

Netherlands/Cyprus

Due to the changes in Dutch tax law concerning dividend withholding tax, which entered into force on 1 January 2012, restructuring using Cyprus company is an efficient structure.

Due to the present financial crisis, the Netherlands started protecting its dividend withholding tax regime. The most adverse measure introduced for 2012 attack on abusive Co-operative Associations (commonly referred to as "Co-ops"). Up to now the Co-ops have not been subject to Dutch dividend withholding tax of 15%, resulting in being very common among internationally based companies with Dutch holding or trading structures.

It should be noted that the general law will continue in place, hence Co-op distributions will not be subject to Dutch dividend withholding tax unless deemed to be "abusive".

The Bill defines bona fide structures as involving Dutch Co-ops which do not have as their sole or primary goal, the avoidance of Dutch dividend withholding tax.

Furthermore, the Co-op should also not fall under Article 17 of the Dutch Corporation Tax Act, namely the "substantial interest test".

It will be imperative that the taxpayer be able to prove honest business reasons for having set up a Dutch Co-op, or to demonstrate sufficient non-tax reasons for setting up a Co-op.

Read more <http://globalserve.com.cy/wp-content/uploads/2010/04/NetherlandsCyprus.pdf>

UK Budget 2012 key points of interest for Private clients from Russia and CIS

On 21 March 2012, the UK Chancellor, George Osborne, announced the UK's Budget with a clear focus on antiavoidance and ending unacceptable tax planning. A large number of the proposals will be of particular interest to the UK resident but non-domiciled community, including private clients from Russian and CIS countries living and/or investing in the UK. Some key points are summarised below.

1. Ownership of UK residential property

Non-UK domiciled individuals have often sheltered the value of UK property from UK inheritance tax ('IHT') through the use of offshore companies. This technique effectively moves the situs of the value of the UK property offshore and so takes it outside of the scope of IHT. However, this common planning has for some years been fraught with difficulties. However, this common planning has for some years been fraught with difficulties.

Read more <http://globalserve.com.cy/wp-content/uploads/2010/04/UK-Budget-2012-%E2%80%93-key-points-of-interest-for-private-clients-from-Russia-and-CIS.pdf>

SWITZERLAND - Federal court refuses USA Request for Credit Suisse client data

The Swiss Federal Administrative Court has refused to permit Credit Suisse to disclose a client's banking details to the USA Internal Revenue Service. The court said the client's mere failure to tell the IRS about his bank account was not a sufficient reason to grant administrative assistance under the 1996 USA-Swiss treaty.

In a setback for efforts to end a tax dispute between the United States and Switzerland, a Swiss court said Wednesday that Credit Suisse could not turn over account data of its American clients to US tax authorities because doing so would violate the terms of a 1996 tax treaty between the two countries.

In its decision, dated April 5 and published Wednesday, the Federal Administrative Court in Bern upheld the appeal of a bank client who had objected to having his account data given to the Internal Revenue Service.

The United States is investigating Credit Suisse and 10 other Swiss banks on suspicions that they helped Americans evade taxes.

The court decided that the IRS cast too wide a net in a September request for confidential Credit Suisse client information.

Read more <http://globalserve.com.cy/wp-content/uploads/2010/04/SWITZERLAND-Federal-court-refuses-USA-request-for-Credit-Suisse-client-data.pdf>

News

23-24 April OCCI BUSINESS FORUM Kharkov & Donetsk Phani Schiza Antoniou, Managing Director, Globalserve Consultants Ltd

9-11 May STEP CYPRUS LIMASSOL, participant Phani Schiza Antoniou, Managing Director, Globalserve Consultants Ltd

29-30 May STEP ISRAEL, TEL AVIV Annual Conference participant Phani Schiza Antoniou, Managing Director, Globalserve Consultants Ltd

Globalserve Profile

Globalserve Consultants Ltd, is engaged in the area of international tax planning. We incorporate companies from a variety of 23 jurisdictions while focusing on the Cyprus Company which its use is very effective as an onshore jurisdictions with an excellent use towards international tax planning.

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