

INTRODUCTION

DFK INTERNATIONAL is an organisation whose membership consists of independent accounting firms and business advisers throughout the world. It is committed to meeting the needs of businesses and individuals with interests in more than one country.

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

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

The **WORLDWIDE TAX OVERVIEW** is published without responsibility on behalf of **DFK INTERNATIONAL**, its Directors and its Member Firms for loss occasioned by any person acting or refraining from action as a result of any information contained herein. Tax laws change frequently worldwide and some of the information contained herein may be impacted by treaties. You are advised to consult with your local **DFK INTERNATIONAL Member** or other tax adviser in connection with any data contained in this Overview.

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Argentina	35%	9% – 35%	10.5% – 21%	Income, VAT, payroll, excise. Tax on assets for companies and individuals	Tax imposed on income from resources and activities within Argentina. Withholding tax of 14% – 35% on interest, rents and royalties	Generally straight-line based on probable useful life	Provinces may levy gross receipts taxes. Branch profits tax on foreign company's permanent establishment is 35%. Lower tax rates are applied to some industrial activities. Dividends are tax free
Australia	30%	15% – 45%	10% Goods and Services Tax	Income, goods and services, payroll, capital gains, fringe benefits, excise, health care	Non-residents are taxed between 29% and 45%. Withholding tax of 10% – 30% on interest, dividends and royalties	2 Methods – straight-line and declining balance. Rates vary from 2.5% to 60%	Payroll tax is levied by individual states and territories (8) but all other taxes are levied by Australian government
Austria	25%	36.5% – 50%	10% – 20%	Income, VAT, real estate, payroll, import duties	Income taxes on certain income derived from Austrian sources. Withholding tax on interest (0%) and dividends (25%) and on royalties (20%)	Movable assets: straight-line method dependent on useful life: 5% – 33.3%. Buildings 2%–3%. Tangible assets: accelerated depreciation 30% (2009+2010 only)	Tax incentives for Privatstiftung (foundations). Group taxation incentives.
Azerbaijan	20%	4% (regions – 2%) 14% upto AZN 24,000 30% over	18%	Profit tax, income tax, turnover tax, VAT, import duties, property tax, pension and social security deductions, road tax and etc.	Non-residents are subject to tax only on their income derived in Azerbaijan. Withholding tax of 10% on dividends and services produced in/for Azerbaijan	Reducing balance method. Buildings – 7%, vehicles – 25%, computers, equipment and machinery – 25%, other assets 20%	VAT exemption for oil extracting companies (under special state agreements). Tax incentives in agriculture

Belarus	24%	12%	20%	Income, VAT, payroll, real estate, capital gains, import duties, inheritance and gifts	Dividend tax, royalty – 15%	Buildings 1%. Movable machinery 10% – 20%. Tangible assets dependent of useful life 10 – 20%	Municipalities and provinces may impose taxes
Belgium	24.98% – 35.54% (lower rates) 33.99% (standard)	25% – 50%	6% – 21%	Income, VAT, inheritance and gifts, payroll	Tax on income from Belgian sources. Personal tax allowances under certain conditions. Withholding tax of 10% – 15% – 25% on dividends, interest and royalties	Buildings 3% – 5%. Movable machinery 10% – 20%. Straight-line or (up to) double declining balance	Municipalities and provinces may impose taxes. Advance payments of taxes required
Bolivia	25%	13% on salary & 12.5% on other income	13%	Income, goods and services sales, payroll, commerce exercise, social security, import duties, hydrocarbons production	Local entities, include Bolivian establishment of foreign companies, that pay Bolivian-sources income to foreign beneficiaries must withhold 12.5% of the amounts paid	Straight-line method based on useful life, from 2.5% for Buildings to 25% for Computer equipment	Land and vehicle transfer, real property and vehicle to the Municipalities payments made based on their tax value
Brazil	34%	27.5%	7% – 25%	Income, sales, payroll, sales and service tax, excise tax	Income taxed on Brazilian source income. Withholding taxes of 15% apply to interest and royalties paid to non-residents	Straight-line method of 4% for buildings, 10% for machinery, equipment, furniture and fittings, 10% for tools and 20% for vehicles and computer equipment	Investment incentives available in underdeveloped and developing regions including Amazonian region, Northeast region and Manaus free trade zone

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Bulgaria	10%	10% flat rate	20% some tourist services: 7% to April 1, 2011 9% for all tourist services from April 1, 2011	Income, VAT, payroll, excise, import duties, capital gains, fringe benefits, social security, transfer tax on real estate, tax on possession of real estate, vehicle tax, inheritance and gifts, certain expenses	Tax on certain income from Bulgarian sources, some tax allowances if there is a signed double taxation treaty, withholding tax – 10% on accrued interest, royalties, consultancy, engineering and marketing services, certain capital gains and other. Withholding tax on dividends is 5%	Depreciation calculated using the straight-line method. 4% buildings, 30% moveable machinery, 10% vehicles (except cars). 50% computer equipment. 25% specific tax assets. 15% other assets	Advance payments of some taxes required. Special regimen for tax – recognised amount of interest expenses and regulation of “loss of capitalisation.” Dividends to parent companies in EU are tax free in certain conditions. Lots of registration, notary, state and municipal fees
Canada	11% – 34%	19% – 50%	5% – 13% Goods and Services Tax	Income, goods and services, sales, payroll, capital, health care, workmen compensation, excise import duties, land transfer, property	Employment income, business income and dispositions of certain capital property within Canada. Withholding tax of 25% on interest, dividends, rents and royalties	Declining balance method (in most cases) on assets available for use and owned at year end; various rates from 4% to 100%	Each province and territory may provide special tax incentives and impose its own income, sales, health care and other taxes

Channel Islands – Jersey	0 – 10% – 20%	20%	3% referred to as GST; 5% from 1 June 2011	Income, and goods and services tax	Jersey-source income is taxed at a rate of 20%. By a general concession, bank interest is exempt for non-residents	25% on reducing balance for machinery and equipment including motor cars	Companies owned by non-residents suffer tax at 0% unless they are involved in local financial services businesses (10%), or local property owning and development activity (20%), or the provision of utility services (20%) GST is suffered at 3% (5% from 1 June 2011) on local consumption. By concession companies owned by non residents not engaged in local businesses activity will pay a sum of £100 per annum to become exempt from GST
Chile	17%	5% – 40%	19%	Income, VAT, payroll, import duties, inheritance, excise, stamp duties, and real estate	Taxed on Chilean source income; withholding tax (35% or 30%) at the time of withdrawal, distribution or remittance of income abroad	Straight-line and accelerated rate methods. Buildings 20-40 years. Heavy machinery 15 years	
China (People's Republic of)	25%	5% – 45%	0%, 3%, 13%, 17%	VAT, consumption, business, enterprises income tax, individual income tax, resource, land appreciation, urban real estate, vehicle and vessel usage license, stamp and custom duties	Income tax on all China-source income and all non-China-source income remitted to the PRC. 25% effective tax rate on foreign companies' business in China. Withholding tax of 10% on interest, dividends, rents and royalties	Generally straight-line to arrive at 5% salvage value. Buildings 20 years. Machinery 5 – 10 years. Accelerated rates can be negotiated	A) Income tax of 20% for qualifying small scale enterprises with minimal profits which are qualified. B) Income tax of 15% for high and new technology enterprises which require key state support C) Foreign businesses no longer exempt from City Planning Tax (7%) and Education Surtax (3%)

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Hong Kong (S.A.R.)	16.5%	2% – 17%	–	Income, stamp duties, property, social security, gambling tax and hotel accommodation tax	Only income arising in or derived from Hong Kong taxable	4% for buildings, 60% initial then 10% – 30% for machinery. 100% for prescribed fixed assets	No interest tax and no capital gains tax. Dividend income and offshore income are not taxable. No VAT
Colombia	33%	0% – 35%	General 16%	Income, VAT, remittance tax, municipal tax, real estate tax, stamp tax, motor vehicle tax, tax on financial movements, equity tax and social security tax	Consultancy, technical services and technical assistance (withholding of 10%) interests, commissions, honorarium, royalties, industrial property (withholding of 33%)	Straight-line and accelerated methods. Building 20 years, machinery 10 years and other assets 5 – 3 years. Other methods based on probable useful life require approval	Municipal tax (0.2% – 1% of income). Tax incentives for foundations. Certain payments to offshore pay tax. Reduced corporate tax rate for companies operating in particular areas
Costa Rica	10% – 30%	10% – 25%	13%	Income, sales, payroll, land transfer, tax on vehicles, property tax, import and stamp duties, social securities	Tax on all income derived in Costa Rica. Withholding tax of 5% – 20% on interest, dividends and royalties	Straight-line basis, sum-of-the-years-digits method. Rates ranging from 2% to 50%	Municipal tax of 1% to 5%
Croatia	20%	12% – 40%	0%,10%, 23%	Income, social security, real estate transfer, VAT, excises, tourist, forestry, inheritance, municipal and county taxes	Taxed on the income obtained in Croatia; 15% withholding on royalties and interest. None on dividends	Straight-line and accelerated methods. Building and ships 5%, cars 20%, computers 50%, equipment and machinery 25%, other assets 10%. Companies free to follow IAS depreciation methods	Investment incentives. Special deductions for Research and Development expenditure

Cyprus	10%	Progress rates up to 30%	5% – 15%	Income, capital gains, VAT, import and stamp duties, real property tax, payroll tax, social security, transfer tax	Non-residents are subject to tax only on their income derived in Cyprus	Straight-line method ranging from 3% – 33 $\frac{1}{3}$ %; higher rates can be negotiated	Pensions received from abroad are taxed at 5% on income exceeding EUR 3,420
Czech Republic	19%	15%	10%, 20%	Income, real estate, road tax, VAT, excise duties, custom duties, real estate transfer, social security, inheritance, TV tax, pollution tax, capital gains tax and gift tax	Tax on income from Czech sources. 15% withholding tax on dividend, interest and royalties	Straight-line and accelerated methods. Buildings 20 – 50 years. Other assets 3 – 10 years	Reduced corporate tax rates for investment companies and pension funds. R & D incentives
Denmark	25%	37% – 56%	25%	Income, VAT, estate, death duties, import duties, payroll, social security	Tax on income from Danish sources. Expatriates earning in excess of DKK 832,179 who work at least 6 months, up to 36 months, are taxed at a flat rate of 25%. Withholding tax of 28% on dividends	25% of the reducing balance for machinery and equipment. 4% for buildings (straight-line)	Special provisions for multinational groups and holding companies. Companies can pay dividend without withholding tax to a foreign company if the ownership exceeds 10%
Dominican Republic	Higher of 25% tax, or 1% of company's total assets	15% – 25% with a deduction of 349,560 dominican pesos, adjusted for inflation each year	16% on sales of goods and services. (Some goods and services are exempt)	Payroll, social security contributions in the areas of pension plans, family health insurance, labour risk insurance Total 16% approx.	25% income or income transfers Dominican sources, provided they are not of interest to financial institutions established abroad	Generally straight-line based on special instructions	Other taxes are applied at different transactions, e.g. transfer of ownership of buildings, land and furniture and other taxes according to special laws and operations (alcohol, communications, etc.)

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Ecuador	Reducing by 1% per year to 22% in 2013	5% – 35%	12%	Income, VAT, payroll, import duties, real estate, real estate transfer, social security, withholding tax, foreign exchange tax, profit sharing	Tax imposed on income from activities within Ecuador, 2011 24%, 2012 23%, since 2013 22%; withholding on all remittances of income abroad to non-domiciled companies and non resident individuals	Straight-line method; accelerated depreciation requires authority approval. Depreciation rates varies from 5% to 33%. Intangibles must be amortized over either the term of the contract or under a 20 year period	Municipal taxes are levied over the net assets for companies at a rate of 0.15%. The net profit over the sale of real estate is subject to a tax rate of 10%
El Salvador	25%	10% – 30% according to tax table (limit of 25%)	13%	Annual income tax, specific and excise taxes; property transfer tax; income tax with-holdings applied to salary pay- rolls, fees and other types of remuneration: 6.75% and 7.5% to Pension Funds, customs duties over imports; 10% with-holding over the sales of property possessed for more than one year (property or fixed assets); 10% withholding over the interest received from the bank deposits of natural persons	20% withholding over all income earned within the national territory, except over the payment of dividends, always assuming that the entity distributing the dividends has paid the corresponding income tax; the companies located in industrial Free Zones are not subject to taxes	Straight-line method; other methods require specific approval. The annual depreciation rates for tax purposes, vary between 5% and 50% of the value of the assets. Computer programs are subject to an annual amortization of 25%	Municipal taxes are levied over the net assets of companies, the rates vary in each municipality. The net profit over the sale of real estate by a natural person is subject to a tax rate of 10% when the amount of the transaction exceeds \$150,000. The sale of fixed assets that have been owned for more than four years are not subject to VAT. The worldwide income principle applies

Fiji	28%	25% – 31%	15%	VAT, hotel turnover tax, PAYE gambling turnover tax; stamp duty, land sale tax and fringe benefit tax	28% tax on Fiji-source income of branch of overseas company, 20% – 31% effective tax rates for non-resident individuals	Buildings 2.5% – 15%. Straight-line, other assets with rates ranging from 3% – 60% depending on the life of the asset. New commercial building and residential apartments 20% p.a. if completed by 31 December 2010	100% dividend exemption on distribution that has been fully subject to company tax. 50% profit on export sales exempt. Tax holidays available for investment in agriculture, agro-processing, bio-fuel production, ICT industry, hotel development, 10% Capital Gain Tax etc.
Finland	26%	6.5% – 30% the municipal tax rate will be added to this	9% – 23%	Income, VAT, payroll, inheritance and gifts, wealth, dividends tax, capital gains	Income from Finnish sources other than interest income. Withholding taxes of 0% on interest, 28% on dividends and 29% on royalties. 35% tax on earned income of high paid foreign specialists	Declining balance method. Machinery 25%, buildings 4% – 20%. Other long term fixed assets 10% – 25%	Other individual rates: Municipal income tax at 16.25% – 21.5%. The sales of fixed asset shares tax free. Dividends paid to Finnish limited liability companies are usually tax free
France	15% – 34.4%	5.5% – 40%	2.1% – 19.6%	Income, VAT, estate, payroll, import duties, wealth, inheritance, local tax on business, registration tax, social security and transfer tax	Income tax, wealth tax, branch remittance tax of 25%, withholding tax of 25% on dividends, 16% on interest and 33.3% on royalties. 100% exceptions available	Numerous methods and rates ranging from 3 years to 50 years	Other individual rates: estate taxes, inhabited house tax

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Germany	15%	14% – 45%	19%, 7%	Income, VAT, trade, inheritance, gift, payroll, import duties, real estate transfer tax	Income taxes on German-source income. Withholding tax of 25% on dividends, withholding tax of 15% or 30% on royalties and income of sportsmen, artists, writers and journalists	Numerous methods and rates ranging from 1 year to 50 years	Surcharge of 5.5% on income tax amount. Additionally each municipality imposes its own trade tax on trade income. Trade tax ranges from 7% – 17.15% of income and is not deductible; in general an individual as a partner of a partnership receives a trade tax related credit on his personal income tax

Ghana

25%

0% – 25%

VAT – 12.5%.
NHIL – 2.5%

VAT & NHIL, Import Duties, Real Estate, Motor Vehicle, Gift, Rent, Capital Gains and Dividend. Pay As You Earn (P.A.Y.E.), Petroleum Revenue, Corporate Income Tax and Self Employed

Tax imposed on non-resident person or non-resident partnership on dividend, Interest (10%), Royalty, Natural Resource payment, Rent (8%), Endorsement fee, Management & technical fees (15%) accruing in or derived from Ghana other than a payment exempt from Tax

Assets are classified into Pools and Classes. Straight-line and written down value methods. Rates vary straight-line Building (Class) Rate 10%. Written-down value. Computers and Data handling equipments. (Pool 1) Rate is 40%, Motor Vehicles, Plant & Machinery used in manufacturing. (Pool 2) Rate 30% Mineral and Petroleum exploration and production rights. (Pool 3) Rate is 80% of the cost basis of assets added to the pool during the basis period and 50% of the balance of the pool. Rent, roads, cars, locomotive and equipment, vessels, barges, tugs and similar water transportation equipment. Aircraft, office furniture and fittings and any depreciable assets not included in another class

Tax of 8% on export of non-traditional crops, Tax holidays for Real Estates (5 years), Agriculture Tree crops (10 years), Livestock other than cattle (5 years), Cattle (10 years). Tax rebate of 25% on manufacturing business located in Regional Capital and 50% on manufacturing business located elsewhere in Ghana. Withholding tax on services 5%, rent 8%, hotel industry 22%

Gibraltar

10%

17% – 40%

–

Income, withholding, stamp duties, customs duties and social security

Income from Gibraltar sources taxable at resident rates unless special exemption status is claimed

Declining balance method at 15% for all items except buildings and ships which are depreciated at flat rates of 4% and motor vehicles of 25%

Exempt company legislation repealed from 31.12.10

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Greece	20%	0% – 45%	23%, 9%	Income, VAT, withholding, import duties, capital gains, property, inheritance, stamp duties, vessels tonnage tax, capital acquisition tax, real property tax, social security and payroll. Withholding tax applies on dividends subject to exceptions	Taxed on income derived in Greece. Withholding tax at 25% on royalties and 40% on interest, subject to bilateral treaty reduced rates. Withholding tax of 5% on interest paid to EU resident related parties, subject to bilateral treaty reduced rates	Either declining balance or straight-line method for machinery. Straight-line basis for all other assets. Rates vary from 5% to 20%. Reduced depreciation rates apply in certain cases for up to 3 consecutive years from zero to 50% of normal rate	There are fiscal incentives for regional development investments. Specially licensed entities with non-domestic activities are taxed on notional profit

Guatemala	1% – 31%	5% – 31%	12%	Annual or Quarterly Tax (ISR) rate of 31%, monthly tax withheld on account of professional services and any other type of service of remuneration other than salary (ISR) rate of 5%, 10% or 31%, Quarterly Solidarity Tax (ISO) 1%; Financial Products Tax 10% on interest received on deposits in bank accounts, Labour fee applied to payments of workers' wages as an employee 4.83% employer share of social security benefits by 10.67% or 12.67% Tax on purchases of domestic and foreign products as well as the local market sales 12%	Monthly withholding tax on account of professional services and any other type of service or remuneration other than salary provided from outside (ISR) rate of 10% or 31%	Straight-line method, Other methods require specific approval, the annual depreciation rate varies between 5% and 20% depending on the type of property to depreciate, equipment and computer programs are subject to an annual depreciation of 33.33%, The goods, such as installations costs are subject to a 10% annual amortization	Municipal tax rates ranging from 2 per thousand to 9 per thousand depending on the value of the property
------------------	----------	----------	-----	---	--	---	--

Guernsey	0% except profits from certain banking activities 10%. Income from Guernsey land and building 20%	20%	Nil	Income	Guernsey source income (except bank interest) is taxed at a rate of 20%	1.25% – 25%	The tax liability of a Guernsey resident individual is limited to £100,000 pa in respect of non Guernsey income and £200,000 in respect of worldwide income (including Guernsey income)
-----------------	---	-----	-----	--------	---	-------------	---

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

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Hungary	10% profit up to HUF 500 million, 19% above HUF 500 million	16%	25%, 5%, 18%	Income, VAT, social security, inheritance, local business, R&D, energy, custom duties, capital gains, excise, property, transfer, special industrial taxes	Income taxes on Hungarian-source income. Reduced rates subject to double tax treaties. Withholding tax of 16% on dividends for individuals. In certain cases withholding tax for corporations	Rates for machinery and equipment vary from 14.5% to 33%, buildings from 2% to 6%. In some cases GAAP rates can be applied for taxation	Fiscal incentives for development reserves, research and experimental development, regional incentives, tax reductions for certain capital gains
Iceland	20% – 36%	37.31% – 76.21%	7% – 25.5%	Income, VAT, estate, payroll, wealth, social security, stamp duty and inheritance tax	Income taxes on effectively connected income; estate taxes on property located within Iceland. Withholding tax of 20% on dividends, 20% on interest and 20% royalties	Buildings 1% – 6% Straightline method. Machinery and equipment 10% – 30% and office equipment 20% – 35% declining balance method	Wealth tax 1.5% for individuals >75,000,000 ISK and for couples >100,000,000 ISK

India

Domestic Tax – 33.22% MAT – 19.93%	10.30% 30.90%	0% – 22%	Income, wealth, excise, sales/VAT, import duty, service tax	On the entire income accrued or received within India. Withholding tax of 10% – 40% on interest, rents, royalties fees for technical services, capital gains and other income	Mainly declining balance method with rates varying from 5% to 100%	Wealth Tax @ 1% for Individual, HUF and Company in excess of INR 30,000,000 Income and wealth taxes, service, excise and import duties are subject to central legislation. VAT/sales tax is subject to both central and state legislation. All above taxes attract 2% education cess and 1% additional secondary & higher education cess In case of companies, amount of income tax is to be increased by surcharge @ 7.5% for domestic companies and @ 2.5% for foreign companies if income exceeds INR 10,000,000 In case the payee (resident as well as non-resident) does not have a Permanent Account Number (PAN) then withholding tax rates are higher of the following: i. at the rate specified in the relevant provisions of Income Tax Act ii. at the rate of rates in force; or iii. at the rate of 20%
--	------------------	----------	---	--	--	---

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Indonesia	25%	5% – 30%	10%	Income, VAT, payroll, capital gains, land & building transfer	Non-residents without certificate of domicile (COD are taxed at 20%). If they have COD, taxes depend on tax treaty	Buildings: straightline 5% – 10% Non-buildings: straightline and declining balance 5% – 50%	Double taxation treaties available.
Ireland	12.5% for trading companies 25% for non-trading companies	20% – 41%	13.5% – 21%	Income, capital gains, capital acquisitions (covering death and gifts), pay related social insurance, VAT, stamp duty on property transactions	Capital gains tax on land/property in Ireland at 25%. Tax at standard rate of 20% withheld from musicians, sportsmen, entertainment artists, rent, royalties and dividends	Annual straight-line allowances on cost ranging from 4% on buildings to 12.5% on plant and machinery and motor vehicles, with exception of taxis and cars on short-term hire conditions, 40% on reducing balance basis	Income earned by artists, writers, composers, and sculptors from the sale of works, and income from stallion services, woodlands is exempt from tax in certain circumstances. Transfer of intellectual property rights exempt from stamp duty
Isle of Man	0% – 10%	10% – 20% Liability capped at £115,000	20%	Income, VAT, national insurance. No capital taxes, inheritance tax or stamp duties	Income Tax on Isle of Man source income but by concession bank interest is exempt. Withholding tax is deducted on dividends paid to Non Residents at the applicable corporate rate of 0% or 10%	Generally 25% on reducing balances with 100% first year allowance. Enhanced rates on industrial buildings and hotels in special circumstances	0% is the standard rate for companies. The higher rate of 10% only applies to licensed banks and income from Isle of Man land and property

Israel	25% reduced to 0% – 25% for approved enterprises	10% – 44%	16%	Income, capital gains, VAT, payroll, property taxes, customs duties, stamp duties, land betterment tax, acquisition tax on real-estate transactions	Income tax on income from sources within Israel, land betterment tax. Withholding tax of 15%-25% on interest, dividend and royalties	Generally the straight-line method. Certain taxpayers may use declining balances, accelerated depreciation for production facilities	Tax incentives based on business location. Special rules for 'transparent companies'. Other foreign investment incentive and R & D incentives
Italy	27.5%	23% – 43%	4% – 10% – 20%	Income, excise, VAT, registration, consumer tax, real property tax, social security, stamp duty, transfer tax and capital gains	Income taxes only on income arising in Italy. Withholding tax of 12.5% – 27% on interest, dividends and royalties	Straight-line method rates of depreciation are established by Ministry of Finance and rates range from 3% to 40%	Regional income tax of 3.9% on added value produced
Japan	18% – 30%	5% – 40%	5%	Income, inheritance, gift, consumption, liquor, tobacco, property, stamp duties	National income tax on entire Japanese-source income. Withholding tax of 7% – 20% on interest, dividends, rents and royalties	Numerous methods and rates but mainly straight-line method and declining balance method. Useful lives from 2 to 50 years	Inhabitant tax of 20.7% on corporation's tax liability and 10% on individual's taxable income. Non-residents not subject to local government tax
Jordan	15% – 35%	7% – 14% after an exemption of 12K for single and 12K for married	4% or 16%	Income, VAT, Payroll, Excise, Import duties, stamp duties	Withholding tax of 7% on royalties, exported services and interests	Building – 2%, 4% or 10%. Furniture – 2%, 10% or 15%. Transportation – 5% or 15%. Equipment – 10%, 15%, 20% or 25%	Free zone and qualified industrial zone are tax incentive areas. New employee tax, rental and services law changed in 2010

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Kenya	30% 37.5% – Branch tax rate Turnover tax of 3% not exceeding K.Shs. 5 million p.a of gross receipts	10% – 30%	16%	Income, VAT, excise, import duties, social security, stamp duty and transfer tax	Income taxes on trade, business or vocational income, non-resident withholding tax on interest (15%), dividends (10%), rents and royalties (20%)	Straight line and reducing balance. Rates ranging from 2.5% to 37.5%. Investment deduction allowance 100% on eligible assets	Numerous incentives available to investors in the export processing zone, e.g. 10-year tax break, 100% depreciation write-off, etc
Korea (Republic of)	from 12.1% – 11%	6.6% – 38.5%	10%	Income, VAT, inheritance and gifts, consumption, acquisition, property, capital gains	Income from Korean sources. Withholding taxes of 2.2% – 22% depending on type of Korean-source income	Numerous methods and rates but mainly straight-line method and declining balance method. Useful lives from 3 to 50 years	Tax incentives available for foreign investors (individuals and companies) in high-technology businesses
Kuwait	Foreign companies 5% – 55%			Income	Income tax imposed on foreign companies, income	Generally straight-line based on probable useful life	Other contributions include: <ol style="list-style-type: none"> 10% of the salary, as social security 5% of net profit for Kuwait Foundation to the Advancement of Sciences 2.5% of net profit for National Labour Force Fund

Lebanon	15%	4% – 21%	10%	Income, capital gains, inheritance, payroll, property, import duties, stamp duties	Tax imposed on income from efforts and activities within Lebanon at 7.5% on income from services; at 1.5% on sales of materials; at 10% on interest, dividends and royalties	Straight-line based on type of asset with rates ranging 2% to 25%	Special provisions for holding companies and offshore companies
Liechtenstein	7.5% – 15%	1% – 17%	8%	Income, VAT, excise, import duties, stamp duty	No income tax for registered companies not conducting business in Liechtenstein; however, capital tax of 0.1% imposed with a minimum tax of SF1,000. No withholding tax	Numerous methods and rates ranging from 3% to 40%	Holding and domiciliary companies only subject to capital tax of 0.1% Completely revised Tax Law as from 1.1.2011
Luxembourg	22.05% – 28.8%	8% – 39%	3% – 15%	Income, municipal business, net worth, capital contribution, excise duties, import, general registration, VAT, social security, real property tax and stamp duty	Commercial net income and property income; minimum 15%. Withholding tax of 15% on dividends (0% for DTT countries) and 0% on royalties	Rates 10% – 25% for equipment. 1.5% – 4% for buildings	Tax incentives for holding companies, reinsurance companies, film/movie production, finance companies and headquarters of industrial companies employing a number of staff

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Malaysia	20% – 25%	1% – 26%	–	Income, sales, service, excise, import duties, stamp duties, real property tax, social security, payroll and capital duty	Income tax on income accruing in or derived from Malaysia at 26%. Withholding tax of 10% – 15% on interest, rents and royalties, entertainers, certain fees and rental of tangible property. Payment of dividend will be changed to a single tier system from 1.1.2008. The tax imputation system for dividend payment may still be applicable from 1.1.2008 to 31.12.2013 at 25%	Depreciation in first year from 10% to 20%. In subsequent years, annual depreciation at rates varying from 3% to 40%	Labuan Tax Haven – Income tax at 3% on net audited profit of offshore companies trading in Labuan or a lump sum of RM20,000 on election. Further election is available for the income Tax Act. Tax incentives available for Malaysian-promoted activities, reinsurance and off-shore insurance businesses, approved operational headquarters companies and foreign fund management companies

Malta	35%	0% – 35% (including special 15% flat rate scheme for foreigners taking up residence)	18% – Standard 5% – hotel accommodation, some confectionery items, electricity & other supplies. Reduced VAT incidence on yacht finance leasing	Income tax (including tax on certain capital gains). Property transfer tax (12% final tax), VAT, stamp duty (on transfers, inheritance of shares and immovable property), Eco-tax, import duties, excise tax and motor vehicle registration tax. No municipality or local taxes. No inheritance tax, social security	Income tax on income arising in Malta: Companies– 35%. Individuals 0% – 35% Withholding tax of 25% or 35% on certain taxable income paid to non-residents. Exemption on royalties, interest and capital gains on certain share transfers derived by non-residents	Straightline 4 – 20 years for plant and machinery. 2% on industrial buildings and structures.	Tax refunds available to shareholders of Maltese Companies and branches of foreign companies (6/7, 5/7, 2/3 or 100%). Participation exemption. 15% withholding tax on certain investment income. No withholding tax on outbound dividends. 25% (deemed) flat rate foreign tax credit in respect of profits derived through a foreign PE. Various types of tax credits and other incentives for qualifying companies and activities
Mauritius	15%	15% and a solidarity tax of 10% for those earning more than Rs 2m pa	15%	Income, VAT, tax deduction at source, PAYE import duties, registration duties and Capital Gain Tax on Immovable property	Income derived from Mauritius. Foreign Tax Credit available	Annual allowance: 5% – 50% on diminishing balance method except for buildings on cost	Double taxation treaties available for global business. Effective tax rate of 3% for global business
Mexico	30%	30%	11% & 16%	Income, VAT, import duties, payroll, business flat tax, tax on cash deposits	Withholding tax on dividends 0%; fees 21%; interest 4.9% – 28%; royalties 5%	Indexed (for inflation). Straight-line rates ranging from 4% to 100%	States may impose supplementary payroll tax (2%) and other taxes. Tax on cash deposits

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Morocco	17.5%, 30%, 37%, 15%	0% to 38%	7%, 10%, 20%, 14%	Tax on rental income, property, property rental, garbage collection, capital gains, corporate and VAT	Dividends, interest and royalties paid to a non-resident are subject to a 10% withholding tax unless the rate is reduced under a tax treaty	<p>Straight line basis. Accelerated method with the rates ranging from</p> <ul style="list-style-type: none"> • 1.5% – for the property the depreciation period is three or four years • 2% – for the property the depreciation period is five or six years • 3% – for the property the depreciation period is more than six years 	<p>Under the offshore holding company regime, companies can be established in financial centres, provided the exchange office is notified within 30 days of the date of registration in the trade register. The main tax advantages available to offshore holding companies are:</p> <ol style="list-style-type: none"> (1) a corporation tax of USD500 on their activities for the first 15 years; (2) a tax exemption on dividend distributions and the transfer of profits abroad; (3) an exemption from VAT; and (4) the same customs advantages and employee rules that are available to offshore banks

Netherlands	20% – 25%	33% – 52% including social security contributions	6% – 19%	Income, payroll, inheritance and gift, VAT, custom duties, excise duties, environmental taxes, transfer tax, estate tax, municipal taxes	Income taxes on effectively connected income and on property on estates located within the Netherlands. Withholding tax of 15% on dividends	Dependent on economic period of use. Rented out real property depreciation up to recent value, real property use within the company of up to 50% of recent value. Goodwill depreciation period minimal 10 years. Cars and inventory minimal 5 years	No local income tax participation exemption for active companies, 30% deduction on income tax for expat with special skills. Also R & D tax credit can lead to 5% effective tax rate
New Zealand	30% (The corporate tax rate will reduce to 28% from 1 April 2011)	Progressive rates up to 33%	15% Goods and Services Tax	Income, goods and services tax, fringe benefits tax, gift, import and excise duties, property tax	Withholding tax 15% – 30% on interest, dividends & royalties. As an alternative to payment of withholding tax on interest, non-residents can elect to pay a 2% levy on interest earned from deposits with approved financial institutions. Withholding tax rate can be reduced to 10%, 5% or 0% in instances where special criteria are met	Numerous rates ranging from 1.5% to 100%. Methods available include straight-line and diminishing value. No depreciation can be claimed on buildings from 1 April 2011	Local authorities impose property taxes (rates) on property located in their region. Excise duties are imposed by New Zealand Customs and all other taxes are collected by the Inland Revenue Department
Nicaragua	30%	10% – 30%	15%	Income, VAT, Selective Excise Tax (ISC)	20% flat rate tax imposed on services income	Straight-line for all tangible and intangible assets	Incentives for renewable energy sector

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Norway	28%	28% – 55.3%	0%, 8%, 14%, 25%	Income, wealth, estate, payroll, duties on imports, VAT	Income taxes etc. on income from permanent establishment – on same basis as Norwegian citizens. Withholding tax of 28% on dividends	Rates from 2% to 30%	Some special rates etc. for Northern part of Norway and Svalbard
Pakistan (Islamic Republic of)	Corporate Business 35% Sale of goods 3.5% of value Contracts 6% of value Dividends 10% Commercial Importers 2% of value Exporters 1% of value	General Income 0.50% – 25%	Sales Tax at 16% of the value of taxable supplies and goods imported into Pakistan. Service sector is exempt except certain categories	Federal: Income, sales and customs provincial: Property and professional tax capital gains, excise duty, stamp duty, capital value tax, wealth tax, payroll tax and social security	Income tax on Pakistan source. Dividends 10% Royalty and technical services 15% of gross amount Shipping Income 8% of value Air transport income 3% of value Media persons 10% Other payments 30% of value (including interest at 30%)	15% – 30% Initial allowance at 50% is also allowed in first year. Full rentals on capital leases are deductible. Amortization of pre-commencement expenditure at 20%	Almost all taxes are withheld at source. Exemption for small companies. Important transactions must be made through banks. Tax incentives for exporters. Special tax rules for insurance and petroleum companies
Papua New Guinea	30%	22% – 42%	10%	Income, GST, payroll, import duties, social security and stamp duty	Withholding tax of 10% – 17% for interest dividends, royalties etc Income tax for non-residents 48%	2 methods – straight-line and diminishing value. Rates vary from 2.5% – 30%	Tax incentives for agriculture and tourism

Peru

30%	15% – 30%	19% General Sales Tax (18% from 1.3.11)	Income, general sales, excise duties, real estate property, social security extraordinary solidarity	Non-domiciled companies and individuals are taxed on their income from Peruvian source. Income obtained by non-domiciled individuals is subject to 30% withholding tax plus 4.1% of distributed profits	Generally, straight-line method. Buildings 3%; vehicles 20%; automation/computer equipment 25%; machinery and equipment 10% – 20%	Small companies can subscribe to the following systems: a. Special Regime 19% of general sales tax; 1.5% of income tax, monthly fee, with definitive character, does not present annual sworn statement b. Unique Simplified Regime (RUS) payment a single type from tax consolidated according to scale from S/.20.00 to S/.750.00 with definitive character
-----	-----------	---	--	---	---	---

Philippines

30% (on net income)	5% – 32% on net income less personal exemptions	12% output less input (excess carry over)	Income, withholding (compensation or expanded), VAT, estate and gifts (graduated), fringe benefits, payroll, dividends, improperly accumulated earnings, privilege tax (percentage and gross receipts tax) transfer/capital gains, documentary stamp tax, import and excise tax	Non-resident foreign corporation and individuals are taxed on their Phil-source income; 30% of gross income for corporation; 25% of income for non-resident aliens not engaged in business; non-resident aliens engaged in business are taxed in the same manner as residents. For non-residents; dividends 15%; interest 20%, royalties 20%	Any method of depreciation is allowed as long as it is reasonable, consistent and in agreement with Philippine Accounting Standards (now aligned with IAS/IFRS). Capital purchases are allowed 12% VAT input, amortized over 60 months maximum	Local government units impose business license fees due annually/quarterly for head office or branches; LGUs assess realty, mining and amusement taxes; Fiscal incentives available in Special Economic Zones and for certain business lines as approved by National Economic Development Authority
---------------------	---	---	---	--	--	---

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Poland	19%	18% – 32%	23%, 5%, 8% and 0%	Income, withholding, VAT, Civil Law activities tax, inheritance and gift, payroll, excise duties, custom duties, local taxes, real estate	Income tax on Polish-source income. Withholding tax of 19% on dividends, 20% on interest, royalties and services	Straight-line or accelerated methods. Buildings 1.5% – 10%. Tangible assets 7% – 30%	Under certain conditions expenses incurred acquiring technological knowledge reduces taxable base. A depreciation write off for small and start up taxpayers up to 50,000 Euros may be available
Portugal	International Business Centre of Madeira (IBCM) 0% – 4% Mainland 12.5 – 25% Azores 17.5%	10.5% – 42%	Azores and Madeira: 4% – 9% – 16% Mainland: 6% – 13% – 23%	Personal income, corporate income, local tax on real estate, municipal transfer, VAT, stamp duty, excise and import duties	Income taxes on income from Portuguese sources. Estate taxes on property located within Portugal. Withholding tax on interest (5% – 21.5%), dividends (0% – 21.5%) and royalties (5% – 16.5%). Companies established in the International Business Centre of Madeira (IBMC) are free of withholding taxes on payment of income and take advantage of EU directives and Portugal double tax treaties	Under straight-line method rates from 2% to 50%. Under the declining-balance method rates are increased by 50% or 100% or 150%	International Business Centre of Madeira (IBCM) provides attractive conditions for: <ul style="list-style-type: none"> • Registration of ships and yachts; • Holding companies; • Financial operations – free of stamp duty; • Trading operations; • Intra group centres; • Payments of dividends, royalties, interest, fees and other services – free of withholding taxes

Romania	3% on turnover or 16% on profit	16%	9% and 24%	Income, payroll, real estate, import duties, stamp duties, capital gains, excise, VAT	Income taxes on income from Romania. Range 10% – 16%. Special benefits are given when double-tax treaties apply	Three methods; straight-line, declining-balance and accelerated. Mainly straight-line. Useful lives from 3 to 60 years	Local authorities impose property taxes on property located in their regions (tax on buildings, land, etc.)
Russia	20%	13% on dividends 9%, on interest and prizes 35%	18% with a reduced rate of 10% and a zero rate	Income, VAT, social security, capital assets, stamp duties and transport tax	Income taxes on income from sources within Russia, withholding tax of 20%. Withholding tax of 15% on dividends. Withholding tax on income is 30% for individuals	Several methods but mainly straight-line and rates ranging from 1 year to 100 years	Specific taxes; water tax, mining operation tax and water tax. Local taxes may be imposed
Singapore	17%	3.5% – 20%	7% Goods and Services Tax	Income, goods and services, property, stamp duty, road tax, foreign workers/skill development levies, duties on film hire, betting/sweepstakes, private lotteries, import and excise, et al	Exemption from tax on certain interest income. Withholding tax at 10% on royalties; 15% on interest, rent and other payment for use of movable properties. 17% on technical assistance service fee and management fee. Non-resident employees (excluding company directors) assessed at 15% flat rate or resident rates, whichever is higher	Straightline ranging from 1 to 16 years. Industrial building allowance -25% (initial), 3% (annual). 5 years write-off for intellectual property rights. One year write-off for automation/computer equipment and approved cost-sharing agreement for R&D activities	Tax incentives are available. No capital gains tax. No dividend tax. Group relief and carry back of current year's tax losses and capital allowances available. Partial tax exemption on first \$300,000 of chargeable income
Slovakia	19%	19%	20%	Income, VAT, payroll, inheritance and gift, customs duties, road tax	Withholding tax of 19% on interest and royalties. None on dividends	Straight-line 5 – 20%	

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Slovenia	20%	16% – 41%	8.5% – 20%	Income, corporation, social security, VAT	Withholding tax of 15% on dividends, interest and royalties	Straight-line method and rates ranging from 5% to 50%	
South Africa	28% 0% – 28% (small business corporations)	18% – 40%	14%	Income, capital gains tax, secondary tax on dividends, donations tax, estate duty, customs and excise duty, VAT, payroll	Income from a source deemed to arise within South Africa is taxable. Withholding tax on royalties of 12%. No withholding tax on dividends paid. Interest earned is exempt from tax	Straightline method. Industrial buildings 2% to 10%. Plant and machinery 50% in first year. 30% in second year. 20% in third year. Intellectual property (Trademarks) 5% to 10%	10% tax on dividends paid by corporations; retirement fund industry tax (18%). Skills Development Levy – 1% of payroll
Spain	25% – 30%	24% – 49%	18%	Income, wealth, VAT, inheritance and gifts, transfers and transactions, social security and health insurance, special taxes (alcohol, tobacco, hydrocarbons, etc.)	Withholding tax on royalties – 24%. Withholding tax on interest and dividends – 19%	Several methods may be applied. Rates: Buildings – from 1% to 3%. Other assets – from 8% to 25%	Urban property, rural and farm lands, business activities tax, Municipal location tax
Sweden	26.3%	27% – 60%	6% – 25%	Income, estate, wealth, excise duties, payroll, VAT, import duties, et al	Income taxes on effectively connected income for individuals at 25%, and for corporations with a permanent establishment at 26.3%. Withholding tax at 15% – 30% on dividends; estate taxes on property located within Sweden	Machinery and equipment 30%. Declining balance method. Building 2% – 5%. Straight-line method	No tax on dividends from subsidiary or other closely associated companies

Switzerland	7.8% – 27%	6% – 46%	8%	Income, wealth, VAT, excise, import duties, stamp duty, inheritance and gifts, etc	Income taxes on effectively connected income; inheritance and property taxes on property located within Switzerland. Withholding tax on dividends of 35%	Numerous methods and rates ranging from 3% to 40%	Each canton may impose its own direct taxes. Tax incentive programmes available for new and existing companies depending on business location. Special provisions for holding, domiciliary, trading and service companies. Favourable tax assessment for retired foreign people
Taiwan (Republic of China)	15% – 20%	5% – 40%	5%	Income, VAT, payroll, land value tax, estate and gifts, import duties	Income taxes on effectively connected income. Withholding taxes of 10% – 20% on interest, dividends and royalties	Straight-line, declining balance, working hour methods, depreciable lives prescribed by government	Certain capital gain transactions are totally/partially tax-free. Tax incentive programmes
Thailand	15% – 30%	10% – 37%	7%	Income, real estate, VAT, excise duties, custom duties, real estate transfer, social security, capital gains for non-listed securities	Tax on income derived in Thailand 15% withholding tax on interest and royalty, 10% withholding tax on dividends	Straight-line basis, accelerated method. Rates ranging from 5% to 33.33%	Investment incentives. Special deductions for qualified training and seminar costs
Tunisia	10% – 30% (with minimum income tax)	0% – 35%	6%, 12%, 18%	Income, VAT, payroll, social security, import duties, consumption duty, duties on real estate transactions, motor vehicle tax, stamp duties	Tax on income from Tunisian sources and activities. Withholding tax of 15%. These revenues having supported the withholding tax are waived from any supplemental income tax payment	Straight-line and declining balance methods. Rates vary from 2% to 33.33%. Possible accelerated rate method in specific cases	Total tax holiday for export companies. Tax incentives for foreign direct investment. Tax incentives available for hotels and agriculture. Incentives for certain regions of the country. Duty free zones

Country	Rates			Types of Taxes	Taxation of Non-Residents	Depreciation	Miscellaneous
	CORPORATE	INDIVIDUAL	VAT				
Turkey	20%	15% – 35%	1% – 8% – 18%	Income, VAT, estate, sales, payroll, import duties, stamp duties, special communication, special consumption	Income taxes on effectively connected income. Estate taxes and property taxes on property located within Turkey. Withholding tax of 5% – 20% on interest, dividends, rents and royalties	Straight-line and reducing balance method ranging from 2% to 50%	Sundry municipality taxes, operation permit taxes, advertisement taxes, etc
Ukraine	25% 23% from 1.4.11	15% – 17%	20% & 0%	Corporate profits, personal income, withholding, VAT, social security, excise, land, import duties, stamp duty, motor vehicles, pension fund charge, local taxes, inheritance, capital gains	Taxed only on Ukrainian-source income. Withholding tax at 15% on dividends, interest and royalties	Reducing balance method. Buildings 1% – 2%. Office equipment 6% – 10%. Other assets 3% – 6%	Special tax rates are applicable to insurance companies. Tax incentives can reduce the corporate income tax rate. Special tax rates apply to certain types of income received by individuals
United Kingdom	21% – 28%	10% – 50%	20%	Income, capital gains, inheritance taxes, VAT, excise, import, stamp duties, stamp duty land tax, and national insurance	Income taxes on U.K. source income. Withholding tax of 20% on rents, royalties sports/entertainment income and interest, 0% on dividends	Generally 20% on machinery on reducing balances. Industrial buildings and hotels on cost being phased out over 4 year period to 2011	Tax incentives for research and development. Enhanced tax allowances for some capital expenditure

United States	15% – 35%	10% – 35% (General rate for qualified dividends and certain capital gains is 15% through 31/12/12)	–	Income, alternative minimum tax, capital gains, sales, excise, payroll, user fees, import duties, et al	Income taxes on effectively connected income. Estate taxes on property located within U.S. Withholding tax of 30% on interest, dividends and royalties and 35% on share of income from U.S. partnerships	Numerous methods ranging from 3 years to 40 years; up to \$500,000 (2011) can be expensed immediately, subject to certain limitations	Each of the 50 states (and some jurisdictions within each state) may impose its own income, estate, sales, payroll and other taxes
Vanuatu	0%	0%	12.5%	Sales, land transfer, road tax, excise, import and stamp duties	No income tax, capital gains tax or payroll taxation	Not applicable since no income tax	Business licence, work permit and immigration fees for residents
Venezuela	15% – 34%	6% – 34%	0% – 12% – 19%	Income, VAT, assets, payroll, social security, stamp duties, vehicles, import duties	Venezuelan – source income taxed at 34%. Withholding tax of 1% – 34% on interest, rents and royalties	Any method of depreciation is allowed as long as it is reasonable and consistent indexed (for inflation)	
Vietnam	25%	5% – 35%	0% – 5% – 10%	Income, VAT, excise, personal income tax, royalty, import – export tariffs, land use right transfer, social security	Non-residents are taxed 20%, foreign contractor withholding tax - VAT: 3% – 5%; CIT: 0.1% – 10% on turnover	Straight-line method, declining balance method and unit-of-output method. Buildings 5% – 15%. Machinery 20% – 25%. Other fixed assets 10% – 18%	Preferential corporate tax rates 10% – 20% applies for investment incentive sectors and regions