NETHERLANDS

1. INTRODUCTION

The Netherlands offers multiple options in terms of legal structures for holding and business activities. Most commonly:

a. Forms of Legal Entity

i Private limited company ("BV")

A BV is a legal entity with a capital divided into shares. Different types of shares may be created, including non-voting or non-profit-participating shares. A BV is the most frequently used legal entity in the Netherlands due to its flexible character. There is no minimum capital requirement for a BV. BVs are generally subject to Corporate Income Tax ("CIT").

ii Public limited company ("NV")

A public limited company is a legal entity with a capital divided into shares. Shares of an NV can be listed on a stock exchange. The minimum share capital for an NV is EUR45,000. NVs are generally subject to CIT.

iii Cooperative

Similar to the BV and NV, a cooperative is a legal entity (a special type of association). Participants in a cooperative are called members and cooperatives must have a minimum of two members upon incorporation. Some civil law notaries take the view that after incorporation one member is sufficient. Limited liability for the members of a cooperative can be achieved and furthermore a cooperative is generally considered to be a very flexible entity. Unlike the BV and NV, dividends paid by a cooperative were formerly, as a general rule, not subject to Dutch dividend withholding tax except for abusive situations. Therefore, cooperatives grew to be popular holding entities in international group structures. Currently, typically profit distributions by "holding" cooperatives are subject to Dutch dividend withholding tax, specific exceptions apply to operational cooperatives (see section 9.a.).

iv Partnerships

Under Dutch law, different forms of partnerships may be used. The Dutch limited partnership ("commanditaire Vennootschap or "CV") is a commonly used vehicle that can either qualify as tax transparent or opaque. The Netherlands has very specific rules to determine the tax status of a partnership.

b. Taxes, Tax Rates

All non-transparent legal entities are generally subject to Dutch corporate income tax. In 2022, taxable profits up to EUR395,000 are taxed at a rate of 15%. From 2022, taxable profits over EUR395,000 are taxed at a rate of 25%.

c. Common divergences between income shown on tax returns and local financial statements

Common book to tax differences include, amongst others:

- Tax exempt dividends and capital gains from subsidiaries under the participation exemption;
- Limitation on depreciation of assets for tax purposes;
- Non-deductible expenses, including transaction costs;
- Application of interest deduction limitation rules;
- Non-deductible self-developed goodwill; and
- Foreign exchange results.

2. RECENT DEVELOPMENTS

There are various relevant developments for M&A deals and private equity in the Netherlands:

- The EU Anti-Tax Avoidance Directive II ("ATAD II") has been implemented as of 1 January 2020. From a Dutch tax perspective, the most relevant provisions included in both directives are the reverse hybrid mismatch rule, the introduction of the CFC legislation and the earnings stripping rule. Furthermore, the Dutch Government published the Dutch blacklist of low taxed jurisdictions which is relevant in the application of: (i) the CFC legislation (see paragraph 8.b.) and (ii) the conditional withholding taxes rule (see below and section 9.c and d.) and (iii) the new ruling practice (see section 14.e.).
- Another relevant development for private equity deal structures based on Dutch domestic tax law is the introduction of the conditional withholding taxes on interest and royalty payments to blacklisted jurisdictions per 2021. As the conditional withholding tax may also apply on payments to hybrid entities (not being a low-taxed jurisdiction), it is key to review this position.
- Moreover, from 1 January 2024, the conditional withholding tax on interest will be extended to cover dividends. This withholding tax on dividends will be levied on dividend payments to related entities in low-taxed or EU blacklisted jurisdictions, hybrid entities or in abusive situations.
- In addition to specific interest deduction limitation rules (see section 6.b.), interest in private equity deal structures may be non-deductible in specific situations under the application of the abuse of law doctrine following recent Supreme Court rulings (for more details see section 6.b.) and EU GAAR.
- The 2022 Budget introduced among others: (i) new loss deduction rules (see section 3.a.), (ii) new brackets and rates for corporate income tax (see section 1.b.) and (iii) changes to the earnings stripping rules, from 30% to 20% of fiscal EBITDA.
- Furthermore, the following is on the tax policy agenda in the near future: (i) the introduction of a new group taxation regime (see section 3.b.), (ii) increased substance requirements (see section 14.b.), (iii) implementation of the EU Directive laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU ("ATAD III") (see section 14.b. and 14.d.), (iv) the introduction of Pillar One and Two (see section 12), (v) the introduction of new measures to combat transfer pricing mismatches in cross border situations (see section 14.f.) and (vi) material adjustments to the Decree for the qualification of partnership entities (see section 14.g.).

Finally, the following tax measures apply to taxpayers that opted in for the postponement of taxes (until 31 March 2022), to reduce the economic impact of COVID-19 :

- Payment arrangement to pay the accrued tax debt in a maximum of 60 equal monthly instalments starting 1 October 2022 (mandatory); and
- Up until 30 June 2022, 0.01% interest on underpaid tax. This will gradually increase to the standard rate of 4% starting on 1 January 2024.

3. SHARE ACQUISITIONS

a. General Comments

Transaction costs (incurred by the acquiring or selling holding company) related to the purchase or sale of a subsidiary to which the participation exemption applies are not tax deductible for Dutch corporate income tax purposes. However, costs related to the financing of the acquisition, such as advisory fees, are tax deductible. In this regard it is important to carefully document the nature of the costs.

The Supreme Court ruled that (i) costs are non-deductible if there is a direct causal link between those costs and the acquisition or disposal of a specific subsidiary, (ii) the non-deductibility of acquisition or disposal costs applies to both internal and external costs of the taxpayer, (iii) the non-deductibility relates only to the acquisition and disposal costs of a successful acquisition or disposal, (iv) if the disposal of a subsidiary fails, but continues later, it must be determined to what extent costs were incurred that would also have been incurred if the subsequent disposal had not taken place and (v) costs relating to an intended acquisition or disposal of a subsidiary must be recorded on the tax balance sheet as a transitory asset. At the moment that it is certain that an acquisition or disposal of a subsidiary will take place, the transitory asset is written off to the extent that cost is deductible.

VAT on transaction costs may only be recovered if the costs relate to VATable output of the relevant company. In principle, the mere acquisition of shares does not result in any VATable output and therefore does not allow for recovery of VAT on (transaction) costs solely attributable to the acquisition. As the sale of shares is exempt from VAT, the VAT on costs solely attributable to the sale of shares also is not recoverable (exceptions could apply through the use of special allowances, published by the State Secretary of Finance).

Notwithstanding the foregoing, VAT on transaction costs can be recoverable if these costs are not solely attributable to the acquisitions or disposal of shares. For acquisitions, this can for example be the case if the acquiring company will provide VATable services (e.g. management services) to the acquired company following its acquisition. In such situation, the acquiring company can take the position that the transaction costs also relate to these VATable services and that the transaction costs therefore should be regarded as general costs of the acquiring company. This allows for VAT recovery according to the acquiring company's pro rata. For disposals of shares, the transaction costs might be regarded as general costs if the disposing company, for example, provides transaction support services to the disposed company in return for remuneration.

The recovery of VAT on transaction costs can be subject to debate and should be carefully reviewed and implemented for each transaction.

b. Tax Attributes: Restrictions on use following change in control

Net operating losses ("NOLs") (at the level of the target company) may be restricted as a result of the transfer of the ultimate beneficial ownership in the target company. Under the anti-abuse rules NOLs cannot be carried forward if the ultimate ownership in the target company has changed substantially (30% or more), compared to the year of the oldest loss. This restriction is not applicable if the target company is an active trading company which has not substantially decreased its activities and does not intend to significantly increase in the future. A taxable step up in asset basis for the amount of hidden reserves (built in gains) can be claimed if the NOLs will be forfeited due to the application of these rules.

Loss relief is further restricted from 2022. Losses carried forward and carried back will only be fully available up to an amount of EUR1 million of the taxable profit per year. If the annual profit is higher than EUR1 million, any excess NOL position can only be offset against 50% of the taxable profits higher than EUR1 million in that year. However, the losses carried forward are no longer subject to a time limit. The carry back period is one year. The changes apply to the full NOL position as at 1 January 2022 (i.e. including historical NOLs that are still available for carry forward on 1 January 2022).

Upon a merger or demerger, NOLs can be transferred at a joint request if certain conditions are met. Furthermore, the transfer of NOLs should be considered upon an exit from a fiscal unity. Losses in principle remain with the parent company, but so called pre-fiscal unity losses and losses of the fiscal unity that are attributable to the target company can be transferred to the target company on exit.

c. Tax Grouping

Dutch resident corporate taxpayers can form a corporate tax fiscal unity when certain conditions are met (e.g. the parent company holds at least 95% of the shares and voting interest in its subsidiaries). In line with EU case law, a fiscal unity can also be formed between Dutch tax resident companies that have a common parent company resident in another Member State of the European Union or by a Dutch resident parent company and a Dutch resident sub-subsidiary that is held by an intermediate company located in another Member State of the European Union.

The main benefit of a fiscal unity is that profits and losses can be offset by companies included in a fiscal unity. Furthermore, companies can reorganise in a tax neutral way, as transactions between companies belonging to the same fiscal unity are, for the most part, disregarded for corporate income tax purposes. Also, only one corporate income tax return must be filed.

However, anti-abuse provisions may trigger a tax claw back and should be carefully monitored. In the case of a transfer of an asset with built in capital gain outside the ordinary course of business between companies included in a fiscal unity, a clawback may arise if the fiscal unity ceases to exist with respect to the transferee or the transferor within six years after the transaction (three years in the case of a transfer of a standalone business for shares). Furthermore, companies included in the fiscal unity remain jointly and severally liable for Dutch corporate income tax liabilities of the fiscal unity for the period they formed a fiscal unity.

Following case law of the European Court of Justice, the Dutch government has adopted a legislative proposal, with retroactive effect, to avoid erosion of the tax base due to the partial fictitious application of the fiscal unity regime. Following this legislation, the fiscal unity regime will be disregarded in certain situations. This may result in interest expenses no longer being deductible at the level of the fiscal unity. It is expected that a new group taxation regime will be implemented in the future. It is currently uncertain when a final legislative proposal for the introduction of a new group taxation regime can be expected.

VAT taxable persons established in the Netherlands or VAT fixed establishments in the Netherlands, can be included in a VAT fiscal unity with other VAT taxable persons, if they have sufficient financial, organisational and economic links with each other. The main benefit of a VAT fiscal unity is that transactions between the VAT fiscal unity members are ignored for VAT purposes.

A VAT fiscal unity exists by virtue of law, (i.e. it is not required to seek approval/confirmation from the tax authorities). Confirmation from the authorities can however be requested. If the existence of the VAT fiscal unity is confirmed in writing by the authorities, the relevant taxable persons are allowed to file consolidated VAT returns. However, if a VAT fiscal unity is confirmed in writing by the authorities, fiscal unity members are also jointly and severally liable for VAT debts of the fiscal unity as of the moment mentioned in the decision. This liability continues to build for such member until (i) the requirements for its inclusion in the VAT fiscal unity are no longer met and (ii) this has been communicated to the tax authorities. The liability will continue to exist for the period that the tax authorities consider that the taxable person was included in the VAT fiscal unity, until the statute of limitations for assessment risk has expired (i.e. a confirmed breach/deconsolidation of the VAT fiscal unity does not alter the historical liability).

d. Tax Free Reorganisations

Dutch law provides several mechanisms ("rollover facilities") to reorganise in a tax neutral manner at two levels (i.e. for the Dutch tax resident shareholders and for the merging or demerging entities), in line with the EU Merger Directive. Taxpayers can in principle claim a reorganisation facility in case of a merger, a (partial) demerger, a business merger and a share for share merger. These reorganisation facilities may, under circumstances, also apply in cross border situations within the EU/EEA.

The reorganisation facilities can in principle be claimed by law. In certain situations, however (e.g. if the entities involved report carried forward losses, claim a reduction to avoid double taxation or apply the innovation box regime), the reorganisation facility is subject to additional conditions and parties involved should file a request for the application of the reorganisation facility. A reorganisation facility will not be allowed if the reorganisation is primarily aimed at avoiding or postponing taxation and is not based on sound business reasons, such as a valid restructuring or rationalisation of the corporate structure. It is possible to request a confirmation in advance from the Dutch Tax Authorities ("DTA") that the reorganisation is based on sound business reasons. A denial of such request is open to appeal.

As a result of the reorganisation facility, the entity receiving the assets or shares will value them at the original fiscal book value as reported by the transferring entity. The tax claim is therefore postponed and possible claw back should be carefully monitored during a future reorganisation (e.g. a clawback may arise if the acquiring entity is sold within three years after the reorganisation took place).

If a real estate company is merged, the Real estate transfer tax (''RETT'') may be imposed unless the transaction qualifies for an exemption for mergers or spin offs.

See the discussion under 3.b. Tax Grouping above for the effects of reorganisations within a fiscal unity.

Mergers or reorganisations of real estate rich companies might result in a taxable event for real estate transfer tax (''RETT'') purposes. As with corporate tax, exemptions for mergers and (internal) reorganisations can apply for RETT. This should be reviewed on a case by case basis.

e. Purchase Agreement

The Dutch acquisition company and target may be included in a fiscal unity for Dutch corporate income tax purposes.

If the Dutch target entity was included in a fiscal unity for Dutch corporate income tax purposes, specific provisions should be included in the sale and purchase agreement ("SPA"). Specific provisions with respect to the Collection of State Taxes Act may also be relevant to include in the SPA in terms of warranties, indemnities and tax governance.

f. Transfer taxes on share transfers (including mechanisms for disclosure and collection)

The Netherlands does not levy capital tax, stamp duties or a minimum tax. If a company is considered to be a real estate company (see section 9.e.), the transfer of shares in the company may trigger a 8% (9% from 2023) (or 2% in the case of owner occupied housing) RETT.

g. Share Purchase Advantages

- In a share purchase, the buyer may benefit from the target company's loss carry forwards, subject to change of ownership rules. If the losses are forfeited under the change of ownership rules, a step up for the amount of hidden reserves (built in gains) can be claimed.
- If the target company owns Dutch real estate, a share purchase may present better structuring opportunities to mitigate Dutch RETT and defer corporate income tax on built in gains.
- The seller may be able to apply the participation exemption, which exempts income (capital gains and dividends) derived from qualifying shareholdings.

h. Share Purchase Disadvantages

- In a share purchase, the buyer will not obtain assets that can be depreciated or amortised. Shares and goodwill on the acquisition of shares cannot be depreciated.
- Costs relating to acquisitions as well as disposals of participations qualifying for the participation exemption are not tax deductible at the level of the acquiring (Dutch) company. In addition, the buyer may incur a potential dividend withholding tax liability on retained earnings, and an interest deduction limitation may apply at the level of the acquiring company.
- The buyer may bear the burden of the target company's existing tax liabilities, if any.

4. ASSET ACQUISITION

a. General Comments

The transfer of assets generally results in a taxable capital gain.

b. Purchase Price Allocation

Assets should be acquired at fair market value. To substantiate the fair market value of the assets, a valuation report is recommended.

c. Tax Attributes

Tax attributes remain with the company selling the assets. Accordingly, upon an asset acquisition, no tax attributes should carryover and be taken into account by the buyer.

d. Tax Free Reorganisations

Transactions between companies belonging to the same fiscal unity are, mostly, disregarded for corporate income tax purposes. Assets can be transferred between companies in the fiscal unity without taxation of gain. Clawback provisions may be applicable if a company which has been party to intra-fiscal unity transactions exits the fiscal unity. See section 3.b. for more information regarding the Dutch fiscal unity regime.

e. Depreciation and Amortisation

The acquired assets and goodwill can be depreciated or amortised for tax purposes based on the purchase price (fair market value). Goodwill generated from an asset acquisition can be depreciated over a minimum of 10 years at an annual rate of 10%. Other (in)tangible assets can be amortised over a minimum of 5 years at an annual rate of 20%.

f. Transfer Taxes, VAT

Dutch RETT of 2%-8% (9% as of 2023) on the fair market value of the property or the consideration for the transaction (whichever is higher) may be due if the assets include Dutch real estate.

In principle, VAT is due on the acquisition of assets. However, an asset transaction may be out of scope of VAT if the transaction qualifies as the transfer of a totality of assets or an independent part thereof, provided that the acquirer will use the (totality of) assets to carry out an economic activity (e.g. business). In most situations this results in a cashflow advantage. Advantages could also be sought in the continuance of running VAT adjustment periods for Dutch real estate assets.

g. Asset Purchase Advantages

- The acquired assets and goodwill generated from the transaction can be depreciated or amortised for tax purposes at the purchase price (fair market value). In principle, all acquisition costs are tax deductible.
- In general, the buyer does not inherit any tax liabilities of the person selling the assets.

h. Asset Purchase Disadvantages

- The seller will incur capital gains taxation, which should be reflected in the purchase price.
- Dutch RETT (see above) may be due if the assets include Dutch real estate.
- Existing loss carry forwards (which are not utilised in connection with the sale) do not carry over to be used by the buyer.

5. ACQUISITION VEHICLES

a. Domestic Acquisition Vehicle

Generally, a Dutch BV will be established as an acquisition vehicle for the acquisition of a Dutch target entity. The acquisition BV can then form a fiscal unity with the Dutch target entity as a result of which the taxable results can be offset against each other.

b. Foreign Acquisition Vehicle

The application of the Dutch participation exemption regime should be reviewed if a foreign acquisition vehicle is used by a Dutch group (acting as buyer). In case a foreign buyer sets up a foreign resident acquisition vehicle to acquire a Dutch Target entity it cannot form a Dutch fiscal unity with the Dutch target entity.

c. Partnerships and joint ventures

A joint venture can be established by using a legal entity (such as a BV) or by establishing a partnership. With regard to partnerships, the qualification of the partnership as tax transparent for Dutch tax purposes should be carefully reviewed. as the Dutch qualification rules for foreign entities and partnerships are strongly deviating from international practice. There are plans to align the Dutch qualification of partnerships more with international practice in the coming years.

6. ACQUISITION FINANCING

a. General Comments

In principle, no restrictions should be imposed on a buyer's ability to bring funds into the Netherlands to fund an acquisition. The establishment of a BV, for example, can be completed in approximately one to two weeks. The opening of a bank account may, however, be time consuming and carries an administrative burden in terms of KYC procedures.

b. Debt

Under Dutch tax law, the qualification of financial instruments in principle follows the qualification for civil law purposes.

Requalification debt as equity

Debt is however reclassified as equity if the instrument is considered: (i) a loan for which the legal documentation differs from the commercial intention i.e. a sham loan; that is, if it appears that the parties intended to contribute equity, but that the contribution was documented as a loan, (ii) a loan which will, upon grant, very likely not be repaid or (iii) a profit participating loan.

Arm's length principle

The DTA may try to limit the total amount of debt under the arm's length principle, via a loan to value test or in case the loan is considered as non-commercially motivated. Although there is no defined ratio, a loan to value ratio of up to 70% is generally acceptable in the context of real estate investments. For other companies a minimum of at least 15% equity and 85% debt was required under the "old" ruling practice but should be based on a transfer pricing analysis.

Finally, the terms of the loan should also meet arm's length requirements. The DTA may challenge the interest rate applied if a taxpayer cannot demonstrate the arm's length nature of the loan terms.

Earnings stripping rules

The earnings stripping rule limits the deductibility of net interest expense (broad definition) in excess of EUR1 million or to 20% of the taxpayer's EBITDA for tax purposes. The earnings stripping rule applies to both related and unrelated party debt, other financing arrangements and foreign exchange results.

Anti-base erosion rules

For share deals, interest deductions may be denied under the application of a specific anti-base-erosion provision (article 10a CITA). Under this provision, an interest deduction is denied in respect of intragroup loans relating to certain tainted transactions, including the acquisition of a subsidiary. Exceptions may apply if both the transaction and the loan are based on sound business reasons or if the interest is effectively taxed at a sufficient rate (10% in accordance with Dutch standards) at the creditor's level and there is no abuse. The specific anti-base erosion provision applies only to related party debt. Unrelated party debt can be qualified as a related party loan for purposes of the anti-base erosion rules if it is subject to guarantees provided by related entities. Related party debt that can be directly linked to an unrelated party debt used for a third party acquisition may not be targeted by this provision if specific requirements are met.

Abuse of law/ EU GAAR

Even if interest would be deductible under transfer pricing restrictions and (specific) interest deduction limitation rules, such as article 10a CITA, interest may nevertheless be non-deductible under the concept of abuse of law and EU GAAR. Private equity deal structures are lately under severe scrutiny by the DTA, as such recent case law is extensive. The DTA typically aim to target private equity deal structures by (in addition to other charges) claiming abuse of law. In a recent ruling, also referred to as the Hunkemoller case, the Dutch Supreme Court did not disallow interest deductibility under application of article 10a CITA. However, the Supreme Court did rule that interest should be non-deductible under the concept of abuse of law..

Debt pushdown

Debt pushdowns can, amongst others and subject to interest deduction limitation rules, be created by including the leveraged acquisition company and the target company in a CIT fiscal unity.

c. Hybrid Instruments

Under the implementation of ATAD II in 2020, hybrid mismatches (including hybrid financial instruments) are targeted under Dutch tax law. Furthermore, the Dutch participation exemption does not apply to the extent that the payment is treated as tax deductible at the level of the payer.

d. Earn-outs

Earn-out payments directly related to the purchase price for the acquisition or sale price of the shares of subsidiaries fall within the scope of the participation exemption regime and are consequently non-deductible or exempt from Dutch corporate income tax.

7. DIVESTITURES

a. Tax Free

Any capital gain realised upon the divesture of qualifying subsidiaries should be exempt from corporate income tax under application of the participation exemption.. The participation exemption should generally apply when the Dutch corporate taxpayer holds 5% or more of the nominal paid-in capital of a subsidiary and that subsidiary is engaged in operational activities and/or effectively subject to corporate income tax at a rate of at least 10% (subject to specific exclusions). Subject to certain conditions, a reinvestment reserve may be taken into account for tax purposes.

b. Taxable

As a general rule, any gain realised upon a divesture that is not exempt under the reinvestment reserve exemption or the participation exemption is subject to corporate income tax at a maximum rate of 25.8% (2022).

8. FOREIGN OPERATIONS OF A DOMESTIC TARGET

a. Worldwide tax system

Dutch resident taxpayers are subject to Dutch tax on their worldwide income. Double tax relief is granted unilaterally under domestic legislation or under the application of double tax treaties.

b. CFC Regime

Under the CFC legislation, certain kinds of undistributed income of the CFC (see below) less related costs will be attributed to the tax base of the Dutch parent company and taxed at the standard Dutch corporate income tax rates.

Blacklisted jurisdictions

The Netherlands will apply CFC legislation only in specific situations in relation to certain listed low-taxed (statutory tax rate <9%) and blacklisted jurisdictions. For this purpose, the government will annually issue a blacklist with jurisdictions in relation to which the CFC legislation may be applicable.

Controlled entities

CFC legislation may be applicable in situations where a Dutch taxpayer and / or a related entity or person holds a majority interest in an entity or permanent establishment. Related means connected by ownership of 25% or more in share capital, voting rights or profit rights. Majority Interest means 50% or more of the share capital, voting rights or profit rights. The CFC legislation also applies to indirect subsidiaries and to permanent establishments of Dutch taxpayers.

Exceptions are made if the CFC carries out substantial economic activities and if the income of the CFC consists for 70% or more of non-CFC income.

Until recently, the CFC was considered to carry out substantial economic activities if the CFC met the "relevant substance" requirements. Following case law of the European Court of Justice ("Danish cases") however, meeting the "relevant substance" requirements is no longer considered a safe harbour. The substance requirements remain relevant, but their relevance shifts to a discussion regarding the burden of proof. If taxpayers meet the substance requirements, the burden of proof to demonstrate that a structure should nevertheless be qualified as abusive shifts to the DTA. If the substance requirements are not met, the taxpayer can still prove that the structure is driven by sound business motives.

The below categories of income are considered CFC income:

- Interest;
- Royalties;
- Dividends and capital gains on shares;
- Income from a financial lease;
- Income from insurance and banking activities; and
- Low value-added invoicing activities.

If all criteria are met, passive CFC income less related costs will be attributed to the Dutch parent company. The CFC income and costs are calculated in accordance with Dutch tax principles.

c. Foreign branches and partnerships

Foreign permanent establishments of Dutch taxpayers are exempt from Dutch corporate income tax under the so called "object exemption". The definition of a permanent establishment is aligned with the permanent establishment definition under the relevant tax treaty.

d. Cash Repatriation

Distributions received from qualifying participations are exempt from Dutch corporate income tax at the level of the recipient under application of the participation exemption.

The participation exemption generally applies when the Dutch entity holds 5% or more of the share capital and the participation is not held as a passive, low taxed investment. The participation exemption does not apply to the extent that the payment is treated as tax deductible at the level of the payer.

9. OTHER GENERAL INTERNATIONAL TAX CONSIDERATIONS

a. Domestic dividend withholding tax exemption and dividend withholding tax position of cooperatives

Under the Dutch dividend withholding tax act, dividend distributions are in principle subject to 15% dividend withholding tax.

Domestic dividend withholding tax exemption

The Netherlands introduced a domestic dividend withholding tax exemption as implementation of the EU Parent Subsidiary Directive which also applies to residents of tax treaty jurisdictions.

Under the domestic dividend withholding tax exemption, distributions to non-resident shareholders may be exempt from withholding tax under certain conditions:

- The non-resident shareholder is resident in an EU Member State or a tax treaty jurisdiction with a tax (and the treaty contains an article on dividends); and
- The Dutch participation exemption would have been applicable if the shareholder were tax resident in the Netherlands; and
- The structure is not considered abusive.

A structure is considered abusive if the following two conditions are met:

- The principal purpose (or one of the principal purposes) of the shareholding is to avoid dividend withholding tax at the level of another person or entity . ("avoidance or subjective test"); and
- It concerns an artificial structure or a series of artificial structures ("artificiality or objective test").

Arrangements are considered to be "artificial" to the extent that they are not put in place for valid commercial reasons which reflect economic reality. Valid commercial reasons will be deemed present however in the following ""safe harbour" situations:

- The shareholder conducts operational business activities and the business of the shareholding or lower tier companies is in line with that business ("business link"); or
- The shareholder functions as a top holding entity within the group and as such is performing substantial managerial, strategic or financial functions for the group.

Following case law of the European Court of Justice ("Danish cases"), an intermediary holding company that meets the "relevant substance" requirements is no longer considered a safe harbour. The substance requirements remain relevant, but their relevance shifts to a discussion regarding the burden of proof. If taxpayers meet the relevant substance requirements, the burden of proof to demonstrate that a structure should nevertheless be qualified as abusive shifts to the DTA. If the relevant substance requirements are not met, the taxpayer can still prove that the structure is driven by sound business motives.

Dividend withholding tax position of cooperatives

As a general rule, so called "holding" cooperatives are subject to Dutch dividend withholding tax, similar to other Dutch entities such as BV's. However, the domestic dividend withholding tax exemption (see above) may also apply in relation to cooperatives.

The dividend withholding tax position of cooperatives differs from the position of other companies, such as BVs, in that only so called profit distributions "holding cooperatives" and a "qualifying membership interest" are subject to Dutch dividend withholding tax.

Holding cooperatives are those whose activities usually consist for 70% or more of owning shareholdings that qualify for the participation exemption or granting, directly or indirectly loans to affiliated companies or persons. The parliamentary history provides specific guidance with respect to private equity investments. In private equity structures, a cooperative may however very well not qualify as a holding cooperative based on other relevant factors even if the assets of the cooperative consist for 70% or more of participations. Relevant factors in this regard are, amongst others, personnel, office space and the active involved in the management of the participations. Furthermore, the cooperative is subject to dividend withholding tax only in relation to members holding a "qualifying membership interest" of at least 5%.

b. Foreign substantial shareholder regime

Non-resident corporate shareholders may be subject to Dutch corporate income tax under the foreign substantial shareholder regime. The regime may be applicable to non-resident corporate shareholders that hold a share or membership interest of 5% or more in a Dutch entity. Under the foreign substantial shareholder regime, income (dividends, capital gains and interest on shareholder loans) derived from the interest in the Dutch entity is taxed at the applicable corporate income tax rates (2022 : 15/25.8%).

The regime is applicable in abusive situations and is mirrored to the anti-abuse legislation under the domestic dividend withholding tax exemption. As such, the foreign substantial shareholder regime is applicable if the following two conditions are met:

- The main purpose or one of the main purposes of the shareholding is to avoid income tax at the level of another person or entity ("avoidance or subjective test"), and
- It concerns an artificial structure or a series of artificial structures ("artificiality or objective test").

The same safe harbours apply as under the domestic dividend withholding tax exemption (see section 9.a.). Also under the foreign substantial shareholder regime, meeting the "relevant substance" requirements is no longer considered a safe harbour.

c. Conditional withholding taxes on interest and royalties

In principal no withholding tax applies on interest and royalties under Dutch tax law. However, from 1 January 2021, a conditional withholding tax on interest and royalty payments may be applied in specific situations only. The conditional withholding tax will only be due on intragroup interest or royalty payments:

- To related entities in low-taxed or EU blacklisted jurisdictions (see CFC legislation: section 8.b.); and
- In specific hybrid entity structures; and
- In abuse situations.

A structure is considered abusive if it meets both the "avoidance or subjective test" and "artificiality or objective test" (as described under section 9.a.). Whether a structure is considered artificial is determined on a case by case basis taking into account all relevant facts and circumstances. There are no safe harbours under the anti-abuse legislation for the conditional withholding taxes on interest and royalties. In line with CFC legislation, the domestic dividend withholding tax exemption and the foreign substantial shareholder regime, the substance requirements are relevant in the discussion regarding the burden of proof.

Genuine economic activities in the Netherlands or in the low-taxed or EU blacklisted jurisdiction do not prevent the conditional withholding tax in case the payment is made directly to the low-taxed or EU blacklisted jurisdiction.

The withholding tax rate is 25.8% in 2022 (in line with the highest applicable corporate income tax rates at that time).

In relation to low taxed jurisdictions, with whom the Netherlands has concluded a tax treaty (such as Bahrein, Barbados, Panama, and the UAE), the conditional withholding tax will only become effective as from 2024. In the meantime, the Netherlands will start to renegotiate the respective tax treaties in order to be able to effectuate this.

Note that the interest or royalty payment may be considered non-deductible under e.g. Dutch anti-hybrid rules while also be subject to the conditional withholding tax.

d. Conditional withholding tax on dividends from 2024

As indicated above in section 9.a., dividend payments are in principle subject to 15% Dutch withholding tax unless the domestic dividend withholding tax exemption applies. However, from 1 January 2024, additionally a conditional WHT on dividends will be introduced similar to the conditional withholding tax on interest and royalties at a rate of 25.8% (2022) (see section 9.c. above). This conditional withholding tax will apply in addition to currently existing dividend withholding tax legislation. Hence, as from this date, dividend distributions may fall within scope of both the currently existing dividend withholding tax (15%) as well as the conditional withholding tax (25.8%) .

As the extension will be included in the same conditional withholding tax law as for interest and royalties, the same exemptions and exceptions apply. Certain specific rules will be added, e.g. to ensure alignment with the existing Dividend Withholding Tax Act 1965. If a dividend distribution falls within the scope of both the Dividend Withholding Tax Act 1965 (15% dividend withholding tax) as well as the Conditional Withholding Tax Act 2021 (25.8% dividend withholding tax), a credit should be available.

Note that the conditional withholding tax on dividends may apply to dividend distributions made by a non-holding cooperative, whilst no "regular" dividend withholding tax should be due in such situation (see section 9.a. "Dividend withholding tax position of cooperatives").

e. Special Rules for Real Property, including Shares of "Real Property-Rich" Corporations

The transfer of shares in a real estate company can trigger RETT. RETT is imposed on the party that acquires the shares. As any company that owns Dutch real estate can qualify as a Dutch real estate company, the transfer of shares in a foreign company that owns Dutch real estate may be subject to Dutch RETT, even if the transferor, the transferee and the real estate company itself are not Dutch tax residents.

The transfer of shares in a real estate company is subject to RETT only if the purchaser directly or indirectly acquires an economic interest of one third or more in the company (including any shares already owned by the purchaser or other group companies) or increases such an economic interest.

A company qualifies as a real estate company if:

- 50% or more of the company's consolidated assets consist of real estate assets and at least 30% of the assets consist of Dutch real estate assets; and
- At least 70% of the real estate is exploited by sale or lease, rather than used in the business of the company.

The current RETT rate is 2% for residential real estate and 8% for non-residential real estate (9% as of 2023). RETT is calculated on the fair market value of the Dutch real estate assets owned by the real estate company. If real estate assets are acquired instead of shares, RETT is calculated on the acquisition price if this is higher than the fair market value. Exemptions may apply, among others in cases where the transfer of the real estate assets itself would be subject to VAT or in the case of reorganisations.

Foreign companies that own Dutch real estate are considered non-resident taxpayers in the Netherlands and any profits derived from that real estate are subject to Dutch corporate income tax. Also, depreciation of real estate held by Dutch resident or non-resident taxpayers is generally limited.

f. CbC and Other Reporting Regimes

Dutch transfer pricing documentation rules consist of three tiers: (i) a Master File, (ii) a Local File, and (iii) a Country by Country report ("CbCr").

Master File and Local File

Each company in the Netherlands that is part of an international group with a consolidated annual turnover exceeding EUR50 million should have a Master File and Local File in its records. This obligation applies to each company within the group, no matter the size or nature of the activities. The DTA take the view that the requirements apply even if the Dutch company is not engaged in any intragroup transactions. The requirements do therefore apply to holding, licensing, and financing conduit companies, private equity and conglomerates.

Country by Country Reporting ("CbCr")

The obligation to prepare and file a CbCR report applies for ultimate parent companies of an international group that are established in the Netherlands. The group's annual consolidated turnover must be at least EUR750 million.

Under CbCr, the tax inspector must be informed which company within the group will file the report and in what country.

The maximum penalties for failure to satisfy CbCr obligations in the Netherlands amount to EUR900,000 (2022). Failure to comply may also subject taxpayers to criminal prosecution.

10. TRANSFER PRICING

Under Dutch transfer pricing rules all intragroup transactions must be at arm's length and taxpayers should have sufficient documentation to substantiate the arm's length nature of their transactions.

From 1 January 2022, new legislation has entered into force in the Netherlands to combat transfer pricing mismatches. The purpose of the legislation is to eliminate transfer pricing mismatches that arise as a result of a different foreign application of the arm's length principle, which results in double non-taxation. Due to this legislation it is no longer possible to deduct additional costs or to incur additional depreciation on assets located in the Netherlands if the actual commercial price was different and the tax adjustment is not followed in the foreign jurisdiction which is involved.

11. POST ACQUISITION INTEGRATION CONSIDERATIONS

a. Innovation Box

The innovation box regulations in the Netherlands aim to stimulate technical innovation and allow companies to have profits derived from qualifying intellectual property taxed at an effective tax rate of 9%. Under the "modified nexus approach", the innovation box will not be fully available to taxpayers that outsource part of the R&D activities to affiliates. Any income that does not qualify for the innovation box is taxed at the standard Dutch CIT rates.

The innovation box distinguishes between small and medium sized taxpayers (SMEs) and larger taxpayers. SMEs are taxpayers which, over a period of five years, have profits from qualifying intangible assets of less than EUR37.5 million and consolidated net group turnover of less than EUR250 million.

Both SMEs and large taxpayers must meet the following conditions to qualify for the innovation box:

- Own a self-developed intangible asset; and
- Have been granted an R&D-certificate for wage tax purposes by the Dutch Tax Administration ("WBSO");

In order to qualify, additional requirements apply for large taxpayers, including that the taxpayer have one or more of the following:

- Patents or patent applications;
- Plant variety rights (granted or requested);
- Software (as developed in intra-company transferee projects for which an R&D-certificate for wage tax purposes has been granted);
- Licences for bringing medicines to the market;
- Registered utility models; or
- A coherent qualifying intangible asset, being an intangible asset that has been developed and for which an R&D certificate has been granted and that is analogous to an intangible asset within the meaning of one of the above listed categories.

b. Hybrid Entities

As of 2022, reverse hybrids are treated as Dutch tax residents for corporate income tax and withholding tax purposes, with certain exemptions for investment funds.

The Netherlands has a different legal entity and partnership qualification system than what is internationally common. This often leads to hybridity of especially foreign partnerships. Plans to change this have been announced but are not in effect yet. Hybrid entities may trigger adverse Dutch tax consequences under, for example, the domestic dividend withholding tax exemption, ATAD II and the conditional withholding tax on interest and royalties (and dividends per 2024). It is highly recommended to analyse the impact in detail to avoid potential exposures.

c. Hybrid Instruments

As hybrid instruments may trigger application of ATAD II regulations or deny application of the Dutch participation exemption regime, so typically it is not recommended to include hybrid instruments in structures that involve the Netherlands.

d. Principal/Limited Risk Distribution or Similar Structures

Changes in the supply chain are generally manageable. Depending on the exact business restructuring, often a dialogue is started with the Dutch tax administration, specifically to manage related tax risks. DAC6 reporting should be considered carefully.

e. Intellectual property (licensing, transfers, etc.)

Qualifying IP may benefit from the innovation box regime (see Section 11.a. above). The entity holding the IP should in principle perform the so called "DEMPE " (Development, Enhancement, Maintenance, Protection and Exploitation) functions in relation to the IP.

Transfer of IP by a Dutch entity may trigger corporate income tax.

f. Special Regimes

Qualifying IP may benefit from the innovation box regime (see section 11.a. above).

In addition, two types of tax exempt investments fund regimes apply in the Netherlands, the so called FBI and VBI regime. The FBI is based on the REIT-model and typically used by large investors who invest in Dutch real estate. Both regimes are subject to specific shareholder, financing and activity requirements.

Specific tax incentives apply for environmentally friendly investments.

12. OECD BEPS CONSIDERATIONS

On 20 December 2021, the OECD Inclusive Framework published model legislation rules regarding Pillar Two. If adopted into domestic law (the European Commission is currently working on a Directive to implement Pillar Two throughout the European Union), member states, including the Netherlands, should apply the Income Inclusion Rule (''IIR'') from 1 January 2023. The Undertaxed Payment Rule (''UTPR'') should come into effect in 2024.

Pillar Two aims to ensure that large multinational groups pay an effective tax rate of at least 15% across every jurisdiction where they have a presence. If the effective tax rate in a particular jurisdiction is less than 15%, Pillar Two will come into effect. Under Pillar Two, the country where the Ultimate Parent Entity is based, may levy a top-up tax of the difference between the tax levied by the low-taxed jurisdictions and the new global minimum tax rate of 15% ("IIR"). If the IIR this does not result in the income of the MNE Group being subject to tax at the 15% minimum tax rate, the further backstop of the UTPR will apply, which ensures the payment of the minimum tax through a denial of deduction or similar mechanism in all the countries where the MNE has a presence.

On 4 February 2022, OECD released a document incorporating the draft Model Rules for the Nexus and Sourcing Rules of Amount A of Pillar One. The OECD aims to implement Pillar One by 1 January 2023. Technical work on Amount B, standardised arm's length return for baseline marketing and distribution activities, should be completed by the end of 2022.

Pillar One aims to reallocate profits from multinationals on digital services. A portion of the in-scope group's residual profit must be reallocated under Pillar One to the end-market jurisdictions where the goods or services are used or consumed. According to the Model Rules of Amount A, the nexus threshold will be EUR1 million for jurisdictions with annual GDP equal to or greater than EUR40 billion and EUR250,000 for jurisdictions with annual GDP of less than EUR40 billion. Sourcing of income is to be analysed on a transaction by transaction basis. The Netherlands has consistently supported the Pillar One and Pillar Two proposals from the beginning and is continuing to support the swift implementation of the proposals.

13. ACCOUNTING CONSIDERATIONS

This section is left intentionally blank.

14. OTHER TAX CONSIDERATIONS

a. Distributable Reserves

Under the Dutch dividend withholding tax act, a formal reduction of paid-in share capital is not subject to Dutch dividend withholding tax.

b. ATAD III Substance Requirements

In the newly proposed ATAD III directive, EU undertakings are subject to certain material tax consequences if the EU undertaking could not meet the required substance indicators, could not obtain or qualify for an exemption/carve-out or could not rebut the presumption that the undertaking is a shell. The substance indicators are, the existence of local premises, the use of an active EU bank account and the local tax residency of qualified directors and/or the majority of the employees are employed on a full-time basis in the undertaking.

c. Substance Requirements for Recipients

Dutch tax law distinguishes between substance requirements for Dutch taxpayers and foreign taxpayers, as well as between different levels of substance. The level of required substance under Dutch law depends on the activities of the (Dutch) taxpayer.

In light of international developments and the aim to fight tax avoidance, substance is becoming increasingly important. Certainly with reference to ATAD III, it is reasonable to expect a further increase in the substance requirements. Furthermore, following recent "beneficial ownership" case law of the European Court of Justice, the State Secretary of Finance announced that the current substance requirements may not, in all cases, meet the criteria set forth in the case law.

d. Substance requirements for Dutch taxpayers

i Tax residency - substance

Entities that are incorporated under Dutch law are considered Dutch tax residents by law, but tax residency issues may arise if, for example, the board of directors of the Dutch entity includes only non-Dutch resident directors. Therefore, substance requirements are also relevant for determining a taxpayer's residency for tax purposes.

ii Financial services companies - minimum substance

Minimum substance requirements apply to companies that qualify as so called "financial services companies', which are entities whose activities consist at least 70% of intragroup financing or licensing activities and claim EU Directive or tax treaty benefits (e.g. reduced withholding taxes on income).

Financial services companies which claim EU-directive tax treaty benefits should meet the "relevant substance" requirements:

- At least 50% of the directors are tax residents of the Netherlands;
- The Dutch directors have sufficient professional knowledge and expertise to fulfil their tasks, which should include at least preparing and making management decisions and administration of the company's transactions;
- The company employs qualified staff that is capable of administrating the company's transactions;
- The board meetings are physically held in the Netherlands;
- The main bank account of the company is held in the Netherlands (if the bank account is held with a non-Dutch bank, at least Dutch management should be entitled to manage and control the bank account);
- The administration and management of the company is in the Netherlands;
- The company has its registered address in the Netherlands and is, to the best of its knowledge, not considered a tax resident of another jurisdiction;
- The company bears genuine risk with regard to intercompany financing and licensing activities; and
- The company has a sufficient amount of equity at risk.
- The Dutch company incurs annual relevant payroll costs of at least EUR100,000; and
- The Dutch company has an office space at its disposal for at least 24 months.

Failure to meet the minimum substance requirements results in automatic exchange of information on the financial services company to foreign tax authorities.

iii Substance requirements for foreign shareholders - Domestic dividend withholding tax exemption, non-resident substantial shareholder regime and conditional withholding taxes on interest, royalties and dividends

Until recently, additional substance requirements (so called "relevant substance", see above) may have been required of foreign shareholders under (i) the domestic dividend withholding tax exemption regime and (ii) the non-resident substantial shareholder regime. Following recent case law of the European Court of Justice ("Danish cases") however, meeting the "relevant substance" requirements is no longer considered a safe harbour. The substance requirements remain relevant, but their relevance shifts to a discussion regarding the burden of proof. If taxpayers meet the substance requirements, the burden of proof to demonstrate that a structure should nevertheless be qualified as abusive shifts to the DTA. If the substance requirements are not met, the taxpayer can still prove that the structure is driven by sound business motives.

e. Application of European Directives

EU Directives (e.g. Parent/Subsidiary Directive, Interest & Royalty Directive and ATAD I & II) are implemented into domestic legislation. Please refer to section 6.b. for more information on the implementation of the earning stripping rule and section 8.b. for more information on the implementation of the CFC rules under ATAD I. As indicated in section 2, ATAD II has been implemented as of 1 January 2020.

On 22 December 2021, the European Commission published the ATAD III Directive proposal. If an undertaking qualifies as a shell company, the shell entity will not be able to claim any tax benefits in relation to tax treaties and the IRD and PSD directive. ATAD III also sets rules regarding the automatic exchange of information and tax audits between Member States' tax authorities. Certain entities are carved out from ATAD III: listed entities, insurance companies, pension funds, including wholly owned investment entities, regulated financial undertakings, including: MIFID, UCITS, AIFM, AIF and certain domestic holding situations.

Two days after the OECD published detailed Model Rules on Pillar Two, the European Commission published a proposal for a Directive to ensure the implementation of Pillar Two in the EU. The EU Pillar Two Directive proposal is largely in line with the detailed set of Model Rules as published by the OECD on 20 December 2021. The European Commission would like to implement the IIR as of 1 January 2023 and the UTPR as of 1 January 2024. The proposed EU Pillar Two Directive gives member states the flexibility to determine in which national (tax) law the provisions of ATAD III will be implemented. This makes it possible to implement Pillar Two as part of the Dutch Corporate Income Tax Act 1969, but also as a separate tax act. The Dutch government has made clear that it is not in favour of implementing Pillar Two in the Dutch Corporate Income Tax Act 1969.

f. Tax Rulings and Clearances

The Netherlands has developed a strong ruling practice which provides taxpayers the opportunity to obtain certainty in advance about their tax position. The Dutch ruling practice is guided by Decrees defining the policy and restrictions for granting Advance Tax Rulings ("ATR's") and Advance Pricing Agreements ("APA's").

The DTA has a dedicated and specialised APA/ATR team operating from Rotterdam. An APA provides certainty in advance on the transfer pricing of intragroup transactions, while an ATR confirms the tax position of Dutch taxpayers under certain regulations.

Under the current ruling policy, the ability to obtain a tax ruling is limited in cases of tax avoidance, in cases where the taxpayer has insufficient Dutch nexus and for transactions with entities in jurisdictions that either are on the EU blacklist or are located in designated low-taxed jurisdictions.

g. Adjustments to the Decree for the qualification of foreign legal entities

On 4 March 2021, the Dutch Ministry of Finance announced plans to amend the Dutch partnership entity classification rules per 2022. This would result in deletion of the unanimous consent requirement for partnerships and therefore impact the Dutch entity classification of the partnerships. The proposed amendments are expected to impact (international) private equity / fund structures. More recently, the Ministry of Finance announced that the legislative proposal regarding the classification rules will be expected in Q3 of 2023. No further additional information is provided with respect to an envisaged entry into force date.

15. MAJOR NON-TAX CONSIDERATIONS

This section is left intentionally blank.

16. APPENDIX I - TAX TREATY RATES

Jurisdiction	Dividends %	Interest %	Royalties %	Footnote Reference
Albania	0 / 5 / 15	5 / 10	10	[1] [2] [3] [4]
Algeria	5 / 15	0 / 8	5 / 15	[5] [2] [6]
Argentina	10 / 15	0 / 12	3 / 5 / 10 / 15	[1] [2] [7]
Armenia	0 / 5 / 15	5	5	[5]
Australia	15	10	10	
Austria	5 / 15		10	[1]
Azerbaijan	5 / 10	10	5 / 10	[3] [7]
Bahrain	0 / 10			[5]
Bangladesh	10 / 15	0 / 10	10	[5] [8]
Barbados	0 / 15	0 / 5	0 / 5	[5] [2] [7]
Belarus	0 / 5 / 15	0 / 5	3 / 5 / 10	[9] [2] [7]
Belgium	5 / 15	0 / 10		[5] [10]
Bosnia- Herzegovina (was Yugoslavia)	5 / 15		10	[1]
Brazil	15	10 / 15	15 / 25	[11] [7]
Bulgaria	5 / 15		5	[1]
Canada	5 / 10 / 15	0 / 10	0 / 10	[1] [5] [2] [7]
China	5 / 10	0 / 10	10	[1] [2] [12]
Croatia	0 / 15			[5]
Czech Republic (was Tsjecho-Slovakia)	0 / 10		5	[1]
Denmark	0 / 15			[5]
Egypt	0 / 15	0 / 12	12	[1] [2]
Estonia	5 / 15	0 / 10	5 / 10	[1] [2] [7]
Ethiopia	5 / 10 / 15	0 / 5	5	[5] [13]
Finland	0 / 15			[14]
France	5 / 15	0 / 10 / 12		[1] [15]
Georgia	0 / 5 / 15			[16]

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Jurisdiction	Dividends %	Interest %	Royalties %	Footnote Reference
Germany	5 / 10 / 15			[5]
Ghana	5 / 10	0 / 8	8	[5] [10]
Greece	5 / 15 / 35	8 / 10	5 / 7	[13] [2] [6]
Hong Kong	0 / 10		3	[17]
Hungary	5 / 15			[1]
Ireland*	0 / 15			[1]
Iceland	0 / 15			[5]
India**	10	10	10	[18]
Indonesia	5 / 10 / 15	0 / 5 / 10	10	[1] [2]
Israel	5 / 10 / 15	10 / 15	5 / 10	[1] [7] [19]
Italy	5 / 10 / 15	0 / 10	5	[20] [2]
Japan	0 / 5 / 10	0 / 10		[20] [2] [10]
Jordan	5 / 15	0 / 5	10	[5] [2]
Kazakhstan	5 / 15	0 / 10	10	[21] [10]
Kuwait	0 / 10		5	[5]
Korea	10 / 15	0 / 10 / 15	10 / 15	[1] [11] [12]
Kosovo	0/15	0/10		[5] [2] [10]
Latvia	5 / 15	0 / 10	5 / 10	[1] [2] [7]
Liechtenstein	0/15			[5]
Lithuania	5 / 15	0 / 10	0**	[1] [2] [18]
Luxembourg	2.5 / 15			[1]
Macedonia (North)	0 / 15			[5] [22]
Malaysia	0 / 15	0 / 10	(0)/8	[1] [2] [6] [23]
Malta	5 / 15	0 / 10	10	[1] [2]
Montenegro (was Yugoslavia)	5 / 15		10	[1]
Morocco	10 / 25	10 / 25	10	[1] [11]
Mexico	5 / 15	0 / 5 / 10	10	[5] [2]
Moldova	0 / 5 / 15	0 / 5	2	[24] [10] [25]
New Zealand	15	0 / 10	10	[2]

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Jurisdiction	Dividends %	Interest %	Royalties %	Footnote Reference
Nigeria	12.5 / 15	0 / 12.5	12.5	[5] [10]
Norway	0 / 15			[5]
Oman	0 / 10		8	[5]
Pakistan	10 / 20	0 / 10 / 15 / 20	5 / 15	[1] [2] [6]
Panama	0 / 15	0 / 5	5	[26] [2] [6]
Philippines	10 / 15	0 / 10 / 15	10 / 15	[5] [2] [10]
Poland	5 / 15	0 / 5	5	[5] [10]
Portugal	10	0 / 10	10	[2] [10]
Qatar	0 / 10		5	[27] [6]
Romania	0 / 5 / 15	0 / 3	3	[1] [10]
Saudi Arabia	5 / 10	0 / 5	7	[5] [10]
Serbia (was Yugoslavia)	5 / 15		10	[1]
Singapore	0 / 15	0 / 10		[1] [10]
Slovenia	5 / 15	0 / 5	5	[5] [10]
Slovakia (was Tsjecho-Slovakia)	0 / 10		5	[1]
South Africa	5 / 10**			
Spain	5 / 10 / 15	10	6	[29]
Sri Lanka	10 / 15	0 / 10	10	[1] [10]
Suriname	7.5 / 15 / 20	0 / 5 / 10	5 / 10	[30] [2] [10] [7]
Sweden	0 / 15			[1]
Switzerland	0 / 15			[13]
Taiwan	10	0 / 10	10	[10]
Thailand	5 / 10 / 25	10 / 25	5 / 15	[22] [10] [6]
Tunisia	0 / 20	0 / 10	11	[5] [10]
Turkey	15 / 20	0 / 10 / 15	10	[1] [2] [10] [11]
Uganda	0 / 5 / 15	0 / 10	10	[20] [2] [10]
Ukraine	0 / 5 / 15	0 / 2 / 10	0 / 10	[24] [2] [10]
United Arabic Emirates	5 / 10			[5]

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Jurisdiction	Dividends %	Interest %	Royalties %	Footnote Reference
United Kingdom	0 / 10 / 15			[5]
United States of America	0 / 5 / 15			[31]
Uzbekistan	5 / 15	10	10	[1] [13]
Venezuela	0 / 10	0 / 5	5 / 7 / 10	[1] [2] [10] [7]
Vietnam	5 / 10 / 15	0 / 10	5 / 10 / 15	[32] [8] [30] [6] [12]
Yugoslavia	5 / 15		10	[1]
Zambia	5 / 15	0 / 10	7.5	[5] [2] [10]
Zimbabwe	10 / 20	0 / 10	10	[1] [2] [10]

* The Netherlands is in the process of concluding (re)negotiations with Andorra, Australia, Bangladesh, Belgium, India, Iran, Kyrgyzstan, Morocco, Moldova, Mozambique, Philippines, Uganda, Uruguay, Portugal, Russia, Senegal, Spain, Sri Lanka, Thailand, Vietnam and Zimbabwe.

** The most-favoured nation clause is applicable. South Africa: the most-favoured nation clause only applies to treaties concluded after this treaty.

*** The tax treaties with Chile, Colombia, Cyprus, Malawi, Iraq and Kenya have been signed, but it is not clear when these tax treaties will enter into force.

Footnotes:	
1	Dividends - The rate of 0%/2.5%/5%/7.5%/10%/15% applies if the share in the participation is at least 25%.
2	Interest - The rate of 2%/5%/10% applies if the interest paid on a loan that is granted by a bank or any other financial institutions (including investment banks, savings banks and insurance companies); or to interest paid on a loan made for a period of more than two years or in connection with a sale of industrial, commercial or scientific equipment on credit; or interest on loans granted by a bank or financial institution and on bonds and debentures traded regularly on a recognised stock market. Interest -The rate of 0% applies if the interest is paid by or to one of the Contracting States or a political sub-division, the interest is paid to other institutions in respect of loans on preferential terms, for a period of three years or more, or to interest paid in connection with the importation of machinery, or industrial, commercial or scientific equipment; or a bank, insurance company or securities company, or other non-financial institution; or interest is received relating to the sale of industrial, commercial or scientific equipment or to the construction of industrial, commercial or scientific installations as well as of public works; or pension funds; Or Interest paid or credited to a resident of the Netherlands by a person licensed to carry on banking business in Malaysia, or on an approved loan or a long term loan shall be exempt from Malaysian tax (Malaysia). Rate of 8% applies if the interest is paid to a bank or financial institution (Greece). Rate of 15% applies if the shares in the participation is at least 25% (Pakistan).
3	Dividends - The rate of 5% applies if the share in the participation is at least 25% and has invested at least EUR200,000 in the capital of the paying company.
4	Dividends - The rate of 0% applies if the shares in the participation is at least 50% and has invested at least USD250,000 in the capital paying the dividends.
5	Dividends - The rate of 0%/5%/10%/12.5% applies if the share in the participation is at least 10% or a pension fund. Kosovo and Liechtenstein: holding period of at least 365 days required for the application of the 0% rate.
6	Royalties - The rate of 0%/15% applies to copyright royalties and other like payments for the production or reproduction of literary, dramatic, musical or other artistic works (but not including royalties in respect of motion pictures and television) and royalties for computer software, patents, and information concerning industrial, commercial or scientific experience. Approved industrial royalties (as defined in paragraph 7 of Article 13) derived from Malaysia by a resident of the Netherlands shall be exempt from Malaysian tax (Malaysia). Royalties - The rate of 5% applies if royalties are paid for copyrights of literary, artistic or scientific works, including cinema films; or copyright of a literary, artistic, or scientific work, but excluding cinematograph films and tapes for television or broadcasting; or may elect to be taxed on a net basis as if he/she were a resident of the other Contracting State (Panama).

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Footnotes:	
7	Royalties - The rate of 3%/7% applies to news related royalties (patents and trademarks). The rate of 5% applies to copyright royalties (or equipment). The rate of 10% applies to royalties in respect of trademarks. The rate of 10% applies to royalties for cinematograph films and films or videotapes for radio or television broadcasting (copyright). The rate of 5% applies to royalties for patents, designs or models, plans, secret formulas or processes, computer software, know how, etc is not older than three years; or paid for the use of industrial, commercial or scientific equipment. The rate of 0% applies to royalties regarding literary, artistic, scientific work, cinematographic films, and films, discs, or tapes for radio or television broadcasting. The rate of 25% applies to trademark royalties. Technical services (like 'know how') are included in the term "royalty"."
8	Interest - The rate of 0% applies if (i) interest arises in the Netherlands or Bangladesh, (ii) interest paid by the government (iii) contract of financing or of delay in payment relating to the sale of industrial, commercial or scientific equipment or to the construction of industrial, commercial or scientific installations. (Bangladesh) Interest - As long as the Netherlands does not levy a tax at source on interest then the rate of tax to be applied on interest received by a bank or any other financial institution (including an insurance company) shall not exceed 7.5%; As long as, under the provisions of the Netherlands taxation laws and to the future amendments thereto, the Netherlands does not levy a tax at source on interest paid to a resident of Vietnam, the percentage provided for in this paragraph shall be reduced to 7% of the gross amount of the interest. (Vietnam)
9	Dividends - No withholding tax applies (exclusive residence taxing right) if the share in the participation is at least 50% and at least EUR250,000 is paid in.
10	Interest - The rate of 0% applies to interest received by an enterprise which has not arisen from bearer securities representing loans or deposits of sums of money; interest derived from bearer securities representing loans or deposits of sums of money and the beneficial owner of the interest is an enterprise which carries on a banking or insurance activity and which holds the securities in question for at least three months preceding the date of the interest being payable; or the interest arises from commercial debt claims resulting from deferred payments for goods, merchandise or services; or paid to the government and interest is paid in respect of a loan granted, guaranteed or insured by the Government; or if interest paid in respect of a bond, debenture or other similar obligation of the Government of that State and the central bank of that State and interest arising in one of the States and paid in respect of loans guaranteed or insured by the Government of the other State and the central bank.
11	Interest - The rate of 10% applies if the recipient is a bank and the loan is granted for at least seven years (and or) in connection with the purchase of industrial equipment or for the purchase and installation of industrial or scientific units, or the financing of public works (Brazil, Korea). The rate of 10% applies for interest paid by a resident of one of the States to an enterprise of the other State (Morocco).

Footnotes:	
12	Royalties - Royalties paid for the use of, or the right to use, industrial, commercial or scientific equipment are subject to a 10% withholding tax on 60% of the gross amount (China). The rate of 10% applies for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, or films or tapes for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for information (know-how) concerning industrial, commercial or scientific experience. The 15% rate applies to royalties paid for the use of, or the right to use, a copyright of literary, artistic or scientific works, including cinematograph films.
13	Dividends - The rate of 5% applies if a resident of the Netherlands pays dividends to a Greece resident and the share in the participation is at least 25%. The rate of 35% applies if a resident of Greece pays a dividend to a resident of the Netherlands (Greece). As long as, under the provisions of the Netherlands Corporate Income Tax Act and the future amendments thereto, a company which is a resident of the Netherlands is not charged to Netherlands Corporate Income Tax with respect to dividends the company receives from a company which is a resident of Uzbekistan, the percentage provided for in that subparagraph shall be reduced to 0% (Uzbekistan). Rate of 10% applies if the company paying the dividends is a resident of Ethiopia. Rate of 15% applies if the company paying the dividends is a resident of the Netherlands (Ethiopia). Where a resident of Switzerland receives dividends that may be taxed in the Netherlands in accordance with paragraph 9 of Article 10, the Netherlands shall grant a refund. The amount of this refund shall be equal to the tax due in Switzerland on this income but shall in no case exceed 10% of this income (Switzerland).
14	Dividends - The rate of 0% applies if the share in the participation is at least 5% or a pension fund.
15	Interest - The rate of 0% applies to interest paid in connection with a financing or deferred payment contract for the sale of industrial, commercial or scientific equipment, or the construction of such installations or the carrying out of public works; interest paid on bank loans and interest paid following a formal request for payment or a legal action as a penalty for late payment of a debt for which no interest was stipulated. The 12% rate applies to interest from negotiable bonds issued in France before 1 January 1965 (France).
16	Dividends - The rate of 0% applies if the share in the participation is at least 50% and at more than USD2 million capital is paid in.
17	Dividends - The rate of 0% applies if the shares in the participation is at least 10% provided (i) the shares are regularly traded on a recognised stock exchange, or (ii) at least 50% of the shares of the recipient company are owned by a company whose shares are regularly traded on a recognised stock exchange, paid to the government or paid to a pension fund. A person shall be considered a headquarters company if the corporate group consists of corporations resident in, and engaged in an active business in, at least five countries and the business activities carried on in each of the five countries generate at least 10% of the gross income of the group.

Footnotes:	
18	Dividends - As a result of the application of a most-favoured nation clause in the tax treaty, the withholding tax rate is reduced from 15% to 10%. Interest - As a result of the application of a most-favoured nation clause in the tax treaty, the withholding tax rate on interest is reduced from 15% to 10%. The 10% rate would apply only to interest paid on certain loans made or guaranteed by a financial institution or an enterprise that holds at least 10% of the shares in the participation. Royalties - As a result of the application of a most favoured nation clause in the tax treaty, the withholding tax rate is reduced from 20% to 10%/0%.
19	Dividends - The rate of 10% applies if the shares in the participation is at least 25%, the payer is a resident of Israel and the dividends are paid out of profits that are subject to tax in Israel at a rate lower than the normal Israeli Corporate Income Tax rate due to measures to encourage investment.
20	Dividends - The rate of 0%/5% applies if the share in the participation is at least 50%.
21	Dividends - The rate of 0% applies if the share in the participation is at least 50% and USD1 million capital is paid in.
22	Dividends - Netherlands: The rate of 5% applies if the shares in the Dutch participation is at least 25%, Thailand: The rate of 10% applies if the shares in the Thai participation is at least 25% provided that the highest Thai tax rate on profits of corporations during the financial year in which the dividends are distributed does not exceed 30%, may not exceed the Thai tax on such dividends: The rate of 15% applies if the entity paying the dividends is an industrial corporation. Otherwise, the rate of 20% applies. If the highest Thai tax rate on profits of companies during the financial year in which the dividends are distributed exceeds 30% but does not exceed 40%, the Thai tax on such dividends shall not exceed 15% of the gross amount of such dividends, if the company paying the dividends is not an industrial company. If the foregoing do not apply, the rate of 25% applies (Thailand). Dividends paid by a company which is a Netherlands resident, if according to the law in force in the Macedonian Contracting State taxation of such dividends in the Macedonian Contracting State will result in a tax burden of less than 15% of the gross amount of the dividends, the Netherlands Contracting State may levy a tax not exceeding 15% of the gross amount of the dividends (North Macedonia).
23	Technical fees - For Malaysia - A technical fee is subject to 10% of the gross amount of the technical fees for payments made on or after 1 January 1990 but before 1 January 1996; and 8% of the gross amount of the technical fees for payments made on or after 1 January 1996. For Tajikistan - there is no withholding tax for technical fees.
24	Dividends - The rate of 0% applies if the share in the participation is at least 50% and USD300,000 capital is paid in.
25	Dividends - The rate of 0% applies if the shares in the participation is at least 50% and more than USD300,000 is paid in.
26	Dividends - The rate of 0% applies if the share in the participation is at least 15%.
27	Dividends - The rate of 0% applies if the share in the participation is at least 7.5%.
28	Dividends - The rate of 5% applies if the shares in the participation is at least 25% and EUR75,000 capital is paid in.

Footnotes:	
29	Dividends - Netherlands: The rate of 5% applies if the receiving company owns 50% or more of the capital of the company paying the dividends, or if the receiving company owns 25% or more of the capital of the company paying the dividends, provided that at least one other company which is a resident of Spain also owns 25% or more of that capital. Spain: the rate of 10% applies if the receiving company owns 50% or more of the capital of the company paying the dividends, or if the receiving company owns 25% or more of the capital of the company paying the dividends, provided that at least one other company which is a resident of the Netherlands also owns 25% or more of that capital.
30	Dividends - The rate of 15% applies if the shares in the participation is below 25%, if such dividends are not included in the basis upon which tax is levied in the country of which the recipient is a resident. The provision of subparagraph (a) of paragraph 2 of Article 10 shall not apply with respect to dividends paid by a company which is a resident of Surinam to a company which is a resident of the Netherlands, if the latter company is liable to corporate tax in the Netherlands on the dividends received (Surinam). Dividends paid by a company which is a resident of the Netherlands, if according to the law in force in Kuwait, will result in a tax burden of less than 10% of the gross amount of the dividends, the Netherlands may levy a tax not exceeding 10% of the gross amount of the dividends (Kuwait). The rate of 5% applies if a resident of the Netherlands pays dividends to a Greece resident and the share in the participation is at least 25%. The rate of 35% applies if a resident of Greece pays a dividend to a resident of the Netherlands (Greece). As long as, under the provisions of the Netherlands Corporate Income Tax Act and the future amendments thereto, a company which is a resident of the Netherlands is not charged to Netherlands Corporate Income Tax with respect to dividends the company receives from a company which is a resident of Uzbekistan, the percentage provided for in that subparagraph shall be reduced to zero per cent (Uzbekistan). As long as, under the provisions of the Netherlands Corporate Income Tax Act and to the future amendments thereto, a company which is a resident of the Netherlands is not charged to Netherlands Corporate Income Tax with respect to dividends the company receives from a company which is a resident of Vietnam the percentage provided for in this subparagraph shall be reduced to 7% of the gross amount of the dividends (Vietnam).
31	Dividends - The rate of 0% applies if: (i) the share interest in the participation is at least 80%, (ii) the shares should represent at least 80% of the voting power in the company paying the dividends and (iii) the company is a qualified person within the meaning of article 26 (Limitation on Benefits). The rate of 5% applies if the share interest in the participation is at least 10%.
32	Dividends - The rate of 5% applies if the shares in the participation is at least 50% and more than USD10 million capital is paid in. The 10% rate applies if the shares in the participation is at least 25%, but less than 50%.

17. APPENDIX II - GENERAL CORPORATE ENTITY TAX DUE DILIGENCE REQUESTS

The risk of an additional corporate tax charge upon a tax audit continues to exist (even if final corporate tax assessments have been imposed) under strict conditions, for a period of five years from the end of the assessment period during which the liability has accrued. This five year period is extended to twelve years if it concerns income that is kept or has accrued outside the Netherlands. These periods should be considered when determining the period for which documents and information are requested in tax due diligence processes.

The following is a tax due diligence document request list. Unless otherwise noted, please provide the requested information and documents for the Dutch target entities for the tax years as from 2016 up to and including 2021 for CIT purposes and from 2017 up to and including 2021 for VAT and wage tax purposes. This generic (initial) request list covers a broad range of information requests, however the list will, including any specific requests, will be tailored for each transaction on a case by case basis subject to what is known about the target group and its history.

Nº.	Category	Sub-Category	Description of Request
1	Tax Due Diligence	General	A structure chart of the group including ownership ratio, ownership structure, legal form, permanent establishments and permanent representatives, including historical changes to the structure.
2	Tax Due Diligence	General	A description of the activities of each Target.
3	Tax Due Diligence	General	Please provide copies of tax due diligence report(s) on the Dutch Target(s) as well as copies of relevant tax clauses in the SPA(s).
4	Tax Due Diligence	General	Copies of the standalone annual accounts for the relevant years.
5	Tax Due Diligence	General	Please provide details for any COVID related tax measures, such as deferral for payment of taxes, that have been granted to each Target.
6	Tax Due Diligence	General	Please describe how the company controls and manages the tax function, including a list of the company's internal tax representatives and external tax advisors.
7	Tax Due Diligence	General	Have any legal mergers or spin offs, stock mergers, corporate mergers or similar purchase or sale transactions taken place? Please provide details of the transactions and the tax analysis performed.
8	Tax Due Diligence	General	An overview of the activities performed abroad by each Dutch Target and for each non-Dutch Target in the Netherlands (including Dutch real estate assets) and to what extent these activities might be considered as a foreign or Dutch taxable presence (permanent establishment).
9	Tax Due Diligence	General	Copies of important correspondence with tax authorities (rulings, discussions, negotiations, assessments etc.).
10	Tax Due Diligence	General	Has the Target concluded a compliance agreement with the Dutch tax authorities on horizontal monitoring ("horizontaal toezicht"), if so please elaborate.
11	Tax Due Diligence	General	Details of any tax planning schemes undertaken and any known areas of tax exposure.
12	Tax Due Diligence	General	Memos or opinions prepared by the company's tax advisor or tax advisors on potential tax exposures or tax planning.

Nº.	Category	Sub-Category	Description of Request
13	Tax Due Diligence	General	Please describe all tax issues which are currently under discussion with the tax authorities or where a position is taken that might be challenged by the tax authorities and details on uncertain tax positions.
14	Tax Due Diligence	General	Information on any past or current tax audits.
15	Tax Due Diligence	General	Specifications (copies of documents and correspondence) of all current and anticipated objections/appeals or other litigation pending with respect to any tax authorities' decision, as well as explanations regarding the current state of affairs.
16	Tax Due Diligence	General	Confirmation whether any fines have been imposed in the past for incorrect / late filing and/or late payment of tax returns.
17	Tax Due Diligence	General	Details on procedures in relation to DAC6 as well as copies of all DAC6 filings for each Target during the relevant period.
18	Tax Due Diligence	Tax in the accounts	Details on the current tax payable and tax receivable positions for each Target (CIT, VAT, wage tax) per the effective date.
19	Tax Due Diligence	Tax in the accounts	A specification and calculation of the deferred tax asset/liability for each Target for the relevant years (if applicable).
20	Tax Due Diligence	Corporate Tax	Copies of the corporate income tax returns for each Target and related correspondence (including letters from the tax advisory firm that prepared the tax return with comments on the tax return) for the relevant years.
21	Tax Due Diligence	Corporate Tax	Copies of tax assessments (provisional and final, including additional notifications) for each Target for the relevant years.
22	Tax Due Diligence	Corporate Tax	If the assessments were not imposed in line with the returns filed, please provide comments on the deviation.
23	Tax Due Diligence	Corporate Tax	Copies of dividend withholding tax returns and dividend withholding tax declaration forms (domestic dividend withholding tax exemption).
24	Tax Due Diligence	Corporate Tax	Copy of the written confirmation of the current existence of the corporate tax fiscal unity (if applicable), including the confirmation of historic changes to the fiscal unity (companies entering or exiting the fiscal unity).
25	Tax Due Diligence	Corporate Tax	Confirmation on the open tax years and the due dates for these returns.
26	Tax Due Diligence	Corporate Tax	Information on tax losses and/or carry forward interest expenses (under the earnings stripping rule / article 15b CITA) per Target per year available for carry forward/back (including a breakdown of the losses and/or exceeding interest expenses per year and information on possible restrictions).
27	Tax Due Diligence	Corporate Tax	Confirmation whether the company incurred tax losses attributable to a foreign permanent establishment /permanent representative or real estate.
28	Tax Due Diligence	Corporate Tax	Details of risk provisions, if any, including the calculation method applied.

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Nº.	Category	Sub-Category	Description of Request
29	Tax Due Diligence	Corporate Tax	Details on the valuation for tax purposes of: i) goodwill ii) work in progress, iii) provisions for bad debt and how the book to tax differences will most likely evolve over the next three years.
30	Tax Due Diligence	Corporate Tax	Details on all book-to-tax differences (including a description of the difference, calculations and phase out) for each Target.
31	Tax Due Diligence	Corporate Tax	Details on participations held by each Target during the period under review and an analysis on application of the participation exemption and CFC rules.
32	Tax Due Diligence	Corporate Tax	Information whether the company uses the innovation box? If so, please provide a copy of the underlying documentation and correspondence with the tax authorities.
33	Tax Due Diligence	Corporate Tax	Please provide details on interest expenses in the relevant years (including details on the debt financing, the loan agreements, the amounts involved and any analysis performed on the deductibility of the interest).
34	Tax Due Diligence	Corporate Tax	Please confirm whether any of the debt financing relates to the purchase of shares, dividend or capital (re)payment, or capital contributions.
35	Tax Due Diligence	Corporate Tax	Please confirm if the group has any entities, partnerships or conducts any activities in any of the following jurisdictions (from onwards 2019 only): • American Samoa • Anguilla • Bahama's • Bahrein • Barbados • Belize • Bermuda • British Virgin Islands • Cayman Islands • Fiji • Guam • Guernsey • Isle of Man • Jersey • Kuwait • Oman • Palau • Panama • Bahrein • Barbados • Belize • Bermuda • British Virgin Islands • Cayman Islands • Fiji • Guam • Guernsey • Isle of Man • Jersey • Kuwait • Oman • Palau • Panama • Qatar • Samoa • Saudi Arabia • Seychelles • Trinidad and Tobago • Turkmenistan • Turks and Caicos Islands • United Arab Emirates • US Virgin Islands • Vanuatu

Nº.	Category	Sub-Category	Description of Request
36	Tax Due Diligence	Corporate Tax	Please confirm: (i) whether any company may be considered a hybrid entity (e.g. partnerships such as LP's), (ii) whether any hybrid financing arrangements are in place (e.g. PPL's) (i.e. differences in qualification of financial instruments as a result of which payments are deductible in payer jurisdiction but exempt in payee jurisdiction) and (iii) whether any mismatches in relation to permanent establishments are recognised between jurisdictions.
37	Tax Due Diligence	Corporate Tax	Please confirm all entities that are subject to US check the box elections.
38	Tax Due Diligence	Corporate Tax	Please confirm if any company falls within the scope of ATAD II legislation (hybrid mismatches) and whether the company has complied with the documentation obligation under article 12ag CITA (please provide a copy of the documentation).
39	Tax Due Diligence	Corporate Tax	An overview and copies of all significant agreements relating to all intercompany transactions / transactions with the shareholder(s) (e.g. service agreements, supply agreements, shareholder loans, loan waivers, etc.).
40	Tax Due Diligence	Corporate Tax	Please describe whether the company is subject to Country by Country reporting or the obligation to file transfer pricing documentation (Masterfile / Local File) in the Netherlands.
41	Tax Due Diligence	Corporate Tax	Please provide a copy of internal transfer pricing studies or other documents (including Masterfile / Local File if applicable).
42	Tax Due Diligence	Corporate Tax	Please provide a copy of the Country by Country reporting (if applicable) and notifications filed.
43	Tax Due Diligence	Corporate Tax	Has any Target been involved in any transaction with a related party where assets or liabilities (including loans) were transferred (including capital contributions or distributions) where the fair market value was higher than the transaction price. If yes, have any downward transfer pricing adjustments and/or transfer pricing mismatches been taken into account for Dutch tax purposes (i.e. resulting in a lower Dutch tax base)?
44	Tax Due Diligence	WHT	An overview of all dividend distributions by each Target during the relevant period.
45	Tax Due Diligence	WHT	A description of any withholding tax obligations, and details of any elimination of double taxation applied or any treaty clearances obtained.
46	Tax Due Diligence	WHT	Copies of dividend, interest and/or royalty withholding tax returns and dividend withholding tax declaration forms (domestic dividend withholding tax exemption).
47	Tax Due Diligence	Wage Tax	Confirmation of the number of employees of the company (in the Netherlands or abroad).
48	Tax Due Diligence	Wage Tax	Confirmation whether a collective labour agreement ("CAO") is applicable.
49	Tax Due Diligence	Wage Tax	Please provide a copy of the latest cumulative payroll overview.
50	Tax Due Diligence	Wage Tax	Please provide a copy of the general ledger regarding personnel costs, representation costs and costs of freelancers/temporary employees.
51	Tax Due Diligence	Wage Tax	Confirmation of the social security sector code applied.
52	Tax Due Diligence	Wage Tax	Please provide a copy of the employee handbook (if available) or overview of employee benefits.

Nº.	Category	Sub-Category	Description of Request
53	Tax Due Diligence	Wage Tax	Does the company have an option plan or other incentive plan for management and/or employees? If so, please provide details of the plan(s) and documentation.
54	Tax Due Diligence	Wage Tax	Confirmation and copy of the most recent payroll tax return filed.
55	Tax Due Diligence	Wage Tax	Does the company apply tax reductions for R&D/WBSO? If so, please provide a copy of the underlying documentation and correspondence with the tax authorities.
56	Tax Due Diligence	Wage Tax	Please summarize all benefits in kind/fringe benefits provided to employees (e.g. company cars, direct insurance, loans, etc.) listing: (i) character of benefit in kind; (ii) employee receiving benefit in kind; (iii) value of benefit in kind; and (iv) taxation of benefit in kind.
57	Tax Due Diligence	Wage Tax	Has the working cost scheme been implemented? If so, have the work related expenses been reviewed in line with new legislation? Please provide a summary of the findings and the underlying calculations.
58	Tax Due Diligence	Wage Tax	Does the company pay fixed cost allowances free of taxes to employees?
59	Tax Due Diligence	Wage Tax	Please confirm whether the company has personnel working outside the Netherlands. If so, please provide additional information as well as a description of the treatment for Dutch wage tax and social security.;
60	Tax Due Diligence	Wage Tax	Does the company engage independent contractors/freelancers? If so, please indicate how many freelancers/other individuals, the amount of payments involved per year and the treatment for wage tax and social security.
61	Tax Due Diligence	Wage Tax	Please confirm whether the freelancers/non-employees submitted a statement of independence (VAR- verklaring) from the tax authorities and whether the newly introduced regulations for freelancers have been implemented (modelovereenkomst).
62	Tax Due Diligence	Wage Tax	Please provide a specification of employees making use of the 30% ruling, together with copies of the approved rulings and salary slip showing the 30% allowance.
63	Tax Due Diligence	Wage Tax	Are additional cost reimbursed / benefits provided free of taxes besides the 30% allowance?
64	Tax Due Diligence	Wage Tax	Did the company make use of hired in personnel or performed subcontracting activities and if so, please specify? Please elaborate on the procedures in place for the use of the G-account (‘Geblokkeerde rekening’) and detail on the agencies that the company works with.
65	Tax Due Diligence	VAT	Please provide a copy of the VAT returns filed in the last year, including European Sales Listing and the VAT working papers
66	Tax Due Diligence	VAT	Please provide a copy of the VAT reporting manual, if any.

Nº.	Category	Sub-Category	Description of Request
67	Tax Due Diligence	VAT	Does the company own any VAT licenses (e.g. art. 23 Import VAT deferment, VAT warehouse license or else)?
68	Tax Due Diligence	VAT	Can the VAT returns be reconciled with the annual accounts? Please provide the underlying documentation;
69	Tax Due Diligence	VAT	Concerning the period starting 2013, is the company aware of any omissions in its VAT returns filed that (may) require adjustment in excess of EUR5,000 per annum?
70	Tax Due Diligence	VAT	Has the company adjusted (any) VAT returns since 2013 by the filing of supplementary VAT returns or European Sales Listings? If so, please provide copy thereof.
71	Tax Due Diligence	VAT	Has the companies' VAT accounting system changed significantly in recent years? If so, has the VAT module been reviewed?
72	Tax Due Diligence	VAT	Has the company undergone internal reviews of the VAT position? If so, what was the outcome?
73	Tax Due Diligence	VAT	If any questions arise internally regarding VAT, who are the persons to contact?
74	Tax Due Diligence	VAT	Confirmation whether the company is currently, or has been in the past five years, included in a VAT fiscal unity.
75	Tax Due Diligence	VAT	If the company/companies is/are included in a VAT fiscal unity: (a) Please list which companies are included in the VAT fiscal unity; (b) Please list which companies have been included or have been deconsolidated in the last 5 calendar years and when; and (c) Please provide all written decisions of the DTA concerning the VAT fiscal unity, confirmation of forming, change or ending of the VAT fiscal unity.
76	Tax Due Diligence	VAT	To the extent that a VAT fiscal unity applies, please confirm that the management remained the same and that the activities of the fiscal unity members and their revenue relations towards each member have not significantly changed since the formation or the latest change.
77	Tax Due Diligence	VAT	If a VAT fiscal unity is or was formed, please confirm that the companies have not invoiced Dutch VAT to other VAT group members during their inclusion in the VAT group.
78	Tax Due Diligence	VAT	Please provide a sample set of proof for 10 representative transactions regarding the intracommunity supply of goods to other EU member states (box 3b of VAT return). This may include delivery instructions, CMR documents and other transport documentation, proof of payment from abroad, etc.
79	Tax Due Diligence	VAT	Does the company periodically validate the EU VAT-id numbers provided by EU resident customers?

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Nº.	Category	Sub-Category	Description of Request
80	Tax Due Diligence	VAT	Please provide a sample set of proof for 10 representative transactions regarding the export of goods from the EU for which the company has acted as exporter. This may include the IE599 customs confirmation of exit or other customs documentation, commercial correspondence, proof of import in destination country, etc.
81	Tax Due Diligence	VAT	Please provide a representative sample set of invoices issued by the company to business customers established outside the Netherlands.
82	Tax Due Diligence	VAT	Please provide a representative sample set of invoices issued by the company to private individuals outside the Netherlands and in the EU, respectively outside the EU.
83	Tax Due Diligence	VAT	Is the company registered for VAT purposes outside the Netherlands? If so, please explain
84	Tax Due Diligence	VAT	Does the company generate VAT exempt income on recipients established within the EU, for example has the company issued interest bearing loans?
85	Tax Due Diligence	VAT	Does the company generate other income (aside from dividends) that is not reported in the Dutch VAT return? If so, please list the types of income and resident sources.
86	Tax Due Diligence	VAT	Does the company also generate income (other than dividends) for which no invoice is issued? If so, please list the types of income.
87	Tax Due Diligence	VAT	Does the company perform any activities that are out of scope for VAT – e.g. provision of services free of charge?
88	Tax Due Diligence	VAT	If the company has any subsidiaries, can it be confirmed that it performs supplies of goods or services to these subsidiaries in return for remuneration? Please disregard subsidiaries held indirectly.
89	Tax Due Diligence	VAT	Does the company recover all Dutch input VAT incurred? If not, please provide details on the limited recovery right of input VAT.
90	Tax Due Diligence	VAT	Does the company work with a pro rata and/or pre pro rata VAT recovery? If so, please details.
91	Tax Due Diligence	VAT	Can the company confirm that all input VAT reported regards transactions ordered and engaged for in the name and for account of the company (i.e. directly relate to the business of the company)?
92	Tax Due Diligence	VAT	Can the company confirm that purchase invoices mention the full name and establishment address of the company?
93	Tax Due Diligence	VAT	Can the company confirm that only Dutch VAT is claimed through the Dutch return?
94	Tax Due Diligence	VAT	Does the company lease real estate subject to VAT? If so, please provide copy of the agreement(s) relevant to the last 5 calendar years.
95	Tax Due Diligence	VAT	Has the company acquired or sold real estate in the last 10 years? If so, please provide copy of the transaction contract(s).

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Nº.	Category	Sub-Category	Description of Request
96	Tax Due Diligence	VAT	Does the company provide exclusive use of real estate or office space to others such as (group) companies, either inside or outside its premises? If so, please provide details.
97	Tax Due Diligence	VAT	Has the company received any subsidy or grants in the last 5 calendar years? If so, please provide details.
98	Tax Due Diligence	VAT	Does the company grant cars to the personnel? If so, does the company make a correction at the end of the year for private use? How is the correction calculated?
99	Tax Due Diligence	VAT	Has the company applied the so called 'BUA' corrections concerning consumptive benefits (deemed to be) enjoyed by employees below cost price?
100	Tax Due Diligence	VAT	Did the company receive any substantial price reductions / rebates? Please also include indirect rebates, e.g. rebates received from another party than the direct supplier.
101	Tax Due Diligence	RETT	Please provide a specification of the real estate currently owned by the company (including details on the current use of the real estate).
102	Tax Due Diligence	RETT	Please provide a description of past discussions/rulings with tax authorities on the RETT position of the company.

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