WHY INVEST IN HOLLAND?

Tax Treaties and Withholding Taxes

Holland.

Introduction

Netherlands Foreign Investment Agency (NFIA)

The NFIA (Netherlands Foreign Investment Agency) is an operational unit of the Dutch Ministry of Economic Affairs. The NFIA helps and advises foreign companies on the establishment, rolling out and/or expansion of their international activities in the Netherlands. The NFIA was established more than 35 years ago, and has since then supported thousands of companies from all over the world in the establishment or expansion of their international activities in the Netherlands. Besides its headquarters in The Hague, the NFIA has its own offices in the United Kingdom, Turkey, North America, Asia, the Middle East and Brazil. Additionally, the NFIA works together with Dutch embassies, consulates-general, and other organizations representing the Dutch government abroad, as well as with a broad network of domestic partners.

Please be sure to stay in touch with your NFIA representative in order to keep up to date with any changes in the information which may occur over time and to visit your regional NFIA website for the latest news on business and investment opportunities in the Netherlands (all NFIA website addresses can be found on www.nfia.nl).

WHY INVEST IN HOLLAND?

Table of contents

Double Taxation and Tax Treaties

The Netherlands has a superior treaty network for the avoidance of double taxation created as part of an overall policy of removing obstacles to international flows of goods and capital as far as possible. It is believed that withholding taxes on dividends, interest, and royalties need to be as low as possible, preferably zero. In line with this policy, there are no withholding taxes on ordinary interest and royalties. Furthermore, most tax treaties lower the withholding tax on outgoing dividends. The Netherlands has signed treaties for the avoidance of double taxation on income and capital with more than 90 countries. In addition, dividends received by resident corporations that qualify for the participation exemption or affiliation privileges are exempt from corporate income tax. This exemption is one of the most important provisions of Dutch tax legislation.

Avoidance of Double Taxation

Double taxation can be avoided in three ways:

1. Tax exemptions
2. Tax credits
3. Deduction of taxation

Tax exemptions

In 2012, an object exemption has been introduced in Dutch corporate income tax law. As such, the profits attributable to a foreign permanent establishment are exempt from the Dutch taxable base and therefore, it is not necessary anymore to calculate the tax exemption. However, the tax exemption is still relevant for certain types of income derived by individuals. In short, the following is noted. In principle a Dutch individual is taxable on its worldwide income. However, it effectively does not pay tax on certain types of foreign-source income. Relief for double taxation on foreign income may be provided by either a double tax agreement or by the unilateral measures as set out in the Unilateral Decree for the Avoidance of Double Taxation. An overview of double tax agreement concluded by the Netherlands, including applicable withholding tax rates is provided in the section on tax treaties. In order to check whether a tax exemption applies, the double tax agreement of the relevant countries should be assessed. In case there is no tax treaty, the unilateral measure should be assessed. Unilateral measures for residents to avoid double taxation applies only to those elements of income specifically defined in the Decree for the Avoidance of Double Taxation, provided they are subject to a tax on income levied by another country. In principle, it is sufficient that the foreign-source income is subject to such a tax; it is not necessary for the tax to have been actually levied or paid. For instance, it may be that the income is so low, that it is below the relevant tax exemption limit. (The "subject to tax" test does not have to be met where a double taxation agreement is applicable).

The tax exemption applies for instance to:

- Income derived by an individual from a foreign business.
- Income from employment exercised within the other state.
- Income from entitlement to periodic payments by a foreign authority.

Technically, the exemption for foreign-source income is a deduction from the tax that would otherwise be payable. The amount of this deduction is computed by multiplying the tax by a fraction, the numerator of which is the company's foreign-source income and the denominator, its worldwide income reduced by certain losses carried over.

Relief is granted through a proportional reduction in Dutch taxation according to the following formula:

$$\frac{\text{Foreign Source income}}{\text{Worldwide Income}} \times \text{Total Dutch tax on Worldwide taxable income}$$

Tax Credits

Foreign tax credits are available under tax treaties or under the Decree for the Avoidance of Double Taxation. Under tax treaties and the Decree, the amount of foreign withholding taxes levied on interest, dividends and royalties that may be credited against Dutch tax is limited to the lower of the following:

- The amount of the foreign withholding tax paid (this amount may be increased by any withholding tax paid in previous years that has not been used as a credit) and
- The Dutch tax levied on the income.

The Decree applies only to situations not covered by a tax treaty. Under the Decree, one of the requirements for granting a tax credit is that the interest, dividend or royalty payment must have been made from a qualifying developing country. Where dividends, interest and royalties from residents of such countries have been subject to a local income tax, either by way of assessment or as a withholding tax, such tax may be credited directly against the Dutch tax payable on such income. The relief granted is the lower of the foreign taxes paid or the Dutch income tax on the related income less costs. If the effective rate of Dutch income tax is lower than the foreign taxes paid, the difference may be carried forward indefinitely and offset against Dutch tax that will become due on account of similar income out of the same state. However, the credit against Dutch tax in these years cannot be higher than the relevant Dutch tax on the foreign-source income in those same years.

Deduction of Foreign Taxes

Any foreign taxes due that are not eligible for relief under either unilateral provisions or the terms of a double taxation agreement may under certain conditions be deducted from Dutch taxable income and treated as expenses.

The Use of Dutch Intermediate Companies for Holding, Financing and Licensing Activities

The Netherlands is frequently used as a location for intermediate holding companies, principally because of the participation exemption, but also because it can be advantageous to route finance activities through a Dutch company. These activities can also be combined in one company.

The Netherlands has a more extensive tax treaty network than most other EU countries. A regional headquarters can benefit from these treaties in collecting dividends, interest and royalties from subsidiaries. The treaties provide for an exemption from or a reduction of foreign withholding taxes on dividend, interest and royalties. Moreover, the Netherlands does not levy a withholding tax on outgoing interest and royalties. The favorable tax treatment of these activities is described below.

Holding of shares in subsidiaries

Holding companies do not have a separate tax status under Dutch law. Tax benefits that are available can be enjoyed by any type of company, which holds shares in foreign subsidiaries. Dividends received by a Dutch company from both resident and non-resident subsidiaries are fully exempt from Dutch income tax under the participation exemption. The exemption also includes capital gains made upon disposal of the subsidiaries' shares. Capital losses, on the other hand, are not tax deductible (except for capital losses sustained upon dissolution and subsequent liquidation of the foreign subsidiary).

Until 1 January 2004, the expenses incurred by a Dutch holding company in relation to its foreign subsidiaries were non-deductible. Due to EU case law, the Bosal-case, this limitation has been abolished with retroactive effect for EU subsidiaries. The Dutch corporate income tax laws have been adjusted accordingly as from the tax year 2004, allowing the tax deduction of expenses in all situations, so also for the expenses in relation to non EU subsidiaries. Expenses incurred however with the purchase or sale of a subsidiary are no longer deductible.

As of 1 January 2013 a new rule is applicable, which aims to deny (part) of the interest expenses and other financing expenses for holding companies for tax purposes. The rule also limits third party debt financing (such as bank debt). It is important to assess whether the holding company may be affected by these new rules, or other rules which limits the deductibility of interest expenses.

Group Financing

The Netherlands is particularly attractive for group financing activities because its tax treaty network typically reduces or even eliminates the foreign withholding tax on interest paid to a Dutch company. Moreover, the Netherlands does not impose any withholding tax at source on interest paid to non-Dutch creditors, or any duty on the issuance of bonds.

Interest deduction denial rules for excessive participation financing

According to the new legislation, excessive participation financing expenses are not tax deductible if and to the extent the annual amount of these expenses exceeds EUR 750,000. Participation financing expenses of EUR 750,000 or lower fall outside the scope of the new legislation; the amount of EUR 750,000 can be considered as a safe-harbour rule.

In case the annual amount of participation financing expenses exceeds € 750,000; it should be assessed how to calculate the amount of non-deductible participation financing expenses. For this purposes, a mathematical approach applies. In order to determine the excessive amount of participation financing expenses, the average amount of the accumulated fiscal acquisition price of the subsidiaries must be compared with the average amount of fiscal equity. The historical or factual relationship between subsidiaries and loans is in essence not relevant (albeit the exception for loans linked to investments which can qualify as a true expansion of the group).

In case the average amount of the accumulated acquisition price of the participations exceeds the average amount of equity of the taxpayer, the excess amount is qualified as "excessive participation debt". The amount non-deductible participation financing expenses is then to be calculated as the pro-rata share (excessive participation debt / total debt year-average) of the accumulated participation financing expenses.

Exceptions
The law offers various exceptions which allow a reduction of the "excessive participation debt" and which will thus provide for a lower amount of non-deductible participation financing expenses. The most important exception relates to loans which can be linked to a "true expansion of the group". The expansion must relate to "operational"

activities and should occur within a certain time frame preceding or after the date of investment.

It is noted that this exception does not apply if the funding of the Dutch holding company is structured in such a way that the expense is also deductible elsewhere within the group (intentionally or not, which can be qualified as a double dip scenario) or if the structuring of the funding predominantly tax driven.

Other interest deduction denial rules
In case the interest expenses on debts are already non-deductible based on other interest deduction denial rules, these debts are not considered as debts for purposes of the participation financing expenses.

Exclusion active finance activities
In the legislation a special provision is included for active finance activities within the group. As such, qualifying active finance activities will not affect the limitation of the deduction of participation financing expenses.

Transitional provisions for existing holding companies
The law does provide for transitional arrangements for existing holding companies. For the calculation the excessive participation financing expenses, 90% of the fiscal acquisition price of subsidiaries which were already acquired, extended or equity was contributed, at the beginning of the fiscal book year starting on or before 1 January 2006 may be deducted from the total acquisition price of the subsidiaries.

Other remarks
Special rules are outlined for reorganizations and fiscal unity.

Final remarks
An agreement may be reached with the tax authorities on a favourable tax treatment of central invoicing, leasing and foreign exchange clearing within the group.

Licensing activities

The Netherlands is particularly attractive for royalty and IP (intellectual property) activities because its tax treaty network typically reduces or even eliminates the foreign withholding tax on royalties paid to a Dutch company. Moreover, the Netherlands does not impose any withholding tax at source on royalties paid to non-Dutch recipients. In order to benefit from the tax treaty network, the IP company must comply to certain specific substance requirements (both from an operational and economic perspective) in order to avoid the automatic exchange of information with other states. This new legislation aims to avoid the improper use of Dutch Licensing Companies (and Financing Companies) for treaty shopping by offering the involved Treaty Partners/EU Partners full transparency about Dutch Group Financing and/or Licensing Companies which have no or only little substance in the Netherlands.

In addition, income derived from activities qualifying for the Innovation Box regime may benefit from a beneficial treatment resulting in an effective tax rate of 5%.

As of 1 January 2013, new rules are introduced which are more beneficial for small and middle-sized companies to apply for the innovation box regime. The new rules imply that a (flat-rate) regime is introduced, which tries to simplify the procedure for the application of the innovation box. In short, the (flat-rate) regime implies that a taxpayer can apply for a flat-rate regime of which 25% of the profits are qualified as benefits from intangible assets and as such taxed in the innovation box. As such, no threshold should have to be taken into account. However, the amount which can be included in the innovation box is maximized on EUR 25,000. The company may on an annual basis need to decide whether or not it will apply the (flat-rate) regime, but this decision right is not unlimited.

Interest and Royalty Directive

The Interest and Royalty Directive, of which the text has been adopted by the European Council on March 3, 2003, has been implemented in Dutch tax law per 1 January 2004. The Directive provides for a common system of taxation for interest and royalty payments between qualifying associated companies of different EU Member States. In essence, interest and royalty payments are exempt from any taxes imposed in the Member State in which they arise, provided that the beneficial owner of the interest and royalties is a qualifying company of another EU Member State or is an EU permanent establishment of such a company.

Under the Directive, a qualifying company means a company as listed in the Annex to the Directive and which is, in accordance with the tax law of a Member State considered to be a resident in that Member State (and not outside the EU) and which, without exemptions, is subject to tax in that Member State country. A company is an associated company if it has cross holdings of at least 25% or a third company has a direct minimum holding of 25% both in the capital of two other EU companies.

Tax Treaties

Double taxation agreements concluded by the Netherlands generally provide for the avoidance of double taxation in a manner comparable to the unilateral measures. Almost all agreements provide for reduced rates of foreign and Dutch withholding taxes. In addition, some treaties provide that foreign withholding taxes on dividends, interest and royalties are to be allowed as credits against the Dutch tax arising on such income. This is accomplished in basically the same way as unilateral relief for interest and royalties received from developing countries. Most double taxation agreements negotiated by the Netherlands relating to income and capital gains have followed the draft models published by the Organization for Economic Cooperation and Development (OECD) in 1963, 1977,1992-2010.

General agreements currently in force between the Netherlands and other countries have been listed below in a diagram, indicating the applicable withholding tax percentages for dividend, interest and royalty payments.

No withholding tax is charged in the Netherlands on interest or royalties, except for the interest on certain categories of profit sharing loans, which is subject to dividend withholding tax.

With respect to the table below, it is noted that certain conditions may be applicable for dividends, interest and/or royalties. These conditions are not stated in the table below. Therefore, it is necessary to check with local tax counsel/advisors whether certain conditions should be met in order to apply the rate mentioned below.

Applicable treaty withholding tax rates 2015

Country	Dividends in % (companies, individuals) (b)	Dividends in % (qualifying companies) (b,c)	Interest in % (a,d)	Royalties in % (d)
Albania	15	0/5	0/5/10	10
Argentina	15	10	12	3/5/10/15
Armenia	15	0/5	0/5	5
Aruba	15	5/7.5	0	0
Australia	15	15	10	10
Austria	15	5	0	0/10
Azerbaijan	10	5	0/10	5/10
Bahrain	10	0	0	0
Bangladesh	15	10	7.5/10	10
Barbados	15	0	5	0/5
Belarus	15	0/5	5	3/5/10
Belgium	15	0/5	0/10	0
Bosnia and Herzegovina (e)	15	5	0	10
Brazil	15	15	10/15	15/25
Bulgaria	15	5	0	0
Canada	15	5	0/10	0/10
China PR	10	10	10	10
Croatia	15	0	0	0
Czech Republic	10	0	0	5
Denmark	15	0	0	0
Egypt	15	0	12	12
Estonia	15	5	0/10	5/10
Ethiopia	15	5/10	5	5/10
Finland	15	0	0	0
France	15	5	0/10	0
Georgia	15	0/5	0	0

Germany	15	5/10	0	0
Ghana	10	5	0/8	8
Greece	15	5	8/10	5/7
Hong Kong	10	0	0	3
Hungary	15	5	0	0
Iceland	15	0	0	0
India	10/15	5	10/15	10/20
Indonesia	10	10	10	10
Ireland	15	0	0	0
Israel	15	5	10/15	5/10
Italy	15	5/10	10	5
Japan	10	0/5	0/10	0
Jordan	15	0/5	5	10
Kazakhstan	15	0/5	0/10	10
Korea (Rep.)	15	10	10/15	10/15
Kosovo	15	5	0	10
Kuwait	10	0	0	5
Kyrgyzstan (f)	15	15	0	0
Latvia	15	5	10	5/10
Lithuania	15	5	10	5/10
Luxembourg	15	2.5	0/2.5/15	0
Macedonia	15	0	0	0
Malawi	-	-	0	0
Malaysia	15	0	10	8
Malta	15	5	10	0/10
Mexico	15	0/5	0/5/10/15	10
Moldova	15	0/5	0/5	2
Mongolia	15	0	0/10	0/5
Montenegro	15	5	0	10
Morocco	25	10	10/25	10
Netherlands Antilles(g)	15	0/5	0	0
New Zealand	15	15	10	10
Nigeria	15	12.5	12.5	12.5
Oman	10	0	0	8
Norway	15	0	0	0
Pakistan	20	10	10/15/20	5/15
Panama	15	0	0/5	5
Philippines	15	10	0/10/15	15
Poland	15	5	0/5	5
Portugal	10	0	10	10
Qatar	10	0	0	5
Romania	15	0/5	0	0
Russia	15	5	0	0
Saudi Arabia	10	5	5	7
Serbia	15	5	0	10

Singapore	15	0	10	0
Slovak Republic	10	0	0	5
Slovenia	15	5	0/5	5
South Africa	10	5	0	0
Spain	15	5	10	6
Sri Lanka	15	10	5/10	10
Suriname	20	7.5/15	5/10	5/10
Sweden	15	0	0	0
Switzerland	15	0	0	0
Taiwan	10	10	0/10	10
Tajikistan	15	15	0	0
Thailand	25	5	10/25	5/15
Tunisia	20	0	7.5	7.5
Turkey	20	5	10/15	10
Uganda	5/15	0	0/10	10
Ukraine	15	0/5	0/2/10	0/10
United Arab Emirates	10	0/5	0	0
United Kingdom	10/15	0	0	0
United States	15	0/5	0	0
Uzbekistan	15	0/5	0/10	0/10
Venezuela	10	0	5	5/7/10
Vietnam	15	5/7	7	5/10/15
Zambia	15	5	10	10
Zimbabwe	20	10	10	10

Source: IBFD

a. Many treaties provide for an exemption for certain types of interest, e.g. interest paid to the state, local authorities, the central bank, etc. Such exemptions are not taken into account in this column.
b. No withholding tax is levied on dividends distributed by a Dutch subsidiary to its parent company in another EU State if certain conditions are satisfied.
c. c. This is the rate of qualifying corporate participations. The lower rate in this column may be applicable if certain conditions (i.e. the recipient is a company that owns at least – depending on the specific tax treaty) 5%, 10% or 25% of the capital or the voting power in the company) are met. This should be assessed on a case-by-case basis.
d. No withholding tax is levied on interest and royalty payments by a Dutch subsidiary to its parent company in another EU State if certain conditions are satisfied (Interest and Royalty Directive).
e. The treaty concluded between the Netherlands and former Yugoslavia is applicable
f. The treaty concluded between the Netherlands and the former USSR.
g. Following a constitutional reform, the Netherlands Antilles ceased to exist with effect from 10 October 2010. From that date, a tax treaty with the Netherlands Antilles continues to apply to Bonaire, St Eustatius and Saba (BES Islands), Curacao and St. Maarten.

Interest and Royalty Directive

In addition to the above, the following is noted with respect to Portugal. As described above, there is an Interest and Royalty Directive for companies in EU Member States. This Directive provides for a common system of taxation for interest and royalty payments between qualifying associated companies of different EU Member States. In essence, interest and royalty payments are exempt from any taxes imposed in the Member State in which they arise, provided that the beneficial owner of the interest and royalties is a qualifying company of another EU Member State or is a EU permanent establishment of such a company. Under the Directive, qualifying company means a company as listed in the Annex to the Directive and which is, in accordance with the tax law of a Member State considered to be a resident in that Member State (and not outside the EU) and which, without exemptions, is subject to tax in that Member State country. Portugal may apply a 5% WHT until 30 June 2013. After 30 June 2013, the payments to qualifying recipients are exempt.

Treaty negotiations

The Dutch Government announced in2013 that it offered 23 so called developing countries with which it has concluded tax treaties or with which it is negotiating tax treaties to include anti-avoidance measures in the tax treaties. It concerns the following countries: Bangladesh, Egypt, Ethiopia, , Georgia, Ghana, India, Indonesia, Kenia, Kirgizia, Malawi, Morocco, Moldavia, Mongolia, Nigeria, Pakistan, Philippines Sri Lanka, Uganda, Ukraine, Uzbekistan, Vietnam, Zambia and Zimbabwe. N.b. Per 1 January 2014 the tax treaty concluded with Malawi is no longer in force.

New tax treaties have been signed between the Netherlands and the following countries: Netherlands Antilles: Aruba, Curacao and Sint Maarten (signed December 2013; effective as of 2015)

Dividend Withholding Tax

Companies resident in the Netherlands must withhold tax (in Dutch: "Dividendbelasting") on payment of dividends and other distributions of profit at the statutory rate of 15%. The tax is due on the dividend payment date and must be remitted to the tax collector within one month. A lower rate may be provided for in an applicable double taxation agreement, while exemptions are also available. It is noted that a refund, reduction or exemption of Dutch dividend withholding tax will be granted only if the dividends are paid to the beneficial owner of the dividends.

No tax is withheld on dividends paid to resident companies for which the shareholding falls under the participation exemption. An 100%-exemption of dividend withholding tax is also applicable on dividend payments to qualifying parent companies within the EU, provided that the parent company holds at least 5% of the issued shares or voting power in the Dutch company. Based upon EU regulations (Parent-Subsidiary Directive), the dividends are exempt if the parent company is a corporate body that is - without exception - considered a resident of the other EU member state or an EEA Country (Norway, Iceland and Liechtenstein). Condition to apply the exemption is furthermore that the recipient of the dividends is the beneficial owner to the dividends.

The term "beneficial owner" has not been defined in Dutch tax law. However, the Netherlands introduced anti-dividend stripping rules. In short, under the anti-dividend stripping rules, no reduction of Dutch dividend withholding tax is provided in case the shares in a Dutch company are transferred to an entity that is entitled to a reduction of Dutch dividend withholding tax, whilst i) the initial shareholder was not entitled to such reduction and ii) the initial shareholder remains the ultimate beneficial owner of the dividends. The Dutch anti-dividend stripping rules thus apply in situation where the "legal recipient" of the dividend is entitled to a more beneficial entitlement than the person considered being the ultimate beneficial owner

The rate for inter-company dividends might furthermore be reduced by virtue of the application of tax treaties. Under certain conditions it is possible to buy back a limited number of shares in a respective tax year without the levy of dividend withholding tax. As Dutch listed companies are concerned, the condition that the company may not have increased its share capital in the four years preceding the repurchase will not apply where the increase took place for bona fide business reasons.

Resident companies and individuals can treat the tax withheld on dividends received as a prepayment of income taxes, and may apply for a refund if no income tax is payable unless the refundable amount is negligible. For non-residents, the tax withheld generally constitutes the tax finally due. If the non-resident recipient is the holder of a substantial interest (not as a business asset) in the company paying the dividend, personal income tax or corporate income tax may (dependent on a possible applicable double taxation agreement) be payable and the dividend tax withheld is treated merely as a prepayment, which may be eligible for a refund.

Partial credit for foreign dividend withholding taxes against Dutch withholding tax

If the participation exemption applies, no Dutch corporate income tax will be due on dividends received from qualifying subsidiaries and hence no credit for withholding taxes would be available under the above-described rules. However, a Dutch intermediate company may credit a portion of the foreign dividend withholding tax imposed on dividends received against the Dutch withholding tax due on its dividend distributions if certain conditions are satisfied.

In short, if dividends are paid out by (a) foreign participation(s) to the Dutch resident company and on these dividends, taxes are levied/withheld, it is possible to obtain a special tax relief if the Dutch company decides to pay out dividends as well (e.g. there is a so-called flow through obligation). The tax relief means that the company has to withhold the normal dividend withholding tax (i.e. 15%, or lower if the tax treaty provides for a lower rate) due, however, under certain conditions, it is possible that a part of the dividend withholding tax due should not have to be (fully) paid to the tax authorities. This tax relief is the lowest of:

- 3% of the gross foreign dividends;
- 3% of the undistributed dividends.

To claim the credit, the Dutch intermediate company withholds the Dutch withholding tax at the appropriate rate, but remits only a portion of the tax to the Dutch tax authorities. For example, if the applicable withholding tax rate on dividends distributed by a Dutch intermediate company is 15%, only 12% (15% minus 3%) of the distribution must be paid to the Dutch tax authorities. As a result of this procedure, the Dutch intermediate company receives the benefit of the credit rather than its shareholders. The Dutch intermediate company is not subject to Dutch corporate income tax on this benefit.

If the shareholders of an intermediate company are in a position to credit or otherwise set off the Dutch dividend withholding tax imposed on the dividends received by them, the amount or rate to be used for this purpose is the amount withheld or the withholding rate applied by the Dutch intermediate company. This would be in lieu of the

lower amount withheld from or withholding rate applied to the payment by the Dutch intermediate company to the Dutch tax authorities.

Dividend withholding tax will be levied on distributions by co-ops in certain abusive situations:

Dividend withholding tax generally does not apply to a cooperative unless one of its main objectives is to avoid Dutch dividend withholding tax or foreign tax. As of 1 January 2012 the Dutch cooperative becomes subject to a 15% dividend withholding tax to the extent that (i) there is an "abuse structure" and (ii) the interest cannot be allocated to an active business of the member ("active enterprise test"). The Dutch Government qualifies a structure as an "abuse structure", if a Dutch co-op directly or indirectly holds shares in a company with the main purposes to avoid Dutch dividend withholding tax or foreign tax.

It should be determined whether the cooperative has real significance and what its motives are for using a cooperative an intermediate holding company. The State Secretary indicated that there is no "abusive structure" if there would not be a higher Dutch dividend withholding tax or foreign tax claim without a cooperative as an intermediate holding company.

In case of an "abuse structure", members in a Dutch cooperative whose interest cannot be allocated to an active enterprise are subject to dividend withholding tax. For members in the Dutch cooperative whose interest can be allocated to an enterprise, the Dutch cooperative will only be subject to dividend withholding tax to the extent necessary to preserve the Dutch dividend withholding tax claim on the profits of a Dutch company held by the cooperative. This would typically be the case if the cooperative acquired a Dutch company with existing retained earnings.

In addition, the State Secretary of Finance confirmed that this rule is not applicable if the existing Dutch dividend withholding tax claim has been collected under the Dutch anti-dividend stripping rules.

NFIA worldwide

NFIA Europe
The Hague | London

NFIA North America
Washington DC | New York | Boston | Chicago | Atlanta | San Francisco

NFIA China
Shanghai | Beijing | Guangzhou | Chongqing

NFIA Taiwan

NFIA Korea

NFIA India
New Delhi | Mumbai

NFIA Singapore

NFIA Malaysia

NFIA Middle East & Turkey
Dubai | Tel Aviv | Istanbul

NFIA Brazil

Holland.