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● HOLDING STRUCTURES

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ANDORRA

DESCRIPTION	Article 38 of the Corporate Income Tax Law establishes a special tax regime for those incomes that comes from international holdings.
ETVE's requirements	<ul style="list-style-type: none"> • These entities should be a Public Limited corporation or a Limited Liability corporation. • The activity of these entities is the management and holding shares in other companies established abroad. • These entities must carry out exclusively the activity detailed, and it cannot be developed jointly with another kind of activities.
SHAREHOLDER's requirements	The company stock must be split into nominative and individual shares.
INVESTMENT's requirements	The Company should hold and manage its participations in other entities which should not be established in Andorra.
ETVE's incomes (Tax exemption)	Dividends: the dividends proceeding from the participated entities from abroad are exempt from taxation under Corporate Income Tax. Participations sales: Incomes derived from transferring the participations held by the Company are also exempted from taxation.
Tax regime about ETVE's shareholders	Shareholders' dividends: Dividends derived from exempt income are also exempt in case the shareholder is an Andorran entity. Participations sales (ETVES's shareholders): They are also exempt the income received by the shareholders as long as they derive from exempt benefits.
OTHER exemptions	In general terms, please note that dividends received by Andorran entities are exempt as long as they have been already taxed by another tax similar to the Andorran Corporate Income Tax.

(*) ETVE: Entities holding foreign securities



AUSTRIA

Group taxation and international intercorporate stockholding

DESCRIPTION group taxation	In the Austrian tax law there is a special regime on holding companies called group taxation. By this special regime the group relief or loss as computed for the purposes of corporate taxation is attributed to the controlling company. For losses, the group relief operates across borders and is also applicable to non-resident-first-tire subsidiaries.
international intercorporate stockholding	There is another regime that provides substantial tax benefits concerning dividends and capital gains in case of sales regarding resident and non resident subsidiaries.
Requirements group taxation	a) a direct or indirect majority investment in a corporation b) the group must exist for at least three years. c) no economical or organizational integration nor a domination contract required
international intercorporate stockholding	a) an Austrian holding company b) a foreign subsidiary comparable to an Austrian corporation (GmbH or AG) c) share holding for at least months and d) at least 10 %
SHAREHOLDER's requirements	none
INVESTMENT's requirements international intercorporate stockholding	a) economic activity b) a tax regime that is compareable to an Austrian tax regime
Income group taxation	for the purpose of taxation all income is attributed to the controlling company. Loss of one company can be offset against profit of another company. Foreign losses have to be calculated by following the conditions of Austrian tax law.
international intercorporate stockholding (Tax exemption)	Dividends: An exemption over dividends derived from benefits from the activity of the company is applied. Sale of Participations: An exemption is also applied in case of selling the participation that the Austrian holding company holds of non resident companies.
shareholders incomes (Tax exemption)	Austrian resident shareholders' dividends: no taxation of dividends in relation to companies. 25 % tax for individuals Non resident shareholder's dividends: depending on the double tax treaty. There may be withholding tax Austrian resident shareholder's participation selling: 25 % tax for both companies and individuals Non resident shareholder's participation selling : individuals may be taxed if their share was at least 1 % within the last 5 years.



COLOMBIA

Business group

DESCRIPTION	In Colombia, the commercial code does not make a reference to Holding company because it is not contemplated in the commercial legislation, neither does the economic group, which makes impossible to create a Holding company. However, the Colombian legislation contemplates the concept of business group, making reference that besides the subordination relationship there is a control and direction unit.
Business group requirements	A business group will exist when besides the subordinate relationship between the companies, there is a unity on the purpose and direction. The requirements for a business group are: <ul style="list-style-type: none"> - Submit Special reports. - Registration before the chamber of commerce - Regular review of operations over the subsidiaries. - Not be able to have securities or shares in companies which directs - The dividends in shares or released installments from the society will only paid if the share holders accept it.
SHAREHOLDER's requirements	For business groups, the company who controls, or leads, has to have shares or can be one of the share holders
INVESTMENT's requirements	There are no restrictions or parameters that define the investments made by the business group
Business group incomes (Tax exemption)	Colombia has no exceptions
Business group shareholders incomes	Depending on the tributary deputation over the dividends, if the company pays the income taxes over the profits, the share holders will be exempt to pay taxes over those dividends





ECUADOR

ETVE'S regime (N/A)

DESCRIPTION	According the Companies Act, Holding Company is aimed at buying shares in other resident companies, with the purpose of linking and exercise control through share ownership ties, management, administration, credit liability or results and shaping and a business group. There is no any legal provision about administration shares of foreign companies.
Requirements	a) The Ecuadorian holding company must be dedicated to administrate the shares of resident companies. b) Shares must be nominative. c) Associated companies must develop and maintain separate financial statements for each company for control and distribution utilities workers and to pay the corresponding tax taxes. For any other purpose may maintain or consolidated financial statements avoiding results in any case, duplication of paperwork and administrative processes.
SHAREHOLDER'S requirements	a) Shareholders must be resident resident, individuals or companies, but b) The decision to join a Holding Company shall be adopted by the general meeting of each company
INVESTMENT'S requirements	N/A
ETVE's incomes (Tax exemption)	Exemption from payment of minimum income tax
ETVE's shareholders incomes (Tax exemption)	The shareholders pay tax on the capital gain on the sale of shares

(*) ETVE: Entities holding foreign securities N/A



GERMANY

ETVE'S regime (*)

DESCRIPTION	The business activity of holding companies is usually limited to holding shares of other resident or non resident companies. Since there is no special regulation for holding companies, the general rules have to be applied. That means that holding companies have the same tax benefits concerning dividends and capital gains in case of sales than other incorporated entities do. The explanations below are for holding companies being corporate entities.
ETVE's requirements	To be entitled to take the tax benefits the holding company needs to hold at least 10 % of the capital of the resident or non resident company from the beginning of the calendar year.
SHAREHOLDER'S requirements	Shareholders of the ETVE company could be resident or non resident, individuals or companies
ETVE's incomes (Tax exemption)	Dividends: dividends that a parent company/holding company situated in Germany receives from its subsidiary are tax exempted (according to national law or due to a double taxation agreement). 5 % of the dividend are treated as non-deductible expenses. Therefore the dividend is taxed with about 1.5 % in average. Expenses related to the dividend (e.g. financing costs) are 100 % tax deductible expenses. Capital gains from sales: capital gains that a holding company realized are also tax-exempted. 5 % of the capital gain are treated as non-deductible expenses. Therefore the capital gain is taxed with about 1.5 % in average. It is also possible to agree a profit & loss transfer agreement between the holding company and its subsidiary. This agreement has to be agreed for at least 5 years.

<p>ETVE's shareholders incomes (Tax exemption)</p>	<p>German resident shareholders' dividends: For individuals dividends from holding companies are usually taxed with 26.375 % (25 % flat rate tax + 5.5 % Solidarity surcharge on the flat rate tax). Dividend related expenses can not be deducted.</p> <p>If the individual holds at least 25 % of the capital of the holding company, the individual can file an application that only 60 % of the dividend are subject to tax with the individual's personal tax rate. In that case 60 % of the dividend related expenses can be deducted.</p> <p>If the shareholder is another incorporate entity, then the same rules are applicable than for holding companies (see above).</p> <p>Non resident shareholder's dividends: For non resident individuals dividends are subject to limited taxation. Withholding tax (26.375%) has to be deducted. According to most double taxation agreements the withholding tax can be reduced to 15 %.</p> <p>For corporations in the EU, holding 10 % or more of the shares of the holding company, dividends are subject to limited taxation but they are 100 % tax-exempted. If the company has a certificate of exemption withholding tax does not have to be deducted. Otherwise withholding tax of 26.375 % will be deducted but can be refunded by filing an application for refund.</p> <p>For corporations in the EU, holding less than 10 % of the shares of the holding company, dividends are subject to limited taxation. They are 100 % taxable. Withholding tax of 26.375 % has to be deducted. This deduction is usually the final tax. But if there is a double taxation agreement with lower tax rates the difference can be refunded by filing an application for refund. At least 2/5 of the withholding tax can be refunded so that 15 % final tax will remain</p> <p>For corporations in third party countries dividends are also subject to limited taxation. Withholding tax of 26.375 % has to be deducted. This deductions is usually the final tax. But if there is a double taxation agreement with lower tax rates the difference can be refunded. Otherwise 2/5 of the withholding tax can be refunded so that 15 % final tax will remain. To receive a refund an application for refund has to be filed.</p>
<p>OTHER exemptions</p>	<p>Tax exemption also applies in case of liquidation of the ETVE holding company.</p>

(*) ETVE: Entities holding foreign securities





ITALY

DESCRIPTION	In the Italian tax law (Art. 87 DPR 917/86) there are rules for the taxation of capital gains derived from the disposal of shares and other participations by Italian resident companies. The participation exemption rule provides that 95 percent of the capital gain is exempt from corporate income tax (IRES).
Requirements for participation exemption	The requirements for the participation exemption rule are the following: a) The participation has been held continuously from the first day of the 12th month prior to the disposal. b) The participation has been classified as a long-term investment in the first financial statement closed after the participation was acquired; c) The participated company is resident in a white list country at least since the first day of the third fiscal period prior to the disposal; d) The participated company has been carrying out a business activity at least since the first day of the third fiscal period prior to the disposal.
SHAREHOLDER's requirements	The holding company has to be resident in Italy and subject to the corporate income tax IRES, e.g. Limited liability company (SRL); stock corporation (SPA).
INVESTMENT's requirements	The holding company has to hold shares, participations or other financial instruments defined by Italian tax law.
Taxation of the holding company (Tax exemption)	Sale of Participations: The capital gain is 95% exempt from corporate income tax. Dividends: Basically, domestic and foreign-source dividends paid by the subsidiaries to the Italian company are 95% exempt from corporate income tax.





MEXICO

HOLDING COMPANIES

DESCRIPTION	In Mexico there is not any special tax benefits related with Holding Structures. In fact, since 2013 the Consolidated Tax Profit regime was repealed. However, an optional regime is in force since 2014 and Groups may net their income tax results to the extent of the participation of the Mexican holding entity (Joint Taxation). Some requirements must be met.
GENERAL TAX FRAME	Transfer of Shares may be subject to taxation either: 25% of gross proceeds or 30% net profit Withholding Tax on dividends paid to non-residents: 10% (profits generated since 2014) Tax Treaty 0% - 15% Corporate Tax Rate: 30%





THE NETHERLANDS

HOLDING

DESCRIPTION	<p>The main reason for using the Netherlands as the location for holding companies has been its favourable tax regime for holding activities and the excellent legal and financial infrastructure as a result of its participation exemption and extensive tax treaty network.</p> <p>On this basis of this regime dividends and capital gains on participations can be received tax free and in most cases be distributed to its shareholders without dividend withholding tax.</p>
Dutch holding's requirements	<p>In order to apply for the participation exemption, the Holding Company should own at least 5 % of the paid-up share capital of a subsidiary.</p> <p>Furthermore, the subsidiary may not be held as portfolio investment. In case of portfolio investments, the participation exemption can nevertheless apply if:</p> <p>a) the subsidiary is subject to an effective tax rate that is reasonable (based on Dutch standards), or</p> <p>b) less than 50 % of the assets of the subsidiary consist of passive assets. This test should be performed on the basis of the fair market value of the assets.</p>
SHAREHOLDER's requirements	<p>There are no specific shareholders' requirements. It should be taken into account that the shareholding in the subsidiary must be real and permanent.</p>
INVESTMENT's requirements	<p>There are no specific investment requirements.</p>
Dutch holding's income (Tax exemption)	<p>Dividends: Dividends are not taxable in the Holding Company, if the participation exemption applies. In other cases dividends are taxed at the normal corporate income tax rate of (maximum) 25%.</p> <p>Capital gains: Capital gains (realized and unrealized) are not taxable provided the participation exemption applies. If not, these are also subject to corporate income tax.</p>
Dutch holding's shareholders income	<p>Shareholders' dividends (corporate): Dividends are in principle subject to 15 % dividend withholding tax. Within EU and EEA situations, provided the shareholder owns 5% or more of the Holding Company, the dividend withholding tax is in principle 0%. In all other situations tax treaties may provide a mitigation of the dividend withholding tax of 15%.</p> <p>Shareholders' dividends (individuals): Dividends are in principle subject to 15 % dividend withholding tax.</p> <p>Capital gains (corporate): In specific circumstances, when no tax treaty applies, capital gains can be taxable in the Netherlands. Under the application of a tax treaty the right to tax capital gains is assigned to the country of residence of the shareholder.</p> <p>Capital gains (individuals): Capital gains realized by individuals upon the sale of the shares in the Holding Company are in principle taxed at a 25% rate. Under the application of a tax treaty the right to tax can be assigned the the country of residence of the shareholder.</p>
OTHER exemptions	<p>Expenses related to subsidiaries are in general tax deductible if the participation exemption applies. It is included in the interest expenses on funding loans and local running costs, but it should be taken into account that there are other provisions which may limit the tax deduction of interest expenses.</p>



PORTUGAL

participation exemption regime

DESCRIPTION	Portuguese tax law adopted in 2014 a new dividend tax regime and capital gains tax exempt.
requirements	<p>a) The taxpayer holds directly or directly and indirectly, a holding not less than 5 % of the share capital or voting rights of the entity that distributes the profits.</p> <p>b) The participation in the preceding paragraph has been held , uninterrupted, during the 24 months prior to distribution or, if held for less time , it is maintained for the time necessary to complete that period.”</p>
SHAREHOLDER's requirements	<p>a) The entity that distributes the profits must be subject to and not exempt from Income Corporate Tax , the tax referred to in Article 7 of a tax referred to in Article 2 of Directive No 2011 /96 / EU of the Council of 30 November , or of a nature of a tax identical or similar to Income Corporate Tax and the statutory rate applicable to the entity is not less than 60% of the Portuguese Corporate Tax rate (21% at present).</p> <p>b) The entity that distributes the profits has no residence or domicile in a country, territory or region subject to a tax regime more favourable (list approved by order of the Portuguese Government, off-shore entities).</p>





SINGAPORE

ETVE'S regime (*)

DESCRIPTION	In the Singapore Tax Law there is a special regime on the holding company (Resident) namely the Group relief (GR). The GR is a system which considers group companies as one single company. Under the GR system, the unutilised capital allowances/trade losses/donations of the current year of one company will be deducted from the assessable income of the other company of the same group. The company which transfers any of its loss items is called 'transferor'. The company which receives is called 'claimant'.
ETVE's requirements	The transferor and the claimant of the loss items have to: <ol style="list-style-type: none"> 1) Be Singapore incorporated companies 2) Belong to the same group of companies and maintain 75% shareholding threshold 3) Have the same accounting year end
SHAREHOLDER's requirements	Two Singapore-incorporated companies are members of the same group if: <p>at least 75% of the ordinary share capital in one company is beneficially held, directly or indirectly, by the other</p> <p>OR</p> <p>at least 75% of the ordinary share capital in each of the two companies is beneficially held, directly or indirectly, by a third Singapore incorporated company. The ordinary shareholding must be maintained at or above 75% during the continuous period that ends on the last day of the basis period.</p>
INVESTMENT's requirements	Investments should be made in other resident companies that develop economic activities for claiming the group relief.
ETVE's incomes (Tax exemption)	A Singapore tax resident company can enjoy tax exemption on its specified foreign income that is remitted into Singapore on or after 1st Jun 2003. <p>The three categories of specified foreign income are:</p> <ol style="list-style-type: none"> 1. Foreign-sourced dividend 2. Foreign branch profits 3. Foreign-sourced service income
ETVE's shareholders incomes (Tax exemption)	Dividends that are not taxable <p>Generally, the following dividends are not taxable:</p> <ol style="list-style-type: none"> 1) Dividends paid by a Singapore company to resident and non-resident individuals are not taxable in their hands. 2) Foreign dividends received in Singapore by resident individuals.

(*) ETVE: Entities holding investments in Local and Foreign subsidiaries



SPAIN

ETVE'S regime (*)

DESCRIPTION	In the Spanish tax law there is a special regime on holding company that holds shares from no resident companies with economic activity abroad. This special regime for the Spanish holding company establishes substantial tax benefits concerning dividends and capital gains in case of sales carried out by the holding company or the subsidiary companies.
ETVE's requirements	<p>a) The Spanish holding company must be dedicated to administrate the shares of the non resident companies.</p> <p>b) Shares must be nominative.</p> <p>c) The Spanish holding must have, during more than one year, at least, 5% capital of the non resident companies or an acquisition value > 6 million euros.</p> <p>d) They must have personal and material media to develop the activity of foreign shares management.</p>
SHAREHOLDER's requirements	<p>a) Shareholders of the ETVE company could be resident or non resident, individuals or companies, but they can not be resident in a tax haven.</p> <p>b) Their income should be taxed at a similar tax than in Spain (country with Doble Taxation Treaty)</p>
INVESTMENT's requirements	Investments should be made in other non resident companies that develop economic activities.
ETVE's incomes (Tax exemption)	<p>Dividends: An exemption over dividends derived from benefits from the activity of the non resident company is applied.</p> <p>Sale of Participations: An exemption is also applied in case of selling the participation that the Spanish holding company holds of non resident companies.</p>
ETVE's shareholders incomes (Tax exemption)	<p>Spanish resident shareholders' dividends: double internal or international deduction (100%) could be applied in relation to companies or individuals.</p> <p>Non resident shareholder's dividends: incomes recieved are not considered obtained in Spain, so they are not taxed in Spain.</p> <p>Spanish resident shareholder's participation selling: Double internal deduction (100%) could be applied to shareholders which are companies but it's normally taxated for individuals.</p> <p>Non resident shareholder's participation selling: incomes recieved are not considered as obtained in Spain, so they are not taxed in Spain.</p>
OTHER exemptions	Tax exemption also applies when a shareholder leaves voluntary the company or in case of liquidation of the ETVE holding company.

(*) ETVE: Entities holding foreign securities

**ARGENTINA:**

Buenos Aires edelatorre@bue.auren.com - Fax +54 011 51992500/5
Córdoba pcenteno@cor.auren.com - Fax +54 0351 4216835
Mendoza jgonzalez@mdz.auren.com - Fax +54 0261 4205238
Rosario recepcion@ros.auren.com - Fax + 54 3415299900
Salta info@sal.auren.com - Fax: +54 387 421 1267
Tucumán tucumanauren@tuc.auren.com - Fax +54 0381 4303939

CHILE:

Santiago de Chile info@slc.auren.com - Fax +562 2462179
Punta Arenas info@slc.auren.com - Fax +562 2462179
Talca info@slc.auren.com - Fax +56 71510976.

COLOMBIA:

Barranquilla baq@baq.auren.com - Fax +6222206
Bogotá bog@bog.auren.com - Fax +5713451866

GERMANY:

Frankfurt info@fra-auren.de - Fax +49 69 905096-22
Garmisch-Partenkirchen info@gap-auren.de - Fax +49 08821 74634
Gerlingen info@ger-auren.de - Fax +49 7156 2004-88
Leipzig info@lpz-auren.de - Fax +49 341 14934-50
Leonberg info@leo-auren.de - Fax +49 7152 9214-10
Munich info@muc-auren.de - Fax +49 89 829902-99
Rottenburg info@rtg-auren.de - Fax +49 7472 9845-99
Stuttgart info@str-auren.de - Fax +49 711 997868-29
Tübingen info@tue-auren.de - Fax +49 7071 5699-69
Waldshut-Tiengen info@wt-auren.de - Fax +49 7751 8740-20

MÉXICO:

Aguascalientes malfredo.gomez@agu.auren.com
Cancun miguel.rodriguez@cun.auren.com - Fax +52 9988922281
Chihuahua rogelio.rivas@aurenychihuahua.com - Fax: (52) (55) 52 81 64 78
Estado de México contacto@mex.auren.com - Fax: (52) (55) 53 74 42 76

Guadalajara info@mex.auren.com - Fax: (52) (55) 52 81 64 78

Juárez info@mex.auren.com - Fax: (52) (55) 52 81 64 78

León juan.guzman@bjx.auren.com

México D.F. jpablo.diaz@mex.auren.com - Fax: (52) (55) 52 81 64 78

Monterrey ctrevino.elizondo@mty.auren.com - Fax +52 8183439200

Querétaro info@mex.auren.com - Fax: (52) (55) 52 81 64 78

PORTUGAL:

Lisbon victor.ladeiro@auren.pt - Fax: +351 213 602 501

Porto regina.sa@auren.pt - Fax: +351 226 060 878

SPAIN:

A Coruña lcg@lcg.auren.es - Fax +34 98 1908227

Alicante alc@alc.auren.es - Fax +34 96 5145504

Barcelona bcn@bcn.auren.es - Fax +34 93 4872876

Bilbao bio@bio.auren.es - Fax +34 94 4168872

Cartagena sjv@sjv.auren.es - Fax +34 96 8500303

Las Palmas de Gran Canarias lpa@lpa.auren.es - Fax +34 92 8228221

Madrid mad@mad.auren.es - Fax +34 91 2037470

Málaga informacion@agp.auren.es - Fax +34 95 2127010

Murcia sjv@sjv.auren.es - Fax +34 96 8272437

Palma de Mallorca pmi@pmi.auren.es - Fax +34 971 720 784

Seville angel@svq.auren.es - Fax +34 95 4286097

Valencia vlc@vlc.auren.es - Fax +34 96 3653131

Valladolid mad@mad.auren.es - Fax +34 91 2037470

Vigo vgo@vgo.auren.es - Fax +34 98 6214350

Zaragoza zaz@zaz.auren.es - Fax +34 97 6468013

THE NETHERLANDS:

Amersfoort/Amsterdam connyschuilenburg@auren.nl - Fax +(593-2) 226

URUGUAY:

Montevideo silvana.carrica@mvd.auren.com - Fax +598 902 00 00

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