

# Tax Ruling Practice & Tax Planning by Enterprises

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## – Tax Ruling Practice

- Binding resolutions to tax queries
- Advance Pricing Agreements

## – Tax Planning Opportunities

- The new treaty Belgium-Spain
- ETVE: the Spanish holding

# TAX RULING PRACTICE

## – Binding Resolutions to Tax Queries

- Scope and Sections to Address

- Procedure

- Effects

# TAX RULING PRACTICE

## – Advance Pricing Agreements

- Pros and Cons vs. Other Alternatives
  - Comparison vs. Internal and external valuations

- Types
  - Domestic, Bilateral, Multilateral

- Procedure and Effects
  - 6 months procedure
  - Year in course, prior year if possible, 4 next years and extension

# TAX PLANNING OPPORTUNITIES

- **The new Belgium – Spain Income Tax Treaty**
  - Exchange of information clause
    - Aligned to OECD standards
  - Bank secrecy removed
    - No longer barrier to exchange information
  - Enlarged scope
    - Includes political subdivisions and local entities

# TAX PLANNING OPPORTUNITIES

## – ETVE: The Spanish Holding

### – Main tax advantages

- Exemption on inbound dividends and capital gains
- No taxation of outbound dividends and capital gains

### – Requirements to meet

- Participation test
- Subject to tax test
- Business activity test
- Anti-abuse rules

### – Tax planning opportunities

# TAX PLANNING OPPORTUNITIES

## – Spain: The Route to Invest in Latin America

TAX TREATIES OF BELGIUM AND SPAIN WITH CENTER + SOUTH AMERICA & CARIBBEAN		
	BELGIUM	SPAIN *
ARGENTINA	X	X
BOLIVIA		X
BRAZIL	X	X
CHILE		X
COLOMBIA		X
COSTA RICA		X
CUBA		X
ECUADOR	X	X
JAMAICA		X
MEXICO	X	X
PANAMÁ		X
SALVADOR (EL)		X
TRINIDAD & TOBAGO		X
URUGUAY		X
VENEZUELA	X	X
<b>TOTAL</b>	<b>5</b>	<b>15</b>

\* Moreover, Spain is also in negotiations to sign an income tax treaty following the OECD Model with Dominican Republic, Paraguay and Perú

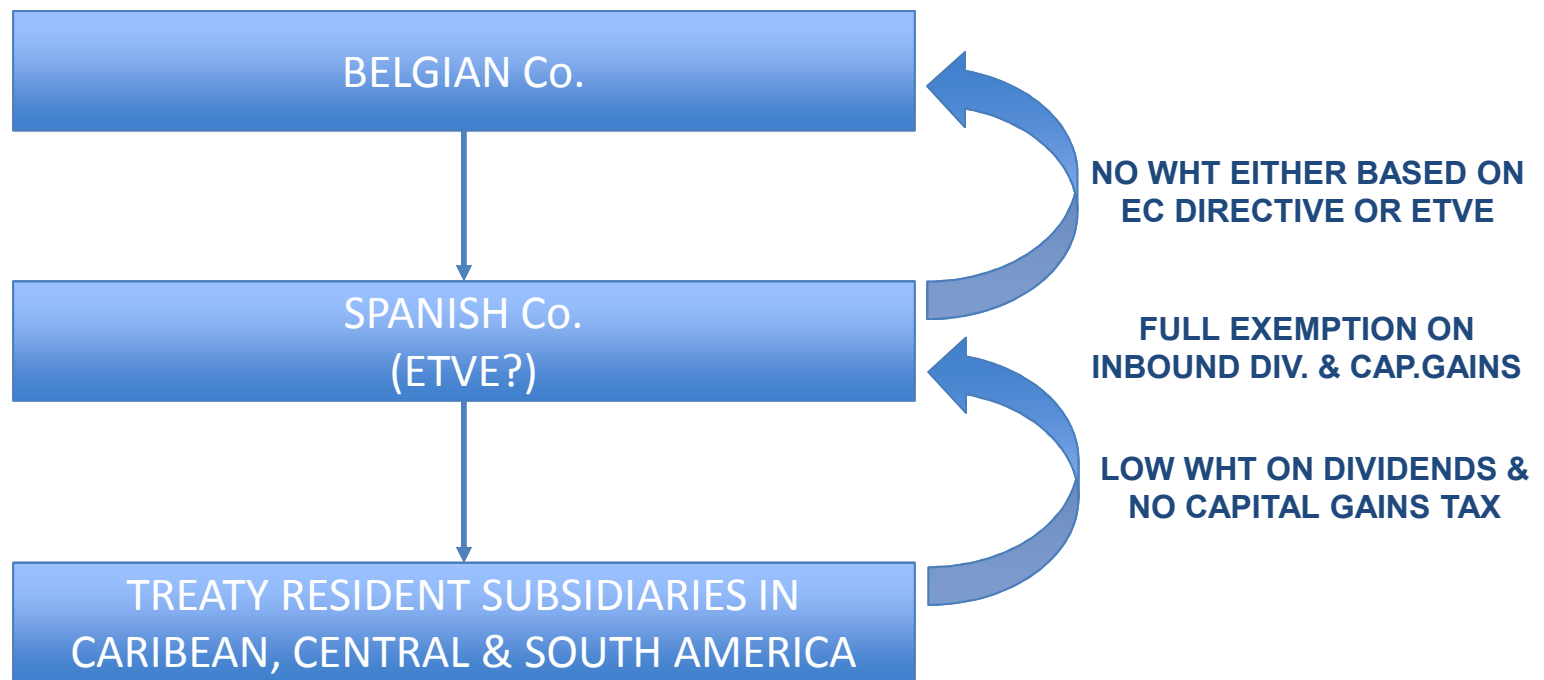
# TAX PLANNING OPPORTUNITIES

## – Spain: The Route to Invest in Latin America

WHT RATES COMPARISON OF COMMON TREATIES IN SOUTH AMERICA						
	BELGIUM			SPAIN		
	DIV.	INT.	ROY.	DIV.	INT.	ROY.
ARGENTINA	10 % or 15%	12%	3/5/10/15%	10% or 15%	12%	3/5/10/15%
BRAZIL	<b>10 %</b> or 15%	15%	10/15/20%	15%	<b>10%</b> or 15%	10% or 15%
CHILE	15 % or <b>Exempt</b>	5% or 15%	5% or 10%	5% or 10%	5% or 15%	5 %or 10%
ECUADOR	15%	10% or <b>Exempt</b>	10%	15%	<b>5%</b> or 10%	<b>5%</b> or 10%
MÉXICO	10% or <b>Exempt</b>	10%	10%	<b>5%</b> or 15%	10% or 15%	10%
VENEZUELA	<b>5%</b> or 15%	10% or <b>Exempt</b>	5%	10% or <b>Exempt</b>	<b>4.95%</b> or 10%	5%



# TAX PLANNING OPPORTUNITIES



**THANK YOU FOR YOUR ATTENTION !**



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