporate income tax rate reduction on the shareholder's effective tax rate can be less than expected at first glance.

While global movements in average corporate income and VAT/GST rates provide a glimpse of the big picture, one needs to dig deeper where individual countries and taxpayers are concerned. To make valid cross-country comparisons, rates of tax are just a starting point: what really counts are the gross amounts of income tax paid and collected and the company's gross VAT/GST throughput, which is the total of its global sales, purchases and VAT/GST remittances.

Managing the rising VAT/GST compliance burden

As the global shift toward indirect taxation continues, businesses will encounter more challenges in achieving full compliance and more pressure on their resources and cash flow. Despite this pressure, global companies need to achieve a difficult balance between managing their indirect tax risk and creating value. Those companies that get the balance right stand to reduce their risk, add more value, and gain competitive advantage.

Results of *The KPMG Benchmark Survey on VAT/GST* show that the indirect tax function remains under-resourced, under-measured and under-managed in most organizations. Given the huge number of VAT transactions that global companies need to handle,

there is no doubt that businesses are missing significant opportunities – to improve cash flow, reduce costs, improve business processes, and enhance the bottom line.

Through our work with leading organizations worldwide, along with our benchmarking studies and analysis, KPMG International has developed a framework for effective and efficient VAT/GST management. The framework entails developing a set of clear, commonly understood policies that identify the key tax risks throughout the organization and offer insight for their mitigation and management. For details of this framework, please see the KPMG International publication *Driving Indirect Tax Performance*.

Many multinational companies are managing over \$5 billion in global VAT/GST throughput annually. The complexities of managing VAT/GST throughput on this scale have much bigger impact on the company's cash flow, costs and profitability than the VAT/GST rates in effect where the company operates.

Further, for a truer picture of a company's VAT/GST costs, the average rates need to be weighted by each country's size.

Practically speaking, the amount of tax payable due to an increase in UK VAT, for example, is far more significant than changes in other countries. As a result, the effective VAT cost and throughput of global companies is likely climbing higher than the unweighted average rates show.

Corporate income tax rates based on profits, which are computed in most countries along similar lines, are perhaps

more comparable. Again, however, differences in the tax base and the availability of incentives and concessions can greatly impact on a company's corporate tax bill. Further, as corporate tax rates have fallen, many countries have taken steps to widen their corporate tax bases, for example, by restricting deductions for interest and disallowing the opportunities to offset previous year's losses against current year's profits.

Beyond corporate income taxes and VATs, other payroll, property, sales and other taxes may apply. International companies should analyze all of these costs carefully and how they interact. Planning that factors in the total tax costs of activities, assets and income by location can reduce an organization's worldwide tax bill considerably.

Green taxes – The next trend?

While potential moves toward green taxes continue to make headlines, any widespread adoption seems to have stalled. Recovery from the financial crisis has been slow and remains uncertain. To avoid the risk that new taxes on carbon, fuel and electricity could hamper struggling businesses and create inflationary pressure, many countries have put their green tax plans on hold. How long this situation will last remains to be seen.

Why governments find green taxes tempting is understandable. Such levies tend to play well with the public, and so they offer a politically easy, potentially lucrative source of new revenues at a time when they are much needed. However, governments should consider the implications of such new taxes carefully and not rush to adopt them out of political expedience.

In our experience, green taxes are rarely invested back into the environmental improvements for which they were intended; they are

just as likely to wind up mingled with a government's general revenues. Like so-called sin taxes on tobacco and alcohol, it is not known how far green taxes actually go in defraying social costs and promoting desired behaviors. There is plenty of proof, however, that governments can quickly become dependent on the revenues that result.

As instruments of tax policy, appropriately designed environmental taxes can play an important role. For example, China's new five-year plan, introduced in March 2011, sets out its intention to adopt a new environmental tax and overhaul its current resource taxes as part of a bigger package of reforms designed to conserve resources, encourage local consumption and foster a more sustainable tax base.

Until the recovery takes hold, we encourage governments to use the current pause to ensure that any new green taxes they adopt are part-and-parcel of an integrated and comprehensive national tax policy.

Corporate income tax rates based on profits, which are computed in most countries along similar lines, are perhaps more comparable.

Corporate Tax Rates 2011

Sub Region	OECD	Country	2011 (%)
South Central Asia		Afghanistan	20
Southern Europe		Albania	10
Middle Africa		Angola	35
South America		Argentina	35
Western Asia		Armenia	20
Caribbean		Aruba	28
Australia and New Zealand	Member	Australia	30
Western Europe	Member	Austria	25
Caribbean		Bahamas	0
Western Asia		Bahrain	0
South Central Asia		Bangladesh	27.5
Caribbean		Barbados	25
Eastern Europe		Belarus	24
Western Europe	Member	Belgium	33.99
North America		Bermuda	0
Caribbean		BES Islands	0
Southern Europe		Bosnia and Herzegovina	10
Southern Africa		Botswana	25
South America		Brazil	34
Eastern Europe		Bulgaria	10
North America	Member	Canada	28.3
Caribbean		Cayman Islands	0
South America	Member	Chile	20
Eastern Asia		China	25
South America		Colombia	33
Central America		Costa Rica	30
Southern Europe		Croatia	20
Caribbean		Curaçao	34.5
Western Asia		Cyprus	10
Eastern Europe	Member	Czech Republic	19
Northern Europe	Member	Denmark	25
Caribbean		Dominican Republic	25
South America		Ecuador	24
Northern Africa		Egypt	20
Northern Europe	Member	Estonia	21
Australia and New Zealand		Fiji	28
Northern Europe	Member	Finland	26
Western Europe	Member	France	33.33
Western Europe	Member	Germany	29.37
Southern Europe		Gibraltar	10

Sub Region	OECD	Country	2011 (%)
Southern Europe	Member	Greece	20
Central America		Guatemala	31
Western Europe		Guernsey	0
Central America		Honduras	35
Eastern Asia		Hong Kong	16.5
Eastern Europe	Member	Hungary	19
Northern Europe	Member	Iceland	20
South Central Asia		India	33.22
South Central Asia		Indonesia	25
Northern Europe	Member	Ireland	12.5
Northern Europe		Isle of Man	0
Western Asia	Member	Israel	24
Southern Europe	Member	Italy	31.4
Caribbean		Jamaica	33.33
Eastern Asia	Member	Japan	40.69
Western Asia		Jordan	14
South Central Asia		Kazakhstan	20
Eastern Asia	Member	Korea, Republic of	24.2
Western Asia		Kuwait	15
Northern Europe		Latvia	15
Northern Africa		Libya	20
Northern Europe		Lithuania	15
Western Europe	Member	Luxembourg	28.8
Eastern Asia		Macau	12
Southern Europe		Macedonia	10
South Eastern Asia		Malaysia	25
Southern Europe		Malta	35.00
Eastern Africa		Mauritius	15
Central America	Member	Mexico	30
Southern Europe		Montenegro	9
Eastern Africa		Mozambique	32
Western Europe	Member	Netherlands	25
Australia and New Zealand	Member	New Zealand	28
Western Africa		Nigeria	30
Northern Europe	Member	Norway	28
Western Asia		Oman	12
South Central Asia		Pakistan	35
Central America		Panama	25
Melanesia		Papua New Guinea	30
South America		Paraguay	10

Corporate Tax Rates 2011

Sub Region	OECD	Country	2011 (%)
South America		Peru	30
South Eastern Asia		Philippines	30
Eastern Europe	Member	Poland	19
Southern Europe	Member	Portugal	25
Western Asia		Qatar	10
Eastern Europe		Romania	16
Eastern Europe		Russia	20
Polynesia		Samoa	27
Western Asia		Saudi Arabia	20
Southern Europe		Serbia	10
South Eastern Asia		Singapore	17
Eastern Europe	Member	Slovak Republic	19
Southern Europe	Member	Slovenia	20
Southern Africa		South Africa	34.55
Southern Europe	Member	Spain	30
South Central Asia		Sri Lanka	35
Caribbean		St Maarten	34.5
North Eastern Africa		Sudan	35
Northern Europe	Member	Sweden	26.3
Western Europe	Member	Switzerland	21.17
Eastern Asia		Syria	28
Eastern Asia		Taiwan	17
Eastern Africa		Tanzania	30
South Eastern Asia		Thailand	30
Northern Africa		Tunisia	30
Western Asia		Turkey	20
Eastern Europe		Ukraine	25
Western Asia		United Arab Emirates	55
Western Europe	Member	United Kingdom	28
North America	Member	United States	40
South America		Uruguay	25
Melanesia		Vanuatu	0
South America		Venezuela	34
South Eastern Asia		Vietnam	25
Western Asia	Member	Yemen	20
Eastern Africa		Zambia	35
Eastern Africa		Zimbabwe	25.75
Average			*22.96

Source: KPMG International, Corporate and Indirect Tax Survey 2011.

*Average rate includes zero rate countries. Excluding zero rate countries average is 24.64 percent for 2011.

Corporate Tax Rates 2011 – Footnotes

Afghanistan (2011 rate = 20%)

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.

Albania (2011 rate = 10%)

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, cost of fringe benefits and voluntary pension contributions. Setting up reserves does not lead to tax deductible expenses, except for banks and insurance companies. Dividends derived by qualifying companies are tax exempt.

Argentina (2010 rate = 35%)

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) are also excluded from minimum income tax. The minimum income tax only applies to the extent it exceeds the (regular) income tax calculated as a percentage 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).

Australia (2010 rate = 30%)

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 2009 in lieu of 30 June 2010).

The Australian Government has proposed to reduce the corporate income tax rate to 29 percent from 2013-14. The corporate income tax rate will be cut to 29 percent for certain small business companies from 2012-13. However, none of these changes have been legislated to date.

Austria (2011 rate = 25%)

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)

Corporate Tax Rates 2011 – Footnotes

Bahamas (2010 rate = 0%)

No taxes based on corporate earnings are assessed in the Bahamas. Effective 1 January 2011 the general rate of the Business License tax is 0.75 percent of turnover exceeding \$500,000.

Bahrain (2011 rate = 0%)

Bahrain is an income tax-free country, there is no corporate or personal income tax in Bahrain (except for 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.

Bangladesh (2010 rate = 27.5%)

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 case 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, then 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.

Barbados (2011 rate = 25%)

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 1 percent to 2.5 percent for other qualifying international business activities.

Belarus (2011 rate = 24%)

The standard corporate profit tax (CPT) rate in Belarus is 24 percent. Reduced rates are 12 percent (applied for dividends; sales of shares; sales of self-produced high-tech goods, works and services); 10 percent (for production of laser and optical equipment; for companies located in science and technology parks); 5 percent (for registered members of the Science and Technology Association established by the State University). Some parts of profit are exempt from taxation, such as the profit from i) production of baby food, ii) livestock production, iii) crop and fish farming, and iv) profit used to finance capital investments. For special economical zones the CPT rate may be reduced to 12 percent if certain special requirements are met.

Belgium (2011 rate = 33.99%)

A lower tax rate applies 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 3.425 percent (3.925 percent for small companies) for fiscal year 2012 (taxable years starting 1 January 2011 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).

Bermuda (2011 rate = 0%)

There are no notes for 2011.

Bosnia and Herzegovina (2011 rate = 10%)

Bosnia and Herzegovina consists of two separately administered territorial entities: Federation of Bosnia and Herzegovina (FBiH) and Republic of Srpska (RS) with different corporate profit tax laws and regulations. As of 2008, the corporate profit tax rate in both the FBiH and the RS is 10 percent. In both entities, dividends received are generally not subject to corporate profit tax. Tax incentives envisaged in the FBiH include allowing for a tax holiday for the 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.

Botswana (2011 rate = 25%)

The corporate income tax rate is split into a 15 percent company tax and a 10 percent additional company tax (ACT). The ACT can be used to offset any withholding tax payable on dividend distributions. ACT unused after a period of five years will be lost. This arrangement can limit the overall corporate income tax levied on both the company and the shareholder to 25 percent. Lower company tax rates are available for manufacturing entities (5 percent). An approved International Financial Service Center entity is only liable for company tax and not for ACT. Mining entities (with the exception of diamond mining) are taxed at a rate between 15 percent and 45 percent (excluding ACT). Diamond mining taxation is negotiated with the government.

Brazil (2011 rate = 34%)

The corporate income tax (IRPJ) rate is 25 percent, which is a combination of a 15 percent basic rate and a 10 percent surtax on income that exceeds BRL 240,000 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.

Canada (2011 rate = 28.3%)

The 2011 general corporate income tax rate of 28.3 percent comprises of a 16.5 percent federal tax component and an 11.8 percent provincial tax component. Depending on the province, the 2011 combined general corporate income tax rate ranges from 26.5 percent to 32.5 percent (21.5 percent to 32.5 percent for manufacturers).

Lower corporate income tax rates are available to Canadian-controlled private corporations (CCPCs) on their first CAD\$500,000 (CAD\$400,000 for certain provinces) of taxable active business income. A 2011 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 2011 combined active business income tax rate ranges from 11 percent to 19 percent.

Chile (2011 rate = 20%)

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 in case of Chilean resident individuals and withholding tax with a 35 percent flat rate in case of non-residents.

Corporate Tax Rates 2011 – Footnotes

A return to a 17 percent tax rate is scheduled to phase in by 2013, with an 18.5 percent rate applicable for calendar year 2012. Dividend tax rates on resident individuals and non-residents have remained unchanged, and dividends paid out of 2011 and 2012 earnings will carry a 20 percent or 18.5 percent imputation credit respectively.

Colombia (2011 rate = 33%)

The corporate income tax rate is 33 percent and no surcharge is levied. Colombian companies and foreign branches qualifying as industrial users established in Colombian Free Trade Zones are subject to a reduced corporate income tax rate of 15 percent. In addition to the corporate income tax, there is a municipal industry and commerce tax levied on industrial, commercial, and service activities carried out within a municipality. The rate depends on the municipality and ranges between 4.14 and 13.8 per thousand. Deductible expenses include industry and commerce tax, advertisement tax and real state tax. Further, as of 2013, 50 percent of the financial transactions tax (GMF) effectively paid is deductible for corporate income tax purposes (currently 25%).

Croatia (2011 rate = 20%)

Taxable income is determined by adjusting the 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 if it qualifies under the Investment Promotion Law, Special State Care Areas Law, Hill and Mountain Areas Law, Free Trade Zones Law, Law on Renewal and Development of the City of Vukovar, Law on Scientific Activities and Higher Education and Training and Education Incentives Law. Tourist tax, forestry tax, monumental protection fees, and Croatian Chamber of Commerce fees are taxes based on turnover.

Cyprus (2011 rate = 10%)

The corporate income tax is 10 percent applicable on business income derived by a company (defined as "any body 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.

Czech Republic (2011 rate = 19%)

A special rate of 5% applies to profits of qualifying investment, mutual and pension funds. Dividend income is, in principle, taxed at 15%. However, income received from a subsidiary in which the parent has held at least 10% for at least 12 months and which is resident in the EU, Norway, Iceland, Switzerland or a country with which the Czech Republic has signed a double tax treaty is taxed at 0%, as long as the corporate tax rate of the subsidiary is at least 12%. Income tax relief for a period up to 5 years is available under special investment incentive schemes.

Denmark (2011 rate = 25%)

Two prepayments of corporate income tax during the taxable year are mandatory. If the final tax liability exceeds the prepayments a surcharge of 4.8 percent (2011) of the outstanding tax liability is payable. There are no local taxes on corporate income.

Ecuador (2011 rate = 24%)

The corporate tax rate reduces by 10 percent (to 15 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; iii) the grant of loans to the productive sector in the case of financial institutions. The company's capital must be increased by the reinvested amount.

Fiji (2011 rate = 28%)

The corporate income tax rate applies to companies incorporated in Fiji and branches of non-resident companies. 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.

Finland (2011 rate = 26%)

It is possible that the Finnish corporate income tax rate is lowered during calendar year 2011 after the general elections and formation of a new government.

France (2011 rate = 33.33%)

The 2011 standard 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 EUR 763,000, resulting in an overall maximum tax rate of 34.43 percent.

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.

Small and medium size companies with a turnover of EUR 763 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 EUR 38,120. These small and medium size companies are not subject to the above-mentioned social contribution.

Germany (2011 rate = 29.37%)

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 2009 was 387 percent). The local trade tax is not deductible as a business expense.

Gibraltar (2011 rate = 10%)

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).

Greece (2011 rate = 24%)

Under a new tax bill, not yet ratified, the profits of Société Anonymes (AE) and Limited Liability (EPE) companies are taxed at a 20 percent rate in 2011. The dividends/profits distributed in 2011 are subject to withholding tax at 21 percent rate, which will be increased to 25 percent for profit distributions effected from 2012 onward. General partnerships (OE) and limited partnerships (EE) are considered legal entities in Greece and are subject to corporate tax rate at a rate of 25 percent for fiscal year 2011 (the profits corresponding to unlimited partners/individuals are taxed at 20 percent). A 3 percent surcharge applies to gross rental income, but it may not exceed the primary corporate tax.

Guatemala (tax rate = 31% or 5%)

The Guatemalan corporate income tax system is based on the territoriality principle; all Guatemalan-source income is taxed. It is the choice of the taxpayer to be taxed at a 5 percent rate on gross income (the general system) or 31 percent rate on taxable income (the optional system). Under the optional system, corporate income tax is paid annually but quarterly advance payments are required. Under the general system, corporate income tax is paid on a monthly basis.

Guernsey (2011 rate = 0%)

The standard corporate income tax rate is 0 percent. Banks are taxable at a 10 percent rate. Furthermore, income derived from regulated utility activities and Guernsey real estate is taxable at 20 percent.

Honduras (2011 rate = 35%)

The overall income tax rate for corporations comprises of a 25 percent corporate income tax rate and a temporary 10 percent solidarity surcharge that applies if the taxable income exceeds HNL 1 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.

Corporate Tax Rates 2011 – Footnotes

Hong Kong (2010 rate = 16.5%)

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).

Hungary (2011 rate = 19%)

A 10 percent corporate income tax rate applies for taxable income up to HUF 500 million (approximately USD 2,500,000). The excess is taxed at 19 percent.

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.

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.

Iceland (2011 rate = 20%)

The corporate income tax rate for resident limited liability companies is 20 percent. The income tax rate for other resident legal entities, such as limited partnerships, associations, private nonprofit institutions, trusts funds, estates of deceased persons, and bankrupt estates is 36 percent. Tax is imposed on net income, after allowable deductions. A non-resident entity's tax rate and deduction depends on the type of income and the entity's residence.

India (2011 rate = 33.22%)

Domestic companies are taxed at a rate of 30 percent, however profits from life insurance business in India are taxed at a rate of 12.5 percent. Foreign companies are taxed at a rate of 40 percent. A minimum alternate tax (MAT) is levied at 18 percent of the adjusted profits of companies where the tax payable is less than 18 percent of their book profits. Dividend distribution tax (DDT) is levied at 15 percent on dividends distributed by a

domestic company. Surcharge and education cess is applicable on the above taxes. A 7.5 percent surcharge in case of domestic companies and a 2.5 percent surcharge in case of foreign companies is applicable if the total income is in excess of INR 10 million. Education cess of 3 percent is applicable on income tax plus surcharge, if any. 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 INR 3 million. Securities transaction tax (STT) is levied on the value of taxable securities transactions in equity shares and units of equity oriented funds.

Ireland (2010 rate = 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. A special corporate income tax rate of 10 percent previously applied to active trading income earned by certain existing manufacturing companies. This special corporate income tax rate expired on 31 December 2010 and has been replaced by the standard corporate income tax rate of 12.5 percent. Capital gains are taxed at 25 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.

Isle of Man (2010 rate = 0%)

A rate of 10 percent applies to certain profits of licensed banks and to profits derived from Isle of Man land or property. The attribution regime for individuals (ARI) attributes income of IoM companies (other than those paying 10 percent tax) to IoM resident shareholders, except where the company is trading and distributes 55 percent or more of its income. However, ARI's future is in doubt after concerns expressed by EU Code of Conduct Group.

Israel (2011 rate = 24%)

The corporate income tax rate will be gradually reduced to 18 percent by 2016. Financial institutions are subject to a deductible profit tax and payroll tax at a 16 percent rate. Companies with a beneficial or approved 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 on the dividend and the income from which it is distributed.

Jamaica (2011 rate = 33 1/3%)

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)

Japan (2011 rate = 40.69%)

Japanese corporate income taxes consist of corporation tax (national tax), special local corporate tax (national tax), business tax (local tax), and prefectural and municipal inhabitant taxes (local tax). The corporation tax rate is 30 percent (18 percent on the first JPY 8 million for small-medium sized companies). Local tax rates vary depending, for instance, on the local government and the amount of paid-in capital of the company. The tax rate shown is the illustrative effective tax rate on income for a company in Tokyo with paid-in capital of more than JPY 100 million after taking into account a deduction for business tax. 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). Note that the corporation tax rate is expected to be reduced under the 2011 tax reform and the new illustrative effective tax rate will be 35.64 percent.

Jordan (2010 rate = 14%/24%/30%)

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

- a 24 percent rate applies on Main Telecom Companies, insurance companies, financial mediators and financial companies and finance leasing activities companies.
- a 30 percent rate applies to banks.

These rates apply pursuant to a temporary law effective from 1 January 2010 onwards.

Kazakhstan (2011 rate = 20%)

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.

Korea, Republic of (2011 rate = 24.2%)

The corporate income tax rate is 24.2 percent (including a 10 percent resident surtax) if the taxable income exceeds KRW 200 million. For taxable income less than KRW 200 million, an 11 percent corporate tax rate applies (including a 10 percent resident surtax).

Kuwait (2010 rate = 15%)

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.

Latvia (2011 rate = 15%)

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 EUR 100,000 may elect to pay tax of 9 percent of turnover.

Libya (2011 rate = 20%)

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

Lithuania (2011 rate = 15%/5%/0%)

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 500,000 (EUR 144,810). 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.

Corporate Tax Rates 2011 – Footnotes

Luxembourg (2011 rate = 28.80%)

The corporate income tax rate of 22.05 percent includes a 5 percent employment fund contribution. Additionally, a municipal business tax is levied. The rate for the city of Luxembourg is 6.75 percent but it varies depending on the location.

Macau (2011 rate = 12%)

The government announced an exemption on taxable income up to MOP 200,000 in 2010. Income between MOP 200,000 and MOP 300,000 is taxable at 9 percent. The excess is taxed at 12 percent.

Macedonia (2011 rate = 10%)

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 (except for distribution to resident legal entities). However, at each year end, profit tax is due separately on the base consisting of unrecognized expenses reduced for temporary 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.

Malaysia (2011 rate = 25%)

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. 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.

Malta (2011 rate = 35%)

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.

Mauritius (2010 rate = 15%)

There are no notes for 2011.

Mexico (2010 rate = 30%)

Effective 1 January 2008, a new business flat tax (IETU) is in force. Such flat tax is paid at the rate of 17.5 percent for 2011 on a cash flow basis. The IETU applies to income on the sale of goods, rendering of independent services, and the granting of temporary use or enjoyment of goods, less specific deductions. The IETU is a direct tax that operates as a minimum tax and it is only due if it exceeds the income tax (IT) in the same tax year. There are some expenses tax deductible for IT purposes that are not deductible for IETU purposes. The corporate income tax rate should be reduced to 29 percent in 2013 and to 28 percent from 2014 onwards.

Montenegro (2011 rate = 9%)

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.

Mozambique (2011 rate = 32%)

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.

Netherlands (2011 rates = 20%/25%)

The headline corporate income tax rate for 2011 has, compared to 2010, slightly decreased from 25.5 to 25 percent. The first EUR 200,000 of taxable profit is taxed at 20 percent. This latter rate has remained the same for 2011.

New Zealand (2011 rate = 28%)

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.

Ten percent of general insurance premiums and film hire payments, paid to non-residents, are deemed to have a New Zealand source and are therefore taxable.

Norway (2011 rate = 28%)

There are no notes for 2011.

Oman (2011 rate = 12%)

The corporate income tax rate is 12 percent on taxable profits exceeding OMR 30,000 and it applies to all companies irrespective of the form of the company or the nationality.

Pakistan (2011 rate = 35%)

Small companies may be taxed at a rate of 25 percent, subject to specified conditions.

Panama (2011 rate = 0%)

An increased tax rate of 30% applies to certain companies, included banks, electricity generation and distribution companies, telecommunication companies, insurance and reinsurance companies, qualified financial companies, producers of cement, gambling operators, mining companies, subsidiaries and affiliates of those companies and entities in which the State owns more than 40% of the shares.

Papua New Guinea (2010 rate = 30%)

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. 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).

Paraguay (2011 rate = 10%)

A 5 percent tax on dividends applies upon distribution to domestic companies. Dividend distributions to non-resident companies are subject to a 15 percent withholding tax, resulting in an effective rate of 25.46 percent. Different tax rates apply to different activities performed by non-resident entities in certain 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.

Philippines (2011 rate = 30%)

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. The branch of a foreign corporation, as well as a Philippine Economic Zone Authority (PEZA) registered corporation that is paying the special tax on gross income earned in lieu of all taxes, are exempt from the IAET.

Corporate Tax Rates 2011 – Footnotes

Portugal (2011 rate = 25%)

A reduced corporate income tax rate of 12.5 percent applies to the first EUR 12,500 of taxable income. The remaining income will be taxed at the general rate of 25 percent. This rate 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 2.5 percent to be levied over the taxable profit that exceeds EUR 2,000,000.

Qatar (2011 rate = 10%)

From 1 January 2010, a flat tax rate of 10 percent applies on taxable income.

Romania (2011 rate = 16%)

Profits earned from nightclubs, casinos, discotheques, and sport-betting organizers are subject to tax at the general rate of 16 percent, although the tax payable cannot be lower than 5 percent of the taxpayer's qualifying gross revenue earnings. The simplified taxation system for companies that qualify as microenterprises, that was applied prior to 2010, has been reintroduced. This allows microenterprises to opt for a 3 percent tax on their total income (as compared to the general 16 percent corporate tax rate applicable on the amount of taxable profit), with some exceptions.

Russia (2011 rate = 20%)

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 or 0 percent.

Saudi Arabia (2009 rate = 20%)

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) shareholders, the GCC countries consist of Saudi Arabia, Kuwait, United Arab Emirates, Bahrain, Qatar, and Oman. In addition, withholding tax of 5 percent is payable on dividends distributed to non-resident shareholders.

Serbia (2009 rate = 10%)

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.

Singapore (2011 rate = 17%)

The corporate income tax rate is 17 percent, with a partial exemption of 75 percent on the first SGD 10,000 and 50 percent on the next SGD 290,000 of the company's income. Full tax exemption can be granted on the regular income of a qualifying company up to SGD 100,000, for any of its first three consecutive years of assessment. A 50 percent partial tax exemption applies to the next SGD 200,000. A concessionary tax rate of 10 percent or lower applies to qualified entities.

Slovenia (2011 rate = 20%)

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.

Spain (2011 rate = 30%)

Where a company's turnover (alone or combined with other group companies) in the immediately preceding tax period is less than EUR 10 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 2011 is less than EUR 5 million and the average labor force from 2009 to 2011 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 are general mutual insurance companies; social welfare institutions and qualified social security mutual and guarantee entities; credit and rural credit co-operatives; and qualified non-profit organizations. 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 and collective investment institutions at 1 percent.

Sri Lanka (2011 rate = 35%)

Effective 1 April 2011, the corporate income tax rate is proposed to be reduced from 35 percent to 28 percent, while small companies (with taxable income not exceeding LKR 5 million and not belonging to a group of companies) will be taxed at 12 percent. Certain specific sectors enjoy concessionary rates, such as exports (other than traditional products), tourism, agriculture, and construction and venture capital companies, where a 12 percent rate applies. Companies engaged in liquor or tobacco products will be taxed at a higher rate of 40 percent.

The social responsibility levy previously charged at 1.5 percent on income tax will be removed from 1 April 2011. A deemed dividend tax at 15 percent is applicable for non-declaration of at least 10 percent of distributable profits.

Sudan (Corporate tax rates = 10%/15%/30%/35%)

Industrial companies are subject to corporate income tax at a rate of 10 percent.

Trading, real estate, and banks service companies are subject to corporate income tax at a rate of 15 percent.

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 exemption will be subject to social development tax at a rate of 3 percent of the exempt taxable profit.

Sweden (2011 rate = 26.3%)

The effective tax rate is 26.30 percent as from 1 January 2009.

Switzerland (2011 rate = 11.6% – 24.4%)

The maximum effective corporate income tax rate ranges from 11.6 percent to 24.4 percent depending on canton and commune. The rate comprises federal, cantonal, and communal

taxes. The corporate tax rate in the city of Zurich is 21.17 percent. 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. In 2011, the community of Wollerau in the canton of Schwyz has the lowest corporate income tax rate (11.6 percent) while some communities in the canton of Geneva have the highest (24.4 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 holiday up to 10 years might be available in some regions.

Syria (2010 rate = 28%)

The corporate income tax rate is 28 percent with lower progressive rates 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. 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.

Taiwan (2011 rate = 17%)

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

Tanzania (2011 rate = 30%)

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.

Corporate Tax Rates 2011 – Footnotes

Thailand (2011 rate = 30%)

The corporate income tax rate may be reduced to 25 percent for certain Thai companies which are listed on the Stock Exchange of Thailand. A tax rate of 10 percent applies to the remittance of dividends or branch profits abroad. For small- and medium-sized enterprises (SME) with less than THB 5 million paid-up capital, the corporate income tax rate may be reduced to between 0 and 25 percent for net taxable profits not exceeding THB 3 million. Some tax incentives are granted to companies promoted by the board of investment (BOI), asset management companies (AMCs), and venture capital companies investing in SMEs, subject to certain conditions. The corporate income tax rate for a regional operating headquarters is reduced to 0 percent or 10 percent on qualifying ROH service income, 10 percent on royalties and interest and 0 percent on dividends received from associated enterprises. A rate of 3 percent applies to gross income of companies engaged in international transportation. A petroleum tax rate of 50 percent applies to the net taxable profits of companies with petroleum concessions.

Tunisia (2011 rate = 30%)

The standard corporate income tax rate is 30 percent. A 35 percent rate applies to the financial, telecommunication and gas and oil sectors, and 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 0.1 percent under certain conditions. Fully export companies are taxable at the rate of 10 percent effective 1 January 2012. Such companies established and starting their activities before 1 January 2012 continue to benefit from a tax holiday for 10 years.

Ukraine (2010 rate = 25%; 23% starting from 1 April 2011)

A 0 percent rate is applied to life insurance companies and eligible small and medium-size companies. A 3 percent rate is still applicable to insurance income earned by Ukrainian non-life insurance companies. Businesses operating in certain industries (e.g., shipbuilding, hotelling, aircraft manufacturing, agricultural machinery manufacturing, light industry) can be exempt from corporate income tax.

United Arab Emirates (2011 rate = 0%/20%/55%)

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, some 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 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 taxed at 20 percent of their taxable income in the emirates of Abu Dhabi, Dubai, Sharjah, and Fujairah. Municipal taxes are also levied in some of the emirates. 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).

United Kingdom (2010 rate = 28%)

The main rate of corporation tax fell to 26 percent from 1 April 2011 (currently awaiting enactment). The UK government has stated its intention to reduce the corporation tax rate by 1 percent per annum, bringing the tax rate down to 23 percent by 1 April 2014. A small companies rate applies to companies with taxable profits of up to GBP 300,000 with marginal relief up to GBP 1.5 million. The 2010 rate is 21 percent and the rate decreased to 20 percent from 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.

United States (2011 rate = 40%)

The marginal federal corporate income tax rate on the highest income bracket of corporations (for 2011, USD 18,333,333 and above) is 35 percent. State and local governments may also impose income taxes ranging from less than 1 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.

Vanuatu (2011 rate = 0%)

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.

Venezuela (2009 rate = 34%)

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 provided above is the marginal income tax rate that is triggered at net taxable income of USD 45,350.

Vietnam (2010 rate = 25%)

The corporate income tax rate is 25 percent and applies to resident companies with foreign investors (including joint ventures, 100 percent foreign-owned companies, and business co-operation contracts) licensed from 1 January 2004 (25 percent if licensed before 1 January 2004), and Vietnamese enterprises. However, incentive corporate income tax rates (10 percent and 20 percent) will apply for certain projects. Corporate income tax rates up to 50 percent apply to businesses conducting prospecting, exploration, and exploitation of petroleum and gas and other rare and precious natural resources.

Yemen (2010 rate = originally 35%; reduced to 20% retroactive for the entire year)

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. Oil and mineral activities and telecommunications are subject to special rates of taxation, and agriculture is tax exempt.

Zambia (2011 rate = 35%)

Income earned by banking and telecommunication institutions is subject to 40 percent tax on profits in excess of ZMK 250 million. Profits from farming, chemical

fertilizer production, and export of non-traditional items are taxed at a rate of 15 percent. Companies with a turnover of ZMK 200 million or less pay a turnover tax of 3 percent. Tax on foreign exchange earned by Sun hotel is subject to tax at 15 percent. Windfall tax on Copper & Cobalt remains abolished but variable tax is still in force to take care of any windfall profits that arise from mining. The tax rate for mining profits is 30 percent. Finally, the tax fiscal year runs from April 1 to March 31.

Dismantling of the Netherlands Antilles

The Netherlands Antilles have ceased to exist on 10 October 2010. Prior to that date, the Netherlands Antilles consisted of Curaçao, St. Maarten, Bonaire, St. Eustatius, and Saba, and formed, together with the Netherlands and Aruba, the Kingdom of the Netherlands. Since 10 October 2010, Bonaire, St. Eustatius and Saba, also referred to as the BES islands, have, as public entities, become part of the Netherlands.

Bonaire

No notes

Saba

No notes

St. Eustatius

No notes

Curaçao

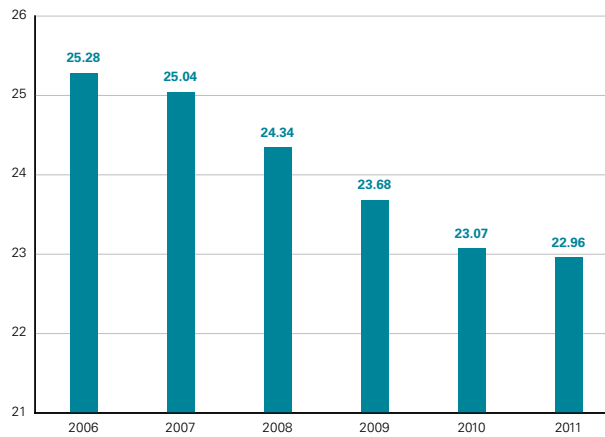
Until new legislation is adopted, Curaçao and St. Martin will, barring a few changes, maintain the current tax regulations of the Netherlands Antilles. On Curaçao the standard rate of turnover tax (Omzetbelasting; OB) is 5 percent. Please note that the new proposed tax legislation contains a standard turnover tax rate of 6 percent. In certain cases the law provides for tariffs which deviate from the aforementioned and other exemptions.

St. Maarten

The standard rate of turnover tax (Belasting op Bedrijfsomzetten; BBO) in St. Maarten as of 11 February 2011 is 5 percent. In certain cases the law provides for tariffs which deviate from the aforementioned and other exemptions.

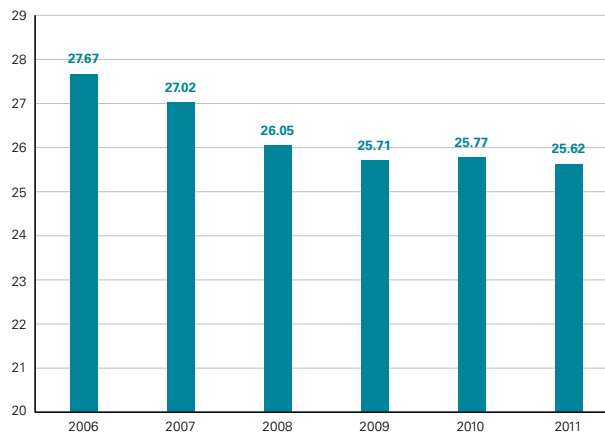
Corporate Tax Rates 2006–2011

***Global Average Corporate Tax Rates 2006–2011**



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

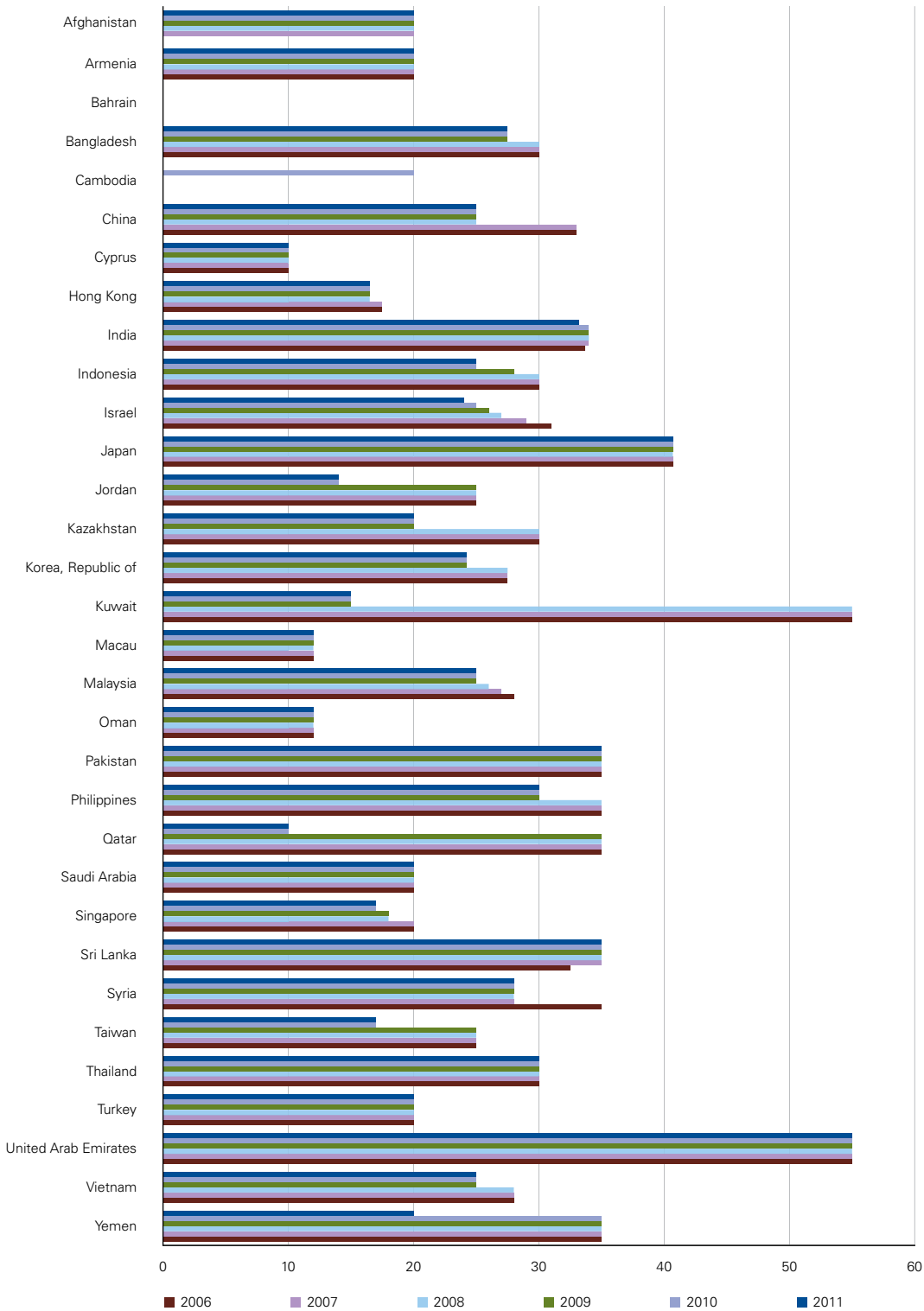
OECD Member Average Corporate Tax Rates 2006–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

*Average rate includes zero rate countries. Excluding zero rate countries average is 24.64 percent for 2011.

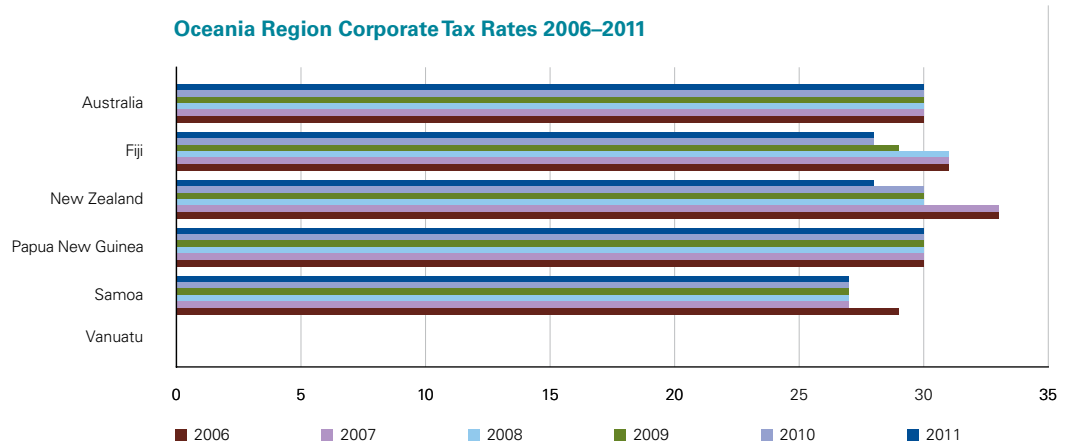
Asia Region Corporate Tax Rates 2006–2011
(Eastern Asia, South Central Asia, South Eastern Asia, Western Asia)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Corporate Tax Rates 2006–2011

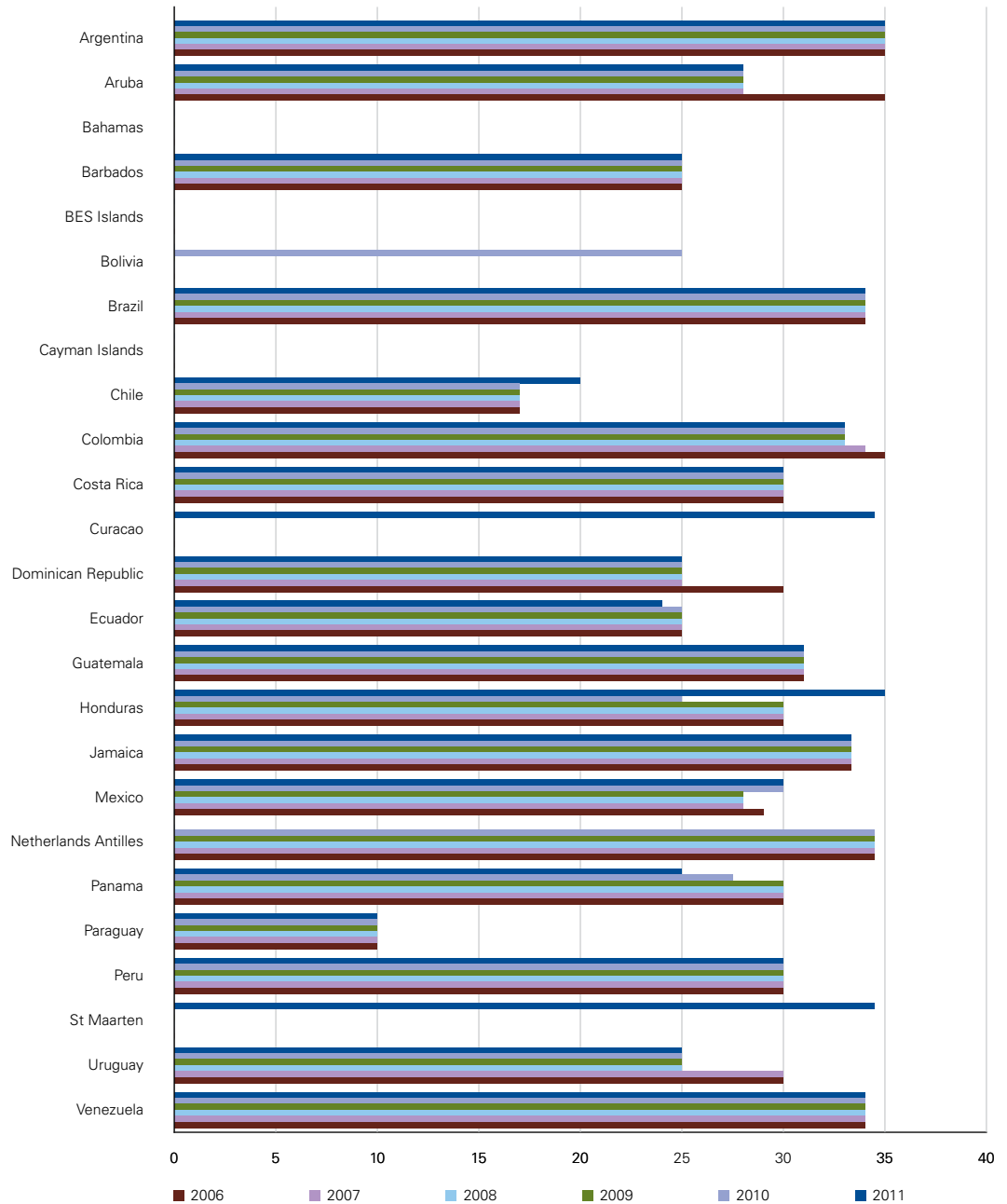
Oceania Region Corporate Tax Rates 2006–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

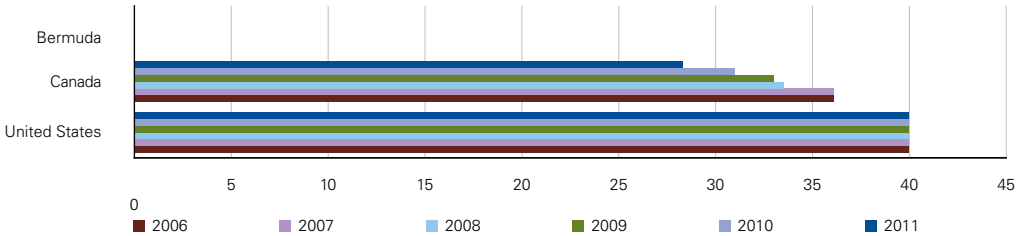
Latin America Region Corporate Tax Rates 2006–2011

(Caribbean, Central America, South America)



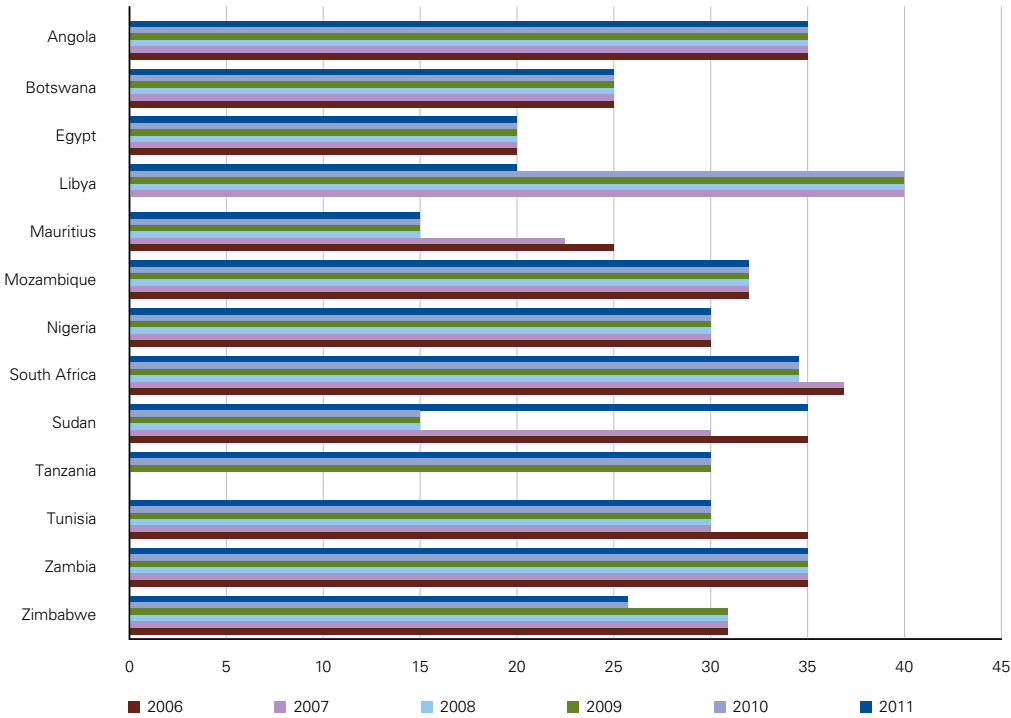
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

North America Region Corporate Tax Rates 2006–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

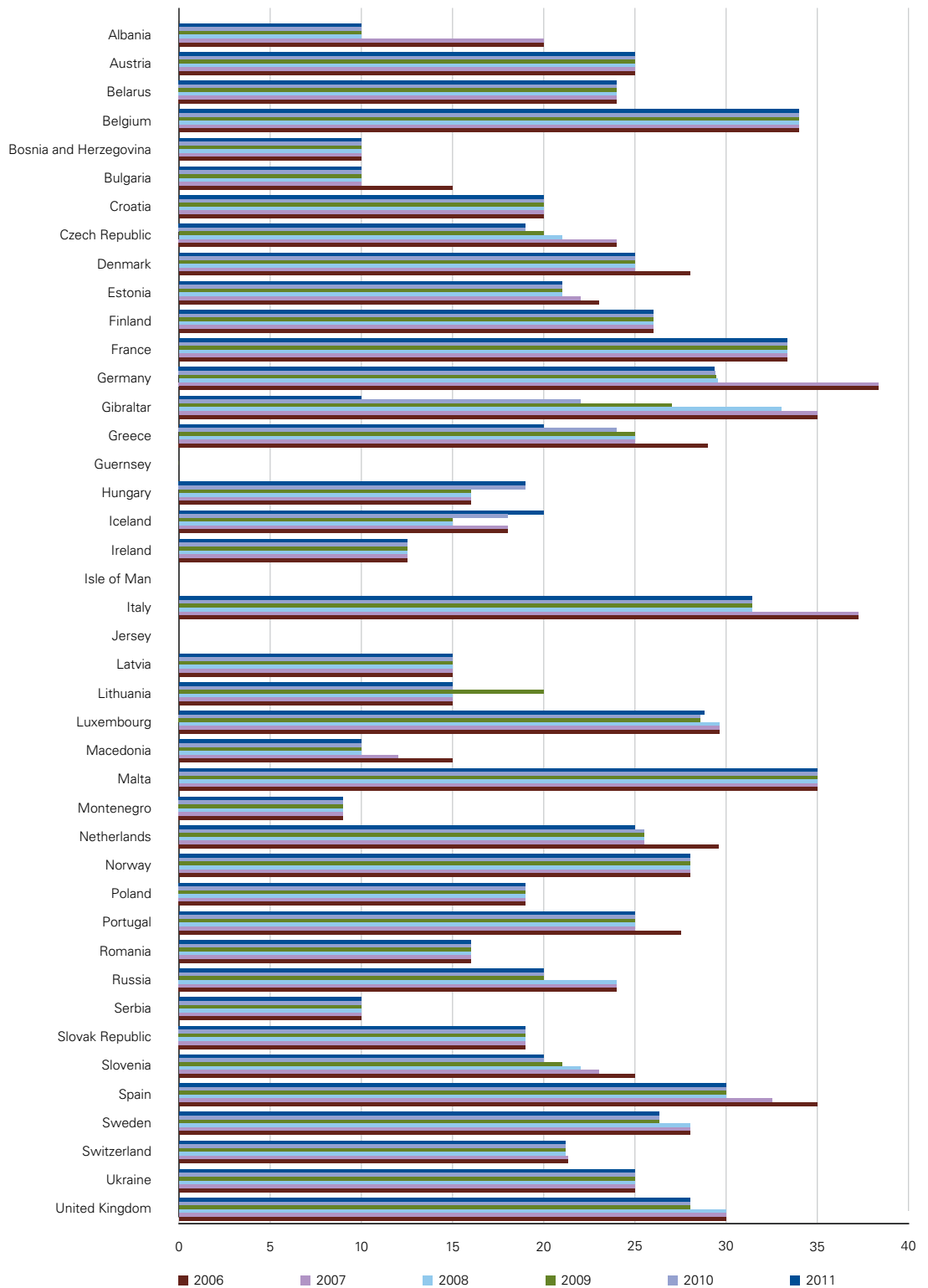
Africa Region Corporate Tax Rates 2006–2011
(Eastern Africa, Middle Africa, Northern Africa, North Eastern Africa, Southern Africa, Western Africa)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Corporate Tax Rates 2006–2011

Europe Region Corporate Tax Rates 2006–2011
(Eastern Europe, Northern Europe, Southern Europe, Western Europe)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Indirect Tax Rates 2011

Sub Region	OECD	Country	2011
Southern Europe		Albania	20
South America		Argentina	21
Western Asia		Armenia	20
Caribbean		Aruba	1.5
Australia and New Zealand	Member	Australia	10
Western Europe	Member	Austria	20
Caribbean		Bahamas	N/A
Western Asia		Bahrain	N/A
South Central Asia		Bangladesh	15
Caribbean		Barbados	17.5
Eastern Europe		Belarus	20
Western Europe	Member	Belgium	21
North America		Bermuda	N/A
South America		Bolivia	13
Caribbean		Bonaire	8
Southern Europe		Bosnia and Herzegovina	17
Southern Africa		Botswana	12
South America		Brazil	19
Eastern Europe		Bulgaria	20
North America	Member	Canada	5
Caribbean		Cayman Islands	N/A
South America	Member	Chile	19
Eastern Asia		China	17
South America		Colombia	16
Central America		Costa Rica	13
Southern Europe		Croatia	23
Caribbean		Curaçao	5
Western Asia		Cyprus	15
Eastern Europe		Czech Republic	20
Northern Europe	Member	Denmark	25
Caribbean		Dominican Republic	16
South America		Ecuador	12
Northern Africa		Egypt	10
Northern Europe	Member	Estonia	20
Australia and New Zealand		Fiji	15
Northern Europe	Member	Finland	23
Western Europe	Member	France	19.6
Western Europe	Member	Germany	19
Southern Europe		Gibraltar	N/A
Southern Europe	Member	Greece	23
Central America		Guatemala	12

Indirect Tax Rates 2011

Sub Region	OECD	Country	2011
Western Europe		Guernsey	N/A
Central America		Honduras	12
Eastern Asia		Hong Kong	N/A
Eastern Europe	Member	Hungary	25
Northern Europe	Member	Iceland	25.5
South Central Asia		India	12.5
South Central Asia		Indonesia	10
Northern Europe	Member	Ireland	21
Northern Europe		Isle of Man	20
Western Asia	Member	Israel	16
Southern Europe	Member	Italy	21
Caribbean		Jamaica	17.5
Eastern Asia	Member	Japan	5
Western Europe		Jersey	5
South Central Asia		Kazakhstan	12
Eastern Asia	Member	Korea, Republic of	10
Western Asia		Kuwait	N/A
Northern Europe		Latvia	22
Northern Africa		Libya	N/A
Central Europe		Liechtenstein	8
Northern Europe		Lithuania	21
Western Europe	Member	Luxembourg	15
Eastern Asia		Macau	N/A
Southern Europe		Macedonia	18
South Eastern Asia		Malaysia	10
Southern Europe		Malta	18
Eastern Africa		Mauritius	15
Central America	Member	Mexico	16
Southern Europe		Montenegro	17
Eastern Africa		Mozambique	17
Southern Africa		Namibia	15
Western Europe	Member	Netherlands	19
Australia and New Zealand	Member	New Zealand	15.0
Western Africa		Nigeria	5
Northern Europe	Member	Norway	25
Western Asia		Oman	N/A
South Central Asia		Pakistan	16
Central America		Panama	7
Melanesia		Papua New Guinea	10
South America		Paraguay	10

Sub Region	OECD	Country	2011
South America		Peru	18
South Eastern Asia		Philippines	12
Eastern Europe	Member	Poland	23
Southern Europe	Member	Portugal	23
Western Asia		Qatar	N/A
Eastern Europe		Romania	24
Eastern Europe		Russia	18
Caribbean		Saba	6
Western Asia		Saudi Arabia	N/A
Southern Europe		Serbia	18
South Eastern Asia		Singapore	7
Eastern Europe	Member	Slovak Republic	20
Southern Europe	Member	Slovenia	20
Southern Africa		South Africa	14
Southern Europe	Member	Spain	18
South Central Asia		Sri Lanka	12
Caribbean		St. Eustatius	6
Caribbean		St. Maarten	5
North Eastern Africa		Sudan	15
Northern Europe	Member	Sweden	25
Western Europe	Member	Switzerland	8
Eastern Asia		Syria	N/A
Eastern Asia		Taiwan	5
Eastern Africa		Tanzania	18
South Eastern Asia		Thailand	7
Caribbean		Trinidad and Tobago	15
Northern Africa		Tunisia	18
Western Asia	Member	Turkey	18
Eastern Europe		Ukraine	20
Western Asia		United Arab Emirates	N/A
Western Europe	Member	United Kingdom	20
North America	Member	United States	N/A
South America		Uruguay	22
South America		Venezuela	12
South Eastern Asia		Vietnam	10
Western Asia		Yemen	5
Eastern Africa		Zambia	16
Eastern Africa		Zimbabwe	15
Average			15.41

Indirect Tax Rates 2011 – Footnotes

Albania (2011 rate = 20%)

The standard rate of VAT (tatimi mbi vleren e shtuar; TVSH) is 20 percent. There is a reduced rate of 0 percent applicable to 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), sale of real estate, financial services, and certain supplies in connection with oil exploration. The supply of drugs and medical services offered by private or public health institutions is subject to 10 percent VAT.

Angola (2010 rate = N/A)

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 telecommunication, electricity, water, and tourism services. The rate for goods varies from 2 percent to 30 percent with the general rate being 10 percent. The rate for telecommunication, electricity and water services is 5 percent and for tourism is 10 percent.

Argentina (2011 rate = 21%)

The standard rate of VAT (impuesto al valor agregado; IVA) is 21 percent. There is a reduced rate of 10.5 percent for certain goods and services, including, sales or imports of cattle, sheep, camels, goats, and derivatives which are fresh or frozen under certain conditions, imports of certain capital goods included in the tariffs list of the Common Nomenclature of Mercosur (Southern Cone Common Market), certain supplies of services related to the soil (such as preparation) and farming activities (such as sowing and harvest), certain constructions related to dwelling houses, interest on loans from foreign banks located in a country the central bank of which has adopted the international supervision standards of the base Banks Committee, and the processing and manufacturing of movable goods in Argentina by a third party, even if the movable property is fixed to immovable property. Such supplies do

not include tax-free services supplied through the delivery of movable goods representing simply the material support in relation to a supply, subject to certain restrictions, sales, hiring, and imports of live animals or their meat, fruits, vegetable, honey, grains, dried vegetable, common bread, bakery products, and wheat flour, provision of certain services including sowing, plantation, harvesting, use of chemicals to enrich the soil, building, installation, repairing, maintenance, and preservation of properties destined for housing, sales and imports of newspapers and periodicals, transport services supplied by taxis and other means of transport if the distance traveled is more than 100 km, medical services in specific cases, sales and services provided by certain cooperatives, sales, hiring, and imports of certain gases, and production and distribution of programs, films, and records of any type to be transmitted by radio or television. There is an increased rate of 27 percent for certain services if they are rendered outside properties exclusively used as a dwelling, entertainment, summer homes or vacant land and the beneficiary of the services is a registered or a small taxpayer, telecommunication services (except services rendered by the national telecommunications agency or news agencies), the supply of gas or electrical power (except public illumination), certain supplies of water, and sewage services. Exports of goods and services are zero-rated. Exempt goods include, among others, imports and sales of books, retail distribution of newspapers and periodicals, shares, bonds and securities, stamps, gold and metallic currency, and airplanes constructed and destined for the transportation of passengers and/or freight and ships for the exclusive use in commercial activities or for defense and security. Exempt services include: services rendered by the state, provinces, municipalities and institutions belonging thereto, specified medical services, transportation of persons and freight, including international transportation, financial placements and services in those cases listed in the law, services proper of directors, controllers and members of boards of stock corporations and those of managers and members of managing boards of other companies, and the letting of immovable property relating to dwelling houses and to farming and the letting of immovable property with monthly rents less than ARG 1,500.

Armenia (2011 rate = 20%)

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 (2011 rate = 1.5%)

The standard rate of turnover tax (Belasting op Bedrijfsomzetten; BBO) in Aruba is 1.5 percent. In certain cases the law provides for tariffs which deviate from the aforementioned and other exemptions.

Bahamas (2011 rate = NA)

No indirect taxes such as VAT, GST, etc, are levied in the Bahamas. However, 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.

Bahrain (2011 rate = NA)

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

Bangladesh (2011 rate = 15%)

The standard rate of VAT is 15 percent. There are reduced rates of 6 percent, 5.5 percent, 5.0025 percent, 4.5 percent, 4 percent, 3 percent, 2.25 percent, 1.5 percent, and 0 percent which apply to, for example, certain categories of restaurants (without AC), retailer of furniture (Production stage) (6 percent); construction firm (5.5 percent); air conditioned bus service, electricity distributor, own branded ready made garments retailers (5.0025 percent); motor garage, photo producer, security services, legal advisers, carriers without petroleum, rent a car service, immigration advisers, coaching centers,

English medium schools, non-government medical and engineering colleges, event management organization, human resources supply and maintenance organization (4.5 percent); supplies of goods and services through participation in a tender/quotation (4 percent); retailer of furniture without production stage, buyer of auction goods (3 percent); pathological laboratory work, supplies of goods and services by hospitals and maintenance and cleaning of building floors/premises, dental medical centers, petroleum carriers (2.25 percent); land development, construction of apartments, goldsmith or silversmith and gold and silver retailer (1.5 percent); and exempt from VAT, for example certain food items (such as meat, fish, potatoes, vegetable, and fruits); jute and jute goods; social welfare, culture, training, and rehabilitation services; and agricultural development.

Barbados (2011 rate = 17.5%)

The standard rate of VAT is 17.5 percent. There is a 7.5 percent rate which currently applies to the provision of hotel and condo-hotel accommodations. Zero-rated supplies include exports of goods and services, basic food items, printed matter, certain agricultural machinery, 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 (2011 rate = 20%)

The standard VAT rate in Belarus is 20 percent. Reduced rates are 10 percent (applied for 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), 0.5 percent (for diamonds and other precious stones delivered from the Member States of the Customs Union for production purposes), and 0 percent (export). Some goods and services are exempt from VAT application, such as medical equipment, medicines, and other goods and services indicated in the Tax Code.

Indirect Tax Rates 2011 – Footnotes

Belgium (2011 rate = 21%)

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), fytofarmacie, margarine and paying television. 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. Supplies of certain goods and services are exempt from VAT, for example, financial services, letting of immovable property, hospital services, medical care and cultural activities.

Bolivia (2011 rate = 13%)

The standard rate of VAT (impuesto al valor agregado; IVA) is 13 percent of the total price of the service rendered for an effective rate of 14.943 percent. Exports of goods and services are zero-rated. Exempt services include: 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.

Bosnia and Herzegovina (2011 rate = 17%)

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, and management of investment funds and stamps.

Botswana (2011 rate = 12%)

The standard VAT rate was increased from 10 percent to 12 percent effective 1 April 2010. 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 (2011 rate = 19%)

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. The reduced IPI rate of 0 percent applies to, for example, live animals and animal products, plant products, chemical products, textile products, and shoes. 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, the amount of 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 non-cumulative 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.

Bulgaria (2011 rate = 20%)

On 1 April 2011, the reduced rate of 7 percent was replaced by a reduced rate of 9 percent, and applies not only to hotel accommodation where part of a package tour, but to any type of hotel accommodation.

Canada (2011 rate = 5%)

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, 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, British Columbia, New Brunswick, Nova Scotia, and Newfoundland and Labrador apply a harmonized value-added tax known as the harmonized sales tax (HST). The rates of the HST vary from 12 percent to 15 percent which include a federal component of 5 percent and a provincial component (7 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 Québec applies its own value-added tax, the Québec sales tax (QST), at a rate of 8.5 percent or 0 percent to generally the same base of goods and services as the GST, except for financial services which are zero-rated. The QST applies to the GST-included price of taxable supplies made in Québec. The provinces of Saskatchewan, Manitoba, and Prince Edward Island levy retail sales taxes in their respective jurisdictions. The retail sales tax rates vary from 5 percent to 10 percent. Quebec proposes to increase the QST rate to 9.5 percent effective 1 January 2012.

Cayman Islands (2011 rate = N/A)

There is no VAT or GST in the Cayman Islands.

Chile (2011 rate = 19%)

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. However, 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; 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 on educational activities, among others. Consulting, advisory and professional services in general are not subject to VAT.

China (2011 rate = 17%)

There are three types of indirect taxes in China: value-added tax, consumption tax, and business tax. The standard rate of VAT is 17 percent. There are reduced rates of 13 percent and 0 percent which apply to, for example, basic necessities, agricultural products, utility services (13 percent), and exports of goods (0 percent). Exports of various goods are not wholly zero-rated and all the associated input tax is not refundable in full to the exporters. The VAT rate for small-scale VAT payers is 3 percent. Certain supplies of goods and services are exempt from VAT, for example, agricultural products self-produced for the purpose of sale, ancient and antiquated books, and imported equipment for scientific research and experiment. Business tax rates are: 3 percent, 5 percent, and a range of 5 percent to 20 percent. For example, services of transportation, construction, post and telecommunication, cultural activities, and sports (3 percent), services of finance and insurance, hotels, restaurants, catering, tourist, rental, leasing, advertising, the sale of intangible assets, transferring immovable property (5 percent), and entertainment (5 percent to 20 percent). There are 14 categories of goods that are subject to consumption tax, including tobacco, liquor, cosmetics, jewelers, firecrackers, refined oil, motor vehicle tires, motorcycles, motor

Indirect Tax Rates 2011 – Footnotes

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 at 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 (2011 rate = 16%)

The standard rate of VAT (impuesto sobre las ventas) is 16 percent. The reduced rate of 1.6 percent applies to certain cleaning and surveillance services, certain services rendered by the cooperatives and pre-cooperatives of associated work, and to services rendered by temporary services enterprises. The reduced rate of 10 percent applies to coffee, cereals, chocolate, prepaid health services, accommodation services in hotels, and commercial real property leasing, among others. The increased rate of 20 percent applies to mobile telephone services and certain motor vehicles and ships. The increased rates 25 percent and 35 percent apply to certain motor vehicles and motorcycles. Zero-rated supplies (referred to as exempt supplies in Colombia) include exports of goods, certain foods items, school notebooks, fuel alcohol destined to be mixed with gasoline, books and magazines of a scientific and cultural nature, and services that are rendered within the country and used exclusively abroad by enterprises or individuals without business or activities in Colombia (exports of services). Exempt supplies (referred to as non-taxable or excluded supplies in Colombia) include basic food items, passenger public transportation to some municipalities within Colombia, cargo transportation, certain financial transactions, public services of energy, water, sewer, public cleaning, garbage collection, and domestic gas, building rental service used for residential purposes, certain agricultural services; certain life, health, and education insurances and items; medicines, chemical and mineral fertilizers; crude oil for its refining; natural gas; butanes and natural gasoline; wood; newspapers; certain arms of war; and purchase of goods for human and animal consumption from specific neighboring states.

Croatia (2011 rate = 23%)

The standard rate of VAT (Porez na dodanu vrijednost; PDV) is 23 percent. There are reduced rates of 10 percent and 0 percent which apply to, for example, tourist accommodations; full or half board services and tourist agents' commission with regards to those services; daily and periodic newspapers and magazines (10 percent); exports of goods,

bread, milk, certain books, certain medicines, medical implants, and orthopedic devices and scientific magazines (0 percent). Certain supplies of goods and services are exempt from VAT, for example, financial and insurance services; health and welfare services; education services; deliveries by charitable organizations; deliveries by museums, libraries, theatres, orchestras and other cultural services; betting and gambling; rent of residential property, etc.

Cyprus (2011 rate = 15%)

The standard rate of VAT (Foros prostithemenis axias; FPA) is 15 percent. There are reduced rates of 8 percent, 5 percent and 0 percent, for example, 8 percent is applicable for certain passengers transportation services, hotel accommodation, restaurant and similar catering services including alcohol drinks, since 1 January 2011; 5 percent is applicable for bottled and non-bottled water, books, newspapers, magazines and similar publications, gas, aid to disabled persons, animal feed, fertilizers and insecticides, waste treatment, since 1 January 2011; food items for human consumption. Export of goods remain to 0 percent. Supplies of certain goods and services are exempt from VAT, for example, financial services; postal services; education and health care and welfare services; and cultural services by public bodies of non-profit organizations.

Czech Republic (2011 rate = 20%)

The standard rate of VAT (dan z pridané hodnoty; DPH) is 20 percent. There is a reduced rate of 10 percent which applies to, for example, food products, books, brochures, newspapers and magazines, public transport services, social residential housing construction, and transfer of residential houses unless exempt. Exports and intra-community supplies of goods, and 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 of land including financial leasing of land; transfer and financial leasing of immovable property in certain conditions; and renting of land and immovable property.

Currently, VAT rate changes as of 2012 are discussed in legislation process.

Denmark (2011 rate = 25%)

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, and 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, and passenger transport services (excluding transport of tourists by bus).

Dominican Republic (2011 rate = 16%)

The standard rate of VAT (impuesto sobre transferencia de bienes industrializados y servicios; ITBIS) is 16 percent. Exports of goods and services are zero-rated. Exempt supplies include basic consumption items, educational materials, medicines, services of health, financial, utilities, non-conventional or renewable energy equipment and supply, and inland transport of persons and cargo.

Ecuador (2011 rate = 12%)

The standard rates of VAT (impuesto al valor agregado - IVA) are 12 percent and 0 percent. The following items are charged with 0 percent of 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; financial and investment services for entities legally authorized to provide them; exportation services; Inbound tour packages; crop-dusting; services provided by craftsmen; insurance and life and health reinsurance, healthcare and medical assistance.

Egypt (2011 rate = 10%)

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, and iron bars (5 percent); and exports of goods (0 percent). The increased rates apply to, for example, national and international telecommunication services using mobile phones; motor vehicles of a cylinder capacity less than 1600 cc (15

percent); some colored televisions; refrigerators or deep freezers; sound recorders; air-conditioning units; cameras; perfumery; cosmetics or toilet preparations and products prepared for the care of hair and skin (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). GST is imposed on some commodities according to their collection unit (ton, liter, or value), for example, tea, beet and cane sugar; soda water; petroleum products; medicaments; and water cement. Certain supplies of commodities are exempt from GST, for example dairy products; vegetable oils (subsidized); preserves; processed or prepared meat and fish items (with some exceptions); natural and butane gas; newsprint; paper; and macaroni made of ordinary flour.

Estonia (2011 rate = 20%)

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 periodicals; medicines; accommodations (9 percent); international and passenger transport; exports of goods; supply of aircraft and provision thereof used by air-carrier 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. 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.

Finland (2011 rate = 23%)

The standard rate of VAT (arvonlisävero (ALV)) is 23 percent. The reduced rate of 13 percent is applicable, for example, to food and animal feed and restaurant and catering services. The reduced rate of 9 percent applies, for example, to accommodations, books, pharmaceuticals, passenger transport, and cultural and sporting services. The rate of 0 percent applies to newspaper subscriptions and the sale and hire of certain vessels and exports of goods.

France (2011 rate = 19.6%)

The standard rate of VAT (taxe sur la valeur ajoutée (TVA)) is 19.6 percent. There are reduced rates of 5.5 percent, 2.1 percent, and 0 percent which apply to, for example, food, water, passenger transportation, some pharmaceutical products, books, hotel accommodations (5.5 percent), newspapers,

Indirect Tax Rates 2011 – Footnotes

and medicines for human health when reimbursed by social security (2.1 percent), and exports of goods and intra-community supplies (0 percent). Certain supplies of goods and services are exempt from VAT, for example, certain medical supplies, postal services, education, certain financial transactions, and insurance services.

Germany (2011 rate = 19%)

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.

Gibraltar (2011 rate = NA)

There is no VAT in Gibraltar.

Greece (2011 rate = 23%)

The standard rate of VAT (foros prostithemenis axias (FPA)) is 23 percent since 1 July 2010. There are reduced rates of 13 percent, 6.5 percent, and 0 percent which apply to, for example, passenger transport services, electricity, natural gas, and certain professional services such as those which are provided by medical and healthcare by private hospitals/clinics (13 percent), pharmaceuticals, newspapers, periodicals, books, theatre tickets and hotels (6.5 percent); export transactions, international transit of goods and transactions in relation to shipping (0 percent). VAT rates are further reduced by 30 percent if goods or services are supplied to or by taxpayers established in the Dodecanese Islands and other Aegean Islands (that is 16 percent, 9 percent, and 5 percent, respectively). Certain supplies of goods and services are exempt from VAT, for example, used immovable property; medical (except from private hospitals/clinics), educational and cultural services; and insurance, financing, and most banking activities provided to EU residents.

Guatemala (2011 rate = 12%)

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 (2011 rate = NA)

Guernsey does not levy VAT or any similar indirect tax.

Honduras (2011 rate = 12%)

The standard rate of sales tax (impuesto sobre ventas (ISV)) is 12 percent. An increased rate of 15 percent applies to imports and national supplies of alcoholic beverages and tobacco products. Also the airplane tickets in first class and executive class are taxed with an 18 percent and the telecommunication services will be taxed with a 15 percent also in the excess consumption of 750 kw/h of electricity the tax establish is of a 12 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 (2011 rate = N/A)

There is no VAT or GST in Hong Kong.

Hungary (2011 rate = 25%)

Currently, in most cases VAT is payable at a rate of 25 percent in Hungary. There are reduced rates of 18 percent, relating to hotels and basic food, such goods as milk, certain dairy products, bread and other bakery products. Furthermore, a 5 percent rate relates mainly to products and services such as books and medicines and the supply of heating to households.

Iceland (2011 rate = 25.5%)

The standard rate of VAT (virdisaukaskattur (VSK)) is 25.5 percent. There are reduced rates of 7 percent (reduced from 14 percent as from 1 March 2007) and 0 percent. The 7 percent rate applies to, for example, accommodations, 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 (2011 rate = 12.5%)

India has a federal structure with both federal and state-specific indirect tax. Intra-state sale of goods is subject to VAT and sale of goods occasioning movement across states is subject to central sales tax (CST). In addition, there is another indirect tax on supply of services: service tax. Prior to introduction of State-specific VAT regime in April 2005 in India, the average state sales tax rate was 16 percent. The standard rate of VAT is currently 12.5 percent. Till March 2010, around 14 to 17 states have increased the basic slab rates of 4 percent (up to 5 percent) and 12.5 percent (up to 15 percent). There are reduced rates of 4 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); 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; and 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. The standard rate of service tax is 10.30 percent (reduced with effect from 24 February 2009; prior to this date, it was 12.36 percent). Currently, more than 100 taxable categories of services are subject to service tax, for example, advertising services, financial and insurance services, business auxiliary and support services, telecommunication, cargo handling, intellectual property services, maintenance and repair services, certain IT services, management consultation, scientific and technical consultancy, renting of immovable property service, information technology software services, supply of tangible goods for use service, and works contract services. Budget 2011-12, set to be tabled in Parliament on 28 February 2011, may bring more services under service tax net.

Indonesia (2011 rate = 10%)

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 standard rate of

PPN is 10 percent. The rates of PPnBM range from 10 percent to a possible 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 supply of electric power and potable water.

Ireland (2011 rate = 21%)

Under the National Recovery Plan recently announced, the standard rate of Irish VAT will increase from 21 percent to 22 percent from 1 January 2013. The rate will increase further to 23 percent with effect from 1 January 2014.

There are reduced rates of 13.5 percent, 4.8 percent, and 0 percent which apply to, for example, immovable goods, building services, hotel and holiday accommodations, hotel and restaurant meals, newspapers and repair, and maintenance services (13.5 percent); supply of livestock, live greyhounds, and hire of horses (4.8 percent); exports of goods, most food and drink suitable for human consumption, oral medicines, medical equipment, and appliances (0 percent). There is also a special farmer's flat rate addition of 5.2 percent which applies to certain sales by unregistered farmers. Supplies of certain goods and services are exempt from VAT, for example, certain lettings of immovable property, financial and insurance services, passenger transport, education, and health and welfare services. A new temporary second reduced rate of VAT at 9% was introduced in July 2011 for a range of goods and services.

Isle of Man (2011 rate = 20%)

The rate of VAT follows that of the United Kingdom.

Israel (2011 rate = 16%)

Please be kindly noted that the change in the VAT rate in Israel may not be effective on 1 January 2011.

Please find below the exact dates of the VAT change in Israel:

- 15 June 2002 – 18 percent
- 1 March 2004 – 17 percent
- 1 September 2005 – 16.5 percent
- 1 July 2006 – 15.5 percent
- 1 July 2009 – 16.5 percent
- 1 January 2010 – 16 percent

Indirect Tax Rates 2011 – Footnotes

Jamaica (2011 rate = 17.5%)

The standard rate of VAT (general consumption tax) is 17.5 percent. The rate of 10 percent applies to certain tourism services and to the supply of electricity to the public with certain restrictions. The rate of 25 percent applies to the supply of telephone services and instruments. 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 health supplies and medications and goods purchased by or services rendered to government entities. Exempt supplies include certain medical supplies and equipment, books and educational supplies, energy-saving devices and miscellaneous services including construction, health, public utilities and financial services.

Japan (2011 rate = 5%)

The standard rate of consumption tax is 5 percent. 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 cargoes; international transportation services; and services provided to non-residents (except for transport or storage of assets in Japan; provision of accommodations 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 and 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 (2011 rate = 5%)

Rate increased to 5 percent on 1 June 2011.

Zero rated and exempt supplies also exist.

On payment of an annual fee, certain businesses, mainly those within the financial service industry, may be outside the scope of GST.

Kazakhstan (2011 rate = 12%)

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. Certain supplies of goods and services are exempt from VAT, including leases or sales of residential buildings; leases or sales of land plots; financial and insurance services by companies licensed in Kazakhstan; contributions to the charter capital of legal entities; and medical and veterinary services.

Korea, Republic of (2011 rate = 10%)

VAT is levied on the supply of goods and services at the general rate of 10 percent. Each business person is entitled to credit input taxes paid, except for those in connection with entertainment expenses, non-business related expenses, input VAT paid before the entity is registered under the VAT Law, etc., against output taxes collected.

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 non-taxable and therefore exempt from VAT. VAT is not collected by the supplier of these designated goods or services, so the supplier is in a position to charge his supply without VAT to the purchaser. In turn, the supplier is not able to deduct his input VAT associated with such goods and services. The input tax is thus borne by the supplier as if he were the ultimate consumer. 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.

Kuwait (2011 rate = N/A)

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

Latvia (2011 rate = 22%)

The standard rate of VAT (pievienotās vertības nodoklis (PVN)) is 22 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.

Lithuania (2011 rate = 21%)

The standard rate of VAT (priedetines vertes mokeskis (PVM)) is 21 percent. The reduced rate of 9 percent is applicable for books and non-periodicals, and until 31 December 2011, to accommodation services. Also the reduced rate of 9 percent is applicable until 31 December 2011 for heating energy supplied to dwellings. Five percent reduced VAT rate is applicable to certain drugs and medicine (applicable until 31 December 2011). There is a compensational rate of 6 percent for supplies of goods and services under the farmer's flat-rate scheme. Zero-rate percent applies to exports of goods outside the EU; intra-community supplies and supply, modification; modernization; hiring of sea-going ships; and aircraft. 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 (2011 rate = 15%)

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, 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 provides also other exemptions for VAT, for example, banking and financial services, management of investments funds, SICAR, some pension funds and securitization vehicles, insurance and reinsurance operations, supply and letting of immovable property, postal services, education, and certain medical supplies.

Macau (2011 rate = N/A)

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

Macedonia (2011 rate = 18%)

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 supply of food products, publications, seeds

and planting materials, agricultural machines, pharmaceutical and medical devices, computers, thermal-sun systems, passenger transport, 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 2011, after which these supplies would be taxable under 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.

Malaysia (2011 rate = 10%)

VAT or GST has been proposed, but the implementation has been postponed. In its place, 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 (2011 rate = 18%)

The standard rate of VAT (taxxa fuq il-valur miżjud) is 18 percent. There are reduced rates of 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.

Indirect Tax Rates 2011 – Footnotes

Mauritius (2011 rate = 15%)

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.

Montenegro (2011 rate = 17%)

The standard rate of VAT (porez na dodatu vrijednost; PDV) is 17 percent. There are reduced rates which apply to, for example, basic foodstuffs; medicines not listed on the Health Fund list; textbooks and teaching aids; books and serial publications; daily and periodic press (with some exceptions); hotel and other accommodations; public transportation of passengers and their personal baggage (7 percent); and exports of goods, transport, and other services in relation to export, 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.

Mozambique (2011 rate = 17%)

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 residence or commercial and industry 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.

Namibia (2011 rate = 15%)

Namibia has 2 rates for VAT: 0 percent and 15 percent. For imports, VAT is charged at 16.5 percent, unless the service or goods imported is considered an exempt or zero rated activity, if obtained from a Namibian supplier.

Netherlands (2011 rate = 19%)

The standard rate of VAT (omzetbelasting (BTW)) is 19 percent. 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, and sports events.

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 (2011 rate = 15%)

The standard rate of GST is 15 percent. The GST rate increased to 15 percent from 1 October 2010 (previously 12.5 percent).

The rate is reduced to zero 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.

Norway (2011 rate = 25%)

The standard rate of VAT (merverdiavgift (MVA)) is 25 percent. There are reduced rates of 14 percent, 8 percent, and 0 percent which apply to, for example food (14 percent); hotel accommodations, passenger transportation,

communication of such services, the right to attend museums, cinemas etc. (8 percent); and exports of goods, supplies relating to ships and aircrafts, books, magazines, newspapers, and construction services relating to public roads (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 (2011 rate = NA)

Currently there is no VAT or GST in Oman.

Pakistan (2011 rate = 16%)

Indirect taxes in Pakistan include sales tax and Federal excise duty (FED). The standard rate of sales tax is 16 percent on supply of taxable goods and specified services; however certain goods are subject to sales tax at higher rates of 19.5 percent and 22 percent. There is a reduced rate of 0 percent, which applies to, for example all exports of goods, local supplies of specified raw materials, and supplies of specified export sectors, import and local supplies of capital goods. 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, construction materials, computer software, ships, navigation equipments, and the sale to hospitals and educational non-profit organizations.

FED applies to the import and manufacturing of specified goods and provision of specified services at different rates. The rate of FED on specified services ranges from 10 percent to 19.5 percent. Special excise duty (SED) at a uniform rate of 1 percent is applicable on import of goods and locally manufactured goods, except the goods specifically exempt from SED.

Panama (2011 rate = 7%)

The standard rate of VAT (impuestos 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 of alcoholic beverages. 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 (2011 rate = 10%)

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 (2011 rate = 10%)

The standard rate of VAT (impuesto al valor agregado (IVA)) is 10 percent. The 5 percent rate applies to transfers of real state, transfers of the right to use goods, certain basic food items (cesta básica), loans and financial interests, commissions and surcharges, and supplies of pharmaceutical products. Exports are zero-rated. Exempt supplies include certain diplomatic and investment imports; farm products in their natural state; foreign currencies; governmental or private securities including shares of stock; goods received through inheritance; transfer of credits; books, magazines, and others of scientific, educational, and general interest media; interest on public or private shares and securities; deposits in financial entities authorized by the Central Bank of Paraguay; services of cooperatives; home savings; and loans under the Sistema de Ahorro y Préstamo para la Vivienda.

Peru (2011 rate = 18%)

Since 1 March 2011, the standard rate of VAT (impuesto general a las ventas (IGV)) is 16 percent. 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 a 18 percent sales tax overall.

Indirect Tax Rates 2011 – Footnotes

Poland (2011 rate = 23%)

Since 1 January 2011, there have been four VAT rates in Poland: 23 percent (previously 22 percent), 8 percent (previously 7 percent), 5 percent (replaced 3 percent), 0 percent. Some of the goods (mostly food products) formerly taxed with 7 percent VAT rate are now taxed with 5 percent VAT rate, in order to minimize the impact of the increase of VAT rates on the poorest. The new increased rates are introduced for a period of three years, till the end of 2013. Certain supplies of goods and services are exempt from VAT, for example: financial services, healthcare or education services.

Portugal (2011 rate = 23%)

From 1 January 2011, the VAT rate for Madeira and Azores islands is 16 percent.

There are reduced rates of 13 percent (9 percent for the islands) and 6 percent (4 percent for the islands).

Qatar (2011 rate = NA)

No indirect tax regime exists in Qatar. However, Qatar does apply a customs duty rate of 5 percent on most imports to Qatar.

Romania (2011 rate = 24%)

The rate was changed as of 1 July 2010.

Russia (2011 rate = 18%)

The standard rate of VAT (nalog na dabavlennuyu stoimosty (NDS)) is 18 percent. There are reduced rates of 10 percent and 0 percent which apply to, for example, food products, specific goods intended for children, books and periodicals, pharmaceutical and other medical products (10 percent); and exports of goods, transportation and related services, services related to transit of goods through Russia, international passenger transportation, and 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, medical services and certain medical products, educational services, public transportation, the sale of securities, banking and insurance services, the rent of apartments, and the sale of apartments and residential property.

There is a specific rate of 15.25 percent which is applicable to the sale of the 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).

Saudi Arabia (2011 rate = NA)

No changes from prior years.

Serbia (2011 rate = 18%)

The standard rate of VAT (porez na dodatu vrednost (PDV)) is 18 percent. There are reduced rates of 8 percent and 0 percent which apply to, for example, basic foodstuffs, medicines, textbooks and daily newspapers, hotel services, public utility services, gas, and first transfer of ownership on residential buildings (8 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.

Singapore (2011 rate = 7%)

The standard rate of GST is 7 percent as from 1 July 2007. There is a reduced rate of 0 percent which generally applies to export of goods and international services. Supplies of certain financial services and sale or lease of residential properties are exempt from GST.

Slovak Republic (2011 rate = 20%)

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.

Spain (2011 rate = 18%)

From 1 July 2010 the standard rate is 18 percent, the reduced rates are 8 percent and 4 percent.

Examples of reduced rates:

8 percent: 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. On November 2010 the European Commission made an official request to Spain considering that according to the Directive the medical equipment, aids and any other appliances are not entitled to enjoy of a reduced VAT rate, unless they are for the exclusive and personal use of handicapped people.

4 percent: 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 (2011 rate = 12%)

Effective 1 January 2011 in Sri Lanka, the standard rate of 12 percent and the reduced rate of 0 percent remain unchanged. However, the luxury rate of 20 percent has been removed. Thus, the Sri Lankan VAT system consists only two rates of 0 percent and 12 percent.

Sudan (2011 rate = 15%)

The standard rate of VAT is 15 percent for all services and commodities, except for telecommunication services, which is 20 percent.

Sweden (2011 rate = 25%)

The standard rate of VAT (mervärdesskatt (MOMS)) is 25 percent. There are reduced rates of 12 percent, 6 percent, and 0 percent which apply to, for example, 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 (2011 rate = 8%)

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.

Syria (2011 rate = NA)

Syria currently has no VAT.

Indirect Tax Rates 2011 – Footnotes

Taiwan (2011 rate = 5%)

Under the Taiwan value-added and non-value-added business tax act, there are two systems, one being a VAT system and the other being the gross business receipts tax (GBRT) system. The standard rate of value-added tax is 5 percent. There is a reduced rate of 0 percent which applies to, for example, the export of goods; services rendered which relate to the export of goods; vessels and aircraft used for international transportation; and goods and repair services supplied to ships or aircraft used in international transactions or ocean-going fishing boats. Supplies of certain goods and services are exempt from VAT, for example, the sale of land, supplies of medical services, medicine, education services, newspapers and magazines, insurance policies, financial derivative products, corporate bonds, currency call loans, and foreign exchange call loans. GBRT applies mainly to financial institutions in banking, insurance, trust and investment, securities, futures, and short-term commercial papers industries. The GBRT rate is generally 2 percent applicable in respect of revenues generated from core business. The GBRT rate for revenue generated from non-core business is 5 percent.

Tanzania (2011 rate = 18%)

The VAT rate 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 skills and development levy (6 percent of payroll cost per month) and city service levy (0.3 percent of turnover).

Tunisia (2011 rate = 18%)

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 supply of services, for example, services rendered by hotels; services rendered by lawyers, notaries, legal and tax counsels, and other experts; and catering and IT services. The 6 percent rate apply 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 (2011 rate = 18%)

The standard rate of VAT (katma deger vergisi (KDV)) is 18 percent. There are reduced rates of 8 percent (e.g. on overnight services/accommodations performed in the hotels, motels, holiday villages, and similar accommodation facilities) and 1 percent (e.g., on basic food products and magazines).

Ukraine (2011 rate = 20%)

The standard rate of VAT (podatok na dodanu varnist (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; 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 the designated agricultural producers.

United Arab Emirates (2011 rate = NA)

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

United Kingdom (2011 rate = 20%)

The UK VAT rate has increased from 17.5 percent to 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 (2011 rate = N/A)

While the United States does not impose a national VAT, most states, and some local governments impose transactional 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 sales tax rate in the United States may range from 5 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, along with 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 (2011 rate = 22%)

The standard rate of VAT (impuesto al valor agregado (IVA)) is 22 percent as from 1 July 2007. The reduced rate of 10 percent (reduced from 14 percent as from 1 July 2007) applies to specific consumer goods, lodging services, and medicines. Exports are zero-rated. Exempt supplies include certain agricultural goods and machinery, specified fuels, commissions, interests on specific financial transactions, and transport services.

Venezuela (2011 rate = 12%)

The standard rate of VAT (impuesto al valor agregado (IVA)) was 9 percent on 1 January 2009 and increased to 12 percent on 1 April 2009 (the rate was reduced from 14 percent to 11 percent as from 1 March 2007 and then further to 9 percent as from 1 July 2007). The increased rate of 19 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 by leasing, insurance services, payroll, operations performed in specified duty free and tourist areas, national electricity, water, and natural gas.

Vietnam (2011 rate = 10%)

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 (5 percent); and the exports of goods and services (0 percent). Please note that export services are subject to a VAT registration and permanent establishment in Vietnam tests of the recipient and strict requirements. 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.

Zambia (2011 rate = 16%)

The standard rate of 16 percent which was introduced on April 1 2008 is still applicable in the year 2011. There is a reduced rate of zero percent which applies to export of goods, supplies to privileged persons, books, medical & building supplies, agricultural equipment & accessories etc.

Exempt goods and services include water supply, educational services, transport services, financial services, and conveyance of real property among other products and services. With effect from 1 January 2011, VAT will apply on all non life insurance products. Previously, all insurance services were exempt from VAT. Hotel accommodation in Livingstone, which was zero rated in 2010 and prior, will now be standard rated.

Indirect Tax Rates 2011 – Footnotes

Dismantling of the Netherlands Antilles

The Netherlands Antilles have ceased to exist on 10 October 2010. Prior to that date, the Netherlands Antilles consisted of Curaçao, St. Maarten, Bonaire, St. Eustatius, and Saba, and formed, together with the Netherlands and Aruba, the Kingdom of the Netherlands. Since 10 October 2010, Bonaire, St. Eustatius and Saba, also referred to as the BES islands, have, as public entities, become part of the Netherlands.

Bonaire

No notes

Curaçao

Until new legislation is adopted, Curaçao and St Martin will, barring a few changes, maintain the current tax regulations of the Netherlands Antilles. On Curaçao the standard rate of turnover tax (Omzetbelasting; OB) is 5 percent. Please note that the new proposed tax legislation contains a standard turnover tax rate of 6 percent. In certain cases the law provides for tariffs which deviate from the aforementioned and other exemptions.

Saba

No notes

St Eustatius

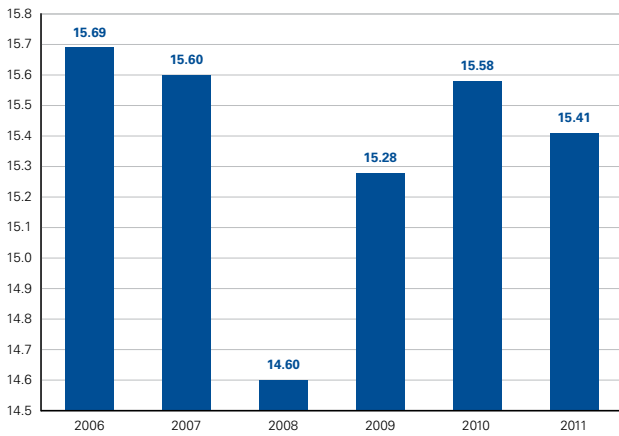
No notes

St Maarten

The standard rate of turnover tax (Belasting op Bedrijfsomzetten; BBO) in St. Maarten as of 11 February 2011 is 5 percent. In certain cases the law provides for tariffs which deviate from the aforementioned and other exemptions.

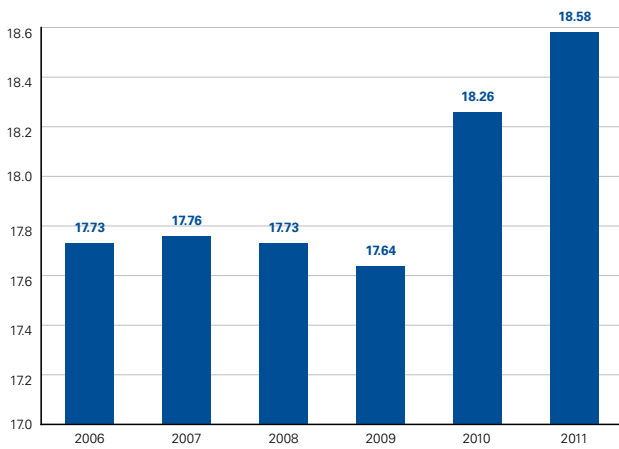
Indirect Tax Rates 2006–2011

Global Average Indirect Tax Rates 2006–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

OECD Member Average Indirect Tax Rates 2006–2011

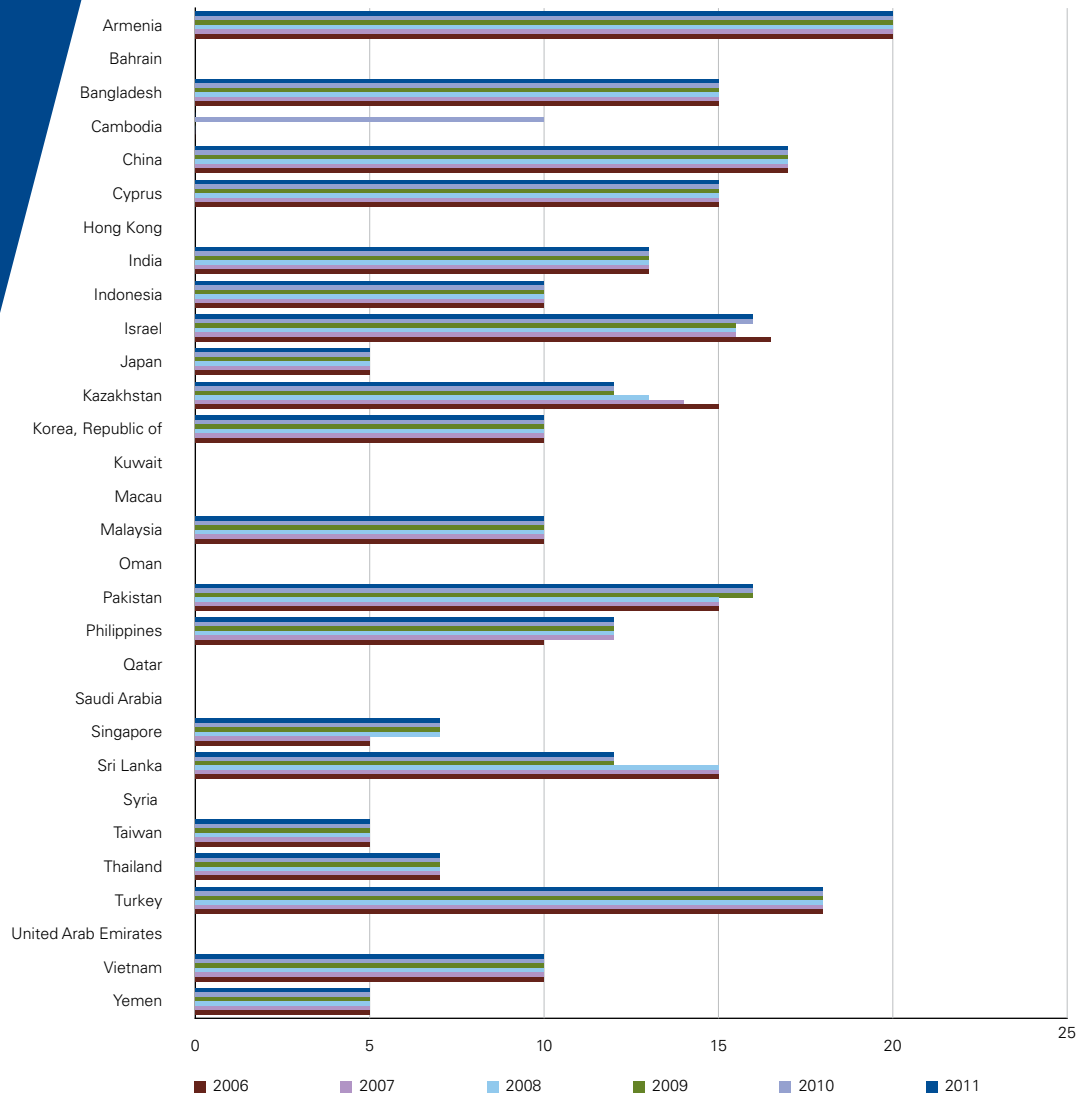


Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Indirect Tax Rates 2006–2011

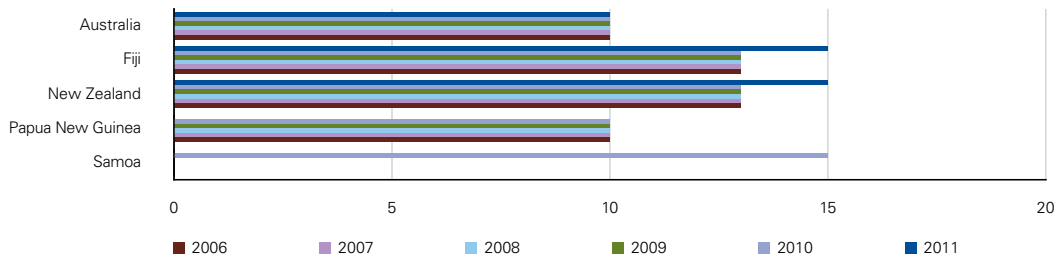
Asia Region Indirect Tax Rates 2006–2011

(Eastern Asia, South Central Asia, South Eastern Asia, Western Asia)



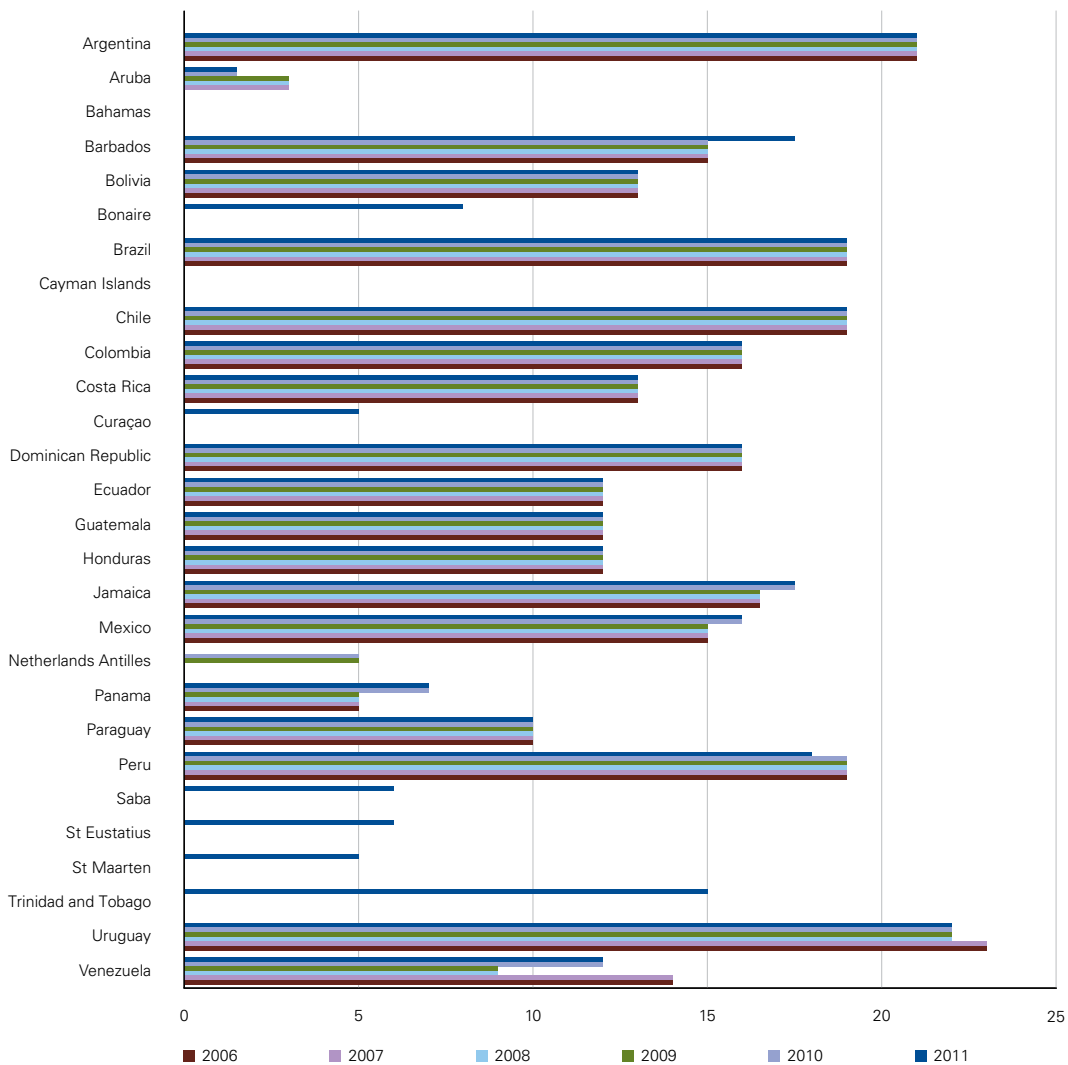
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Oceania Region Indirect Tax Rates 2006–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

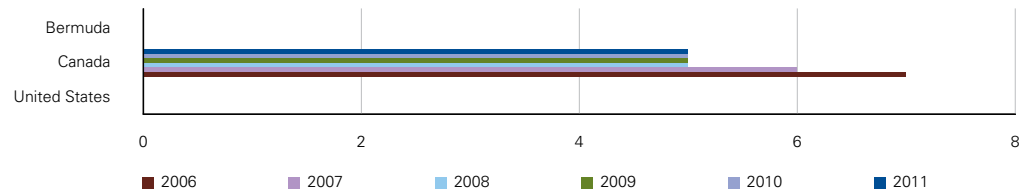
Latin America Region Indirect Tax Rates 2006–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Indirect Tax Rates 2006–2011

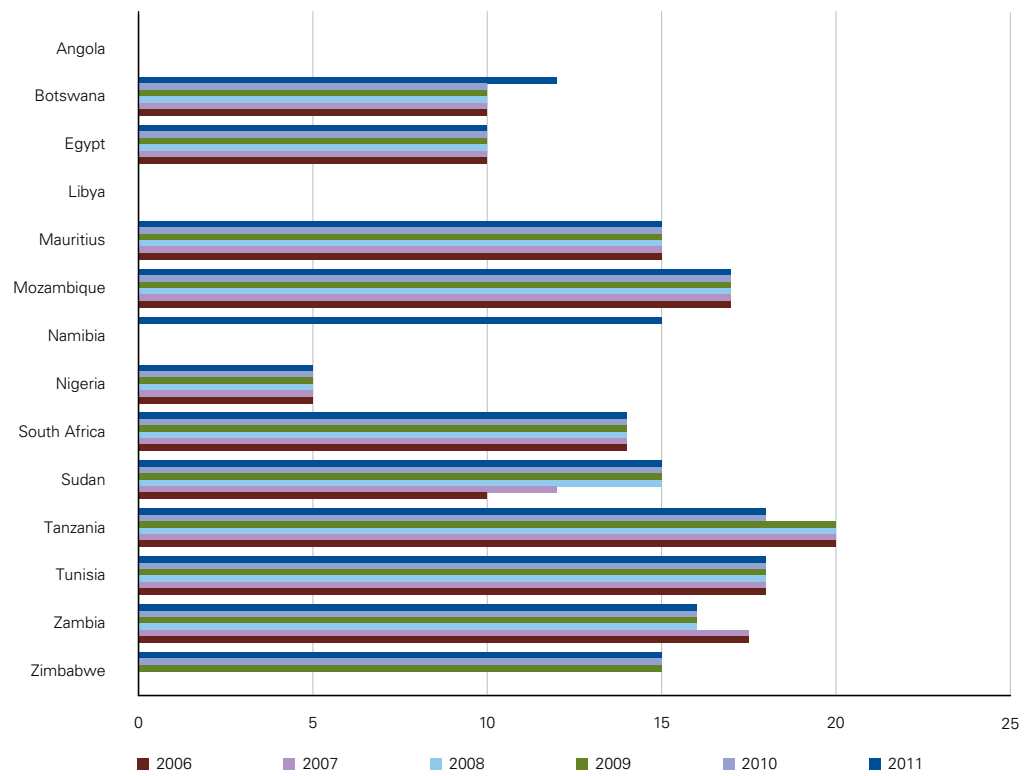
North America Region Indirect Tax Rates 2006–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

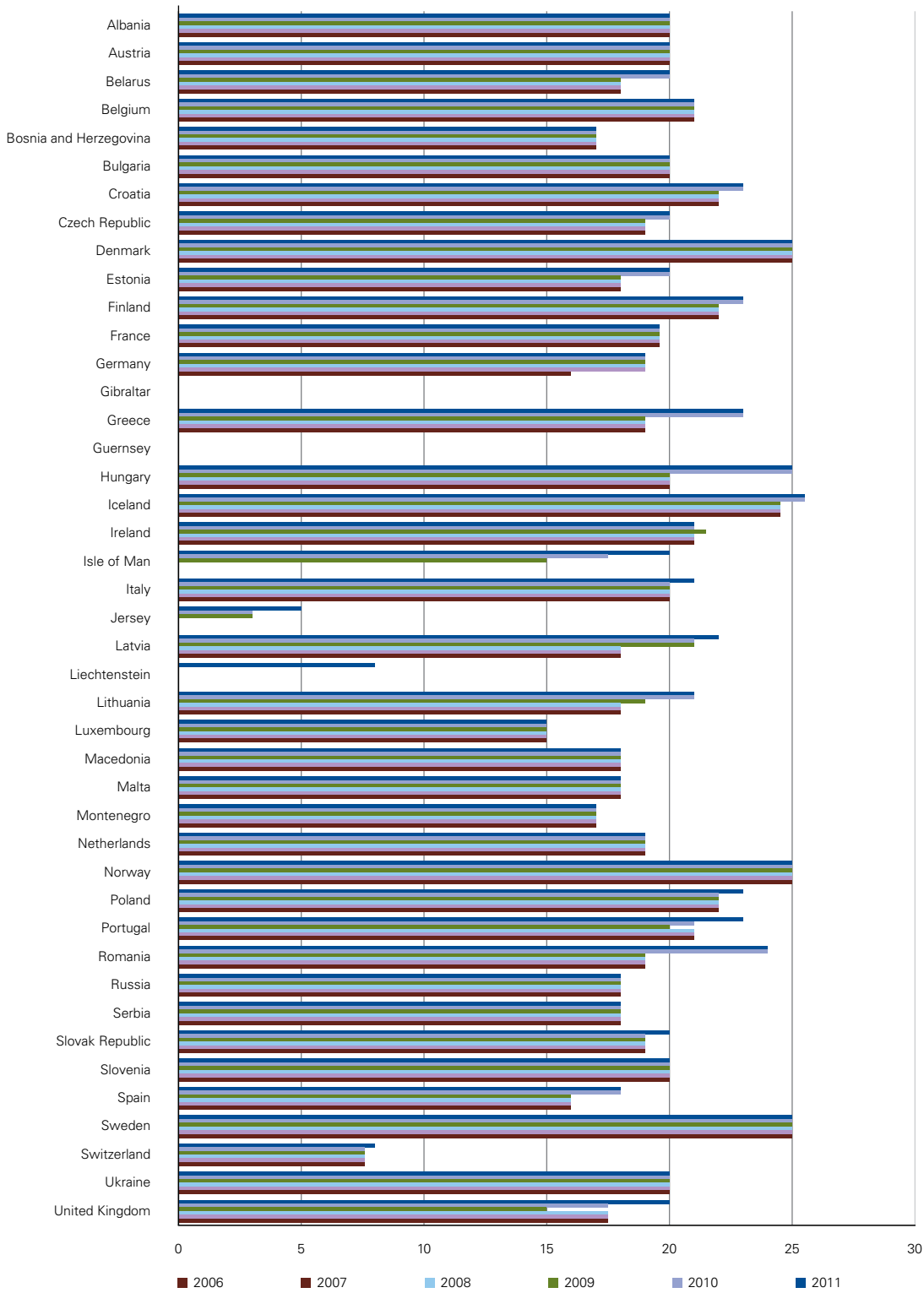
Africa Region Indirect Tax Rates 2006–2011

(Eastern Africa, Middle Africa, Northern Africa, North Eastern Africa, Southern Africa, Western Africa)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Europe Region Indirect Tax Rates 2006–2011
 (Eastern Europe, Northern Europe, Southern Europe, Western Europe)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Appendix

Sub Region	OECD	Country	2000	2001	2002
South Central Asia		Afghanistan	0	0	0
Southern Europe		Albania		25	25
Middle Africa		Angola	35	35	35
South America		Argentina	35	35	35
Western Asia		Armenia	20	20	20
Caribbean		Aruba			
Australia and New Zealand	Member	Australia	36	34	30
Western Europe	Member	Austria	34	34	34
Caribbean		Bahamas	0	0	0
Western Asia		Bahrain	0	0	0
South Central Asia		Bangladesh	35	35	35
Caribbean		Barbados	40	40	37.5
Eastern Europe		Belarus	30	30	24
Western Europe	Member	Belgium	40.17	40.17	40.17
North America		Bermuda	0	0	0
Caribbean		BES Islands			
South America		Bolivia			
Southern Europe		Bosnia and Herzegovina	10% (the RS)	10% (the RS)	10% (the RS)
Southern Africa		Botswana	25	25	25
South America		Brazil	37	34	34
Eastern Europe		Bulgaria		23.5	23.5
South Eastern Asia		Cambodia			
North America	Member	Canada	44.6	42.1	38.6
Caribbean		Cayman Islands	0	0	0
South America	Member	Chile	15	15	16
Eastern Asia		China	33	33	33
South America		Colombia	35	35	35
Central America		Costa Rica	30	30	30
Southern Europe		Croatia	25	20	20
Caribbean		Curaçao			
Western Asia		Cyprus	28	28	28
Eastern Europe	Member	Czech Republic	31	31	31

Corporate Tax Rates 2000–2011

2003	2004	2005	2006	2007	2008	2009	2010	2011	Country
0	0	0	0	20	20	20	20	20	Afghanistan
25	25	23	20	20	10	10	10	10	Albania
35	35	35	35	35	35	35	35	35	Angola
35	35	35	35	35	35	35	35	35	Argentina
20	20	20	20	20	20	20	20	20	Armenia
		35	35	28	28	28	28	28	Aruba
30	30	30	30	30	30	30	30	30	Australia
34	34	25	25	25	25	25	25	25	Austria
0	0	0	0	0	0	0	0	0	Bahamas
0	0	0	0	0	0	0	0	0	Bahrain
30	30	30	30	30	30	27.5	27.5	27.5	Bangladesh
36	33	30	25	25	25	25	25	25	Barbados
24	24	24	24	24	24	24	24	24	Belarus
33.99	33.99	33.99	33.99	33.99	33.99	33.99	33.99	33.99	Belgium
0	0	0	0	0	0	0	0	0	Bermuda
								0	BES Islands
							25		Bolivia
10% (the RS)	10% (the RS)	10% (the RS)	10% (the RS)	10% (the RS)	10	10	10	10	Bosnia and Herzegovina
25	25	25	25	25	25	25	25	25	Botswana
34	34	34	34	34	34	34	34	34	Brazil
23.5	19.5	15	15	10	10	10	10	10	Bulgaria
							20		Cambodia
36.6	36.1	36.1	36.1	36.1	33.5	33	31	28.3	Canada
0	0	0	0	0	0	0	0	0	Cayman Islands
16.5	17	17	17	17	17	17	17	20	Chile
33	33	33	33	33	25	25	25	25	China
35	35	35	35	34	33	33	33	33	Colombia
36	30	30	30	30	30	30	30	30	Costa Rica
20	20	20	20	20	20	20	20	20	Croatia
								34.5	Curacao
15	15	10	10	10	10	10	10	10	Cyprus
31	28	26	24	24	21	20	19	19	Czech Republic

Sub Region	OECD	Country	2000	2001	2002
Northern Europe	Member	Denmark	32	30	30
Caribbean		Dominican Republic	25	25	25
South America		Ecuador	25	25	25
Northern Africa		Egypt	42	42	42
Northern Europe	Member	Estonia	26	26	26
Australia and New Zealand		Fiji	35	34	32
Northern Europe	Member	Finland	29	29	29
Western Europe	Member	France	36.66	35.33	34.33
Western Europe	Member	Germany	51.6	38.36	38.36
Southern Europe		Gibraltar	35	35	35
Southern Europe	Member	Greece	40	37.5	35
Central America		Guatemala	25	31	31
Western Europe		Guernsey	0	0	0
Central America		Honduras	25	25	25
Eastern Asia		Hong Kong	16	16	16
Eastern Europe	Member	Hungary	18	18	18
Northern Europe	Member	Iceland	30	30	18
South Central Asia		India	38.5	39.55	35.7
South Central Asia		Indonesia	30	30	30
Northern Europe	Member	Ireland	24	20	16
Northern Europe		Isle of Man	0	0	0
Western Asia	Member	Israel	36	36	36
Southern Europe	Member	Italy	41.25	40.25	40.25
Caribbean		Jamaica	33.33	33.33	33.33
Eastern Asia	Member	Japan	42	42	42
Western Europe		Jersey	0	0	0
Western Asia		Jordan	25	25	25
South Central Asia		Kazakhstan	30	30	30
Eastern Asia	Member	Korea, Republic of	30.8	30.8	29.7
Western Asia		Kuwait	55	55	55
Northern Europe		Latvia	25	25	22
Northern Africa		Libya			

Corporate Tax Rates 2000–2011

2003	2004	2005	2006	2007	2008	2009	2010	2011	Country
30	30	28	28	25	25	25	25	25	Denmark
25	25	25	30	25	25	25	25	25	Dominican Republic
25	25	25	25	25	25	25	25	24	Ecuador
42	42	20	20	20	20	20	20	20	Egypt
26	26	24	23	22	21	21	21	21	Estonia
32	31	31	31	31	31	29	28	28	Fiji
29	29	26	26	26	26	26	26	26	Finland
34.33	34.33	33.83	33.33	33.33	33.33	33.33	33.33	33.33	France
39.58	38.29	38.31	38.34	38.36	29.51	29.44	29.41	29.37	Germany
35	35	35	35	35	33	27	22	10	Gibraltar
35	35	32	29	25	25	25	24	20	Greece
31	31	31	31	31	31	31	31	31	Guatemala
0	0	0	0	0	0	0	0	0	Guernsey
25	25	30	30	30	30	30	25	35	Honduras
16	17.5	17.5	17.5	17.5	16.5	16.5	16.5	16.5	Hong Kong
18	16	16	16	16	16	16	19	19	Hungary
18	18	18	18	18	15	15	18	20	Iceland
36.75	35.88	36.59	33.66	33.99	33.99	33.99	33.99	33.22	India
30	30	30	30	30	30	28	25	25	Indonesia
12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	Ireland
0	0	0	0	0	0	0	0	0	Isle of Man
36	35	34	31	29	27	26	25	24	Israel
38.25	37.25	37.25	37.25	37.25	31.4	31.4	31.4	31.4	Italy
33.33	33.33	33.33	33.33	33.33	33.33	33.33	33.33	33.33	Jamaica
42	42	40.69	40.69	40.69	40.69	40.69	40.69	40.69	Japan
0	0	0	0	0	0	0	0	0	Jersey
25	25	25	25	25	25	25	14	14	Jordan
30	30	30	30	30	30	20	20	20	Kazakhstan
29.7	29.7	27.5	27.5	27.5	27.5	24.2	24.2	24.2	Korea, Republic of
55	55	55	55	55	55	15	15	15	Kuwait
19	15	15	15	15	15	15	15	15	Latvia
30.38				40	40	40	40	20	Libya

Sub Region	OECD	Country	2000	2001	2002
Northern Europe		Lithuania	24	24	15
Western Europe	Member	Luxembourg	37.45	37.45	30.38
Eastern Asia		Macau	15	15	15
Southern Europe		Macedonia	15	15	15
South Eastern Asia		Malaysia	28	28	28
Southern Europe		Malta	35	35	35
Eastern Africa		Mauritius	35	25	25
Central America	Member	Mexico	35	35	35
Southern Europe		Montenegro			
Eastern Africa		Mozambique	35	35	35
Western Europe	Member	Netherlands	35	35	34.5
Caribbean	Member	Netherlands Antilles			
Australia and New Zealand	Member	New Zealand	33	33	33
Western Africa		Nigeria	30	30	30
Northern Europe	Member	Norway	28	28	28
Western Asia		Oman	12	12	12
South Central Asia		Pakistan	34.65	34.65	35
Central America		Panama	37	37	37
Melanesia		Papua New Guinea	25	25	25
South America		Paraguay	30	30	30
South America		Peru	30	30	30
South Eastern Asia		Philippines	32	32	32
Eastern Europe	Member	Poland	30	28	28
Southern Europe	Member	Portugal	37.4	35.2	33
Western Asia		Qatar	35	35	35
Eastern Europe		Romania	25	25	25
Eastern Europe		Russia	35	35	24
Polynesia		Samoa	29	29	29
Western Asia		Saudi Arabia	45	30	30
Southern Europe		Serbia			20
South Eastern Asia		Singapore	26	25.5	24.5
Eastern Europe	Member	Slovak Republic	29	29	25

Corporate Tax Rates 2000–2011

2003	2004	2005	2006	2007	2008	2009	2010	2011	Country
15	15	15	15	15	15	20	15	15	Lithuania
30.38	30.38	30.38	29.63	29.63	29.63	28.59	28.59	28.8	Luxembourg
15	12	12	12	12	12	12	12	12	Macau
15	15	15	15	12	10	10	10	10	Macedonia
25	28	28	28	27	26	25	25	25	Malaysia
35	35	35	35	35	35	35	35	35.00	Malta
25	25	25	25	22.5	15	15	15	15	Mauritius
34	33	30	29	28	28	28	30	30	Mexico
		9	9	9	9	9	9	9	Montenegro
32	32	32	32	32	32	32	32	32	Mozambique
33	34.5	31.5	29.6	25.5	25.5	25.5	25.5	25	Netherlands
28		34.5	34.5	34.5	34.5	34.5	34.5		Netherlands Antilles
33	33	33	33	33	30	30	30	28	New Zealand
30	30	30	30	30	30	30	30	30	Nigeria
28	28	28	28	28	28	28	28	28	Norway
12	12	12	12	12	12	12	12	12	Oman
35	35	35	35	35	35	35	35	35	Pakistan
30	30	30	30	30	30	30	27.5	25	Panama
27	30	30	30	30	30	30	30	30	Papua New Guinea
32	30	20	10	10	10	10	10	10	Paraguay
27	30	30	30	30	30	30	30	30	Peru
33	32	32	35	35	35	30	30	30	Philippines
27	19	19	19	19	19	19	19	19	Poland
25	27.5	27.5	27.5	25	25	25	25	25	Portugal
35	35	35	35	35	35	35	10	10	Qatar
25	25	16	16	16	16	16	16	16	Romania
24	24	24	24	24	24	20	20	20	Russia
29	29	29	29	27	27	27	27	27	Samoa
30	30	30	20	20	20	20	20	20	Saudi Arabia
14	12.33	10	10	10	10	10	10	10	Serbia
22	22	20	20	20	18	18	17	17	Singapore
25	19	19	19	19	19	19	19	19	Slovak Republic

Sub Region	OECD	Country	2000	2001	2002
Southern Europe	Member	Slovenia	25	25	25
Southern Africa		South Africa	37.78	37.78	37.78
Southern Europe	Member	Spain	35	35	35
South Central Asia		Sri Lanka	35	35	42
Caribbean		St. Maarten			
North Eastern Africa		Sudan	35	35	35
Northern Europe	Member	Sweden	28	28	28
Western Europe	Member	Switzerland	25.1	24.7	24.5
Eastern Asia		Syria	45	45	45
Eastern Asia		Taiwan	25	25	25
Eastern Africa		Tanzania			
South Eastern Asia		Thailand	30	30	30
Northern Africa		Tunisia	35	35	35
Western Asia		Turkey	33	33	33
Eastern Europe		Ukraine	30	30	30
Western Asia		United Arab Emirates	55	55	55
Western Europe	Member	United Kingdom	30	30	30
North America	Member	United States	40	40	40
South America		Uruguay	30	30	30
Melanesia		Vanuatu	0	0	0
South America		Venezuela	34	34	34
South Eastern Asia		Vietnam	32.5	32	32
Western Asia	Member	Yemen	35	35	35
Eastern Africa		Zambia	35	35	35
Eastern Africa		Zimbabwe	36.05	30.9	30.9
Average			29.03	28.34	27.61

Corporate Tax Rates 2000–2011

2003	2004	2005	2006	2007	2008	2009	2010	2011	Country
35	25	25	25	23	22	21	20	20	Slovenia
37.78	37.78	37.78	36.89	36.89	34.55	34.55	34.55	34.55	South Africa
35	35	35	35	32.5	30	30	30	30	Spain
28	35	32.5	32.5	35	35	35	35	35	Sri Lanka
								34.5	St Maarten
35	35	35	35	30	15	15	15	35	Sudan
28	28	28	28	28	28	26.3	26.3	26.3	Sweden
25	24.1	21.3	21.3	21.32	21.17	21.17	21.17	21.17	Switzerland
35	35	35	35	28	28	28	28	28	Syria
25	25	25	25	25	25	25	17	17	Taiwan
							30	30	Tanzania
30	30	30	30	30	30	30	30	30	Thailand
35	35	35	35	30	30	30	30	30	Tunisia
30	33	30	20	20	20	20	20	20	Turkey
30	25	25	25	25	25	25	25	25	Ukraine
55	55	55	55	55	55	55	55	55	United Arab Emirates
30	30	30	30	30	30	28	28	28	United Kingdom
34	34	40	40	40	40	40	40	40	United States
35	30	30	30	30	25	25	25	25	Uruguay
0	0	0	0	0	0	0	0	0	Vanuatu
34	34	34	34	34	34	34	34	34	Venezuela
32	28	28	28	28	28	25	25	25	Vietnam
35	35	35	35	35	35	35	35	20	Yemen
35	35	35	35	35	35	35	35	35	Zambia
30.9	30.9	30.9	30.9	30.9	30.9	30.9	25.75	25.75	Zimbabwe
26.97	26.48	25.69	25.28	25.04	24.34	23.68	23.07	*22.96	

Source: KPMG International, Corporate and Indirect Tax Survey 2011.

*Average rate includes zero rate countries. Excluding zero rate countries average is 24.64 percent for 2011.

Appendix

Sub Region	OECD	Country	2005
Southern Europe		Albania	20
Middle Africa		Angola	N/A
South America		Argentina	21
Western Asia		Armenia	20
Caribbean		Aruba	N/A
Australia and New Zealand	Member	Australia	10
Western Europe	Member	Austria	20
Caribbean		Bahamas	N/A
Western Asia		Bahrain	N/A
South Central Asia		Bangladesh	15
Caribbean		Barbados	15
Eastern Europe		Belarus	18
Western Europe	Member	Belgium	21
North America		Bermuda	
South America		Bolivia	13
Caribbean		Bonaire	
Southern Europe		Bosnia and Herzegovina	N/A
Southern Africa		Botswana	10
South America		Brazil	19
Eastern Europe		Bulgaria	20
South Eastern Asia		Cambodia	
North America	Member	Canada	7
Caribbean		Cayman Islands	N/A
South America	Member	Chile	19
Eastern Asia		China	17
South America		Colombia	16
Central America		Costa Rica	13
Southern Europe		Croatia	22
Caribbean		Curaçao	
Western Asia		Cyprus	15
Eastern Europe		Czech Republic	19
Northern Europe	Member	Denmark	25
Caribbean		Dominican Republic	16
South America		Ecuador	12
Northern Africa		Egypt	10
Northern Europe	Member	Estonia	18
Australia and New Zealand		Fiji	12.50
Northern Europe	Member	Finland	22
Western Europe	Member	France	19.6
Western Europe	Member	Germany	16
Southern Europe		Gibraltar	N/A
Southern Europe	Member	Greece	18

Indirect Tax Rates 2005–2011

2006	2007	2008	2009	2010	2011	Country
20	20	20	20	20	20	Albania
N/A	N/A	N/A	N/A	N/A		Angola
21	21	21	21	21	21	Argentina
20	20	20	20	20	20	Armenia
N/A	3	3	3	1.5	1.5	Aruba
10	10	10	10	10	10	Australia
20	20	20	20	20	20	Austria
N/A	N/A	N/A	N/A	N/A	N/A	Bahamas
N/A	N/A	N/A	N/A	N/A	N/A	Bahrain
15	15	15	15	15	15	Bangladesh
15	15	15	15	15	17.5	Barbados
18	18	18	18	20	20	Belarus
21	21	21	21	21	21	Belgium
			N/A	N/A	N/A	Bermuda
13	13	13	13	13	13	Bolivia
					8	Bonaire
17	17	17	17	17	17	Bosnia and Herzegovina
10	10	10	10	10	12	Botswana
19	19	19	19	19	19	Brazil
20	20	20	20	20	20	Bulgaria
				10		Cambodia
7	6	5	5	5	5	Canada
N/A	N/A	N/A	N/A	N/A	N/A	Cayman Islands
19	19	19	19	19	19	Chile
17	17	17	17	17	17	China
16	16	16	16	16	16	Colombia
13	13	13	13	13	13	Costa Rica
22	22	22	22	23	23	Croatia
					5	Curaçao
15	15	15	15	15	15	Cyprus
19	19	19	19	20	20	Czech Republic
25	25	25	25	25	25	Denmark
16	16	16	16	16	16	Dominican Republic
12	12	12	12	12	12	Ecuador
10	10	10	10	10	10	Egypt
18	18	18	18	20	20	Estonia
12.50	12.50	12.50	12.50	12.50	15	Fiji
22	22	22	22	23	23	Finland
19.6	19.6	19.6	19.6	19.6	19.6	France
16	19	19	19	19	19	Germany
N/A	N/A	N/A	N/A	N/A	N/A	Gibraltar
19	19	19	19	23	23	Greece

Sub Region	OECD	Country	2005
Central America		Guatemala	12
Western Europe		Guernsey	
Central America		Honduras	12
Eastern Asia		Hong Kong	N/A
Eastern Europe	Member	Hungary	25
Northern Europe	Member	Iceland	24.5
South Central Asia		India	16
South Central Asia		Indonesia	10
Northern Europe	Member	Ireland	21
Northern Europe		Isle of Man	
Western Asia	Member	Israel	17
Southern Europe	Member	Italy	20
Caribbean		Jamaica	15
Eastern Asia	Member	Japan	5
Western Europe		Jersey	
South Central Asia		Kazakhstan	15
Eastern Asia	Member	Korea, Republic of	10
Western Asia		Kuwait	N/A
Northern Europe		Latvia	18
Northern Africa		Libya	N/A
Central Europe		Liechtenstein	
Northern Europe		Lithuania	18
Western Europe	Member	Luxembourg	15
Eastern Asia		Macau	N/A
Southern Europe		Macedonia	18
South Eastern Asia		Malaysia	10
Southern Europe		Malta	18
Eastern Africa		Mauritius	15
Central America	Member	Mexico	15
Southern Europe		Montenegro	17
Eastern Africa		Mozambique	17
Southern Africa		Namibia	
Western Europe	Member	Netherlands	19
Caribbean	Ex-Member	Netherlands Antilles	
Australia and New Zealand	Member	New Zealand	12.5
Western Africa		Nigeria	5
Northern Europe	Member	Norway	25
Western Asia		Oman	N/A
South Central Asia		Pakistan	15
Central America		Panama	5
Melanesia		Papua New Guinea	10
South America		Paraguay	10

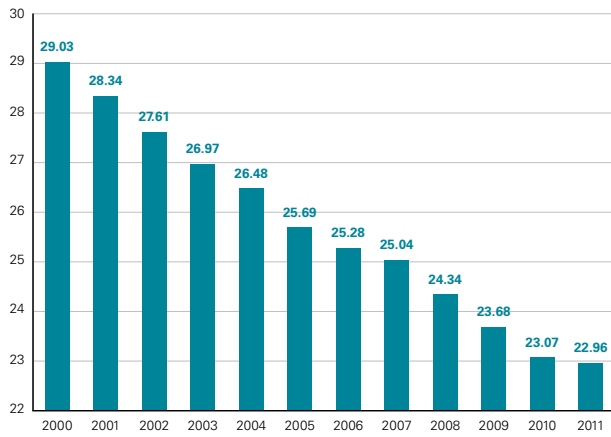
Sub Region	OECD	Country	2005
South America		Peru	19
South Eastern Asia		Philippines	10
Eastern Europe	Member	Poland	22
Southern Europe	Member	Portugal	19
Western Asia		Qatar	N/A
Eastern Europe		Romania	19
Eastern Europe		Russia	18
Caribbean		Saba	
Polynesia		Samoa	
Western Asia		Saudi Arabia	N/A
Southern Europe		Serbia	18
South Eastern Asia		Singapore	5
Eastern Europe	Member	Slovak Republic	19
Southern Europe	Member	Slovenia	20
Southern Africa		South Africa	14
Southern Europe	Member	Spain	16
South Central Asia		Sri Lanka	15
Caribbean		St. Eustatius	
Caribbean		St. Maarten	
North Eastern Africa		Sudan	10
Northern Europe	Member	Sweden	25
Western Europe	Member	Switzerland	7.6
Eastern Asia		Syria	N/A
Eastern Asia		Taiwan	5
Eastern Africa		Tanzania	20
South Eastern Asia		Thailand	7
Caribbean		Trinidad and Tobago	
Northern Africa		Tunisia	18
Western Asia	Member	Turkey	18
Eastern Europe		Ukraine	20
Western Asia		United Arab Emirates	N/A
Western Europe	Member	United Kingdom	17.5
North America	Member	United States	N/A
South America		Uruguay	23
South America		Venezuela	15
South Eastern Asia		Vietnam	10
Western Asia		Yemen	10
Eastern Africa		Zambia	17.5
Eastern Africa		Zimbabwe	
		Average	15.80

Indirect Tax Rates 2005–2011

2006	2007	2008	2009	2010	2011	Country
19	19	19	19	19	18	Peru
10	12	12	12	12	12	Philippines
22	22	22	22	22	23	Poland
21	21	21	20	21	23	Portugal
N/A	N/A	N/A	N/A	N/A	N/A	Qatar
19	19	19	19	24	24	Romania
18	18	18	18	18	18	Russia
					6	Saba
				15		Samoa
N/A	N/A	N/A	N/A	N/A	N/A	Saudi Arabia
18	18	18	18	18	18	Serbia
5	5	7	7	7	7	Singapore
19	19	19	19	19	20	Slovak Republic
20	20	20	20	20	20	Slovenia
14	14	14	14	14	14	South Africa
16	16	16	16	18	18	Spain
15	15	15	12	12	12	Sri Lanka
					6	St Eustatius
					5	St Maarten
10	12	15	15	15	15	Sudan
25	25	25	25	25	25	Sweden
7.6	7.6	7.6	7.6	7.6	8	Switzerland
N/A	N/A	N/A	N/A	N/A	N/A	Syria
5	5	5	5	5	5	Taiwan
20	20	20	20	18	18	Tanzania
7	7	7	7	7	7	Thailand
					15	Trinidad and Tobago
18	18	18	18	18	18	Tunisia
18	18	18	18	18	18	Turkey
20	20	20	20	20	20	Ukraine
N/A	N/A	N/A	N/A	N/A	N/A	United Arab Emirates
17.5	17.5	17.5	15	17.5	20	United Kingdom
N/A	N/A	N/A	N/A	N/A	N/A	United States
23	23	22	22	22	22	Uruguay
14	14	9	9	12	12	Venezuela
10	10	10	10	10	10	Vietnam
5	5	5	5	5	5	Yemen
17.5	17.5	16	16	16	16	Zambia
			15	15	15	Zimbabwe
15.69	15.60	14.60	15.28	15.58	15.41	

Averages

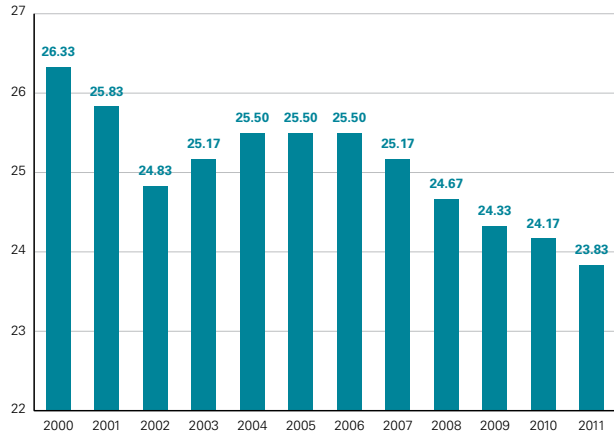
*Global Average Corporate Tax Rates 2000–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

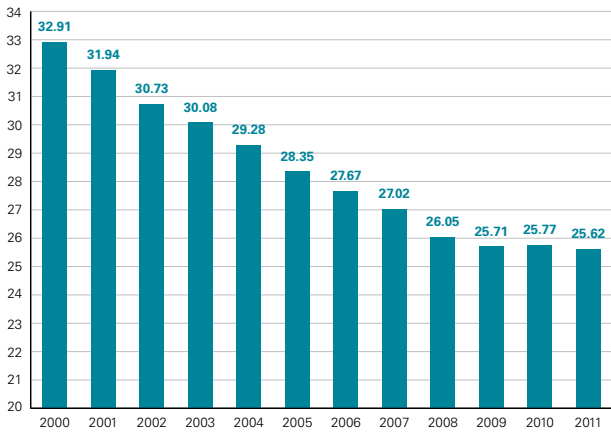
Oceania Region Average Corporate Tax Rates 2000–2011

(Australia and New Zealand, Melanesia, Polynesia)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

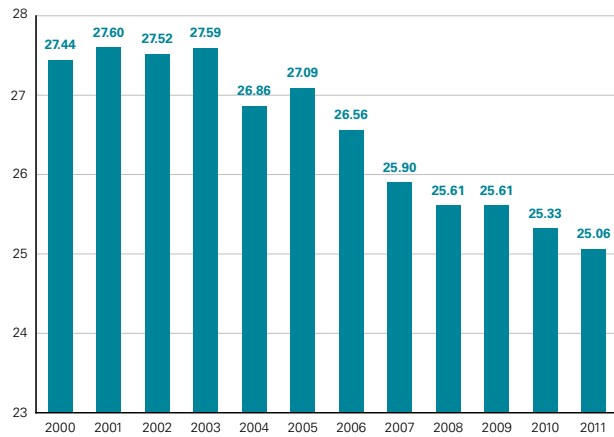
OECD Member Average Corporate Tax Rates 2000–2011



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Latin America Region Corporate Tax Rates 2000–2011

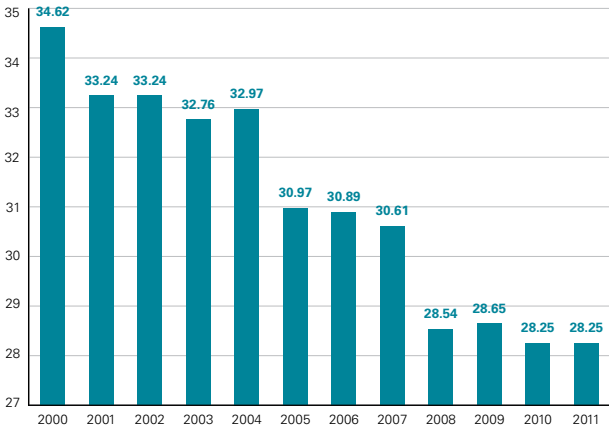
(Caribbean, Central America, South America)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

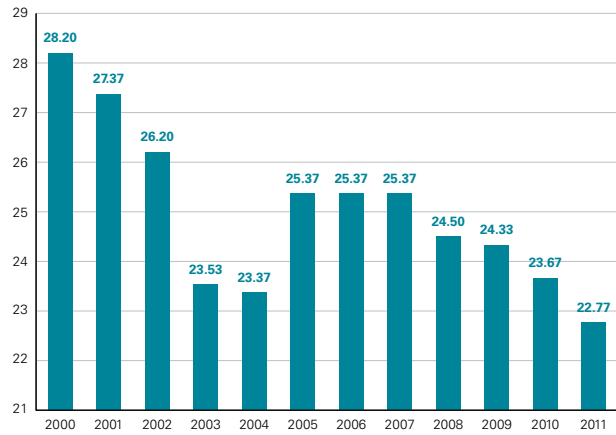
*Average rate includes zero rate countries. Excluding zero rate countries average is 24.64 percent for 2011.

Africa Region Average Corporate Tax Rates 2000–2011
(Eastern Africa, Middle Africa, Northern Africa, Southern Africa, Western Africa)



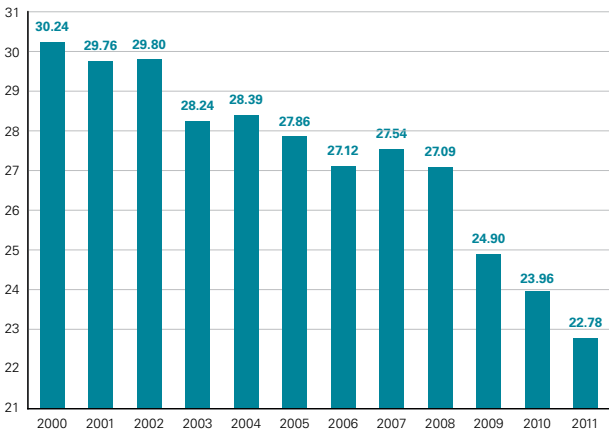
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

North America Region Corporate Tax Rates 2000–2011



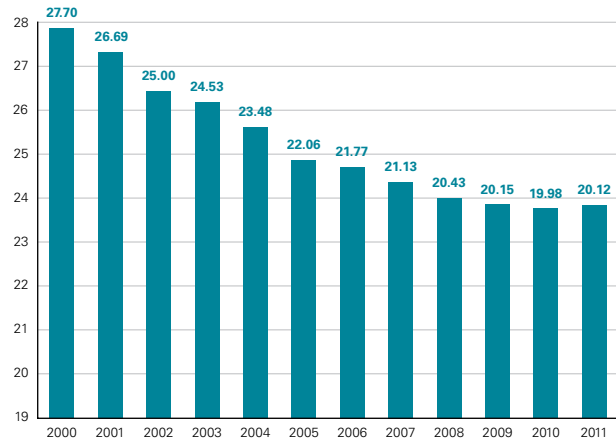
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Asia Region Corporate Tax Rates 2000–2011
(Eastern Asia, South Central Asia, South Eastern Asia, Western Asia)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

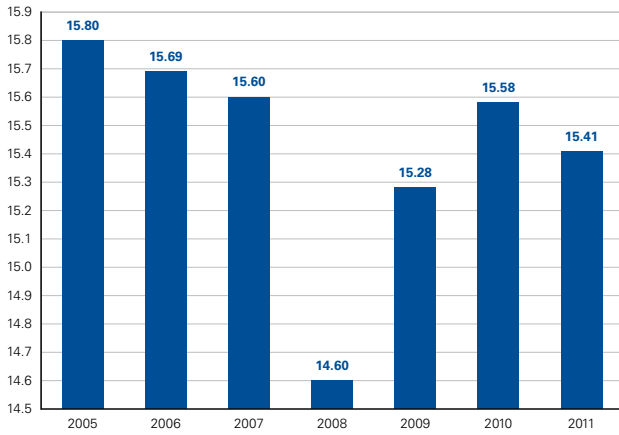
Europe Region Corporate Tax Rates 2000–2011
(Eastern Europe, Northern Europe, Southern Europe, Western Europe)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

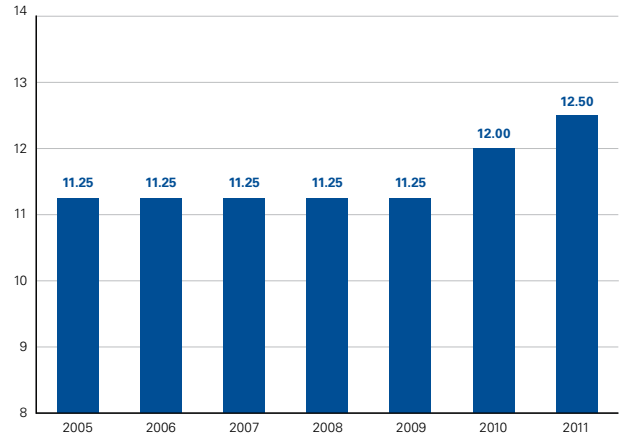
Averages

Global Average Indirect Tax Rates 2005–2011



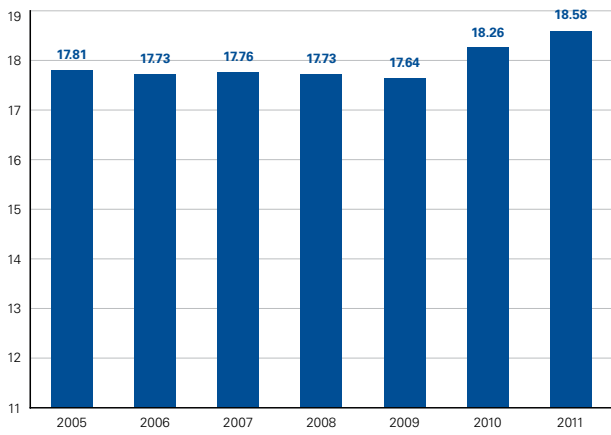
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Oceania Region Average Indirect Tax Rates 2005–2011
(Australia and New Zealand, Polynesia)



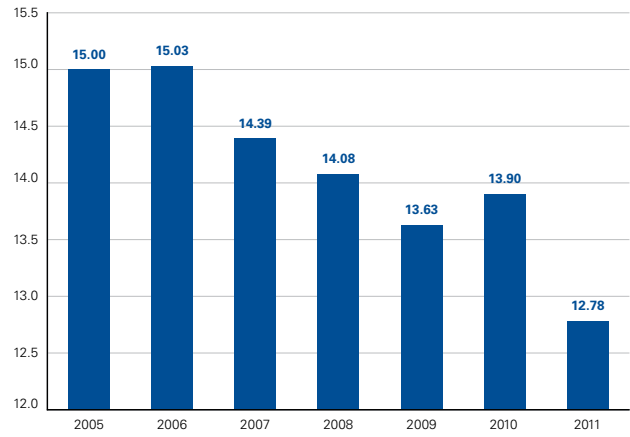
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

OECD Member Average Indirect Tax Rates 2005–2011



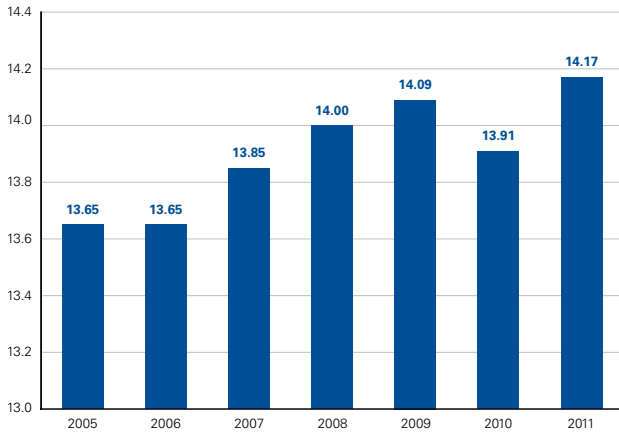
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Latin America Region Indirect Tax Rates 2005–2011
(Caribbean, Central America, South America)



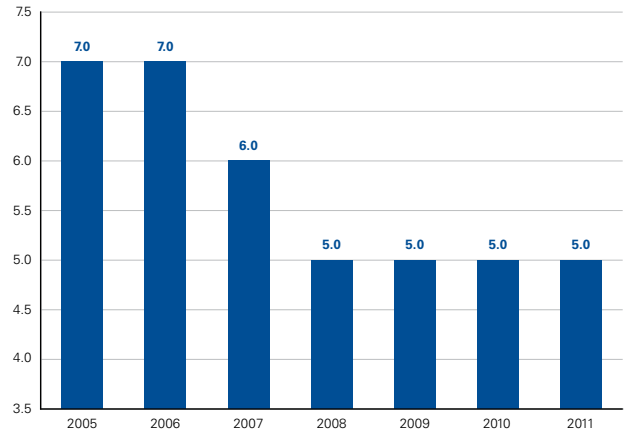
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Africa Region Average Indirect Tax Rates 2005–2011
(Eastern Africa, Middle Africa, Northern Africa, Southern Africa, Western Africa)



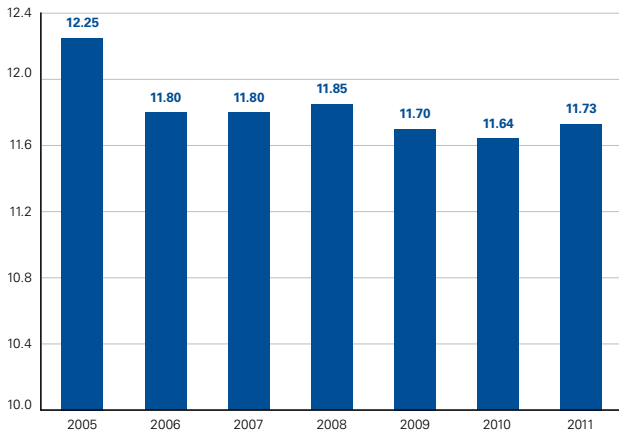
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

North America Region Indirect Tax Rates 2005–2011



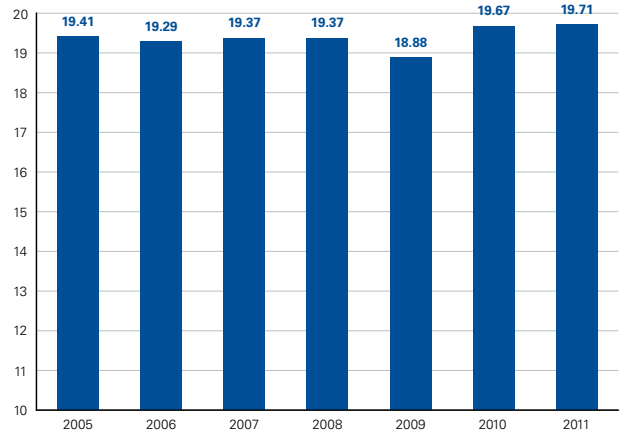
Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Asia Region Indirect Tax Rates 2005–2011
(Eastern Asia, South Central Asia, South Eastern Asia, Western Asia)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

Europe Region Indirect Tax Rates 2005–2011
(Central Europe, Eastern Europe, Northern Europe, Southern Europe, Western Europe)



Source: KPMG International, Corporate and Indirect Tax Survey 2011.

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