

Subject	To Do	In Charge	Due Date
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**Practice Group International Taxation: Minutes of the ITPG Meeting,  
held in Cannes, on 26 April 2012, 14:40 - 18.10**

<b>Chairman:</b>	Oliver Biernat
<b>Secretary:</b>	Oliver Biernat

<b>Participants</b>				
Country	Company	Title	Name	First Name
Austria	Grazer Treuhand Steuerberatung GmbH & Partner KG	Dr.	Drawetz	Stefan
Austria	Heller Consult Tax and Business Solutions Ltd. Vienna		Heller	Elisabeth
Austria	Prodinger & Partner		Sagmeister	Carina
Belgium	Acco Accountants		Cornelis	Sven
Belgium	Acco Accountants		Cornelis	Cyriel
Belgium	Human Capital Services BVBA		Veerle	Triempont
Cyprus	JCP AUDITCO LTD		Papapetrou	Ioannis
France	Anthony & Cie	Prof.	Anthony	Robert
France	FIDAG		Moro	Viviane
Germany	Benefitax GmbH, Steuerberatungsgesellschaft, Wirtschaftsprüfungsgesellschaft		Biernat	Oliver
Germany	Jakoby Dr. Baumhof - Wirtschaftsprüfer		Jakoby	Brigitte
Germany	Steuerberater Rechtsanwälte		Jakoby	Eugen
Germany	Jakoby Dr. Baumhof - Wirtschaftsprüfer		Jakoby	Eugen
Germany	Steuerberater Rechtsanwälte		Köhnlein	Katrin
Germany	Kieffer Stübben & Partner		Kieffer	Raymond
Germany	Wirtschaftsprüfungsgesellschaft		Michopoulos	Spyridon
Greece	Dinamiki Ltd. Auditors - Consultants		Michopoulos	Spyridon
Italy	COMMA 10 – Commercialisti & Avvocati	Dr.	Finulli	Sergio
Italy	Dalla Libera & Partners	Dr.	Dalla Libera	Carlo
Luxembourg	GT Fiduciaires SA		Altwies	Charles
Malta	Advocates CREDAL	Dr.	D'Alessandro	Robert
Slovakia	AT Partners, k.s.		Augustin	Marian
Switzerland	Eurotrust Partners AG	Dr.	Ormándi	Peter
The Netherlands	De Keijzer Nipius & Co Accountants B.V.		Everaerd	Hugo
The Netherlands	Limes International BV		Kapel	Huub
The Netherlands	Limes International BV		Seinstra	Age
The Netherlands	Zirkzee & Den Os		Dooper	Gerhard
The Netherlands	Zirkzee & Den Os		Seijger	Martijn
Ukraine	Aksonova & Associates LLC		Deputat	Inna
United Kingdom	Citroen Wells Chartered Accountants		Charles	Henry
United Kingdom	Haines Watts Chartered Accountants		Bryant	Julie
United Kingdom	Lawrence Grant, Chartered Accountants		Busch	Graham
United Kingdom	Lawrence Grant, Chartered Accountants		Rajah	Alan
United Kingdom	Wedlake Bell LLP		Isham	Richard

	Subject	To Do	In Charge	Due Date
United Kingdom	Wedlake Bell LLP		Lederman	Jeremy
United Kingdom	Wedlake Bell LLP		Robinson	Helen
United States	Rowbotham & Company		Hsieh	Cindy
United States	Rowbotham & Company		Rowbotham	Brian
United States	Rowbotham & Company LLP		Razheva	Natalia

1.	<p><b>14:40: Opening</b> Chairperson Oliver Biernat welcomes the attendees. Oliver gives an overview on the agenda and timetable of the meeting. He makes the attendants aware of marketing material from various members and from IBFD at a table in the back of the room.</p>			
2.	<p><b>Internal: News from the regions:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Latin America:</b> A Skype Conference took place on 26 March 2012. Minutes thereto have been published on GGI intranet</li> <li>▪ <b>Northern America.</b> Changes in chairmanship: Robert Simon steps back as Regional ITPG chair. Oliver thanks Bob for having been such an active chairman. He is replaced by Brian Rowbotham from San Francisco who arrived later presented himself briefly. Since second vice chair Cindy Hsieh and Brian work for the same company a new vice-chair Northern America will be appointed soon. Brian reports later: First WebEx Meeting tentatively scheduled for May 16th, 45min-hour planned.</li> <li>▪ <b>Asia:</b> Ashish Bairagra asked Oliver by email to report on <u>ITPG Asia</u> as follows: <ol style="list-style-type: none"> <li>1. The next webex conference is scheduled on 10 May 2012 at 14:30 Singapore time and all ITPG members are invited. The agenda will be circulated soon.</li> <li>2. The next ITPG Asia Pacific meeting will be held during the Asian-Pacific Conference on 13 December 2012 at 14:00 Bangkok time.</li> <li>3. The ITPG Asia Pacific project on Regulatory and Tax Aspect for Expatriates is complete. Till date 14 countries have sent their replies. The snapshot / matrix of the project is also ready and will be showcased during the webex conference where members views on how it should be published will be taken.</li> <li>4. The next project on Tax Aspect for Royalty payments will be discussed during the next webex.</li> </ol> </li> </ul>			
3.	<p><b>Internal: VAT subgroup:</b> As Raluca Tutu is absent due to illness Steve Mc. Crindle informs as follows on the topics to be covered in the subgroup:</p> <ul style="list-style-type: none"> <li>▪ 6 countries so far have contributed to the VAT</li> </ul>	VAT subgroup members contact Raluca re. contributions to matrix and Insider pages	Raluca Tutu	

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	<p>matrix. More contributions expected (at least 15 countries before publishing/marketing).</p> <ul style="list-style-type: none"> <li>▪ VAT section on the GGI forum has been developed; first by Raluca; more members are invited to contribute. GGI has an editor that offered to basically edit VAT documents, ppt presentation and reports into article type contributions that should ease the commitment needed to contribute. A recurrent high level flow of VAT contributions should be secured.</li> <li>▪ The aim is that after each VAT group meeting a new topic at least should be added – the topics shall be chosen so that they will fit with multijurisdictional input and be easy platforms for comparative analysis;</li> <li>▪ Quarterly VAT newsletter is planned, ideally in the last days of each quarter, first one 30 June; VAT group members shall send brief VAT updates to Raluca, with a view on focusing on important VAT updates. Raluca would compile a one page newsletter and ask GGI help with format and dissemination. A phone conference with ITPG chairs and VAT-subgroup members is planned for early May to discuss this in detail.</li> <li>▪ Stefan Drawetz will make a presentation in the VAT subgroup meeting</li> <li>▪ Brian Rowbotham has introduced a social media project on VAT.</li> </ul>			
4.	<p><b>Technical: Main Topic: Presentation and discussion of remaining tax loopholes, such as described in a new <a href="#">OECD report</a> “Hybrid Mismatch Arrangements”. Report from GGI members from various countries on what loopholes are left and if it is still advisable to use them.</b></p> <p>General Background: The OECD published a report on “Hybrid Mismatch Arrangements: Tax Policy and Compliance Issues” on 5 March 2012. and summarises it as follows on its homepage: “Aggressive Tax Planning is an increasing source of concern for many governments. This new OECD report describes the most common types of hybrid mismatch arrangements (<i>i.e.</i> arrangements exploiting differences in the tax treatment of instruments, entities or transfers between two or more countries) and the effects they aim to achieve. It summarises the tax policy issues raised by these arrangements and describes the policy options to address them, with a focus on domestic law rules which deny benefits in the case of hybrid mismatch arrangements and countries’ experiences regarding their application. The report concludes that the same concern that exists in relation to distortions caused</p>			

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	by double taxation exists in relation to unintended double non- taxation and recommends a number of actions to be undertaken.”			
5.	<p><b>Technical: Artur Plutowski (presented by Graham Busch due to absence of Artur): Polish Limited Joint Stock Partnerships</b></p> <p>In January 2012 Poland became tax haven due to favourable verdict issued by the Supreme Administrative Court. The verdict applies to Limited Joint Stock Partnerships (Kommanditgesellschaft auf Aktien) – this type of partnership is transparent for income tax purposes in Poland. According to the verdict stock holder (Kommanditaktionär) is not subject to income tax until ‘dividends’ are not paid out by the partnership. This allows to postpone tax point for several years. This type of partnership is feasible for restructuring of existing and structuring of new projects and can be used for income tax optimisation of profits from operational activity. It might also be used as planning tool for (i) shares deal, (ii) asset deal (real estate), (iii) management of IP portfolios, (iv) step up of going-concern. It seems that at the end of a day, it might be possible to avoid taxation at all.”</p>			
6.	<p><b>Technical: Oliver Biernat: “Using the progression clause for saving taxes with huge one-time profits” and “White income through a loophole in a DTT (lawyers’ LLP model)”</b></p>			
7.	<p><b>Technical: Sergio Finulli: Hybrid Mismatch Arrangements: The Italian Job</b></p> <p>The “Brontos” case that involved Unicredit with a tax claim of € 246 million... The difference between taxation of subsidiaries and branches.</p>			
8.	<p><b>Internal: WebEx replacing Skype in ITPG remote meetings.</b></p> <p>Skype conferences in various regions have been held. First experiences with WebEX conferences were good so participants in Europe decided to change from Skype to Web Ex, which needs no prior registration for participants, just internet access needed and click on link, better quality, up to 25 (later 100 participants), possibility to display and work on documents together. You may use any computer or your smartphone (I-phone, Blackberry, etc.). A computer with a big screen is recommended as we can also look at the same documents via WebEX. Access is granted via GGI HQ. Please register with Krisztian Medveczki at <a href="mailto:medveczki@ggi.com">medveczki@ggi.com</a> beforehand if you want to <u>organise</u> (not just participate) a Web Ex conference. <a href="http://www.webex.com">www.webex.com</a> 2 minute Demo film.</p>			
9.	<p><b>Internal: BvD- Bureau van Dijk, Transfer Pricing Benchmark reporting:</b></p> <p>No more offers/contact. If you are interested please contact GGI regular member Artur Plutowski from</p>	Members interested in BvD are asked to contact Artur Plutowski	Artur Plutowski	

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	Poland who might be able to focus interests of GGI members, but chances are little to get a nice price offer.			
10.	<p><b>Internal: IBFD Database:</b> After some technical problems with GGI HQ and IBFD we can go on with marketing the offer from IBFD for GGI members to license their tax data base for 20% of the normal price. For that we need at least 20 licenses and now have 15, so please check if that would be of interest for your firm, too. More information is available in the attachments to ITPG news 2-2012. The majority of those wishing to use that platform wish to start soon (1 June or latest 1 July) and have voted for the full scope version which is IBFD Online Membership. This is the largest IBFD information package that provides access to more than 35 individual databases. You will find a complete list of databases comprising this package at this product page in the brochures or at <a href="http://www.ibfd.org/portal/Online_Databases.html">http://www.ibfd.org/portal/Online_Databases.html</a>. Total subscription fee for complete IBFD Membership Online per 1 user is instead of 14,785 € annually only €2,957 ex VAT with a minimum of 20 users from GGI. 5 minute demo video on <a href="http://www.ibfd.org/IBFD-Products/Tax-Research-Platform-Demos#Guided_tour">http://www.ibfd.org/IBFD-Products/Tax-Research-Platform-Demos#Guided_tour</a>. Central contact person at GGI HQ is Amiran Kavkasidze (<a href="mailto:kavkasidze@ggi.com">kavkasidze@ggi.com</a>). One additional member said that they are willing to join in licensing this software.</p>	At least 4 more members needed for signing IBFD contract. Interested members contact Airman at HQ!	Amiran Kavkasidze ( <a href="mailto:kavkasidze@ggi.com">kavkasidze@ggi.com</a> ), GGI-HQ	a.s.a.p.
11.	<p><b>Internal: Links and quotations of other GGI members in members' own newsletters, client events, press releases,</b> proposed by Oliver, probably with a direct link to the homepage or email address (e.g.</p> <ul style="list-style-type: none"> <li>- Santiago Lapausa is quoting Oliver in his newsletter</li> <li>- Robert Antony publishing the results of a GGI panel discussion on "substance over form" in the "Transfer Pricing International Journal"</li> <li>- Robert Antony publishing the opinions of several GGI members in the "Economiste"</li> <li>- Oliver is quoting US GGI members on FATCA in several German press releases or</li> <li>- Stanley Ruchelman and Oliver are going to make a presentation at the AGBC in Frankfurt on FATCA on 2 May.</li> </ul> <p>It would be of mutual benefit for all if one firm could report on a tax problem raised by another ITPG member affecting the country the first ITPG member is located in. If we exchange news provided on our homepages or in our own newsletters with other ITPG members and they do the same we will all profit from that. Our Google ranking will be improved. Both involved have the chance of getting a new client or engagement and we all show our good international links to partners in other countries in the GGI</p>			

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	alliance. <b>Discussion.</b>			
12.	<b>Internal: Next regional ITPG Web Ex conferences:</b> <ul style="list-style-type: none"> <li>▪ Asia: 10 May 2012 at 14:30 Singapore time</li> <li>▪ Latin America: 9 May 9:00 a.m. Mexican time</li> <li>▪ Northern America: 17 May 2012</li> </ul>			
13.	<b>Internal: Next scheduled ITPG Meetings are:</b> <ul style="list-style-type: none"> <li>▪ Miami - 21 June 2012 14:30 -18:00, before Panamerican Regional Conference, chaired by the Latin and Northern American ITPG chairs and Oliver Biernat</li> <li>▪ Rome - 18 October 2012, 14:30 -18:00, before World Conference, chaired by Oliver Biernat</li> <li>▪ Prague - Czech Republic, 16.11.2012 (tbc), Workshop during Easy Meet chaired by Graham Busch</li> <li>▪ Bangkok, 13 December 2012 from 14.00-17.30, before Asian Conference, chaired by Ashish Bairagra</li> <li>▪ Venue for next annual meeting: Candidates were Mumbai, Houston, Dubai, Amsterdam, Zürich (at GGI headquarter), Paris and San Francisco. There was a head to head race between Paris and Zurich but in the end the winner with more than 20 points advance is Amsterdam. Congratulations to Hugo. I hope the organisation will be as perfect and relaxing and the weather will be as sunny and warm as in Marbella. Hugo will suggest a date in (February 2013) soon. The meeting will be chaired by Oliver Biernat</li> <li>▪ Lisbon, 18. April 2013, 14:30 -18:00, before European Conference, chaired by Oliver Biernat</li> </ul>			
14.	<b>Technical: Brian Rowbotham, Cindy Hsieh: Hugo Everaed: U.S. Dutch/Lux Holding Structures</b>			
15.	<b>Internal: Graham Busch: Speed networking</b>			
16.	<b>18:10: Closure</b>			