



KPMG's Corporate and Indirect Tax Survey 2010

TAX

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

As such, year over year you will note that we have many new developments indicated with footnote markings.

Please take note of the following when regarding the information presented 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. Changes to rate information following July, 2010 will be reflected in subsequent year reports.
- Corporate and indirect rate data has been provided and verified by participating KPMG member firms.
- Where blanks appear for corporate and indirect tax rate information this aligns to the years in which countries contribute and participate in the report. (Footnote marking *)
- Average corporate and indirect tax rate calculations have been based on the data within each year to accurately reflect year-on-year changes. (Footnote marking **)
- Countries have been assigned to their sub-region based on United Nations definitions. (Footnote marking ***)

Across KPMG's global network of member firms, we have 22,000 tax professionals. The insights they offer – both in local tax knowledge and cross-border tax skills – can provide organizations, large and small, with an advantage in the immediate and long term. Drawing on the experience of our people and multi-disciplinary approach, we are able to help our firms' clients to think beyond the present, see beyond borders and achieve long-lasting success.

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Introduction

Looking ahead, tax departments will be judged on how they are responding to the implications of changes to the tax revenue mix.



Loughlin Hickey
Global Head of Tax
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While there remain disagreements on the balance of attention between government-sponsored stimulus and reducing fiscal deficits, there seem to be common priorities for national economies: competition for investment to grow the tax base, and the need for tax revenues to help pay down deficits.

The typical global action taken to compete for investment is to reduce the headline corporate tax. But this does not begin to tell the whole story. Looking deeper at the issue, national revenue bodies are recognizing that, as companies globalize and move their operations around the world (and profit shocks hit), corporate income tax is a mobile and volatile source of income.

Given that this source of income is becoming less reliable, combined with the need to attract investment, it makes sense that corporate rates are dropping. But how is the reduction to be paid for? Tax authorities are still being asked to pay for stimulus packages or reduce the resulting deficits. What we are seeing is a combination of reduced corporate tax reliefs, strengthened transfer pricing regulations, and, importantly, a shift to indirect taxes to create a more stable source of tax revenues (as consumption taxes are less mobile).

These tax choices go beyond the mix of tax revenues to implications for global compliance, governance and regulatory environments. Tax authorities are globalizing, collaborating and

sharing information and ideas more than ever. And there is a continuing theme of greater engagement with corporate taxpayers – the notion of so-called “enhanced relationships.”

So where does all of this leave us? We are seeing a shift from taxes on profits to real-time transaction taxes (which in effect are what transfer pricing and indirect taxes amount to), with the consequent pressure on financial accounting systems. The consequences, and indeed likelihood, of mistakes can multiply as more tax revenues come from everyday transactions hidden from view rather than from more visible adjustments to align accounting profits with taxable profits. From a regulatory perspective, there are greater demands for both information and engagement as tax authorities seek re-assurance on commitments to systems and processes that address the likely causes of non-compliance.

In dealing with these issues, and looking beyond to the future, we believe tax departments will be judged on how they are responding to the implications of changes to tax revenue mix; adding value will be a combination of efficiently managing risks inherent in the changes to the burden of taxes, and effectively freeing up time to add additional value through the right planning decisions and influencing emerging tax policy as the business makes critical choices.

Commentary

Global companies require global tax planning. It is not enough for a multinational company to adapt separately to each of its local operating environments.



Wilbert Kannekens

Global Head of International Corporate Tax
KPMG in the Netherlands

While there are significant and relevant discussions happening in the world of tax about the lowering of corporate tax rates, companies should be prepared to deal with what this actually means.

Indeed, headline corporate tax rates are being reduced in many countries, but it is critical to look deeper, and broader into the entire scope of taxation for companies – including the countries in which they operate – given that the effective corporate tax rate does not depend solely on the level of the statutory tax rate and the fact that corporate income tax only makes up a portion of the actual taxes they incur.

Since KPMG International's last report we've seen the following announcements:

- The UK corporation tax will fall to 24 percent over four years. One percentage point will be taken off the rate each year until 2014.
- Australia's Future Tax System (Henry) Review Panel recommended that corporate tax be reduced to

25 percent over the short to medium term. Government has partially supported this recommendation by moving the corporate tax rate to 29 percent for the 2013/14 income year and 28 percent from the 2014/15 income year with possible further reductions as revenue allows.

- New Zealand has announced a reduction in the corporate tax rate to 28 percent (from the current 30 percent) effective from the beginning of the 2012 year.
- In Korea, the highest corporate income tax rate was scheduled to be lowered from 22 percent to 20 percent for tax years commencing on or after January 1 2010, but has been postponed for another two years until the end of 2011. The lower tax rate applicable to tax base up to KRW200 million has already been reduced to 10 percent.

- In Hungary corporate tax has been proposed to be cut from 19 percent to 10 percent for companies whose annual profits are less than Ft500 million (US\$2.2 million).

Walking the talk

Whether or not the headline rates have been lowered, authorities in different countries will now need to consider how to regain lost revenues and defend their own goals against those who are similarly reducing their corporate tax rate to maintain a competitive appearance in the global marketplace.

Will governments actually walk the talk or try to capture more revenues through more “aggressive” transfer pricing adjustments and “overriding” double tax treaties. This remains a big question.

Indeed, tax authorities around the world are focusing on foreign investors seeking tax advantages, so they are forcing a re-appraisal of how current activities are structured. But at the same time many regulators have looked closely at beneficial ownership and ‘substance’ tests and are reevaluating their rules.

As companies seek favorable tax environments, treaty shopping or anti-treaty shopping court cases are likely going to be on the increase. Many cases have already occurred whereby the governments of countries like Korea, Australia and several developing nations have ignored existing tax treaties to protect this lucrative source of income.

Certainly those companies who operate in multiple jurisdictions will need to be highly aware of the regulations and changes that might occur as well as the change in behavior and approach of the tax authorities. The risk of double, or even triple, taxation, meaning profits will be taxed more than one time, has become very real.

The game is changing

As you can expect to hear from my colleagues, indirect tax is one of the more popular ways of gaining back some of the revenue – shifting the collection burden to the company rather than the revenue authorities. We also expect to see many countries to further broaden the tax base. Germany and Sweden are good examples, where deductibility of interest has become more difficult.

Commentary

An increase in property taxes on fixed assets and the taxation of industries such as natural resources – both of which are immovable business and limited in moving to more competitive jurisdictions can be expected.

We're also likely to see more environmental taxes on those companies who are heavy polluters or businesses that heavily relied on government aid during the financial crisis. These are levies that can easily count on support by the wider public and thus an easy win for governments.

Global companies require global tax planning. It is not enough for a multinational company to adapt separately

to each of its local operating environments. To take account of local, regional and national factors – and to thrive – a successful multinational company needs to adapt to all its environments and stakeholders.

Tax is one of the important environmental variables, and has an impact on what kind of corporate structure is appropriate, where intellectual property should be located and how global supply chains should be configured to help control the overall effective tax rate and to avoid double taxation.

The importance of VAT/GST globally is unlikely to diminish any time soon as more countries come to rely on it as a stable source of tax revenue.



Niall Campbell

Global Head of Indirect Tax Services
KPMG in Ireland

The global rise of indirect tax

All around the world governments are reassessing their long-term tax policies. To create a more stable tax base, many are turning to indirect tax as a key part of the solution – this is being done through a combination of rate increases, broadening the base or, in some cases, introducing national VAT/GST regimes for the first time.

Given this global shift to indirect tax, an area of significant and growing challenge for companies is how they are managing this changing environment. As we go to print with this 2010 edition of KPMG International's Corporate and Indirect Tax survey and review events of the last 12 months, it is quite remarkable to observe the spread of countries contributing to the global shift towards indirect tax.

As our report shows, countries with established VAT systems like the UK, Spain, Greece, Finland, Poland, Romania, New Zealand, Portugal and many more have already confirmed their plans to increase VAT/GST rates.

There has also been significant progress in two of the world's major developing economies, China and India, who are now at different stages of the implementation of national VAT/GST

systems. To complete developments in the world's top three most populous countries, the debate in the US has progressed to the extent that consensus is building around the need for a fiscal solution such as VAT – watch out for political signals that the federal government are getting really serious about it.

Many other countries are also considering the implementation of new VAT/GST regimes. For example, in December 2009 the Malaysian government announced its intention to introduce GST. Although the introduction of GST has been deferred pending further analysis by the government, it is anticipated that this will happen in due course.

Similarly, in the Gulf, increased growth and pressure on governments to provide infrastructure to support growing urban centers, has caused the member states of the Gulf Cooperation Council (GCC) to seriously consider the introduction of a VAT/GST system. The UAE, Bahrain, Dubai are all very active in this process and it is now a question of when, not if this happens.

Commentary

What can global businesses do now about the shift to indirect tax?

It is becoming very clear that actively managing indirect tax performance can add to the bottom line of the business. Basic measures, such as reducing the impact of VAT/GST on cash flow and effectively reducing the amount of unrecovered VAT/GST can contribute to enhanced profitability. Similarly, reducing the total costs of compliance and implementing tax-efficient supply chain management can deliver real competitive advantage.

In practice, managing the new global risks and opportunities is a massive challenge but can be achieved through a structured approach to key issues, such as:

- Influencing indirect tax reforms as they are occurring
- Analyzing market impacts and responding accordingly
- Utilizing new technologies to increase automation
- Future proofing contracts
- Deciding whether to in-source or out-source new compliance obligations

- Turning accumulated corporate knowledge into value in new markets
- Understanding local cultures and tax environments

Where next for indirect tax?

The importance of VAT/GST globally is unlikely to diminish any time soon as more countries come to rely on it as a stable source of tax revenue.

Other features of the global shift towards indirect tax in the future are likely to include the use of VAT/GST, and other duties, as a tool in the global drive towards a more sustainable, low carbon economy, as well as supporting economic growth in the developing world.

Better use of new technologies and process improvement are also expected to play a key role, facilitating a more effective, real-time management of the tax.

All of this points to a clear message that real, long, term change is happening and will impact global organizations in many different ways. Only businesses that pro-actively respond to the new landscape can expect to effectively manage the new indirect tax risks and be well placed to capitalize on the new opportunities that emerge. The time to act is now.



Source: KPMG International, 2010

Corporate Tax Rates

Corporate Tax Rates

Additional year-over-year data available in the APPENDIX

***Sub Region	OECD	Country	2010 (%)
Southern Europe		Albania	10
Middle Africa		Angola	35
South America		Argentina	35
Western Asia		Armenia	20
Carribbean		Aruba	28
Australia and New Zealand	Member	Australia	30
Western Europe	Member	Austria	25
Carribbean		Bahamas	0
Western Asia		Bahrain	0
South Central Asia		Bangladesh	27.5
Carribbean		Barbados	25
Eastern Europe		Belarus	24
Western Europe	Member	Belgium	33.99
North America		Bermuda	0
South America		Bolivia	25
Southern Europe		Bosnia and Herzegovina	10
Southern Africa		Botswana	25
South America		Brazil	34
Eastern Europe		Bulgaria	10
South Eastern Asia		Cambodia	20
North America	Member	Canada	31
Carribbean		Cayman Islands	0
South America	Member	Chile	17
Eastern Asia		China	25
South America		Colombia	33
Central America		Costa Rica	30
Southern Europe		Croatia	20
Western Asia		Cyprus	10
Eastern Europe	Member	Czech Republic	19
Northern Europe	Member	Denmark	25
Carribbean		Dominican Republic	25
South America		Ecuador	25
Northern Africa		Egypt	20
Northern Europe		Estonia	21
Australia and New Zealand		Fiji	28
Northern Europe	Member	Finland	26
Western Europe	Member	France	33.33
Western Europe	Member	Germany	29.41

Additional year-over-year data available in the Appendix

Corporate Tax Rates 2010

***Sub Region	OECD	Country	2010 (%)
Southern Europe		Gibraltar	22
Southern Europe	Member	Greece	24
Central America		Guatemala	31
Western Europe		Guernsey	0
Central America		Honduras	25
Eastern Asia	Member	Hong Kong	16.5
Eastern Europe	Member	Hungary	19
Northern Europe		Iceland	18
South Central Asia		India	33.99
South Central Asia		Indonesia	25
Northern Europe	Member	Ireland	12.5
Northern Europe		Isle of Man	0
Western Asia		Israel	25
Southern Europe	Member	Italy	31.4
Carribbean		Jamaica	33.33
Eastern Asia	Member	Japan	40.69
Western Europe		Jersey	0
South Central Asia		Kazakhstan	20
Eastern Asia		Korea, Republic of	24.2
Western Asia		Kuwait	15
Northern Europe		Latvia	15
Northern Africa		Libya	40
Northern Europe		Lithuania	15
Western Europe	Member	Luxembourg	28.59
Eastern Asia		Macau	12
Southern Europe		Macedonia	10
South Eastern Asia		Malaysia	25
Southern Europe		Malta	35
Eastern Africa		Mauritius	15
Central America	Member	Mexico	30
Southern Europe		Montenegro	9
Eastern Africa		Mozambique	32
Western Europe	Member	Netherlands	25.5
Carribbean	Member	Netherlands Antilles	34.5
Australia and New Zealand	Member	New Zealand	30
Western Africa		Nigeria	30
Northern Europe	Member	Norway	28
Western Asia		Oman	12

Additional year-over-year data available in the Appendix

Corporate Tax Rates 2010

***Sub Region	OECD	Country	2010 (%)
South Central Asia		Pakistan	35
Central America		Panama	27.5
Melania		Papua New Guinea	30
South America		Paraguay	10
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		Slovenia	20
Southern Africa		South Africa	34.55
Southern Europe	Member	Spain	30
South Central Asia		Sri Lanka	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
South America		Venezuela	34
South Eastern Asia		Vietnam	25
Western Asia	Member	Yemen	35
Eastern Africa		Zambia	35
Eastern Africa		Zimbabwe	25.75
Average			24.99

Additional year-over-year data available in the Appendix

Corporate Tax Rates 2010 Footnotes

Albania (2010 rate = 10%)

The Albanian corporate income tax is applied on the taxable profit. The taxable profit is the difference between gross profits and related deductible expenses. Non deductible expenses include i) expenses unsupported by relevant documentation, ii) interests up to a certain limit, iii) interest paid on loans and pre-payments which exceed four times the entity's equity, iv) representation expenses over a certain limit, v) the cost of benefits in kind, vi) private pension premiums. Only allocations to special reserves of banks and insurance companies are deductible. Dividends derived by qualifying companies are tax exempt.

Angola (2010 rate = 35%)

Corporate taxpayers may fall under Group A, Group B, or Group C. Group A is taxed at 35 percent on taxable income, Group B is taxed at 25 percent on turnover, and Group C is taxed at 35 percent on specified amounts. Group A includes state companies, financial and credit institutions, insurance companies, foreign exchange houses, and companies and permanent establishments properly registered. Group B comprises those taxpayers that do not fall under Groups A or C and that undertake commercial or industrial activities. Group C comprises any individual that fulfils all the following conditions: i) works for himself/herself; ii) does not have more than three employees; iii) does not keep a set of accounts; iv) does not have more than two vehicles; and v) the annual gross turnover is below 13 UCFs (UCF=inflation adjustment unit currently at 1UCF=53Kz).

Argentina (2010 rate = 35%)

A minimum deemed income tax (impuesto a la ganancia minima presunta, IGMP) is a tax levied at the rate of 1 percent on the tax value of the company's assets (liabilities cannot be deducted). Some assets, such as i) qualifying stocks, ii) shares in the capital of other entities subject to taxation, iii) assets held by persons subject to the regime for investment in mining, iv) the acquisition of new goods (other than automobiles), v) the value of investment in the construction of new buildings or improvements of others buildings (during the first two years), are exempt from IGMP. The income tax payable in a given tax period may be credited against the IGMP of that period. If the IGMP liability exceeds the income tax liability in the period, the excess may be carried forward for 10 years.

Armenia (2010 rate = 20%)

The taxable profit is the positive difference between the gross income and qualified tax expenses. Deductible expenses must be related to the business and necessary for the operations thereof,

and must be supported by relevant documentation. Qualified and capped losses can be deducted from the gross income. The tax deductibility of certain expenses (i.e business trip expenses, representative expenses, interest payments, etc), is limited. Tax losses can be carried forward on the next five years.

Aruba (2010 rate = 28%)

Companies operating in the so-called Free Zone are taxed at a rate of 2 percent. A so-called imputation payment company (IPC) is subject to an effective profits tax rate of 2 percent provided that the applicable dividend withholding tax rate is nil. If the dividend withholding tax rate is 5 percent or 10 percent, the IPC will be subject to an effective profits tax rate of 6.9 percent and 11.8 percent respectively. An IPC pays 28 percent profits tax while the shareholder is entitled to an imputation payment of 26 percent of the profit before tax from the Aruban government upon distribution of a dividend by the IPC.

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, year ended 31 December 2008 in lieu of 30 June 2009).

Austria (2010 rate = 25%)

There are no trade income or net worth taxes. Austrian corporations may benefit from the participation exemption regime and the group relief system (including cross-border losses use and goodwill depreciation on the acquisition of qualifying Austrian subsidiaries).

Bahamas (2010 rate = 0%)

No taxes based on corporate earnings are assessed in the Bahamas.

Bahrain (2010 rate = 0%)

Bahrain is an income tax-free country and thus, no corporate income tax is levied (except for companies undertaken oil related activities). All profits, dividends, or any other income is tax free. Oil and gas companies undertaking drilling and exploration activities are taxed 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 on a stock exchange. If a 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. If 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, leasing companies, and other financial institutions are taxed at 42.5 percent. 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. Mobile phone operators are taxed at 45 percent. However if a mobile phone operator company converts itself into a publicly traded company by transferring a minimum of 10 percent of its shares through the stock exchange, of which maximum 5 percent may be through Pre-Initial Public Offering Placement, then the applicable tax rate for this organization will be 35 percent. All other companies including branches of foreign companies are taxed at 37.5 percent. If a company raises its share capital through book building or public offering or rights offering or private placement or preferential share or in any other way, at a value in excess of face value, the company shall be charged, in addition to tax payable, premium tax at the rate of three percent on the difference between the value at which the share is sold and its face value. 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 tax but these industries will not qualify for an export rebate. Tax at 0.5 percent deducted by a bank from export proceeds received by export-oriented knitwear, woven garment, terry towel, carton and accessories of garments industry, jute goods, frozen food, vegetables, leather goods, packed food industries is treated as final tax. Minimum tax is Tk5,000 irrespective of profit or loss of the company.

Barbados (2010 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. For small business, manufacturing, or certain insurance concessions special rates apply. 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. From 2007, the domestic legislation includes an exemption from withholding tax for certain dividends received by companies resident in Barbados from non-resident companies, and on certain dividends paid by companies resident in Barbados out of foreign-source income to non-resident shareholders.

Belarus (2010 rate = 24%)

Companies resident in free economics zones (FEZs) may apply a reduced tax rate by 50%.

Belgium (2010 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 3.8 percent (4.3 percent for small companies) for fiscal year 2011 (taxable years starting 1 January 2010 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 (2010 rate = 0%)

There are no notes for 2010.

Bolivia (2010 rate = 25%)

The corporate income tax rate is assessed at the flat rate of 25 percent (annual profit tax IUE). The corporate income tax paid for the year may be credited against any future taxpayer's liability on transaction tax (other tax on income assessed at a 3 percent flat rate). A specific set of rules applies for that income derived by branches performing activities in the fields of transportation and communications, international news, insurances, or production and distribution of films, videotapes and sound recording. An effective rate of 5.5 percent is applied to the gross income of these activities. Up to 4 percent of this tax may be credited against any future liability on transactions tax.

Corporate Tax Rates 2010 Footnotes

Bosnia and Herzegovina (2010 rate = 10%)

Bosnia and Herzegovina are considered two administered territorial entities and have different Tax Laws and Regulations. Federation of Bosnia and Herzegovina (FBiH – tax rate 30 percent until 2008) and Republic of Srpska (RS – tax rate 10 percent since 2000). As of 2008 the tax rate in both the FBiH and the RS is 10 percent. In both entities, dividends received are not subject to corporate income tax. In the FBiH, among other tax reliefs, companies could benefit from a tax holiday regime when more than 30 percent of their income is derived from exports, and also other tax incentives could be applied if investment activities are undertaken. In addition to corporate income tax, entities levy taxes for the use of public goods (forests, water), tourist tax, fees for Chamber(s) of Commerce and protection against injuries.

Botswana (2009 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 credited against withholding taxes on dividend distributions during the following five years. This circumstance 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 but 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 (2010 rate = 34%)

The corporate income tax rate is 25 percent. Also, the social contribution on net profits is imposed at a rate of 9 percent. As of 1 May 2008, the social contribution on net profits tax rate applicable to financial institutions, private insurance, and capitalization companies has been increased to 15 percent. The 25 percent corporate income tax rate comprises of a 15 percent basic rate on net profits with tax adjustments and an additional income tax of 10 percent on the net profit which excess BRL240,000 per year. Companies located in certain areas of Brazil (namely the north and northeast regions) may be entitled to a reduction of 75 percent of the corporate income tax. Key tax incentives include the incentives for research and development (R&D) activities. Reduced effective corporate tax rates may be applied by companies qualifying for the election of the presumed profit system (legal entities having total gross income in the previous year not exceeding BRL48 million).

Bulgaria (2010 rate = 10%)

The corporate income tax is levied at a rate of 10 percent on the taxable income. The taxable income is the accounting profits (under IFRS or Bulgarian National Accounting Standards) reduced by

certain tax non-deductible expenses and adjusted for tax purposes. Corporate income tax returns must be filed by 31 March of the following year.

Cambodia (2010 rate = 20%)

In Cambodia the corporate income tax rate is generally levied at a rate of 20 percent on the taxable income. Special rates may be applied to certain activities. Oil or natural gas production activities and the exploitation of natural resources including timber, ore, gold and precious stones, are taxed at a rate of 30 percent. Income derived from Qualified Investment Project (QIP) approved by the Development Council of Cambodia (DCC) and entitled to a 5 years transitional period (ended by 2010) are taxed at the rate of 9 percent or at the rate of 0 percent during the tax exemption period as determined by CDC. Qualified insurance companies are taxed at the rate of 5 percent (non-insurance income is taxed at the standard rate of 20%). The taxable income is the positive difference between the gross income and qualified expenses after off-setting available tax losses. Dividends received from resident companies are not subject to income tax.

Canada (2010 rate = 31%)

The 2010 corporate income tax rate of 31 percent includes federal tax of 18 percent plus provincial tax. Depending on the province, the total effective general corporate income tax rate for 2010 ranges from 28 percent to 34 percent (23 percent to 34 percent for manufacturers). Lower rates are available to Canadian-controlled private corporations (CCPC) on their first CAD500,000 of taxable active business income. A representative tax rate for 2010 for a CCPC on its first CAD500,000 of eligible taxable income is approximately 15.5 percent (11 percent federal tax plus 4.5 percent provincial tax). Depending on the province, the total effective tax rate for 2010 for a CCPC on its eligible income ranges from 12 percent to 19 percent.

Cayman Islands (2010 rate = 0%)

There are no notes for 2010.

Chile (2010 rate = 17%)

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 global complementary tax in case of Chilean resident individuals and withholding tax in case of non-residents.

The government is analyzing a transitory increase of the tax rate for the years 2012 and 2013.

China (2010 rate = 25%/20%/15%)

From 1 January 2008, foreign and domestic entities are subject to a single enterprise income. The rate of corporate income tax is 25 percent. The tax rate for a low profit enterprise is 20 percent and hi-tech enterprises are taxed at a rate of 15 percent if certain conditions are met.

Colombia (2010 rate = 33%)

The corporate income tax rate is 33 percent from 2008 onwards and no surcharge is levied (10 percent until 2008). 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 from 2007 onwards. In addition to the corporate income tax, the regional industry and trade tax is a municipal tax levied on industrial, commercial, and service activities carried out within a municipal territory. The rate depends on the municipal territory and ranges between 4.14 and 13.8 per thousand. Deductible expenses include industrial and commercial tax, advertisement tax and real state tax. Financial transactions tax (GMF) up to the 25 percent of the paid amount are also tax deductible for corporate income tax purposes.

Costa Rica (2010 rate = 30%)

Corporate income tax is normally levied at 30 percent. However, companies whose gross income does not exceed CRC41,112,000 and companies whose gross income exceed CRC41,112,000 but not CRC82,698,000 pay tax at 10 percent and 20 percent respectively.

Croatia (2010 rate = 20%)

The taxable base is computed on accrual basis. The accounting result kept in accordance with the Law of accountancy is adjusted for tax purposes. Dividends received are not subject to corporate income tax. Taxpayers engaged in business activities in regions under special government protection, in the area of the city of Vukovar or in the hill and mountain regions, may be subject to reduced profits tax rates. Other taxes such as the tourist tax, forestry tax, monumental protection fees, and Croatian Chamber of Commerce fees are based on the turnover of the entities.

Cyprus (2010 rate = 10%)

The corporate income tax is levied at a rate of 10 percent on business income. As of tax year 2009, public entities are also subject to a 10 percent rate. Only expenses wholly and exclusively related to the business activity are deductible. Dividends received and profits from the sale of securities are tax exempt.

Czech Republic (2010 rate = 20%)

The profits of investment funds, mutual funds and pension funds are subject to a special rate of 5 percent. Dividends derived by resident companies are subject to a withholding tax of 15 percent. No withholding is levied on dividends provided that the parent company holds at least 10 percent of the subsidiary's capital for at least 12 months and the subsidiary is resident in the Czech Republic, EU, Norway, Iceland, Switzerland, or a country with which the Czech Republic has signed a double tax treaty, or as long as the corporate tax rate in such country is at least 12 percent. Income tax relief for a period of five years is available under special investment incentive schemes.

Denmark (2010 rate = 25%)

Two prepayments of corporate income tax during the taxable year are mandatory. To the extent the assessed final tax exceeds the aggregate of the prepayments, a surcharge of 5.1 percent (2010) of the outstanding tax liability is due. There are no local taxes on corporate income.

Dominican Republic (2010 rate = 25%)

There are no notes for 2010.

Ecuador (2010 rate = 25%)

The general corporate income tax rate is 25 percent. If profits are reinvested, the corporate income tax is levied at the rate of 15 percent on the amount reinvested. This reinvestment shall be made in acquisition of new machinery or other equipment (the granting of loans for productive activities in the case of financial institutions) needed for the company's activity. Also, the company's capital must be increased by the reinvested amount.

Egypt (2010 rate = 20%)

The corporate income tax is levied at a rate of 20 percent on active income. Domestic dividends received are tax exempt. Income deriving from the sale of securities registered in the Egyptian stock market is also tax exempt. Deductible expenses must be related to the business and necessary for the operations thereof, and must be actual expenses supported by relevant documentation.

Estonia (2010 rate = 21%)

Only profit distributions are subject to taxation. A 21 percent tax rate applies to profit distributions including dividend payments and other forms of profit transfers (transfer pricing items, non-business costs, payments to low-tax territories, fringe benefits, gifts, and donations etc.). Profits that are not distributed but retained in the company and/or reinvested are not subject to taxation.

Corporate Tax Rates 2010 Footnotes

Fiji (2010 rate = 28%)

The corporate income tax rate applies to companies incorporated in Fiji and branches of non-resident companies. Dividend distribution to non-resident shareholders is subject to 15 percent (Australia 20 percent) withholding tax. Repatriation of after tax branch profits earned prior to 2010 are subject to a 15 percent additional tax.

Finland (2010 rate = 26%)

Finland applies a flat corporate income tax rate of 26%. The same rate is applied regardless of the amount of the taxable income of the corporate.

France (2010 rate = 33 1/3 percent plus additional contribution if applicable)

For fiscal years ending after 1 January 2007, the corporate tax rate is 33.33 percent. In addition, a 3.3 percent social surcharge of the corporate income tax is levied on that part of the corporate income tax which exceeds EUR763,000, resulting in an overall tax rate of 34.43 percent (on that excess). Small and medium size companies with a turnover of EUR7.63 million or less and owned at least for 75 percent by individuals (or owned by companies meeting the same conditions) are subject to a reduced rate of 15 percent. This reduced rate applies on the first EUR38,120. These small or medium size companies are exempted from the 3.3 percent contribution.

Germany (2010 rate = 29.41%)

The income tax rate for corporations includes i) a corporate income tax at a rate of 15 percent, ii) the solidarity surcharge at a rate of 0.825 percent (5.5 percent of the corporate income tax), and iii) the local trade tax. The local trade tax generally is in a range between 7 percent and 17.15 percent, assuming a municipality multiplier (Hebesatz) ranging normally from 200 percent to 490 percent (the average multiplier for 2008 was 388 percent) From 2008, the local trade tax is not longer deductible for corporate income tax purposes.

Gibraltar (2010 rate = 22%)

Small companies (those with taxable profits less than GBP35,000 and whose income is at least 80 percent derived from trading) are taxed at 20 percent. In addition with effect from 2011, the government of Gibraltar has announced that the corporate tax rate will be reduced to 10 percent. Companies pay tax on income that is accrued and derived in Gibraltar. If it can be shown that income is not accrued and derived in Gibraltar, that company can apply to the Commissioner of Income Tax to have that income exempt from tax in Gibraltar. This is subject to certain conditions and restrictions.

Greece (2010 rate = 24%*)

Under a new tax bill, not yet ratified, the retained profits of Société Anonymes (AE) and Limited Liability (EPE) companies are taxed at a 24 percent rate in 2010, and will be reduced annually by 1 percent until it reaches 20 percent in 2014. The distributed dividends/profits are subject to 40 percent tax. General partnerships (OE) and limited partnerships (EE) are considered legal entities in Greece and are subject to the corporate tax rate of 20 percent for fiscal year 2010. A 3 percent surcharge applies to gross rental income, but it may not exceed the primary corporate tax.

Guatemala (2010 rate = 31% or 5%)

The Guatemalan corporate income tax system is based on the territoriality principle. All Guatemalan-source income is taxed. As of 1 July 2004, companies may choose between the general system (taxed at a 5 percent rate on gross income) and the optional system (taxed at a 31 percent rate on taxable income). Under the optional system, the tax is paid on annually basis but taxpayers must make quarterly advance payments. Under the general system, the tax is paid on a monthly basis.

Guernsey (2010 rate = 0%)

Banks are taxable at a corporate income tax rate of 10 percent. Utility companies and companies with income from Guernsey real estate are taxable at 20 percent.

Honduras (2010 rate = 25%)

The income tax rate is 25 percent. Legal entities pay, besides income tax, a temporary solidarity contribution of 10 percent applicable on the excess of net taxable income greater than L1, 000,000. The rate for temporary solidarity contribution will be deducted from the year 2012, according to the following scale:

Year	Rate
2010	10%
2011	10%
2012	6%
2013	5%
2014	4%
2015	0%

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 (with effect from the year 2008/09) applies to Hong Kong-sourced profits that are derived from business activities undertaken in Hong Kong. Offshore profits,

capital gains, dividends, and most Hong Kong bank deposit interest income are tax exempt. Profits derived from certain securities or types of business (gains derived from qualified debt instruments or or qualifying reinsurance companies) 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 (2010 rate = 19%)

The corporate income tax rate is 19 percent. If certain conditions are fulfilled, a rate of 10 percent is applicable to the part of the taxable base which does not exceed HUF50 million (approximately USD250,000), while any excess is taxable at the 19 percent rate. An additional local business tax of up to 2 percent is levied on the company's turnover. This local business tax is deductible for CIT purposes. In addition, effective from 1 July 2007, companies are required to pay a minimum tax (AMT), which is calculated on the basis of an assumed taxable base equal to 2 percent of the total income, as decreased by the cost of the goods sold (COGS), the value of intermediated services and some other adjustments. Further requirements may be requested at the time of filing the corresponding tax returns.

Iceland (2010 rate = 18%)

The corporate income tax rate for resident limited liability companies is 18 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 32.7 percent. Tax is imposed on net income, after allowable deductions. Non-resident entity's tax rate and deduction depends on the type of income and the entity's residence. Interest derived by non-residents from Icelandic sources is not subject to corporate income tax in Iceland.

India (2010 rate = 33.99%)

Domestic companies are taxed at the 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 15 percent of the adjusted profits of companies where the tax payable is less than 15 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 10 percent surcharge in case of domestic companies and a 2.5 percent surcharge in case of foreign companies is applicable if total income is in excess of INR10 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 INR3 million. Securities transaction tax (STT) is

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

Indonesia (2010 rate = 25%)

Certain income received by non-residents is taxed at 20 percent. An additional 20 percent branch profit tax is imposed on the after-tax profits of a permanent establishment (subject to income tax treaty relief).

Ireland (2010 rate = 12.5%)

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 applies to active trading income earned by certain existing manufacturing companies. This special corporate income tax rate will expire on 31 December 2010 and will be 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 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 distributable profits charge tax regime has been repealed for accounting periods starting after 6 April 2008 and replaced with the attribution regime for individuals (ARI). ARI is not a tax charge on the company but on the shareholder. It is only levied upon the Isle of Man resident shareholders of certain types of Manx companies.

Israel (2010 rate = 25%)

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 enterprise are taxed at a reduced tax rate that varies depending on the circumstances. Capital gains are subject to 25 percent tax in 2010. Dividends from foreign sources are subject to a 25 percent tax with a credit for foreign withholding tax, and in certain circumstances, with an underlying tax credit for tax paid by the distributing company.

Italy (2010 rate = 31.4%)

The overall income tax rate of 31.4 percent includes the corporate income tax levied at a rate of 27.5 percent (the so-called IRES), and a regional tax levied at a rate of 3.9 percent (the so-called IRAP). The taxable basis differs as certain expenses are allowed for IRES purposes but not for IRAP purposes. Regional authorities may increase or decrease the standard IRAP rate by up to 1 percent. As of 31 December 2008, it is possible to deduct for IRES purposes an amount equal to 10 percent of the IRAP tax paid on interest and personnel expenses.

Corporate Tax Rates 2010 Footnotes

Jamaica (2010 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 (2010 rate = 40.69%)

The Japanese corporate income tax includes the corporation tax (national tax), the special local corporate tax (national tax), the business tax (local tax), and the prefectural and municipal inhabitant tax (local tax). The corporation tax rate is 30 percent (22 percent on the first JPY8 million for companies with paid-in capital of JPY100 million or less). Local tax rates could vary depending 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 JPY100 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 JPY100 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).

Jersey (2010 tax rate = 0%)

Main corporate income tax rate is 0 percent, except financial services that are taxed at a rate of 10 percent. Utilities companies/ rental and property development income in respect of Jersey property are taxed at a rate of 20 percent.

Kazakhstan (2010 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 (2010 rate = 24.2%)

The corporate income tax rate is 24.2 percent, including a 10 percent resident surtax if the taxable income exceeds KRW200 million. If the taxable income is less than the mentioned amount, the corporate income tax rate is 11 percent (including the 10 percent resident surtax). The Korean government has proposed a further reduction of the corporate tax rate of 22 percent and 11 percent, respectively, effective 1 Jan 2012 and onwards.

Kuwait (2010 rate = 15%)

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

Latvia (2010 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 with a reduction of 80 percent.

Libya (2010 rate = 40%)

The annual corporate income tax rates are on a progressive rate structure as follows: the first LYD200,000 at 15 percent; the following LYD300,000 at 20 percent; the following LYD500,000 at 25 percent; the following LYD500,000 at 30 percent; the following LYD500,000 at 35 percent; and more than LYD2 million at 40 percent.

Lithuania (2010 rate = 15%/5%)

The general corporate income tax rate is 15 percent. Small companies are subject to a reduced corporate income tax rate of 5 percent if, among other conditions, their average number of employees does not exceed 10 persons and their taxable income during the taxable period is less than LTL500,000 (EUR144,810). Besides, under certain conditions, significant tax incentives can be applied by companies registered in a free zone, companies undertaking agriculture related activities, companies employing people with disabilities, social companies, cooperatives, or companies implementing investment projects. Finally, there are certain types of exempt income for insurance companies and investment companies with variable capital.

Luxembourg (2010 rate = 28.59%)

The corporate income tax rate of 21.84 percent includes a 4 percent employment fund contribution. Additionally, a municipal business tax is levied on all business establishments located in Luxembourg. The rate for the city of Luxembourg is 6.75 percent but it varies depending on the location.

Macau (2010 rate = 12%)

The government announced an exemption on the taxable income up to MOP200,000 in 2010. Companies with a taxable income between MOP200,000 and MOP300,000 are taxed at a rate of 9 percent. Any excess is taxed at 12 percent.

Macedonia (2010 rate = 10%)

Resident companies are subject to corporate profit tax on their worldwide income. Dividends are subject to taxation when they are paid or distributed. There are no local taxes on corporate income. Companies investing in technological industrial zones are exempt from corporate profit tax for a period of 10 years.

Malaysia (2010 rate = 25%)

Resident companies with a paid up capital of less than MYR2.5 million at the beginning of the period are subject to a corporate income tax rate of 20 percent on the first MYR500,000 of chargeable income, and at a 25 percent on the remaining income. Leasing income (from moveable property) derived by a permanent establishment in Malaysia is taxed at a rate of 25 percent whereas the income derived by a non-resident corporation without a permanent establishment is taxed at a rate of 10 percent. A special 5 percent tax rate applies to corporations involved in qualified insurance businesses. Income generated by qualified life funds is taxed at a rate of 8 percent. Non-resident corporations involved in shipping or air transporting activities may also benefit from a special taxation. Resident corporations engaged in qualified passengers or cargo transportation are tax exempt. Companies engaged in petroleum operations are taxed at a flat rate of 38 percent.

Malta (2010 rate = 35%)

In Malta a full imputation system of taxation is used both for residents and non-residents companies, 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 2010.

Mexico (2010 rate = 30%)

Effective 1 January 2008, a new business flat tax (IETU) is in force. Such flat tax rate was 16.5 percent during 2008, 17 percent during 2009 and it is 17.5 percent for 2010 and onward on a cash flow basis. The IETU applies to the income derived from sales of goods or property, rendering of independent services, and granting of temporary use or enjoyment of goods, less specific deductions. The IETU is a direct tax that operate 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 but not for IETU purposes.

Montenegro (2010 rate = 9%)

Taxable profit is calculated by adjusting the company's profit (or loss), as stated in the P&L account according to the provisions of the Corporate Income Tax Law. Operating losses stated in the tax balance may be carried forward for five years and offset against operating profit. Capital losses could be carried forward and offset against capital gains up to five years.

Mozambique (2010 rate = 32%)

Agricultural companies are taxed at a rate of 10 percent. Agricultural, cultural, and artisan cooperatives may benefit from a 50 percent reduction in the tax rate. Generally, qualified investment projects approved by the government of Mozambique prior to 1 January 2003 are subject to lower tax rates and they are applicable until the end of the project. These investment projects may apply a tax credit of 5 percent of the investment made during the first five years of the project.

Netherlands (2010 rates = 20%/25.5%)

Taxable profits of up to EUR200,000 are taxable at 20 percent and profits over EUR200,000 are taxable at 25.5 percent.

Netherlands Antilles (2010 rate = 34.5%)

The corporate income tax rate of 34.5 percent includes a 15 percent surcharge, although for certain activities, tax holidays are available which generally reduce the corporate income tax rate to 2 percent. Companies operating in economic zones are also taxed at a rate of 2 percent. The income of qualified limited liability companies engaged in certain financial activities is exempt.

Corporate Tax Rates 2010 Footnotes

New Zealand (2010 rate = 30%)

Ten percent of general insurance premiums and film hire payments, paid to non-residents are deemed to have a New Zealand source and therefore taxable. The New Zealand government has introduced the large budget screen production grant scheme which, provided certain requirements are met, allows for a rebate of 15 percent of the qualifying New Zealand production expenditure on film and television production companies. A film or television company is eligible for the grant if it is a resident company or a foreign corporation operating with a permanent establishment in New Zealand.

Nigeria (2010 rate = 30%)

Nigerian companies are also required to pay education tax at a rate of 2 percent on their profits. This tax is not applicable to non-resident companies with a taxable presence in Nigeria.

Norway (2010 rate = 28%)

There are no notes for 2010.

Oman (2010 rate = 12%)

As of fiscal year 2010, the corporate income tax rate is levied at a rate of 12 percent on taxable profits exceeding OMR30,000 and it applies to all companies regardless of their form or nationality.

Pakistan (2010 rate = 35%)

The standard corporate income tax is levied at a rate of 35 percent. Small companies may be taxed at a rate of 20 percent under specified conditions. The corporate income tax rate for private companies range between 37 percent and 45.15 percent.

Panama (2010 rate = 27.5%)

The corporate income tax is levied at a rate of 27.5 percent except for companies engaged in the generation and distribution of electricity, telecommunication services, insurance, reinsurance, qualified financial companies, cement manufacturing, gambling, mining and banks, which are subject to a 30 percent tax rate. Companies which turnover exceeds 1.5 million dollars have to calculate an alternative minimum tax based on the 1.4 percent over their Panamanian-source gross income. Under certain circumstances, corporations may request for the application of an exemption over the alternative minimum tax. If there is no distribution of the after tax profit, or if the distributed amount is less than 40 percent of the company's net profits, a complementary tax of 4 percent is due as an advanced dividend tax.

Papua New Guinea (2010 rate = 30%)

For mining and gas companies, the corporate income tax rate is 30 percent. Existing petroleum projects are subject to a 50 percent tax rate while new petroleum projects 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-residents 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 (2010 rate = 10%)

A 5 percent tax on dividends applies upon distribution to domestic companies. Dividends distributed to non resident companies are subject to a 15 percent withholding tax, resulting an effective tax rate of 25.46 percent. Different percentages apply for non resident entities in certain cases: i) 3 percent for qualified insurance premiums; ii) 3 percent for international freight and transport; iii) 3 percent for determined communications activities (telephone, internet, and similar); iv) 4.5 percent for news agencies; v) 12 percent for film production and distribution; vii) and 4.5 percent for transfer of containers. Corporate income derived from individuals/ foreign entities (i.e. branches, permanent establishment, etc.) for their activities in Paraguay is currently taxed at an effective rate of 15 percent.

Peru (2010 rate = 30%)

The corporate income tax is levied at a rate of 30 percent. Dividends paid by a resident corporation either to individuals (domiciled or not) or foreign entities are subject to withholding at a rate of 4.1 percent. A tax is levied on the value of net assets and it ranges between 0 percent and 0.4 percent. This tax is based on the value of the net assets of resident corporations less qualified expenses. This tax can be used as a tax credit against the corporate income tax.

Philippines (2010 rate = 30%)

Corporations and resident foreign corporations are subject to the 2 percent minimum corporate income tax (MCIT) starting on 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.

Poland (2010 rate = 19%)

The corporate income tax rate is 19 percent. In case taxpayers are unable to provide supporting transfer pricing documentation, within the following seven days upon request from the tax authorities, a 50 percent penalty may be imposed. Companies located in the special economic zones may benefit from tax exemptions.

Portugal (2009 and 2010 rates = 25%)

There is a reduced corporate income tax rate of 12.5 percent applicable to the first EUR12,500 of taxable income. The remaining income will be taxed at the general rate of 25 percent. This rate is increased by a municipal surcharge (Derrama) varying from 0 percent to 1.5 percent and it is levied on the taxable profit.

Qatar (2009 rate = 35%)

The corporate income tax is levied at a maximum rate of 35 percent on that income that excess QAR5 million. This tax is only applicable to foreign companies operating in Qatar or Qatari companies with foreign shareholders. Companies which are wholly owned by Qatari shareholders or GCC nationals are exempt. Qualified companies may be subject to a specific flat tax rate of 10 percent on taxable income.

Romania (2010 rate = 16%)

The general corporate income tax is 16 percent. Companies are subject to a minimum tax depending on their turnover. Certain business, such as nightclubs, casinos, discotheques, and sport-betting organizers are subject to tax at the general rate of 16 percent, but the minimum tax cannot be lower than 5 percent of their gross turnover.

Russia (2010 rate = 20%)

The corporate income tax is split into the federal tax (2 percent) and the regional tax (18 percent that can be reduced to 13.5 percent for some categories of taxpayers). Dividends distribution can be subject to a 9 percent or 0 percent withholding tax. Interest income on state securities can be subject to a 15 percent or 0 percent withholding tax percent.

Samoa (2010 rate = 27%)

There are no notes for 2010.

Saudi Arabia (2010 rate = 20%)

Only non-Saudi shareholders are subject to the corporate income tax. Zakat (a religious tax) at a rate of 2.5 percent is levied on Saudi and the Gulf Cooperation Council (GCC) shareholders. GCC countries include Saudi Arabia, Kuwait, United Arab Emirates, Bahrain, Qatar, and Oman. Additionally, dividends distributed to non-resident shareholders are subject to a withholding tax of 5 percent.

Serbia (2010 rate = 10%)

The taxable profit is determined by adjusting the profits, as stated in the P&L account, for non deductible expenses and non taxable income.

Singapore (2010 rate = 17%)

The corporate income tax is 17 percent, with a partial exemption of 75 percent on the first SGD10,000 and 50 percent on the next SGD290,000 of the company's income. Full tax exemption can be granted on the regular income of a qualifying company up to SGD100,000, for any of its first 3 consecutive years of assessment. A 50 percent partial tax exemption applies to the next SGD200,000 of regular income. A concessionary tax rate of 10 percent or lower applies to qualified entities.

Slovak Republic (2010 rate = 19%)

There are no notes for 2010.

Slovenia (2010 rate = 21%)

The corporate income tax rate will be reduced to 20 percent this year. Non-profit organizations are exempted. There is also a special tax rate of 0 percent which under certain conditions applies to investment funds, pension funds, insurance companies and qualified venture capital companies.

South Africa (2010 rate = 34.55%)

The corporate income tax rate is 28 percent. However, South Africa imposes an additional secondary tax on companies (STC) at 10 percent on any net dividends declared by them. Therefore, if a company distributes 100 percent of its after-tax earnings as a dividend, an effective tax rate of 34.55 percent will apply. This does not apply to gold mining companies (which are taxed on a formula basis) or to South African branches of foreign entities which are taxed at a rate of 33 percent. Further, it is proposed that STC will be replaced by a withholding tax in the future.

Corporate Tax Rates 2010 Footnotes

Spain (2010 rate = 30%)

The general corporate income tax is 30 percent. Companies (alone or combined with other group companies) with an annual turnover not exceeding EUR8 million, are taxed at a rate of 25 percent on the first slice of EUR120,202 of annual profits. Any excess is taxed at 30 percent. Entities taxed at 25 percent are basically general mutual insurance companies; social welfare institutions and others 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 with those profits 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 a rate of 1 percent.

Sri Lanka (2010 rate = 35%)

The corporate income tax rate is 35 percent. Small companies (taxable income not exceeding LKR5 million and not being a holding, subsidiary, or any associate company of a group of companies) are taxed at a rate of 15 percent, and companies in the first five years of listing are taxed at 33.33 percent. Qualified activities also may benefit from reduced rates, such as exportations (other than traditional products), tourism, agriculture, and construction that are taxed at 15 percent. Venture capital companies/specialized housing banks are taxed at 20 percent. The repatriation of profits by a non-resident company are taxed at 10 percent. Likewise, an economic service charge (ESC) tax is levied at a rate of 1 percent on company's turnover (although sometimes lower rates can be applicable), which can be credited against the corporate income tax. The social responsibility levy is 1.5 percent on income tax for the year 2009/2010. A deemed dividend tax of 15 percent is applicable to non-declared dividends.

Sweden (2010 rate = 26.3%)

The corporate income tax rate has been reduced from 28 percent to 26.3 percent as of 2009. An optional provision for untaxed income is available. The provision must not exceed 25 percent of the tax base and must be dissolved within the following six years. A taxable interest charge is levied on such provisions.

Switzerland (2010 rate = 12.5%–24.5%)

The maximum effective corporate income tax rate ranges from 12.5 percent to 24.5 percent depending on canton and commune, and 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 2010, the cantons of Obwalden and Appenzell Ausserrhoden have the lowest corporate income tax rate (12.5 percent) while some communities in the canton of Geneva have the highest (24.5 percent). However, if a company qualifies for a holding, principal, or mixed company ruling, 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 but lower progressive rates apply to the first SYP 3 million of net profit. Investment law entities are taxed at a flat rate of 22 percent; industrial entities and 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 amount, depending upon location. Foreign-controlled service sector entities are subject to withholding taxes on gross turnover in lieu of corporate income tax on their net profits, at rates that vary from 3 percent to 7 percent according to the industry type and scope of work. Tourism entities (domestic or foreign) of the international class are subject to withholding tax at 2.5 percent of gross turnover.

Taiwan (2010 rate = 17%)

Starting from fiscal year of 2010, the corporate income tax rate is 17 percent and is the maximum rate in a single rate structure. The 17 percent rate is applicable to income in excess of TWD120,000. However, the income tax payable shall not exceed one half of the portion of taxable income more than TWD120,000.

Tanzania (2010 rate = 30%)

Profits distributed are subject to a 10 percent withholding tax.

Thailand (2010 rate = 30%)

The corporate income tax is levied at a rate of 30 percent. It may be reduced to 20 percent or 25 percent for certain Thai companies listed on the Stock Exchange of Thailand prior to 31 December 2009. Dividends distribution to foreign companies is subject to a 10 percent withholding tax. Small- and medium-sized enterprises (SME) with less than THB5 million paid-up capital may apply a reduced corporate income tax between 0 and 25 percent on the net taxable profits not exceeding THB3 million. Some incentives (i.e. tax holidays and reduced corporate tax rates) are granted to companies promoted by

the board of investment (BOI), assets 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 10 percent on qualifying ROH service income, 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. Companies with petroleum concessions are taxed at a rate of a 50 percent tax rate over the net taxable profits.

Tunisia (2010 rate = 30%)

Tax resident entities in Tunisia or Tunisian permanent establishment of non resident entities are subject to the standard rate of 30 percent except in the following specific sectors:

- 10 percent for agriculture and fishing
- 35 percent for banking, hydrocarbon and telecommunication

In addition there is a full tax holiday for 10 years for entities with full export activities incorporated before 31 December 2010 and starting their first exportation in 2011, subsequently an application of 10 percent (with undetermined period).

Turkey (2010 rate = 20%)

Normally 20 percent applies to all corporate taxpayers in Turkey. However if corporations utilize investment allowances carried forward from previous years to offset against their taxable income, then the exceeding income would be subject to 30 percent. Other than this, according to the new incentive regulations in year 2009, the Council of Ministers is authorized to reduce the applicable corporate income tax rate by varying between 10 percent and 18 percent based on the region that the investment is made under the qualifying incentives certified by an investment certificate (there are four regions determined in this respect). Reduced corporate income tax application will be continued up to the reaching the investment contribution amount. All corporation are allowed to benefit from the incentive except for finance and insurance companies and joint ventures.

Ukraine (2010 rate = 25%)

Corporate income tax is levied at a flat rate of 25 percent. Reduced tax rates can be applied by Ukrainian life and non-life insurance companies (i.e. a 0 percent or a 3 percent rate respectively). Small-size companies can elect to be taxed under a simplified taxation regime. Qualified companies can elect to be taxed at 6 percent or at 10 percent on their revenues depending on their VAT status. A

qualified company is i) a Ukrainian company with annual revenues of less than UAH1 million, ii) the annual employees average is less than 50, and iii) it is owned at least for 75 percent by individuals and/or small-size Ukrainian companies. No election is available for small-size Ukrainian companies that are engaged, among others, in manufacturing and trading of excise goods and gambling.

United Arab Emirates (2010 rate = 0%/20%/55%)

The United Arab Emirates is formed by seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Fujairah, and Ras Al Khaimah. There are no corporate income taxes at a federal level but however some entities (i.e. foreign oil companies and branches of foreign banks) are subject to taxation in some emirates. Although the tax rate applicable to oil companies is levied at a rate of 55 percent on the operating profits, the tax rate finally applied is generally agreed between the company and the respective emirate, and it usually ranges 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. Some emirates also impose a municipal tax. In Dubai, a 10 percent municipal tax is charged on hotel revenues and lease of commercial property, and a 5 percent tax is levied on the lease of residential property. Abu Dhabi does not levy a municipality tax on rented premises, but landlords are required to pay an annual license fee.

United Kingdom (2010 rate = 28%)

A 21 percent rate applies to companies with taxable profits of up to GBP300,000 with marginal relief up to GBP1.5 million. Companies with taxable profits of GBP1.5 million or more pay tax at the full rate of 28 percent. All these thresholds are reduced for accounting periods of less than 12 months and if there are associated companies. A proposed rise in the small companies' rate to 22 per cent has been deferred until 2011–12. 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 (2010 rate = 40%)

The marginal federal corporate income tax rate on the highest income bracket of corporations (for 2010, USD18,333,333 and above) is 35 percent. State and local governments may also impose income taxes ranging from less than 1 percent to 12 percent, and the top marginal rates of which average 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

Corporate Tax Rates 2010 Footnotes

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.

Uruguay (2010 rate = 25%)

There are no notes for 2010.

Venezuela (2010 rate = 34%)

The general 34 percent tax rate applies to companies which net taxable income exceeds USD\$45,350. Corporations engaged in mining and hydrocarbons activities are generally subject to a corporate income tax rate of 50 percent (also applicable to the income derived from any other sources). An additional municipal business tax is levied on the gross income, depending on the district, and the business activity, and it ranges between 0.3 percent and 9.4 percent.

Vietnam (2010 rate = 25%)

The corporate income tax rate is 25 percent and applies to resident companies owned by foreign shareholders (including joint ventures, 100 percent foreign-owned companies, and business co-operation contracts) licensed from 1 January 2004, and Vietnamese enterprises. However, reduced tax rates (10 percent and 20 percent) may be applicable for qualified projects. Corporate income tax rates up to 50 percent apply to entities conducting prospecting,

exploration, and exploitation of petroleum and gas and other rare and precious natural resources.

Yemen (2010 rate = 35%)

The corporate income tax rate applies to all categories of commercial activity. Qualified projects licensed under the investment law, may benefit from tax holidays during seven years or more. Oil and mineral activities are subject to special regimes of taxation, and education and agriculture are tax exempt.

Zambia (2010 rate = 35%)

Income earned by banking institutions is subject to 40 percent tax on profits in excess of ZMK250 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 ZMK200 million or less pay a turnover tax of 3 percent. Tax on foreign exchange earned by Sun hotel is subject to a 15 percent tax. Windfall tax on Copper & Cobalt remains abolished but variable tax is still in force to take care of any windfall profits that arise in mining. The tax rate for mining profits is 30 percent. Finally, the tax fiscal year in Zambia runs from April 1 to March 31.

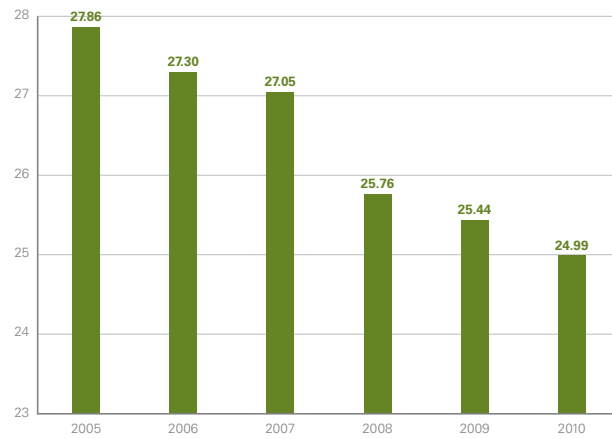
Zimbabwe (2010 rate = 25.75%)

The standard tax rate is 25 percent. However, an additional 3 percent tax, over that 25 percent, is added, giving an effective tax rate of 25.75 percent.

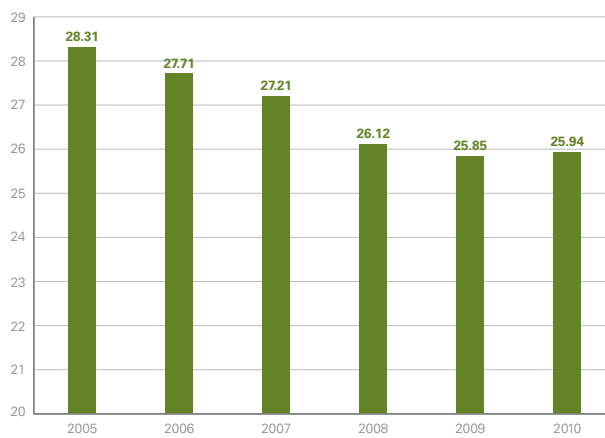
Corporate Tax Rates 2005–2010

Corporate Tax Rates 2005–2010

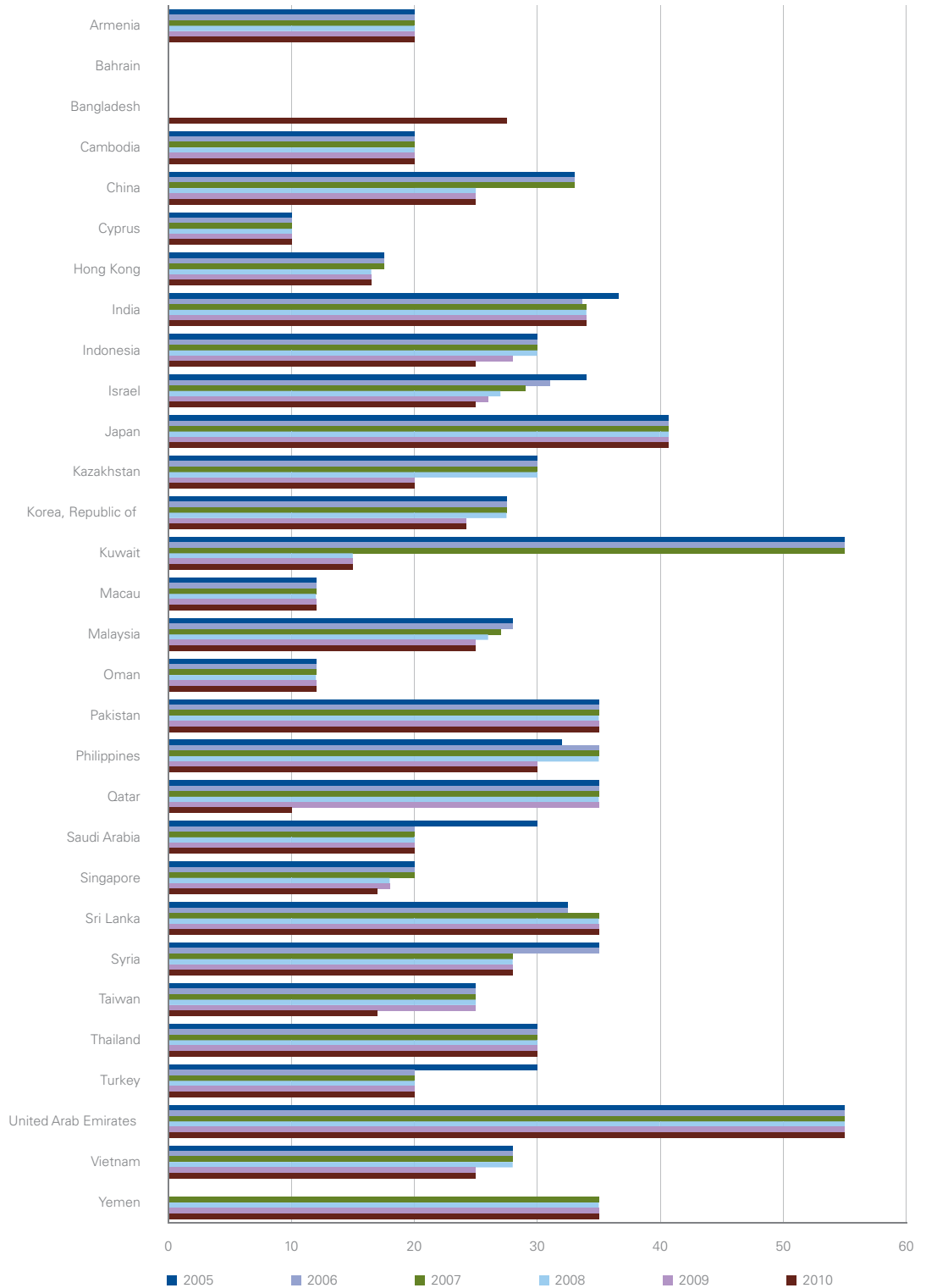
** Global Average Corporate Tax Rates 2005–2010



** OECD Member Average Corporate Tax Rates 2005–2010



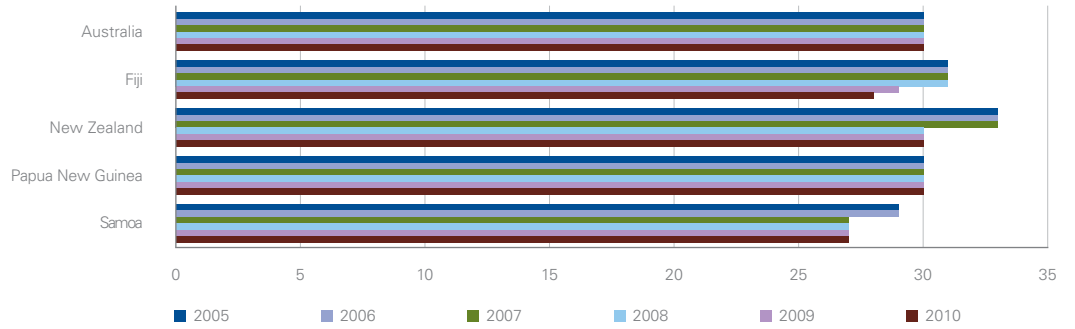
Asia Region Corporate Tax Rates 2005–2010
 (Eastern Asia, South Central Asia, South Eastern Asia, Western Asia)



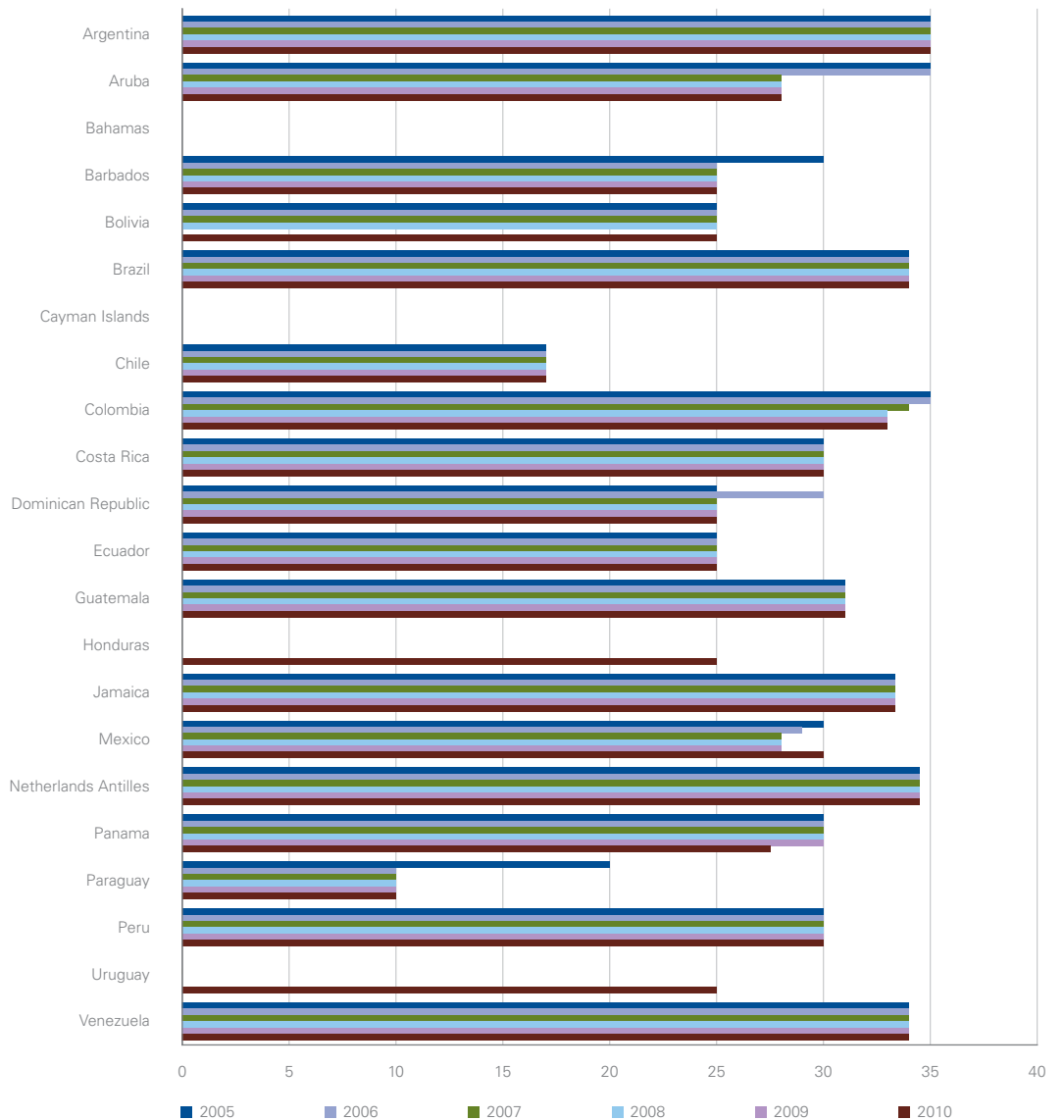
Sub-regions as defined by the United Nations

Corporate Tax Rates 2005–2010

Oceania Region Corporate Tax Rates 2005–2010
(Australia and New Zealand, Melanesia, Polynesia)

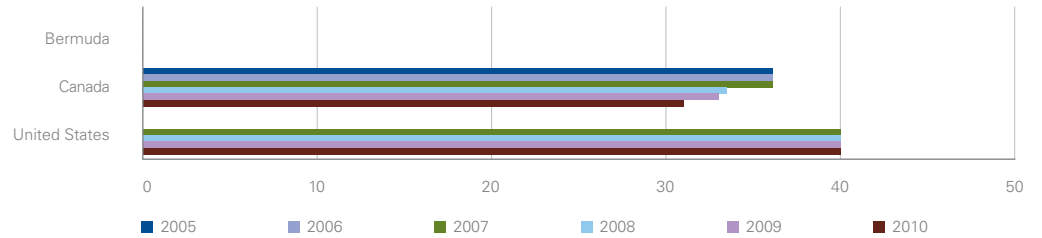


Latin America Region Corporate Tax Rates 2005–2010
(Caribbean, Central America, South America)



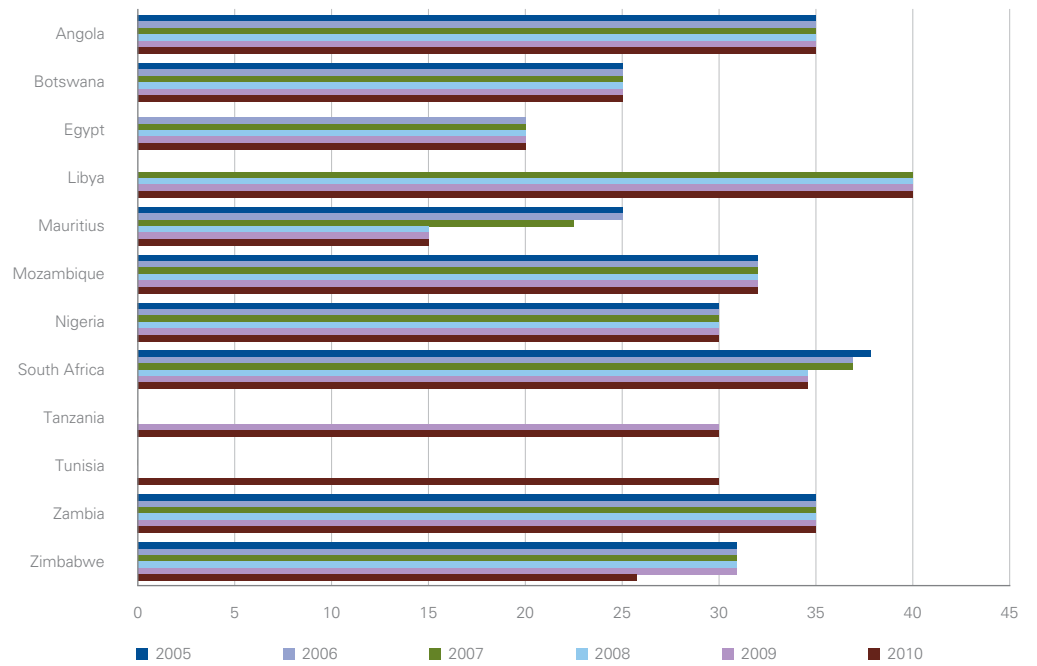
Sub-regions as defined by the United Nations

North America Region Corporate Tax Rates 2005–2010



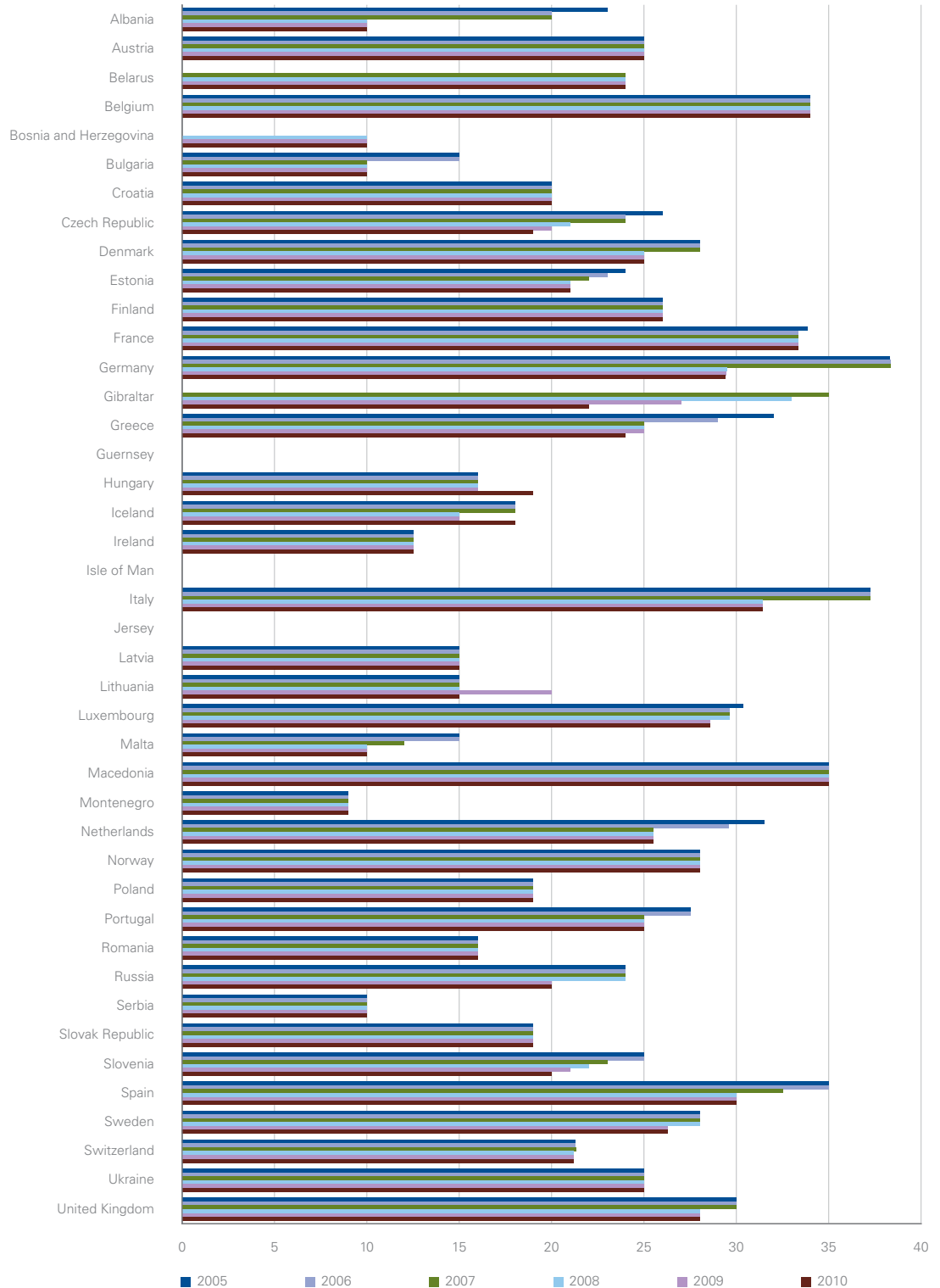
Africa Region Corporate Tax Rates 2005–2010

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



Corporate Tax Rates 2005–2010

Europe Region Corporate Tax Rates 2005–2010
(Eastern Europe, Northern Europe, Southern Europe, Western Europe)



Sub-regions as defined by the United Nations

Indirect Tax Rates

Indirect Tax Rates

Additional year-over-year data available in the APPENDIX

***Sub Region	OECD	Country	2010 (%)
Southern Europe		Albania	20
Middle Africa		Angola	0
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	0
Western Asia		Bahrain	0
South Central Asia		Bangladesh	15
Caribbean		Barbados	15
Eastern Europe		Belarus	20
Western Europe	Member	Belgium	21
Northern America		Bermuda	0
South America		Bolivia	13
Southern Europe		Bosnia and Herzegovina	17
Southern Africa		Botswana	12
South America		Brazil	19
Eastern Europe		Bulgaria	20
South Eastern Asia		Cambodia	10
North America	Member	Canada	5
Caribbean		Cayman Islands	0
South America	Member	Chile	19
Eastern Asia		China	17
South America		Colombia	16
Central America		Costa Rica	13
Southern Europe		Croatia	23
Western Asia		Cyprus	15
Eastern Europe	Member	Czech Republic	20
Northern Europe	Member	Denmark	25
Caribbean		Dominican Republic	16
South America		Ecuador	12
Northern Africa		Egypt	10
Northern Europe		Estonia	20
Australia and New Zealand		Fiji	12.5
Northern Europe	Member	Finland	23
Western Europe	Member	France	19.6
Western Europe	Member	Germany	19
Southern Europe		Gibraltar	0

Additional year-over-year data available in the Appendix

Indirect Tax Rates 2010

***Sub Region	OECD	Country	2010 (%)
Southern Europe	Member	Greece	23
Central America		Guatemala	12
Western Europe		Guernsey	0
Central America		Honduras	12
Eastern Asia	Member	Hong Kong	0
Eastern Europe	Member	Hungary	25
Northern Europe		Iceland	25.5
South Central Asia		India	12.5
South Eastern Asia		Indonesia	10
Northern Europe	Member	Ireland	21
Northern Europe		Isle of Man	17.5
Western Asia		Israel	16
Southern Europe	Member	Italy	20
Caribbean		Jamaica	17.5
Eastern Asia	Member	Japan	5
Western Europe		Jersey	3
South Central Asia		Kazakhstan	12
Eastern Asia		Korea, Republic of	10
Western Asia		Kuwait	0
Northern Europe		Latvia	21
Northern Africa		Libya	0
Northern Europe		Lithuania	21
Western Europe	Member	Luxembourg	15
Eastern Asia		Macau	0
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
Western Europe	Member	Netherlands	19
Caribbean	Member	Netherlands Antilles	5
Australia and New Zealand	Member	New Zealand	12.5
Western Africa		Nigeria	5
Northern Europe	Member	Norway	25
Western Asia		Oman	0
South Central Asia		Pakistan	16
Central America		Panama	7

Additional year-over-year data available in the Appendix

Indirect Tax Rates 2010

***Sub Region	OECD	Country	2010 (%)
Melania		Papua New Guinea	10
South America		Paraguay	10
South America		Peru	19
South Eastern Asia		Philippines	12
Eastern Europe	Member	Poland	22
Southern Europe	Member	Portugal	21
Western Asia		Qatar	0
Eastern Europe		Romania	24
Eastern Europe		Russia	18
Polynesia		Samoa	15
Western Asia		Saudi Arabia	0
Southern Europe		Serbia	18
South Eastern Asia		Singapore	7
Eastern Europe	Member	Slovak Republic	19
Southern Europe		Slovenia	20
Southern Africa		South Africa	14
Southern Europe	Member	Spain	18
South Central Asia		Sri Lanka	12
Northern Europe	Member	Sweden	25
Western Europe	Member	Switzerland	7.6
Western Asia		Syria	0
Eastern Asia		Taiwan	5
Eastern Africa		Tanzania	18
South Eastern Asia		Thailand	7
Northern Africa		Tunisia	18
Western Asia	Member	Turkey	18
Eastern Europe		Ukraine	20
Western Asia		United Arab Emirates	0
Western Europe	Member	United Kingdom	17.5
North America	Member	United States	0
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			15.61

Additional year-over-year data available in the Appendix

Indirect Tax Rates 2010 Footnotes

Albania (2010 rate = 20%)

The standard rate of value-added tax (tatimi mbi vleren e shtuar; TVSH) is 20 percent. There is a reduced rate of 0 percent applicable to exports of goods and services (under certain conditions) and supplies related to international transport. Supplies of certain goods and services are exempt from VAT, for example lease and sale of land, sale of real estates, financial services, medicines, medical equipment, and certain supplies in connection with oil exploration.

Angola (2010 rate = 0%)

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 telecommunications, electricity and water services is 5 percent and for tourism is 10 percent.

Argentina (2010 rate = 21%)

The standard rate of value-added tax (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, 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 animals alive 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 record 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, the letting of immovable property relating to dwelling houses and to farming and the letting of immovable property with monthly rents less than ARG1,500.

Armenia (2010 rate = 20%)

The standard rate of value-added tax (avelatsvats arzheqi hark; AAH) 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 (2010 rate = 1.5%)

The standard rate of turnover tax (belasting op bedrijfsomzetten; BBO) is 1.5 percent. The reduced rate of 1 percent applies to goods sold and exported directly by seller.

Australia (2010 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 some food products, most medical and health services, drugs, medical aids and appliances, exports of goods and services, supply of a business as a going concern, eligible education, some religious and charitable activities, water, sewerage, and drainage services. Supplies of certain goods and services are exempt from GST, for example financial services, residential rent, residential premises (not new), and some fund-raising events conducted by charitable institutions.

Austria (2010 rate = 20%)

The standard rate of value-added tax (Umsatzsteuer; USt) is 20 percent. There are reduced rates of 10 percent and 0 percent which apply to, for example food, books and newspapers, passenger transport, hotel accommodations, letting of residential property, pharmaceuticals and cultural services (10 percent), exports of goods, supply, import, repair, and maintenance of certain ships and aircraft, and international passenger transport by air or sea (0 percent). There is a special rate under the farmer's flat rate scheme; a rate of 12 percent is applicable to supplies of typical agricultural goods and services. Certain supplies of goods and services are exempt from VAT, for example financial services, insurance services, leasing or letting of immovable property (with some exceptions), education, and health and welfare.

Bahamas (2010 rate = 0%)

No indirect taxes such as value-added tax, good and services tax, 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 luxury vehicles.

Bahrain (2010 rate = 0%)

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

Bangladesh (2010 rate = 15%)

The standard rate of value-added tax is 15 percent. There are reduced rates of 9 percent, 5 percent, 4.5 percent, 2.25 percent, 1.5 percent, and 0 percent which apply to, for example certain categories of advertisement (9 percent); the supply of electricity, air conditioned bus service (5 percent); engineering services, security services, services rendered by construction contractors, audit and accounting firms, consultants, printing presses, architects, interior

and graphic designers, immigration advisers, coaching centers, English medium schools, non-government medical and engineering colleges, photo producers, courier and EMS services, specialized doctors, legal advisers (4.5 percent); supplies of goods and services through participation in a tender/quotation and for pathological laboratory work, supplies of goods and services by hospitals and petroleum carriers, maintenance and cleaning of building floors/premises, dental medical centers (2.25 percent); trading services, land development and construction of apartments, retail sales of furniture (1.5 percent); and exports of goods and services (0 percent). Supplies of certain goods and services are exempt from VAT, for example certain food items (such as meat, fish, potatoes, vegetable, and fruits); jute and jute goods; social welfare, cultural, training, and rehabilitation services; and agricultural development.

Barbados (2010 rate = 15%)

The standard rate of value-added tax is 15 percent. There is a 7.5 percent rate which 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, and international transport of passengers and freight, as well as importations by approved educational institutions and companies in the international financial services sector, among others. Exempt supplies include certain financial services, health and educational services, and specific supplies of real property. Companies in the international business sector are not required to register for VAT and any VAT which they suffer may be refunded on application to the VAT Division on the prescribed form.

Belarus (2010 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 milk, butter, horseflesh, and other products included in a list approved by the President), 24 percent (from 2008) for white sugar, and 0.5 percent (from 2007) for diamonds delivered from Russia for processing in the territory of Belarus, and 0 percent (export). Some goods and services are exempt from VAT application, such as medical equipment, remedy included, and other goods included in the list approved by the President.

Belgium (2010 rate = 21%)

The standard rate of value-added tax (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), margarine

Indirect Tax Rates 2010 Footnotes

and restaurant meals (not drinks). Most food and drinks, books, pharmaceuticals, hotel and camping accommodations, passenger transportation, 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.

Bermuda (2010 rate = 0%)

There are no notes for 2010.

Bolivia (2010 rate = 13%)

The standard rate of value-added tax (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: financial transactions such as insurance and reinsurance, interest, commissions on financial services and sales, and purchases of shares.

Bosnia and Herzegovina (2010 rate = 17%)

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

Botswana (2010 rate = 12%)

The standard rate of value-added tax is 12 percent. There is a reduced rate of 0 percent which applies to, for example 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, and supplies to the head of state. 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 (2010 rate = 19%)

There are two types of value-added tax 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 is 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 (2010 rate = 20%)

The standard rate of value-added tax (danak dobawena stoinost; DDS) is 20 percent. There are reduced rates of 7 percent and 0 percent which apply to, for example hotel accommodation services where part of a package tour (7 percent), exports and intra-community supplies of goods, international transport of goods and passengers, transport processing of goods and passengers when part of international transport, supplies of goods for fuelling and provisioning of aircrafts and ships engaged in international transportation, construction, repair, modification, maintenance, assembly, equipment, transportation, and destruction of aircrafts and ships (0 percent). Supplies of certain goods and services are exempt from VAT, for example health, social, education, and cultural services, transfer of property rights over land and old buildings under special conditions, financial, insurance, and postal services.

Cambodia (2010 rate = 10%)

There are no notes for 2010.

Canada (2010 rate = 5%)

The standard rate of the federal goods and services tax (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 New Brunswick, Nova Scotia, and Newfoundland apply a harmonized value-added tax, the harmonized sales tax (HST), at a rate of 13 percent or 0 percent for 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 7.5 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 British Columbia, Saskatchewan, Manitoba, Ontario, and Prince Edward Island levy retail sales taxes in their respective jurisdictions. The retail sales tax rates vary from 5 percent to 10 percent. Effective July 1, 2010, Ontario and British Columbia harmonized their retail sales taxes with the GST to create a 13 percent HST in Ontario and 12 percent in British Columbia. Also effective July 1, 2010, Nova Scotia increased its HST rate to 15 percent. Quebec proposes to increase the QST rate to 8.5 percent effective January 1, 2011 and to 9.5 percent on January 1, 2012.

Cayman Islands (2010 rate = 0%)

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

Chile (2010 rate = 19%)

The standard rate of value-added tax (impuesto al valor agregado; IVA) is 19 percent. Input VAT can be credited 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.

China (2010 rate = 17%)

There are three types of indirect taxes in China: value-added tax, consumption tax, and business tax. The revised provisional regulations on the three types of indirect taxes were promulgated in November 2008 and have been effective from 1 January 2009. The standard rate of value-added tax 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. Under the old VAT regime, there were two special rates under the small-scale taxpayers' flat rate scheme; a rate of 6 percent for businesses engaged in production and 4 percent for businesses engaged in wholesale or retail. Starting from 1 January 2009, the VAT rate for small-scale taxpayers has been reduced to 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

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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 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 3 percent to 45 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 (2010 rate = 16%)

The standard rate of value-added tax (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.

Costa Rica (2010 rate = 13%)

The standard rate of value-added tax (impuesto general sobre las ventas; IGV) is 13 percent. There are two reduced rates: wood is subject to a 10 percent rate and residential electricity is subject to a 5 percent rate. Zero-rated supplies include basic food and other

basic necessities (basic basket or canasta básica) and exports.

Exempt goods are defined in Article 9 of the Sales Tax Law including tires for agricultural equipment, veterinary supplies defined by the Ministry of Agriculture and the Ministry of Finance, medicines, kerosene, diesel for fishing activities (others than sport fishing), books, musical compositions, paintings created within Costa Rica by Costa Rican or non-Costa Rican painters, coffins, the monthly consumption of electric energy when it does not exceed 250 kW/h, the re-importation of merchandise of Costa Rican origin, occurring within the three years following their exportation.

Croatia (2010 rate = 23%)

The standard rate of value-added tax (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 (2010 rate = 15%)

The standard rate of value-added tax (Foros prostithemenis axis; FPA) is 15 percent. There are reduced rates of 8 percent, 5 percent, and 0 percent, which apply to, for example certain passengers transportation services; hotel accommodations; restaurant and similar catering services excluding alcohol (8 percent); non-bottled water; books; newspapers, magazines, and similar publications; gas; aid to disabled persons; animal feed; fertilizers and insecticides; waste treatment (5 percent); exports of goods; drugs and medicines; and most food items for human consumption (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 or non-profit organizations.

Czech Republic (2010 rate = 20%)

The standard rate of value-added tax (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, 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.

Denmark (2010 rate = 25%)

The standard rate of value-added tax (merværdiafgift; MOMS) is 25 percent. There is a reduced rate of 0 percent which applies to, for example exports of goods, newspapers, sale and leasing of ships and sale and leasing of aircrafts used by airlines predominantly operating internationally. Supplies of certain goods and services are exempt from VAT, for example health and welfare services, education, certain sport and cultural activities, land, financial and insurance services, postal services by Post Denmark, passenger transport services (excluding transport of tourists by bus), and travel agency services until 2011.

Dominican Republic (2010 rate = 16%)

The standard rate of value-added tax (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 (2010 rate = 12%)

The standard rates of value-added tax (impuesto al valor agregado; IVA) are 12 and 0 percent. The following items and services are charged with the 0 percent of VAT: exports; natural food products, milk, and certain industrialized food products for human consumption; medicines and drugs for human use; seeds; bulbs; plants; live roots; fish flour; animal feed; fertilizers; insecticides; pesticides; herbicides; veterinarian products; tractors with tires up to 200 HP and other agricultural implements; bond paper and books; fluvial, maritime, and terrestrial transportation of passengers and cargo as well as, international air transportation of cargo and air cargo transportation from and to the province of Galapagos; financial and investment services for entities legally authorized to provide them; health and education services; public services of electricity,

water, sewer and trash collection; leasing of residential property; book printing; aerial fumigation services; services provided by artisans; and services of health and life insurance and reinsurance.

Egypt (2010 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 (2010 rate = 20%)

The standard rate of value-added tax (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 operating on international routes; supply of sea-going vessels for navigation on high seas; services on board of such vessels or aircrafts; and goods placed in free zone, free warehouse, or VAT warehouse, (0 percent). Supplies of certain goods and services are exempt from VAT, for example immovable property, financial and insurance services, postal services, education, and health and welfare.

Fiji (2010 rate = 12.5%)

The standard rate of value-added tax is 12.5 percent. There is a reduced rate of 0 percent which applies to, for example exports

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of goods and certain services; prescribed medications; some basic food items (such as rice, flour, tea, edible oil, tinned fish, and powdered milk); and kerosene. Supplies of certain goods and services are exempt from VAT, for example financial and insurance services, residential accommodations, and education.

Finland (2010 rate = 23%)

The standard rate of value-added tax (arvonlisävero; ALV) is 23 percent (since 1 July 2010). The reduced rate of 13 percent (12 percent until 1 July 2010) is applicable, for example to restaurant, catering services food and animal feed. The reduced rate of 9 percent (8 percent until 1st July 2010) 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. 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.

France (2010 rate = 19.6%)

The standard rate of value-added tax (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, 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 (2010 rate = 19%)

The standard rate of value-added tax (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 (2010 rate = 0%)

There is no VAT in Gibraltar.

Greece (2010 rate = 23%)

The standard rate of value-added tax (foros prostithemenis axias; FPA) is 23 percent since 1st July 2010 (21 percent since 15 March 2010). There are reduced rates of 11 percent (10 percent before 1 July), 5.5 percent (5 percent before 1 July), and 0 percent which apply to, for example fresh food products, pharmaceuticals, passenger transport services, electricity, natural gas, and certain professional services such as those which are provided by hotels, restaurants, and coffee shops (11 percent); newspapers, periodicals, books, and theatre tickets (5.5 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. Certain supplies of goods and services are exempt from VAT, for example used immovable property; medical, educational and cultural services; and insurance, financing, and most banking activities provided to EU residents.

Guatemala (2010 rate = 12%)

The standard rate of value-added tax (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 (2010 rate = 0%)

Guernsey does not levy VAT or any similar indirect tax.

Honduras (2010 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. 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 (2010 rate = 0%)

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

Hungary (2010 rate = 25%)

The standard rate of value-added tax (általános forgalmi adó; ÁFA) is 25 percent (there was an increase from 20 to 25 percent on 1 July 2009). There are reduced rates of 18 percent, 5 percent and 0 percent, which apply to, for example books, newspapers, medicines, some medical instruments (5 percent), and exports of goods (0 percent). There are two special rates under the farmer's flat rate scheme; a rate of 12 percent applicable to supplies of agricultural products and a rate of 7 percent applicable to supplies of live animals and animal products. Supplies of certain goods and services are exempt from VAT, for example sale, rental and leasing of land parcels other than building land; rental and sale of real property; postal services; financial services; certain education activities; human health care services; social services; and recreational and amateur sports services.

Iceland (2010 rate = 25.5%)

The standard rate of value-added tax (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 (2010 rate = 12.5%)

India has a federal structure with both federal and state-specific indirect tax. Intra-state sale of goods is subject to a VAT and sale of goods occasioning movement across states is subject to a 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 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, 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 2010-11 has made, amongst others, additional activities liable to service tax such as permitting commercial use or exploitation of any event, grant of copyrights in relation to cinematographs films/ sound recording, health check up services (effective from a date to be notified).

Indonesia (2010 rate = 10%)

There are two types of indirect tax in Indonesia: a value-added tax (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.

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Ireland (2010 rate = 21%)

The standard rate of value-added tax decreased from 21.5 percent to 21 percent with effect from 1 January 2010. 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.

Isle of Man (2010 rate = 17.5%)

The rate of VAT follows that of the United Kingdom.

Israel (2010 rate = 16%)

The standard VAT rate is 16 percent. A 0 percent rate applies to exports of goods and services (with exceptions), supply of services to non-residents in limited circumstances, international cargo transport services, sale of assets in limited conditions.

Most supplies provided by financial services institutions are exempt from VAT. Likewise supplies of certain residential leases for a period not exceeding 25 years, and sale of approved rental buildings (subject to conditions) are also exempt from VAT. Where VAT has been charged to non-residents, no mechanism exists to recover this VAT other than the purchase of certain goods and services by tourists.

Italy (2010 rate = 20%)

The standard rate of value-added tax (imposta sul valore aggiunto; IVA) is 20 percent. There are reduced rates of 10 percent, 4 percent, and 0 percent which apply to, for example certain foods, hotel accommodations, public transport, pharmaceuticals, water (10 percent); basic foodstuffs, books and newspapers, main residence, medical equipment, and aids for handicapped (4 percent); exports of goods and intra-community supplies, international transport services, and services directly connected with exports or imports (0 percent). Supplies of certain goods and services are exempt from VAT, for

example financial and insurance services; lotteries, betting, and other games of chance; postal services; education services; and welfare.

Jamaica (2010 rate = 17.5%)

The standard rate of value-added tax (general consumption tax) is 17.5 percent. The rate of 10 percent applies to certain tourism services. The rate of 25 percent applies to telephone services and instruments. 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 (2010 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 (2010 rate = 3%)

Zero rated and exempt supplies also exist.

Kazakhstan (2010 rate = 12%)

The standard value-added tax 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 (2010 rate = 10%)

The standard rate of value-added tax is 10 percent. There is a reduced rate of 0 percent which applies to, for example, the exports of goods, services rendered outside the Republic of Korea, international transportation by ships and aircraft, other goods or services supplied to earn foreign exchange. Supplies of certain goods and services are exempted from VAT, for example unprocessed foodstuffs, medical and health services, certain educational services and passenger transport services, books, newspapers and magazines, postage stamps, and public telecommunication services.

Kuwait (2010 rate = 0%)

There is currently no indirect tax in Kuwait.

Latvia (2010 rate = 21%)

Latvia (2010 rate = 21%) — The standard rate of value-added tax (pievienotais vertības nodoklis; PVN) is 21 percent. There are reduced rates of 10 percent and 0 percent which apply to, for example pharmaceuticals, passenger transport, and heating and electricity for inhabitants (10 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.

Libya (2010 rate = 0%)

There is no value-added tax applicable in Libya.

Lithuania (2010 rate = 21%)

The standard rate of value-added tax (priedetines vertės mokestis; PVM) is 21 percent. The reduced rate of 9 percent is applicable until 31 December 2010 for books and non-periodicals. Also the reduced rate of 9 percent is applicable until 31 August 2010 for heating energy supplied to dwellings. 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 (2010 rate = 15%)

The standard rate of value-added tax (taxe sur la valeur ajoutée; TVA) is 15 percent. There are reduced rates of 12 percent, 6 percent, 3 percent for example certain wines, fuel (other than gas and electricity), 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 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 (2010 rate = 0%)

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

Macedonia (2010 rate = 18%)

The standard rate of value-added tax (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. 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 (2010 rate = 10%)

There is no VAT or GST in Malaysia at present. In its place, Malaysia has sales tax and service tax. Sales tax is imposed on taxable goods manufactured locally/imported, unless exempted. Service tax is charged on specific type of services (taxable service) provided by taxable persons. The standard rate of sales tax and service tax is 10 percent and 5 percent, respectively. A reduced sales tax rate of 5 percent is applicable to certain items such as foodstuffs,

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alcoholic beverages, and tobacco products. In addition certain services provided within a group and services provided offshore are exempted subject to conditions.

Malta (2010 rate = 18%)

The standard rate of value-added tax (taxxa fuq il-valur mi?jud) is 18 percent. There are reduced rates of 5 percent and 0 percent which apply to, for example letting of or provision of accommodations in premises (in certain conditions), the supply of electricity, medical accessories, printed matter, 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). Supplies of certain goods and services are exempt from VAT, for example immovable property (with some exceptions); insurance services; credit, banking, and other related services; cultural, sporting and religious services; postal services; education; and health and welfare.

Mauritius (2010 rate = 15%)

The standard rate of value-added tax is 15 percent. There is a reduced rate of 0 percent which applies to, for example exports of goods other than exempt goods, sugar, wheat flour, books, booklets, brochures of specific customs headings, the supply of electricity, water, international transport of passengers and goods, 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, certain pharmaceutical products, educational and training services, postal services, cargo handling, and certain residential buildings.

Mexico (2010 rate = 16%)

Effective 1 January 2010 the applicable general VAT rate is 16 percent. A reduced rate of 11 percent applies in the frontier region. Zero-rated activities include some exports; sales of non-industrialized animals and vegetables (except rubber); patent medicines and most products intended for food; some plants; tractors and agricultural implements; some fertilizers and hydroponics equipment; and reinsurance services. Exempt activities include sales of shares; land and residential property; commissions on mortgages and retirement funds; public land transportation of persons (except by railway); international maritime transport of goods; certain interests; financial derivative operations; professional medical services; authors' royalties; leasing of residential property; and some sales of books, newspapers, and magazines.

Montenegro (2010 rate = 17%)

The standard rate of value-added tax (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 (2010 rate = 17%)

The standard rate of value-added tax (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.

Netherlands (2010 rate = 19%)

The standard rate of value-added tax (omzetbelasting; BTW) is 19 percent. There are reduced rates of 6 percent and 0 percent which apply to, for example food, drink (excluding alcoholic beverages), medicines, books, daily newspapers and magazines, passenger transport, some labor intensive services, admission to cultural, entertainment and sports events (6 percent); and exports of goods, intra-community supplies, and services regarding goods not yet imported and supplies of sea-going vessels or aircrafts (0 percent). 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.

Netherlands Antilles (2010 rate = 5%)

The standard rate of turnover tax is 5 percent in Curaçao and Bonaire (Omzetbelasting; OB) and 3 percent in St. Maarten, St. Eustatius, and Saba (Belasting op Bedrijfsomzetten; BBO). Exempt supplies include medical services and certain fuels used for business purposes.

New Zealand (2010 rate = 12.5%)

The standard rate of goods and services tax (GST) is 12.5 percent. The rate will be increased to 15 percent as of 1 October 2010. The rate is reduced to 0 percent in certain situations such as the export of goods and services, the supply of a business as a going concern, and the supply of financial services under the business-to-business regime. Supplies of certain goods and services are exempt from GST unless the supplies can be zero-rated. Exempt supplies include the supply of financial services, the supply by non-profit bodies of donated goods and services, the supply of residential accommodation, and the supply of fine metals.

New Zealand also operates a GST reverse charge for imported services.

Nigeria (2010 rate = 5%)

Please note that between May and June 2007, the VAT rate was increased to 10 percent. Subsequently, the federal government reversed the increase and the rate was reduced to the erstwhile 5 percent.

Norway (2010 rate = 25%)

The standard rate of value-added tax (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 cinemas (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 (2010 rate = 0%)

Currently there is no value-added tax or goods and services tax in Oman.

Pakistan (2010 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 18.5 percent and 21 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 uniform rate of 1 percent is applicable on import of goods and locally manufactured goods, except the goods specifically exempt from SED.

Panama (2010 rate = 7%)

The standard rate of value-added tax (impuesto sobre la transferencia de bienes corporales muebles y la prestación de servicios; ITBMS) is 7 percent (since 1 July 2010). A special increased rate of 10 percent applies to the import, wholesale, and retail sale of alcoholic beverages. A special increased rate of 15 percent increased rate applies to the import, wholesale, and retail of all kinds of cigarettes and cigars. A special increased rate of 10 percent will apply to hotel accommodation services as of 1 July 2010. 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 the Panamanian territory). Exempt supplies include (among others) the sales of food and pharmaceutical products; 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.

Papua New Guinea (2010 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

Indirect Tax Rates 2010 Footnotes

exempt from GST, for example financial, medical, and educational services, public road transport, postage stamps, and the retail supply of newspapers.

Paraguay (2010 rate = 10%)

The standard rate of value-added tax (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 (2010 rate = 19%)

The standard rate of value-added tax (impuesto general a las ventas; IGV) is 17 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 19 percent sales tax overall. Zero-rated supplies include the export of goods; the export of services detailed in the sole arranged text of sales tax; and some operations performed by companies located in the Amazon region. Exempt supplies include fresh fish; vegetables; seeds; fruit; educational and cultural books; credit services granted by banks, financial, and credit institutions; public transportation services within the country; cargo transportation; cultural performances; and life insurance.

Philippines (2010 rate = 12%)

The standard rate of value-added tax is 12 percent (increased from 10 percent as of 1 February 2006). A reduced rate of 0 percent is imposed on specified transactions such as, export sales or services rendered to persons/entities exempt from VAT. Certain specified transactions are exempt from VAT such as educational services, services rendered pursuant to an employer-employee relationship, and services rendered by regional or area headquarters established in the Philippines. There is a withholding VAT at a rate of 5 percent applicable to payments made to contractors by the government or any of its political subdivisions or instrumentalities.

Poland (2010 rate = 22%)

The standard rate of value-added tax (podatek od towarow i uslug; PTU) is 22 percent. There are also reduced rates of 7 percent, 3 percent, and 0 percent which apply to, for example foods, medicines, and newspapers (7 percent); agricultural products, products of fishery, and animal feed (3 percent); and supply, import, repair, and maintenance of certain ships and aircraft, international transport, and intra-community supplies of goods and exports (0 percent). Certain supplies of goods and services are exempt from VAT, for example: financial services, healthcare or education services.

Portugal (2010 rate = 21%)

The standard rate of value-added tax (imposto sobre o valor acrescentado - IVA) is 21 percent (since 1 July 2010) for Portuguese mainland and 14 percent (to be increased to 15 percent) for Madeira and Azores islands. There are reduced rates of 13 percent (from 1 July) (8 percent for islands, to be increased to 9), 6 percent (from 1 July) (4 percent islands), and 0 percent which apply to, for example exports and transport of goods and people between the mainland and the islands. Supplies of certain goods and services are exempt from VAT, for example immovable property, financial, and insurance services.

Qatar (2010 rate = 0%)

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

Romania (2010 rate = 24%)

The standard rate of value-added tax (taxa pe valoarea adaugata; TVA) is 24 percent (since 1 July). A reduced rate of 9 percent applies, for example to accommodations, books, newspapers (except for newspapers and magazines for advertising purposes), medicine, museum fees, and cultural and sporting services. Also, a reduced rate of 5 percent applies to sale of residential real estate properties specifically defined by the law. Intra-community supplies and exports of goods are exempt with credit (zero-rated). Supplies of certain goods and services are exempt without credit from VAT, for example rental and/or sale of immovable property (with some major exceptions), financial and insurance services, education, and health and welfare.

Russia (2010 rate = 18%)

The standard rate of value-added tax (nalog na dabavlennuyu stoimosty; NDC) is 18 percent. There are reduced rates of 10 percent and 0 percent which apply to, for example for example food products, specific goods intended for children, books and

periodicals, pharmaceutical and other medical products (10 percent); and exports of goods 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.

Samoa (2010 rate = 15%)

There are no notes for 2010.

Saudi Arabia (2010 rate = 0%)

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

Serbia (2010 rate = 18%)

The standard rate of value-added tax (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 (2010 rate = 7%)

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

Slovak Republic (2010 rate = 19%)

The standard rate of value-added tax (dan z pridanej hodnoty; DPH) is 19 percent.

There are reduced rates of (i) 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; and (ii) 6 percent (from 1 May 2010) which applies to the sale of some types of meat, milk, eggs and honey by their small producers in their own premises.

International transportation, exports of goods, supply, rental, repair, and maintenance of seacraft and aircraft 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; and supply and rental of immovable property (under certain conditions).

Slovenia (2010 rate = 20%)

The standard rate of value-added tax (davek na dodano vrednost; DDV) is 20 percent. There is a reduced rate of 8.5 percent and 0 percent applicable to, e.g. food products, water supplies, medicines, medical equipment, passenger transport and their personal luggage, books and newspapers, apartments intended for permanent residence, use of sports facilities (8.5 percent); and exports of goods, certain services connected to export or import of goods and the purchase, repair, maintenance, lease, and rental of sea-going vessels and aircraft (0 percent). Supplies of certain goods and services are exempt from VAT, for example financial and insurance services, supply of immovable properties (with some exceptions), leasing and sub-letting of immovable properties, social security services, and education and cultural services.

South Africa (2010 rate = 14%)

The standard rate of value-added tax is 14 percent. There is a reduced rate of 0 percent which applies to, for example exports of goods and services, certain fuels and oils, foodstuffs (for example fresh fruit and vegetables), supply of an enterprise as a going concern, international transport services, and arranging of certain services for non-residents. Supplies of certain goods and services are exempt from VAT, for example financial services, residential accommodations, certain transport services (for example bus, train, and taxi fares), education, and training.

Spain (2010 rate = 18%)

The standard rate of value-added tax (impuesto sobre el valor añadido; IVA) is 18 percent (since 1 July 2010). There are reduced rates of 8 percent (since 1 July 2010), 4 percent, and zero-rated supplies which apply to, for example delivery of plants and animals,

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sport events, catering and hotel services, passenger transport (7 percent); books and newspapers, some basic food products, medicines (4 percent); and exports of goods and the supply, import, repair, maintenance of ships and aircraft engaged in international navigation (zero-rated). Certain supplies of goods and services are exempt from VAT, for example insurance and financial services, certain real estate transfers, education, and health and welfare.

Sri Lanka (2010 rate = 12%)

With effect from 1 January 2009 in Sri Lanka, the standard rate applicable on value-added tax is 12 percent. There is a reduced rate of 0 percent which applies to exports of goods and certain services including international transportation of goods or passengers. There is also a luxury rate of 20 percent which applies on supply or import of certain luxury items such as liquor, a selection of electronics appliances, and motor vehicles. Supplies of certain goods and services are exempt from VAT, for example pharmaceutical products and drugs, supply of electricity, and educational services. The reduced rate of 5 percent has been withdrawn with effect from 1 January 2009.

Sweden (2010 rate = 25%)

The standard rate of value-added tax (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 (2010 rate = 7.6%)

The standard rate of value-added tax (Mehrwertsteuer; MWST/taxe sur la valeur ajoutée; TVA/imposta sul valore aggiunto; IVA) is 7.6 percent. There are reduced rates of 3.6 percent, 2.4 percent, and 0 percent which apply to, for example hotel accommodations (3.6 percent); water in conduits, medications, books, newspapers, food and non-alcoholic beverages (2.4 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. Please note that as per 1st January 2011 the Swiss VAT rates will be changed. The standard Swiss VAT rate will change from 7.6 percent to 8 percent; the reduced Swiss VAT rate will change from 2.4 percent to 2.5 percent; the VAT rate for accommodation services will change from 3.6 percent to 3.8 percent.

Syria (2010 rate = 0%)

Syria currently has no VAT.

Taiwan (2010 rate = 5%)

Under the Taiwan value-added and non-value-added tax law, there are two systems, one being a value-added tax 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 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 (2010 rate = 18%)

The value-added tax standard 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).

Thailand (2010 rate = 7%)

The standard rate of value-added tax is 7 percent (increased to 10 percent as from 1 October 2010). There is a reduced rate of 0 percent which applies to, for example exports of goods or services. Supplies of certain goods and services are exempt from VAT, for example domestic transportation, health care, education, leasing of immovable property, the sale of agricultural products, newspapers, magazines and textbooks, services rendered by libraries, museums, and zoos.

Tunisia (2010 rate = 18%)

The standard rate of value-added tax is 18 percent. There are reduced rates of 12 percent and 6 percent which apply to, for example the transport of goods excluding agricultural and fish products and goods used for their production; services rendered to hotels; services rendered by lawyers, notaries, legal and tax counsels, and other experts; and catering and IT services (12 percent); activities 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 (2010 rate = 18%)

The standard rate of value-added tax (katma deger vergisi; KDV) is 18 percent. There are reduced rates of 8 percent, 1 percent, and 0 percent which apply to, for example basic food products and textile products (8 percent); overnight services/accommodations performed in the hotels, motels, holiday villages, and similar accommodation facilities (8 percent); and agricultural products, exports of goods and services, and international transportation (0 percent). Note that Turkish VAT law does not include directly a rate of 0 percent, but only an exemption with credit. Supplies of certain goods and services are exempt from VAT, for example banking and insurance transactions; services rendered in Free Trade Zones; and social, cultural, educational, and health services rendered by the government and other related organizations.

Ukraine (2010 rate = 20%)

The standard rate of value-added tax (podatok na dodanu vartist; PDV) is 20 percent. There is a reduced rate of 0 percent that 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 international freight deliveries

(including international express and parcel deliveries). Supplies of certain goods and services are exempt from VAT, for example certain financial services; insurance services; sale of business as a going concern; royalties; subscriptions to and delivery of local newspapers, magazines and books; prescribed pharmaceuticals; certain transfers of immovable residential property and land; local passenger transportation (except for taxis); education; and prescribed health and welfare. A special VAT regime is available for the designated agricultural producers.

United Arab Emirates (2010 rate = 0%)

There is no value-added tax or goods and services tax in the United Arab Emirates.

United Kingdom (2010 rate = 17.5%)

The standard rate of value-added tax reverted back to 17.5 percent on 1 January 2010. 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 (2010 rate = 0%)

While the United States does not impose a national value-added tax, 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 thirty-four states are authorized to impose local sales taxes. There are about 7,600 jurisdictions across the country that have chosen to impose a local sales tax. The state and local tax sales tax rate in the United States may range from 5 percent to 10.25 percent (Chicago, Illinois). As an example, the combined state and local sales tax rate in Chicago, Illinois is 10.25 percent (the highest in the United States), and that is made of a 6.25 percent state sales tax, 1.75 percent county sales tax, 1.25 percent local sales tax, and a 1 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

Indirect Tax Rates 2010 Footnotes

fully taxable, taxable at a special rate, or are fully exempt. 2010 has been a very active legislative season for state taxing authorities with a large number of states increasing rates, expanding the tax base by including previously exempt goods and services and reductions in vendor compensation allowances.

Uruguay (2010 rate = 22%)

The standard rate of value-added tax (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 (2010 rate = 12%)

The standard rate of value-added tax (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 (2010 rate = 10%)

The standard rate of value-added tax (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 consumption in Vietnam test and strict requirements. Supplies of certain goods and services are exempt from VAT, for example life insurance, financial services, transfer of land use rights, health care services, computer software, printing,

publishing and distribution of newspapers, magazines, and certain books. For the period from 1 February 2009 to 31 December 2009, certain items of goods and services (mainly basic materials and equipment for industrial manufacturing and export), which are subject to 10 percent VAT are entitled to 50 percent VAT reduction, for example mechanical engineering products, selected basic chemicals, cars and cars spare parts, transportation, and hotel business.

Yemen (2010 rate = 5%)

Yemen's current General Sales Tax Law was implemented 18 July 2005, replacing a limited scope consumption, production, and services tax.

Zambia (2010 rate = 16%)

The standard rate of 16 percent which was introduced on 1 April 2008 is still applicable in the year 2010. There is a reduced rate of 0 percent which applies to exports of goods, supplies to privileged persons, hotel accommodations in Livingstone district, medical supplies, and so on. Supplies of certain goods and services are exempt from VAT, for example water supply services, health services, educational services, books and newspapers, transport services, conveyance of real property, financial services, relief at importation, domestic kerosene, goods under an investment certificate, statutory fees, certain food, and agriculture.

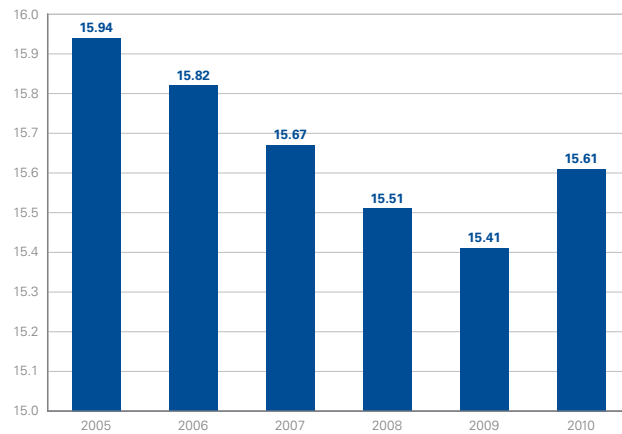
Zimbabwe (2010 rate = 15%)

Zero percent is for specified goods and services (mainly exports). Mobile phone airtime charges were taxed at 22.5 percent up to 31 January 2009. From 1 February 2009, the VAT rate on mobile phone airtime charges was reduced to 15 percent. The standard VAT rate is 15 percent on taxable goods and services.

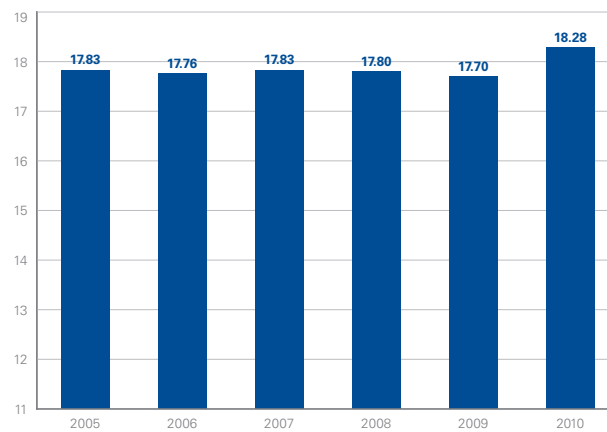
Indirect Tax Rates 2005–2010

Indirect Tax Rates 2005–2010

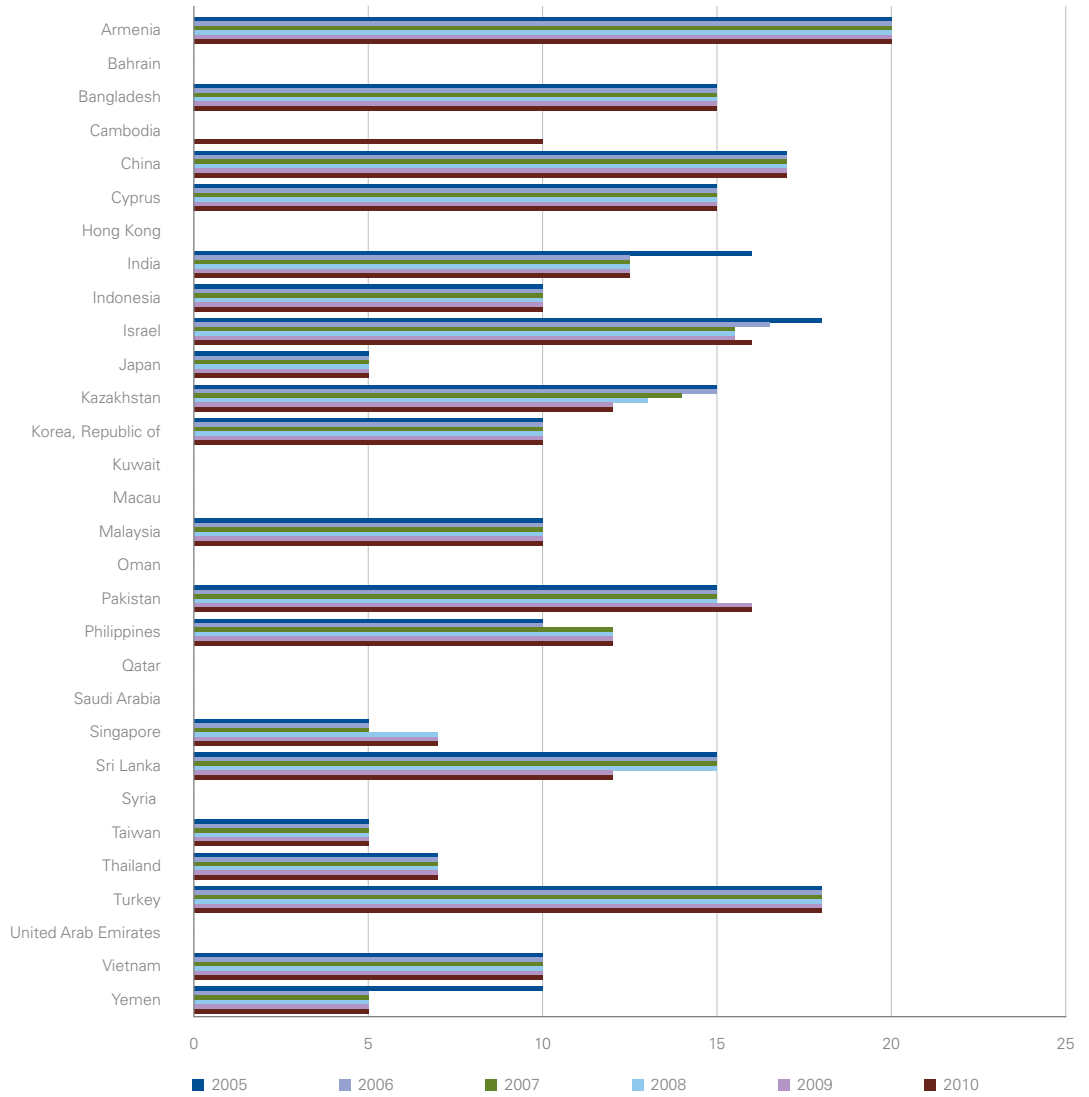
** Global Average Indirect Tax Rates 2005–2010



** OECD Member Average Indirect Tax Rates 2005–2010

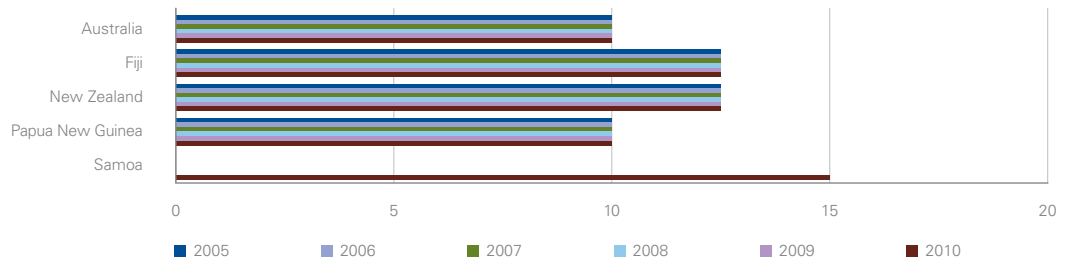


Asia Region Indirect Tax Rates 2005–2010
 (Eastern Asia, South Central Asia, South Eastern Asia, Western Asia)

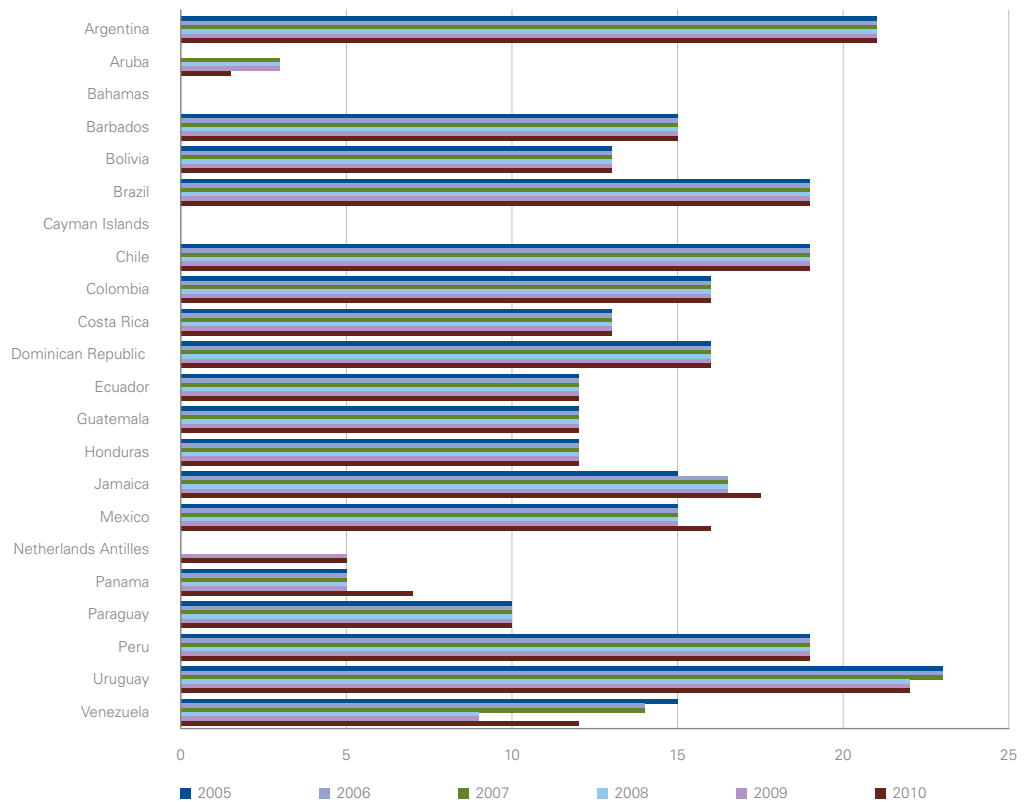


Indirect Tax Rates 2005–2010

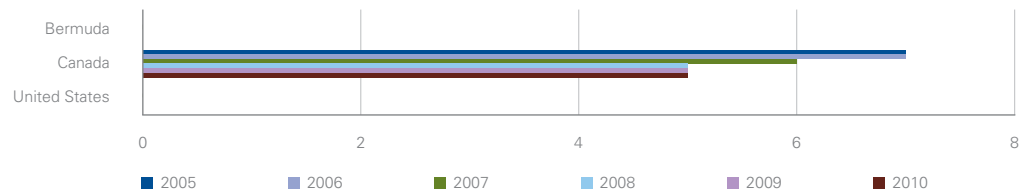
Oceania Region Indirect Tax Rates 2005–2010



Latin America Region Indirect Tax Rates 2005–2010
(Caribbean, Central America, South America)

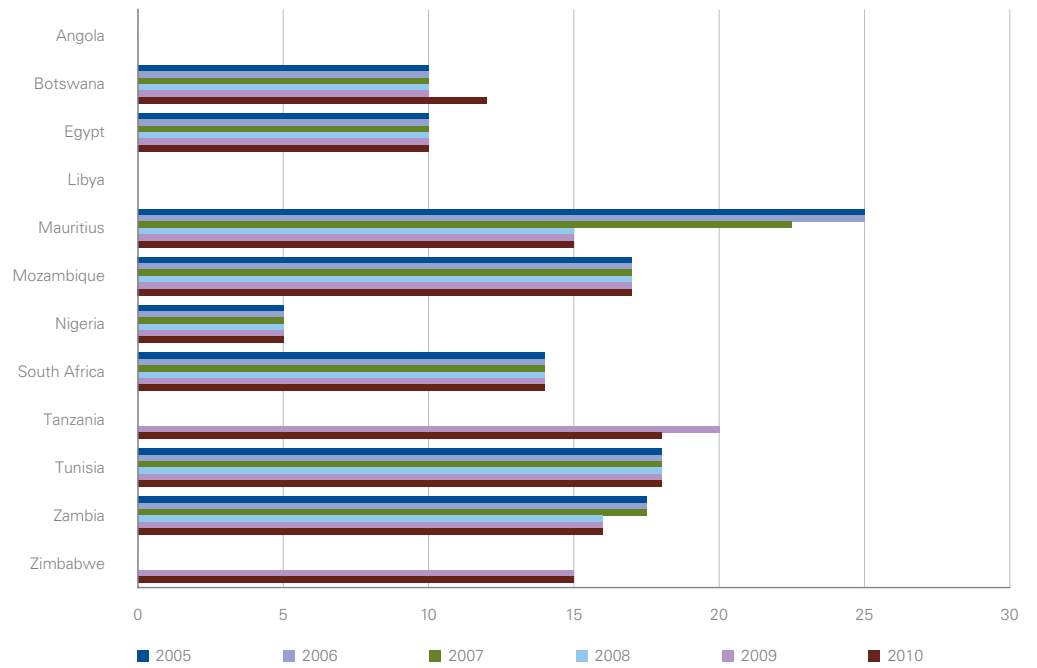


North America Region Indirect Tax Rates 2005–2010



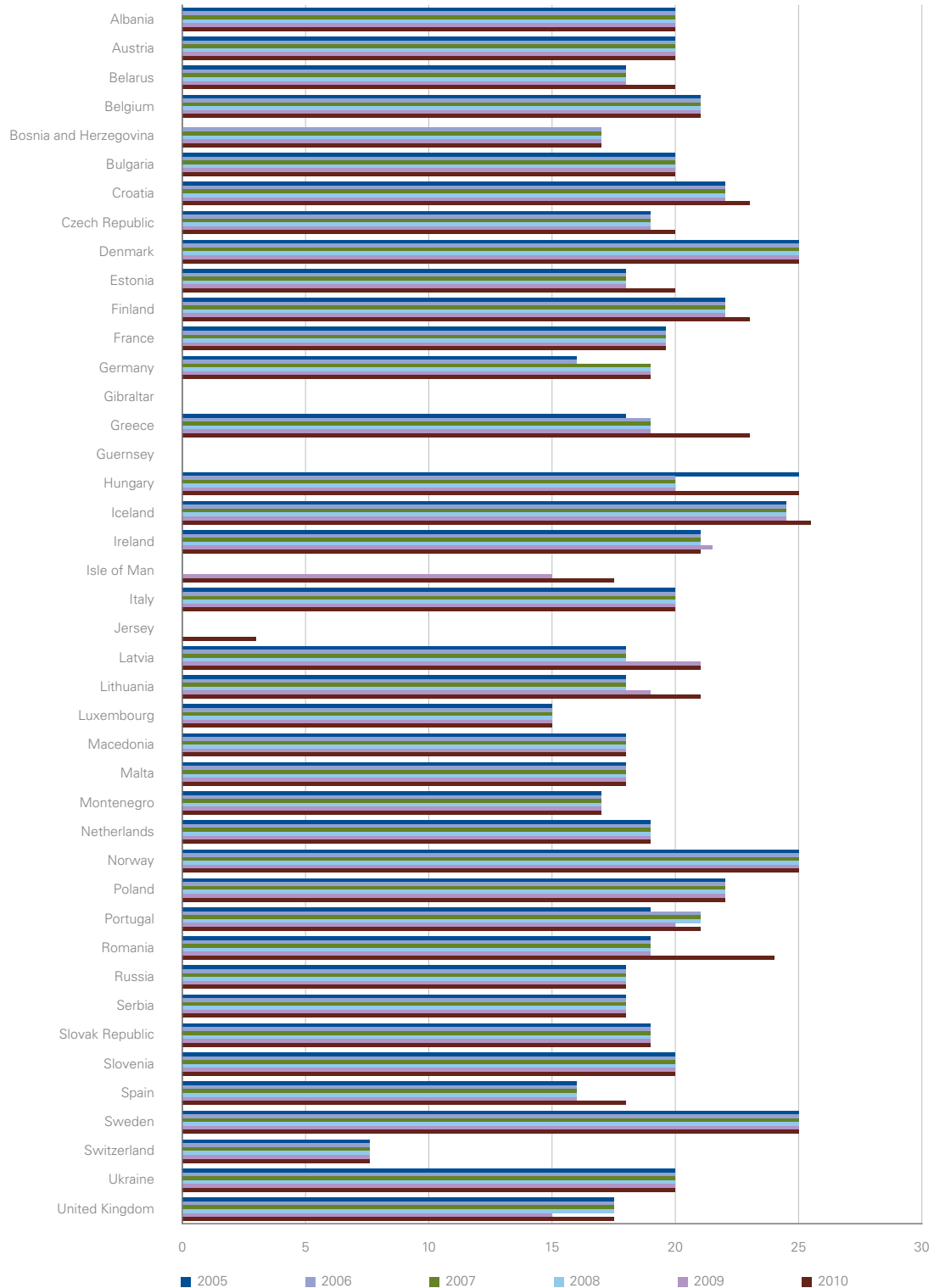
Africa Region Indirect Tax Rates 2005–2010

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



Indirect Tax Rates 2005–2010

Europe Region Indirect Tax Rates 2005–2010
(Eastern Europe, Northern Europe, Southern Europe, Western Europe)



Sub-regions as defined by the United Nations

Appendix

Appendix

***Sub Region	OECD	Country	2000 (%)	2001 (%)	2002 (%)	2003 (%)	2004 (%)
Southern Europe		Albania					
Middle Africa		Angola	35	35	35	35	35
South America		Argentina	35	35	35	35	35
*Western Asia		Armenia				20	20
Caribbean		Aruba					
Australia and New Zealand	Member	Australia	36	34	30	30	30
Western Europe	Member	Austria	34	34	34	34	34
Caribbean		Bahamas	0	0	0	0	0
Western Asia		Bahrain	0	0	0	0	0
*South Central Asia		Bangladesh					
Caribbean		Barbados	40	40	37.5	36	33
Eastern Europe		Belarus					
Western Europe	Member	Belgium	40.17	40.17	40.17	33.99	33.99
*North America		Bermuda					
*South America		Bolivia	25	25	25	25	25
*Southern Europe		Bosnia and Herzegovina					
Southern Africa		Botswana	25	25	25	25	25
South America		Brazil	37	34	34	34	34
*Eastern Europe		Bulgaria					
South Eastern Asia		Cambodia	20	20	20	20	20
North America	Member	Canada	44.6	42.1	38.6	36.6	36.1
Caribbean		Cayman Islands	0	0	0	0	0
South America	Member	Chile	15	15	16	16.5	17
Eastern Asia		China	33	33	33	33	33
South America		Colombia	35	35	35	35	35
Central America		Costa Rica	30	30	30	36	30
Southern Europe		Croatia	25	20	20	20	20
*Western Asia		Cyprus		28	28	15	15
Eastern Europe	Member	Czech Republic	31	31	31	31	28
Northern Europe	Member	Denmark	32	30	30	30	30
Caribbean		Dominican Republic	25	25	25	25	25
South America		Ecuador	25	25	25	25	25
*Northern Africa		Egypt					
*Northern Europe		Estonia					
Australia and New Zealand		Fiji	35	34	32	32	31
Northern Europe	Member	Finland	29	29	29	29	29
Western Europe	Member	France	36.66	35.33	34.33	34.33	34.33
Western Europe	Member	Germany	51.6	38.36	38.36	39.58	38.29

Corporate Tax Rates 2000–2010

2005 (%)	2006 (%)	2007 (%)	2008 (%)	2009 (%)	2010 (%)	Country
23	20	20	10	10	10	Albania
35	35	35	35	35	35	Angola
35	35	35	35	35	35	Argentina
20	20	20	20	20	20	Armenia
35	35	28	28	28	28	Aruba
30	30	30	30	30	30	Australia
25	25	25	25	25	25	Austria
0	0	0	0	0	0	Bahamas
0	0	0	0	0	0	Bahrain
					27.5	Bangladesh
30	25	25	25	25	25	Barbados
		24	24	24	24	Belarus
33.99	33.99	33.99	33.99	33.99	33.99	Belgium
				0	0	Bermuda
25	25	25	25		25	Bolivia
			10	10	10	Bosnia and Herzegovina
25	25	25	25	25	25	Botswana
34	34	34	34	34	34	Brazil
15	15	10	10	10	10	Bulgaria
20	20	20	20	20	20	Cambodia
36.1	36.1	36.1	33.5	33	31	Canada
0	0	0	0	0	0	Cayman Islands
17	17	17	17	17	17	Chile
33	33	33	25	25	25	China
35	35	34	33	33	33	Colombia
30	30	30	30	30	30	Costa Rica
20	20	20	20	20	20	Croatia
10	10	10	10	10	10	Cyprus
26	24	24	21	20	19	Czech Republic
28	28	28	25	25	25	Denmark
25	30	25	25	25	25	Dominican Republic
25	25	25	25	25	25	Ecuador
	20	20	20	20	20	Egypt
24	23	22	21	21	21	Estonia
31	31	31	31	29	28	Fiji
26	26	26	26	26	26	Finland
33.83	33.33	33.33	33.33	33.33	33.33	France
38.31	38.34	38.36	29.51	29.44	29.41	Germany

***Sub Region	OECD	Country	2000 (%)	2001 (%)	2002 (%)	2003 (%)	2004 (%)
*Southern Europe		Gibraltar					
Southern Europe	Member	Greece	40	37.5	35	35	35
Central America		Guatemala	25	31	31	31	31
*Western Europe		Guernsey					
*Central America		Honduras					
Eastern Asia	Member	Hong Kong	16	16	16	16	17.5
Eastern Europe	Member	Hungary	18	18	18	18	16
Northern Europe		Iceland	30	30	18	18	18
South Central Asia		India	38.5	39.55	35.7	36.75	35.88
South Central Asia		Indonesia	30	30	39	30	30
Northern Europe	Member	Ireland	24	20	16	12.5	12.5
*Northern Europe		Isle of Man					
Western Asia		Israel	36	36	36	36	36
Southern Europe	Member	Italy	41.25	40.25	40.25	38.25	37.25
*Caribbean		Jamaica					
Eastern Asia	Member	Japan	42	42	42	42	42
*Western Europe		Jersey					
*South Central Asia		Kazakhstan					
Eastern Asia		Korea, Republic of	30.8	30.8	29.7	29.7	29.7
Western Asia		Kuwait	55	55	55	55	55
Northern Europe		Latvia	25	25	22	19	15
*Northern Africa		Libya				30.38	
*Northern Europe		Lithuania					
Western Europe	Member	Luxembourg	37.45	37.45	30.38	28	30.38
*Eastern Asia		Macau					
Southern Europe		Macedonia	15	15	15	15	15
South Eastern Asia		Malaysia	28	28	28	25	28
Southern Europe		Malta	35	35	35	35	35
Eastern Africa		Mauritius	35	25	25	25	25
Central America	Member	Mexico	35	35	35	34	33
*Southern Europe		Montenegro					
Eastern Africa		Mozambique	35	35	35	32	32
Western Europe	Member	Netherlands	35	35	34.5	33	34.5
*Caribbean	Member	Netherlands Antilles				28	
Australia and New Zealand	Member	New Zealand	33	33	33	33	33
Western Africa		Nigeria	30	30	30	30	30
Northern Europe	Member	Norway	28	28	28	35	28
Western Asia		Oman	12	12	12	12	12

Corporate Tax Rates 2000–2010

2005 (%)	2006 (%)	2007 (%)	2008 (%)	2009 (%)	2010 (%)	Country
		35	33	27	22	Gibraltar
32	29	25	25	25	24	Greece
31	31	31	31	31	31	Guatemala
				0	0	Guernsey
					25	Honduras
17.5	17.5	17.5	16.5	16.5	16.5	Hong Kong
16	16	16	16	16	19	Hungary
18	18	18	15	15	18	Iceland
36.59	33.66	33.99	33.99	33.99	33.99	India
30	30	30	30	28	25	Indonesia
12.5	12.5	12.5	12.5	12.5	12.5	Ireland
				0	0	Isle of Man
34	31	29	27	26	25	Israel
37.25	37.25	37.25	31.4	31.4	31.4	Italy
33.33	33.33	33.33	33.33	33.33	33.33	Jamaica
40.69	40.69	40.69	40.69	40.69	40.69	Japan
					0	Jersey
30	30	30	30	20	20	Kazakhstan
27.5	27.5	27.5	27.5	24.2	24.2	Korea, Republic of
55	55	55	15	15	15	Kuwait
15	15	15	15	15	15	Latvia
		40	40	40	40	Libya
15	15	15	15	20	15	Lithuania
30.38	29.63	29.63	29.63	28.59	28.59	Luxembourg
12	12	12	12	12	12	Macau
15	15	12	10	10	10	Macedonia
28	28	27	26	25	25	Malaysia
35	35	35	35	35	35	Malta
25	25	22.5	15	15	15	Mauritius
30	29	28	28	28	30	Mexico
9	9	9	9	9	9	Montenegro
32	32	32	32	32	32	Mozambique
31.5	29.6	25.5	25.5	25.5	25.5	Netherlands
34.5	34.5	34.5	34.5	34.5	34.5	Netherlands Antilles
33	33	33	30	30	30	New Zealand
30	30	30	30	30	30	Nigeria
28	28	28	28	28	28	Norway
12	12	12	12	12	12	Oman

***Sub Region	OECD	Country	2000 (%)	2001 (%)	2002 (%)	2003 (%)	2004 (%)
South Central Asia		Pakistan	34.65	34.65	35	35	35
Central America		Panama	37	37	37	30	30
Melania		Papua New Guinea	25	25	25	27	30
South America		Paraguay	30	30	30	32	30
South America		Peru	30	30	30	27	30
South Eastern Asia		Philippines	32	32	32	33	32
Eastern Europe	Member	Poland	30	28	28	27	19
Southern Europe	Member	Portugal	37.4	35.2	33	25	27.5
Western Asia		Qatar	35	35	35	35	35
*Eastern Europe		Romania		25	25	30	25
*Eastern Europe		Russia		43	24	24	24
Polynesia		Samoa	29	29	29	29	29
Western Asia		Saudi Arabia	45	30	30	30	30
Southern Europe		Serbia			20	14	12.33
South Eastern Asia		Singapore	26	25.5	24.5	22	22
Eastern Europe	Member	Slovak Republic	29	29	25	25	19
Southern Europe		Slovenia	25	25	25	35	25
*Southern Africa		South Africa		37.8	37.8	35	37.8
Southern Europe	Member	Spain	35	35	35	35	35
South Central Asia		Sri Lanka	35	35	42	28	35
Northern Europe	Member	Sweden	28	28	28	28	28
Western Europe	Member	Switzerland	25.1	24.7	24.5	25	24.1
Eastern Asia		Syria	45	45	45	35	35
Eastern Asia		Taiwan	25	25	25	25	25
*Eastern Africa		Tanzania					
South Eastern Asia		Thailand	30	30	30	30	30
*Northern Africa		Tunisia					
Western Asia		Turkey	33	33	33	40	33
*Eastern Europe		Ukraine		30	30	30	30
*Western Asia		United Arab Emirates				34	40
Western Europe	Member	United Kingdom	30	30	30	35	30
North America	Member	United States	40	40	40	34	34
*South America		Uruguay					
South America		Venezuela	34	34	34	34	34
South Eastern Asia		Vietnam	32.5	32	32	32	28
*Western Asia	Member	Yemen					
Eastern Africa		Zambia	35	35	35	35	35
Eastern Africa		Zimbabwe		30.9	30.9	30.9	30.9
Average			31.92	31.22	30.42	29.60	29.05

Corporate Tax Rates 2000–2010

2005 (%)	2006 (%)	2007 (%)	2008 (%)	2009 (%)	2010 (%)	Country
35	35	35	35	35	35	Pakistan
30	30	30	30	30	27.5	Panama
30	30	30	30	30	30	Papua New Guinea
20	10	10	10	10	10	Paraguay
30	30	30	30	30	30	Peru
32	35	35	35	30	30	Philippines
19	19	19	19	19	19	Poland
27.5	27.5	25	25	25	25	Portugal
35	35	35	35	35	10	Qatar
16	16	16	16	16	16	Romania
24	24	24	24	20	20	Russia
29	29	27	27	27	27	Samoa
30	20	20	20	20	20	Saudi Arabia
10	10	10	10	10	10	Serbia
20	20	20	18	18	17	Singapore
19	19	19	19	19	19	Slovak Republic
25	25	23	22	21	20	Slovenia
37.8	36.9	36.9	34.55	34.55	34.55	South Africa
35	35	32.5	30	30	30	Spain
32.5	32.5	35	35	35	35	Sri Lanka
28	28	28	28	26.3	26.3	Sweden
21.3	21.3	21.32	21.17	21.17	21.17	Switzerland
35	35	28	28	28	28	Syria
25	25	25	25	25	17	Taiwan
				30	30	Tanzania
30	30	30	30	30	30	Thailand
					30	Tunisia
30	20	20	20	20	20	Turkey
25	25	25	25	25	25	Ukraine
55	55	55	55	55	55	United Arab Emirates
30	30	30	28	28	28	United Kingdom
40	40	40	40	40	40	United States
					25	Uruguay
34	34	34	34	34	34	Venezuela
28	28	28	28	25	25	Vietnam
		35	35	35	35	Yemen
35	35	35	35	35	35	Zambia
30.9	30.9	30.9	30.9	30.9	25.75	Zimbabwe
27.86	27.30	27.05	25.76	25.44	24.99	

***Sub Region	OECD	Country	2004 (%)	2005 (%)	2006 (%)
Southern Europe		Albania	20	20	20
Middle Africa		Angola	0	0	0
South America		Argentina	21	21	21
Western Asia		Armenia	20	20	20
Caribbean		Aruba	0	0	0
Australia and New Zealand	Member	Australia	10	10	10
Western Europe	Member	Austria	20	20	20
Caribbean		Bahamas	0	0	0
Western Asia		Bahrain	0	0	0
South Central Asia		Bangladesh	15	15	15
Caribbean		Barbados	15	15	15
Eastern Europe		Belarus	18	18	18
Western Europe	Member	Belgium	21	21	21
*Northern America		Bermuda			
South America		Bolivia	13	13	13
Southern Europe		Bosnia and Herzegovina	0	0	17
Southern Africa		Botswana	10	10	10
South America		Brazil	19	19	19
Eastern Europe		Bulgaria	20	20	20
*South Eastern Asia		Cambodia			
North America	Member	Canada	7	7	7
Caribbean		Cayman Islands	0	0	0
South America	Member	Chile	19	19	19
Eastern Asia		China	17	17	17
South America		Colombia	16	16	16
Central America		Costa Rica	13	13	13
Southern Europe		Croatia	22	22	22
Western Asia		Cyprus	15	15	15
Eastern Europe	Member	Czech Republic	22	19	19
Northern Europe	Member	Denmark	25	25	25
Caribbean		Dominican Republic	12	16	16
South America		Ecuador	12	12	12
Northern Africa		Egypt	10	10	10
Northern Europe		Estonia	18	18	18
Australia and New Zealand		Fiji	12.5	12.5	12.5
Northern Europe	Member	Finland	22	22	22
Western Europe	Member	France	19.6	19.6	19.6
Western Europe	Member	Germany	16	16	16
Southern Europe		Gibraltar	0	0	0

Indirect Tax Rates 2004–2010

2007 (%)	2008 (%)	2009 (%)	2010 (%)	Country
20	20	20	20	Albania
0	0	0	0	Angola
21	21	21	21	Argentina
20	20	20	20	Armenia
3	3	3	1.5	Aruba
10	10	10	10	Australia
20	20	20	20	Austria
0	0	0	0	Bahamas
0	0	0	0	Bahrain
15	15	15	15	Bangladesh
15	15	15	15	Barbados
18	18	18	20	Belarus
21	21	21	21	Belgium
		0	0	Bermuda
13	13	13	13	Bolivia
17	17	17	17	Bosnia and Herzegovina
10	10	10	12	Botswana
19	19	19	19	Brazil
20	20	20	20	Bulgaria
			10	Cambodia
6	5	5	5	Canada
0	0	0	0	Cayman Islands
19	19	19	19	Chile
17	17	17	17	China
16	16	16	16	Colombia
13	13	13	13	Costa Rica
22	22	22	23	Croatia
15	15	15	15	Cyprus
19	19	19	20	Czech Republic
25	25	25	25	Denmark
16	16	16	16	Dominican Republic
12	12	12	12	Ecuador
10	10	10	10	Egypt
18	18	18	20	Estonia
12.5	12.5	12.5	12.5	Fiji
22	22	22	23	Finland
19.6	19.6	19.6	19.6	France
19	19	19	19	Germany
0	0	0	0	Gibraltar

***Sub Region	OECD	Country	2004 (%)	2005 (%)	2006 (%)
Southern Europe	Member	Greece	18	18	19
Central America		Guatemala	12	12	12
*Western Europe		Guernsey			
Central America		Honduras	12	12	12
Eastern Asia	Member	Hong Kong	0	0	0
Eastern Europe	Member	Hungary	25	25	20
Northern Europe		Iceland	24.5	24.5	24.5
South Central Asia		India	16	16	12.5
South Eastern Asia		Indonesia	10	10	10
Northern Europe	Member	Ireland	21	21	21
*Northern Europe		Isle of Man			
Western Asia		Israel	17	18	16.5
Southern Europe	Member	Italy	20	20	20
Caribbean		Jamaica	15	15	16.5
Eastern Asia	Member	Japan	5	5	5
*Western Europe		Jersey			
South Central Asia		Kazakhstan	15	15	15
Eastern Asia		Korea, Republic of	10	10	10
Western Asia		Kuwait	0	0	0
Northern Europe		Latvia	18	18	18
Northern Africa		Libya	0	0	0
Northern Europe		Lithuania	18	18	18
Western Europe	Member	Luxembourg	15	15	15
Eastern Asia		Macau	0	0	0
Southern Europe		Macedonia	18	18	18
South Eastern Asia		Malaysia	10	10	10
Southern Europe		Malta	18	18	18
Eastern Africa		Mauritius	25	25	25
Central America	Member	Mexico	15	15	15
Southern Europe		Montenegro	17	17	17
Eastern Africa		Mozambique	17	17	17
Western Europe	Member	Netherlands	19	19	19
*Caribbean	Member	Netherlands Antilles			
Australia and New Zealand	Member	New Zealand	12.5	12.5	12.5
Western Africa		Nigeria	5	5	5
Northern Europe	Member	Norway	24	25	25
Western Asia		Oman	0	0	0
South Central Asia		Pakistan	15	15	15
Central America		Panama	5	5	5

Indirect Tax Rates 2004–2010

2007 (%)	2008 (%)	2009 (%)	2010 (%)	Country
19	19	19	23	Greece
12	12	12	12	Guatemala
		0	0	Guernsey
12	12	12	12	Honduras
0	0	0	0	Hong Kong
20	20	20	25	Hungary
24.5	24.5	24.5	25.5	Iceland
12.5	12.5	12.5	12.5	India
10	10	10	10	Indonesia
21	21	21.5	21	Ireland
		15	17.5	Isle of Man
15.5	15.5	15.5	16	Israel
20	20	20	20	Italy
16.5	16.5	16.5	17.5	Jamaica
5	5	5	5	Japan
			3	Jersey
14	13	12	12	Kazakhstan
10	10	10	10	Korea, Republic of
0	0	0	0	Kuwait
18	18	21	21	Latvia
0	0	0	0	Libya
18	18	19	21	Lithuania
15	15	15	15	Luxembourg
0	0	0	0	Macau
18	18	18	18	Macedonia
10	10	10	10	Malaysia
18	18	18	18	Malta
22.5	15	15	15	Mauritius
15	15	15	16	Mexico
17	17	17	17	Montenegro
17	17	17	17	Mozambique
19	19	19	19	Netherlands
		5	5	Netherlands Antilles
12.5	12.5	12.5	12.5	New Zealand
5	5	5	5	Nigeria
25	25	25	25	Norway
0	0	0	0	Oman
15	15	16	16	Pakistan
5	5	5	7	Panama

***Sub Region	OECD	Country	2004 (%)	2005 (%)	2006 (%)
Melania		Papua New Guinea	10	10	10
South America		Paraguay	10	10	10
South America		Peru	19	19	19
South Eastern Asia		Philippines	10	10	10
Eastern Europe	Member	Poland	22	22	22
Southern Europe	Member	Portugal	19	19	21
Western Asia		Qatar	0	0	0
Eastern Europe		Romania	19	19	19
Eastern Europe		Russia	18	18	18
*Polynesia		Samoa			
Western Asia		Saudi Arabia	0	0	0
*Southern Europe		Serbia	0	18	18
South Eastern Asia		Singapore	5	5	5
Eastern Europe	Member	Slovak Republic	19	19	19
Southern Europe		Slovenia	20	20	20
Southern Africa		South Africa	14	14	14
Southern Europe	Member	Spain	16	16	16
South Central Asia		Sri Lanka	15	15	15
Northern Europe	Member	Sweden	25	25	25
Western Europe	Member	Switzerland	7.6	7.6	7.6
Western Asia		Syria	0	0	0
Eastern Asia		Taiwan	5	5	5
Eastern Africa		Tanzania			
South Eastern Asia		Thailand	7	7	7
Northern Africa		Tunisia	18	18	18
Western Asia	Member	Turkey	18	18	18
Eastern Europe		Ukraine	20	20	20
Western Asia		United Arab Emirates	0	0	0
Western Europe	Member	United Kingdom	17.5	17.5	17.5
*North America	Member	United States	0	0	0
South America		Uruguay	23	23	23
South America		Venezuela	16	15	14
South Eastern Asia		Vietnam	10	10	10
Western Asia		Yemen	10	10	5
Eastern Africa		Zambia	17.5	17.5	17.5
*Eastern Africa		Zimbabwe			
Average			15.89	15.94	15.82

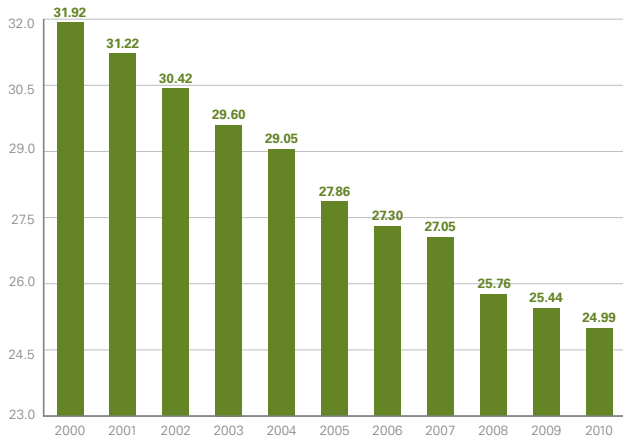
Indirect Tax Rates 2004–2010

2007 (%)	2008 (%)	2009 (%)	2010 (%)	Country
10	10	10	10	Papua New Guinea
10	10	10	10	Paraguay
19	19	19	19	Peru
12	12	12	12	Philippines
22	22	22	22	Poland
21	21	20	21	Portugal
0	0	0	0	Qatar
19	19	19	24	Romania
18	18	18	18	Russia
			15	Samoa
0	0	0	0	Saudi Arabia
18	18	18	18	Serbia
5	7	7	7	Singapore
19	19	19	19	Slovak Republic
20	20	20	20	Slovenia
14	14	14	14	South Africa
16	16	16	18	Spain
15	15	12	12	Sri Lanka
25	25	25	25	Sweden
7.6	7.6	7.6	7.6	Switzerland
0	0	0	0	Syria
5	5	5	5	Taiwan
		20	18	Tanzania
7	7	7	7	Thailand
18	18	18	18	Tunisia
18	18	18	18	Turkey
20	20	20	20	Ukraine
0	0	0	0	United Arab Emirates
17.5	17.5	15	17.5	United Kingdom
0	0	0	0	United States
23	22	22	22	Uruguay
14	9	9	12	Venezuela
10	10	10	10	Vietnam
5	5	5	5	Yemen
17.5	16	16	16	Zambia
		15	15	Zimbabwe
15.67	15.51	15.41	15.61	

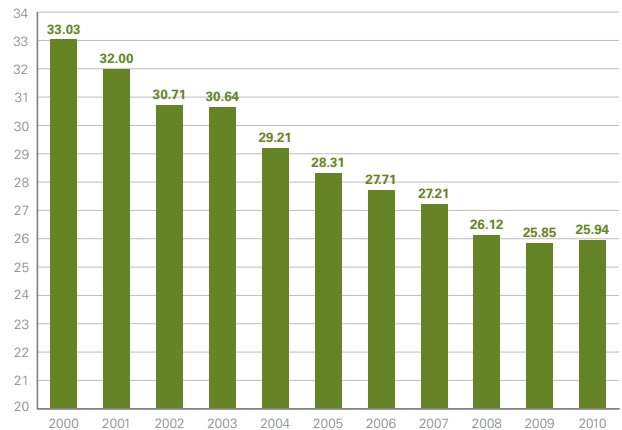
Averages

Averages

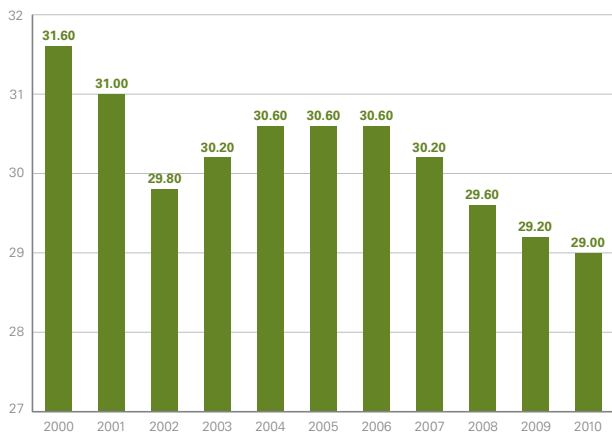
** Global Average Corporate Tax Rates 2000–2010



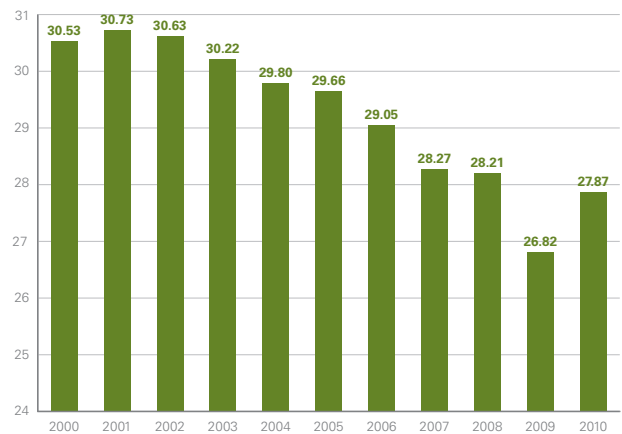
*** OECD Member Average Corporate Tax Rates 2000–2010



Oceania Region Average Corporate Tax Rates 2000–2010
(Australia and New Zealand, Melanesia, Polynesia)

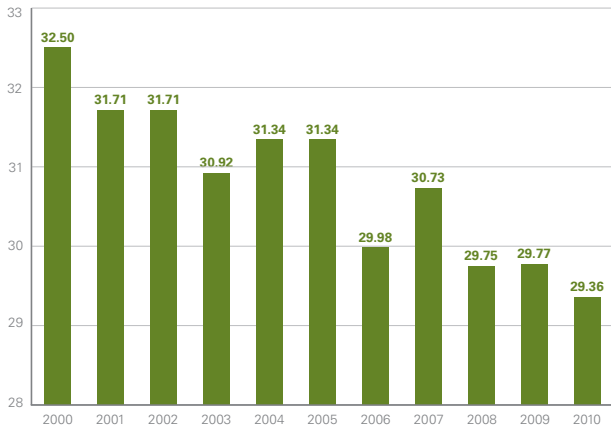


** Latin America Region Corporate Tax Rates 2000–2010
(Caribbean, Central America, South America)

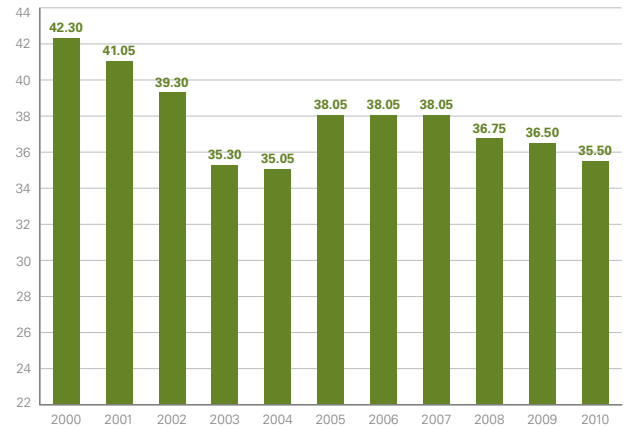


Averages

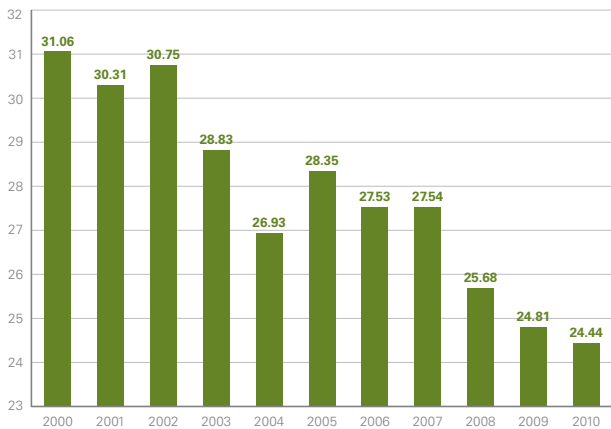
Africa Region Average Corporate Tax Rates 2000–2010
(Eastern Africa, Middle Africa, Northern Africa, Southern Africa, Western Africa)



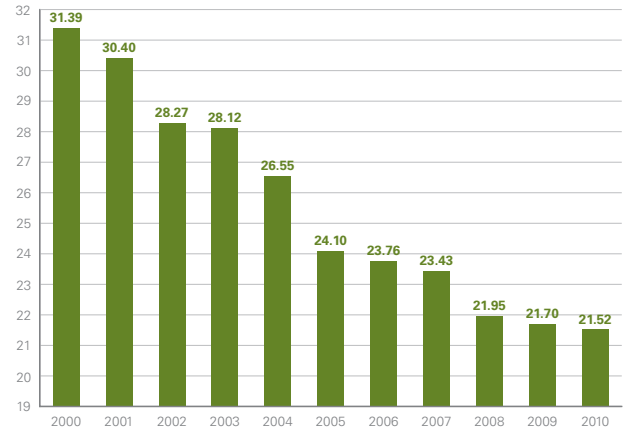
**North America Region Corporate Tax Rates 2000–2010



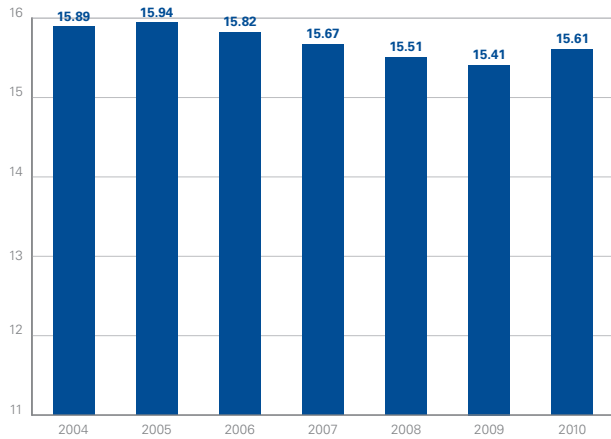
**Asia Region Corporate Tax Rates 2000–2010
(Eastern Asia, South Central Asia, South Eastern Asia, Western Asia)



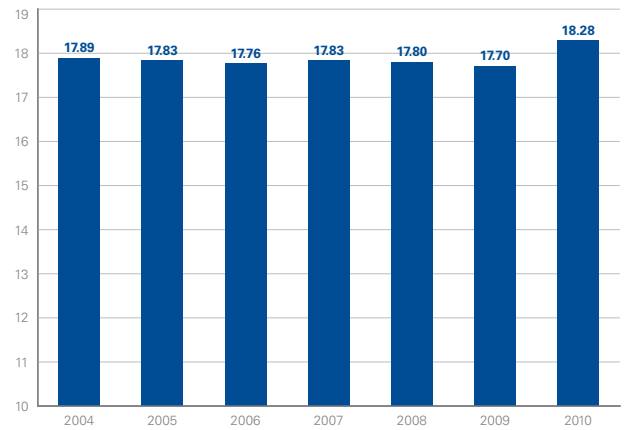
**Europe Region Corporate Tax Rates 2000–2010
(Eastern Europe, Northern Europe, Southern Europe, Western Europe)



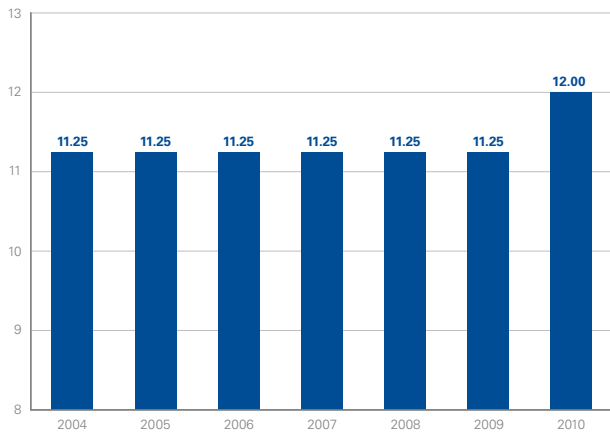
** Global Average Indirect Tax Rates 2004–2010



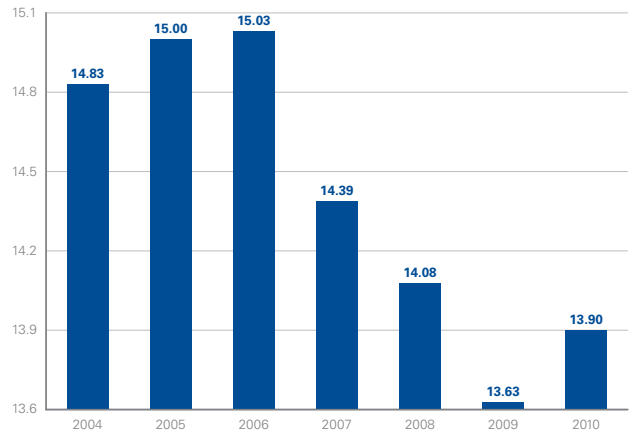
** OECD Member Average Indirect Tax Rates 2004–2010



Oceania Region Average Indirect Tax Rates 2004–2010
(Australia and New Zealand, Melanesia, Polynesia)

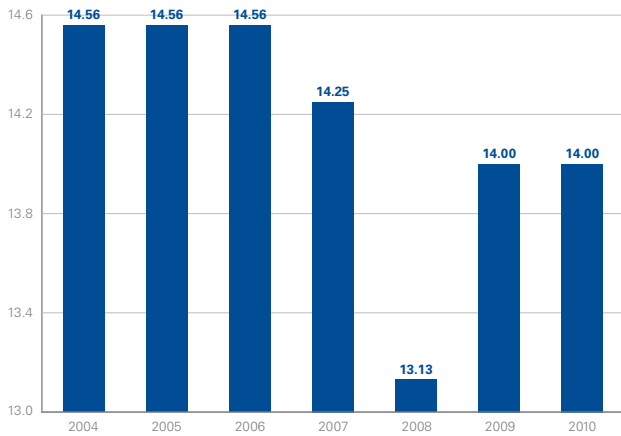


** Latin America Region Indirect Tax Rates 2004–2010
(Caribbean, Central America, South America)

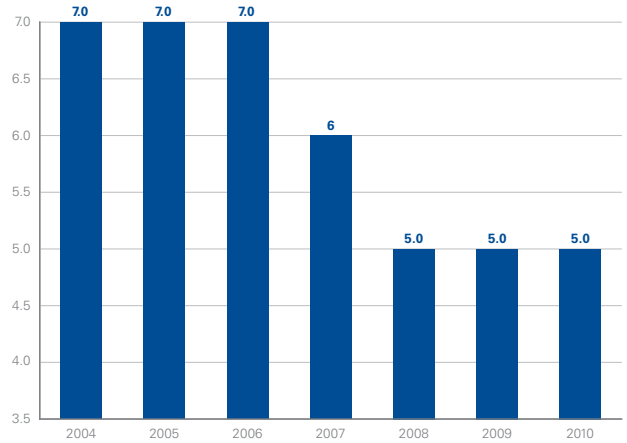


Averages

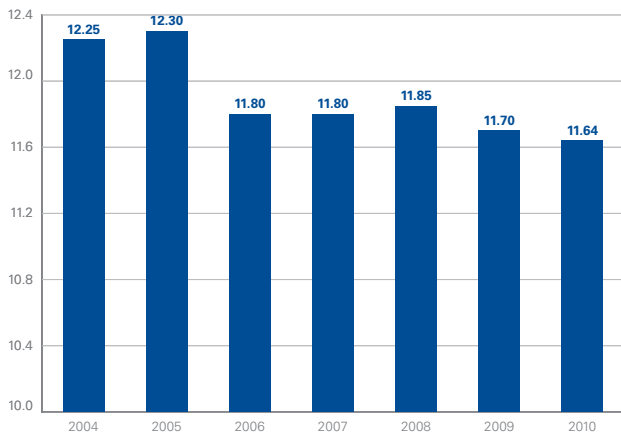
Africa Average Indirect Tax Rates 2004–2010
(Eastern Africa, Middle Africa, Northern Africa, Southern Africa, Western Africa)



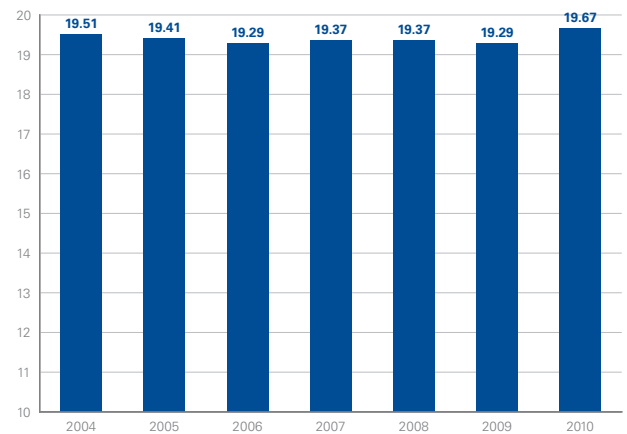
** North America Region Indirect Tax Rates 2004–2010



** Asia Region Indirect Tax Rates 2004–2010
(Eastern Asia, South Central Asia, South Eastern Asia, Western Asia)



** Europe Region Indirect Tax Rates 2004–2010
(Eastern Europe, Northern Europe, Southern Europe, Western Europe)



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Designed by Evalueserve.

Publication name: KPMG's Corporate and Indirect Tax Survey 2010

Publication number: 100926

Publication date: September 2010

Printed on recycled material.