



Blue Clue Tax Solutions

For international clients and NGO's

The Netherlands Gateway to Europe



Ton Krol tax advisor for international clients

- Fiscal economics, Erasmus University Rotterdam
- Berk, PwC, Horlings, since 2011: Blue Clue
- Founder of Blue Clue
- Past at Horlings:
 - International tax partner (99 – 10)
 - Board member of Horlings (06 - 09)
 - Nexia International
 - Member tax committee (00 – 10)
 - Chief editor Tax Link (08 – 10)
 - Nexia Nederland
 - Member international tax committee (08 – 10)
- Contact details: tkrol@blueclue.nl



The Netherlands: Gateway to Europe

- Corporate issues
 - Gateway to Europe?
 - Tax: key basics
 - How to structure?
 - How to finance?
 - Some structures

The Netherlands: Gateway to Europe

"INTERNATIONAL BIG BUSINESS PREFER INVESTING IN THE NETHERLANDS, COMPARED WITH OTHER EUROPEAN COUNTRIES"

because of:

- pro-business and pro-commerce attitude
- well educated workforce
- effective tax rates
- economical and political stability
- quality of life

The Netherlands: Gateway to Europe

- 170 mln people live within 300 miles
- Accessibility
- Advanced infrastructure
- Multilingual population
- Moderate cost of living
- Neutral position
- First rate service suppliers
- Low effective tax rates
- Skilled labour force

The Netherlands: Gateway to Europe

NATURAL HUP TO EUROPE

- 50% of Fortune 500 companies have their EDC in NL
- > 5,000 companies use NL as hub into Europe, middle and far east, Africa
- Schiphol airport:
 - no. 4 air cargo hub
 - > 40 million people
- Rotterdam and Amsterdam ports
- Dutch pro-business customs and tax environment
- 26 % of cross border traffic in EU

The Netherlands: Gateway to Europe

VALUED ADDED LOGISTICS

Integration EDC and pre- and after sales activities to customize products to individual markets:

- assembly
- testing
- labelling
- repacking
- after-sales support
- service



The Netherlands: Gateway to Europe

“DISTRIBUTION AND THE ART OF TRADE IS AS SACRED TO A DUTCHMAN AS THE HAUTE CUISINE TO A FRENCHMAN”



Tax: key basics

- Corporate tax rate
 - First € 200,000: 20%
 - Above: 25%
 - Self developed royalties: 5%*
- No interest / royalty withholding tax
- Dividend withholding tax: 15% or 5%*
- VAT: 19%, 0%, reversed or exempt
 - The King of Taxes
 - Consumer tax: B2B no cost
 - Based on EU legislation
 - Art. 23 license: defer import VAT to tax return

* If conditions are met.

Tax: key basics

- Corporate income tax
 - Participation exemption*
 - Fiscal unity*
 - Interest deduction: thin-cap, tainted transactions*
 - Carry back/forward of losses*
- Advance rulings
 - Pre-filing meetings

* If conditions are met.

How to structure?

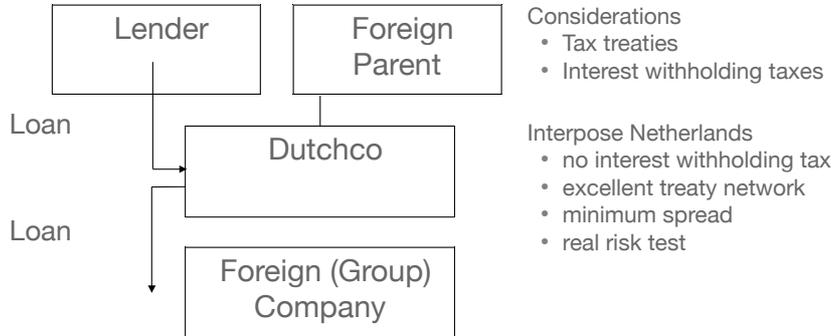
- What are you going to do?
- Rep. office: not subject to corporate income tax
- Permanent establishment: no dividend withholding tax
- Entity
 - BV (Ltd): dividend withholding tax
 - NV (Corp.): dividend withholding tax
 - Cooperation: no dividend withholding tax
 - Foundation: charities, not for profit
 - Two-tier board

How to finance?

- Equity
- Loan
- Hybrids
 - Loans
 - Entities
 - Dutch CV
 - LLC

Some structures: finance structure

INTERPOSE THE NETHERLANDS (i)

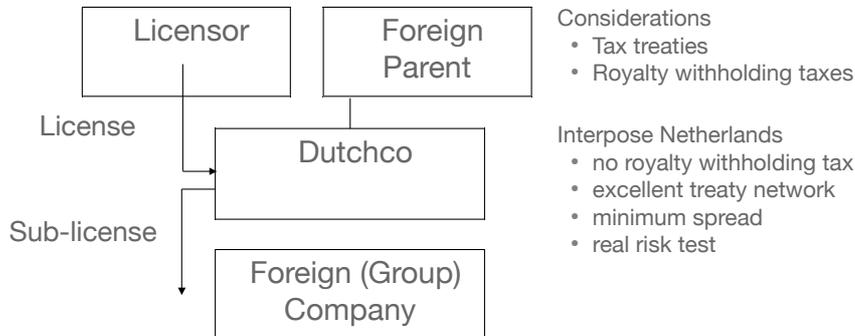


- Considerations
- Tax treaties
 - Interest withholding taxes

- Interpose Netherlands
- no interest withholding tax
 - excellent treaty network
 - minimum spread
 - real risk test

Some structures: royalty structure

INTERPOSE THE NETHERLANDS (ii)

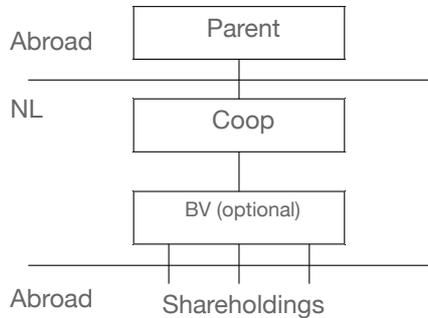


- Considerations
- Tax treaties
 - Royalty withholding taxes

- Interpose Netherlands
- no royalty withholding tax
 - excellent treaty network
 - minimum spread
 - real risk test

Some structures: holding structure

INTERPOSE THE NETHERLANDS (iii)



Considerations

- Coop subject to tax
- treaty protection
- no dividend withholding tax
- advance tax ruling (ATR): members of Coop not subject to Dutch corporate tax for Dutch source income
- participation exemption
- fiscal unity between Coop and BV

Blue Clue Tax Solutions

- Blue Clue B.V.
 - Schiphol Boulevard 127 A3
 - NL-1118BG Schiphol Airport
 - the Netherlands
- T: +31 20 8932285
- W: www.blueclue.nl
- Ton Krol, international tax advisor
 - M: +31 6 51 86 86 28
 - E: tkrol@blueclue.nl
 - Skype: tonkrol

