

## Practice Group International Taxation: Minutes of the ITPG Meeting, held in Toronto, on 27 October 2011, 14:00 -18:00

|                   |                     |
|-------------------|---------------------|
| <b>Chairman:</b>  | Oliver Biernat      |
| <b>Secretary:</b> | Astrid Rechel-Goetz |

| <b>Participants</b> |  |              |                |                   |
|---------------------|--|--------------|----------------|-------------------|
| <b>Country</b>      | <b>Company</b>   | <b>Title</b> | <b>Name</b>    | <b>First Name</b> |
| France              | Anthony & Cie  | Prof.        | Anthony        | Robert            |
| Slovakia            | AT Partners, k.s.  |              | Augustin       | Marian            |
| India               | M.L. Bhuwania & Co., Chartered Accountants                                   |              | Bairagra       | Ashish            |
| Brazil              | Grupo Work Independent Auditors  |              | Baum           | Seres             |
| Germany             | Benefitax GmbH, Steuerberatungsgesellschaft, Wirtschaftsprüfungsgesellschaft |              | Biernat        | Oliver            |
| United States       | Drucker & Scaccetti, P.C.  |              | Braun          | Steven L.         |
| United Kingdom      | Lawrence Grant, Chartered Accountants  |              | Busch          | Graham            |
| United States       | Kutchins, Robbins & Diamond, Ltd.  |              | Cameron        | Christopher M.    |
| United States       | Cantor & Webb P.A.   | Dr.          | Cantor         | Steven L.         |
| United Kingdom      | Citroen Wells Chartered Accountants  |              | Charles        | Henry             |
| United States       | Nihill + Riedley P.C.  |              | Ciccarelli     | Joe               |
| Malta               | Advocates CREDAL   | Dr.          | D'Alessandro   | Robert            |
| Switzerland         | Walser & Partner AG Freienbach   |              | Demir          | Abdullah          |
| United States       | Smart Devine & Company, LLC  |              | Devine         | Richard           |
| United States       | Cantor & Webb P.A.   |              | Dichter        | Arthur            |
| United States       | DRDA PLLC  |              | Dickey         | Doug              |
| United Kingdom      | Haines Watts   |              | Edwards        | Stephen           |
| Germany             | Dr. Vaih & Partner Wirtschaftsprüfung Stuttgart GmbH                         |              | Engelmann      | Wolfgang          |
| The Netherlands     | De Keijzer Nipius & Co N.V.  |              | Everaerd       | Hugo              |
| Spain               | Dr. Frühbeck Abogados, S.L.P.  | Dr.          | Frühbeck       | Federico          |
| France              | FIDAG  |              | Girard         | Alain             |
| Italy               | Balassone Casini Girardi (BCG) Associati, Refidata srl.                      | Dr.          | Girardi        | Ugo               |
| Mexico              | Guerrero y Santana, S.C.   |              | Guerrero Rosas | Gabriel           |
| Australia           | Lawler Partners Pty Limited  |              | Hackett        | Thomas            |
| China               | Horizon Group  |              | Ho             | Ben               |
| United States       | Rowbotham & Company  |              | Hsieh          | Cindy             |
| Israel              | Vardi Brukner Ingber Rozenzveig C.P.A.                                       |              | Ingber         | Dov               |
| United States       | Kutchins, Robbins & Diamond Ltd.   |              | Kutchins       | Allen             |
| United Kingdom      | Cumberland Ellis LLP   |              | Lederman       | Jeremy            |
| United States       | Rowbotham & Company  |              | Leung          | Harriet           |
| United States       | Ciuni & Panichi, Inc. CPA  |              | Marita         | Brian             |
| India               | R.N. MARWAH & Company, Chartered Accountants                                 |              | Marwah         | Raghu             |
| United States       | GGI North America Services Corp.   |              | Matz           | Deborah           |

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|----------------|---|-------|-------------|---------------|
| Malta          | kmconsultants   |       | Mifsud      | Kevin         |
| Germany        | Munkert · Kugler + Partner GbR  | Dr.   | Munkert     | Michael       |
| United States  | Nagano Morita LLP   |       | Nagano      | Ricky         |
| Switzerland    | Eurotrust Partners AG   | Dr.   | Ormándi     | Peter         |
| Australia      | Lawler Partners Pty Limited   |       | Porvaznik   | Andrew        |
| United Kingdom | Lawrence Grant, Chartered Accountants   |       | Rajah       | Alan          |
| Germany        | Benefitax GmbH, Steuerberatungsgesellschaft,<br>Wirtschaftsprüfungsgesellschaft |       | Rechel-Götz | Astrid        |
| United Kingdom | Cumberland Ellis LLP  |       | Robinson    | Helen         |
| United Kingdom | Citroen Wells Chartered Accountants   |       | Rodney      | David         |
| United States  | Rowbotham & Company   |       | Rowbotham   | Brian         |
| Austria        | Prodingler & Partner  |       | Sagmeister  | Carina        |
| United States  | Eisner Lubin llp.   | Prof. | Simon       | Robert        |
| United States  | Nihill + Riedley P.C.   |       | Smart       | James         |
| Austria        | Geneva Group International Austria  |       | Tunyogi     | Laszlo        |
| Japan          | Plum Field Advisory Inc.  |       | Umehara     | Tetsuya       |
| Switzerland    | Walser & Partner AG Freienbach  |       | Walser      | Marco G.      |
| Hong Kong      | Wong Brothers & Co. Certified Public Accountants                                |       | Wong        | Ricky         |
| Taiwan         | Dinkum & Co. CPAs   |       | Wu          | Mengta        |
| Japan          | IDEA International Accounting Office  |       | Yoshida     | Haruki        |
|                |   |       | Yoshioka    | Shinichi      |
| Romania        | Mirus Advisers S.R.L.   |       | Zeche       | Ionut Catalin |

|    | Subject   | To Do  | In Charge | Due Date             |
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| 1. | <p><b>14:00: Welcome addresses:</b><br/>Oliver Biernat welcomes the attendees, giving an overview on the timetable of the meeting, introducing especially the speed-dating project initiated by Vice-Chairperson Graham Busch. He also shows a chart with the organisational structure of ITPG chairmen, presenting the present regional chairmen from Asia, Latin America and North America.</p>   |  |           |                      |
|    | <p><b>ITPG internal matters</b></p> <p><b>a) Follow-up on Substance over Form</b><br/>Robert Anthony, who presented the topic in a panel discussion in Munich in April, has managed to publish an article on the results from 16 ITPG members in the "Transfer Pricing International Journal". Another publication of an enlarged version is planned in "The International Tax Report". Oliver thanks Robert very much for all his work and dedication on this project and for marketing ITPG members.</p> <p>A German version called "Der Betriebsstättenbegriff" has been published in the German tax magazine "Vermögen &amp; Steuern" in September 2011 by Robert and Oliver.</p> <p>Oliver invites other members to check if they want to publish this article in their region in another language after having checked with Robert.</p> |  |           |                      |
|    | <p><b>b) Start of new ITPG subgroup VAT</b><br/>Initiated by Raluca Tutu. As Raluca could not make it to Toronto, Ionut Zeche pronounces an invitation on behalf of Raluca. The first meeting will be on 10<sup>th</sup> February 2012 in Marbella. GGI members who are interested to work in this subgroup are kindly asked to contact Raluca beforehand on <a href="mailto:traluca@mirus-group.eu">traluca@mirus-group.eu</a></p>   | GGI VAT experts please contact Raluca Tutu.  | all       | Before February 2012 |
|    | <p><b>c) Comtax</b><br/>Many ITPG members share a license for an international tax planning software called Comtax. At the moment each of us pays 1.451 € annually (instead of normal price 24.000 € annually) but the more GGI members join the cheaper it will be. If you are interested in a free of charge online presentation of the Comtax software, webinars from Comtax will be held in November and December on:</p> <ul style="list-style-type: none"> <li>▪ 8th November, 4pm Paris time</li> <li>▪ 29th November, 3pm Paris time</li> <li>▪ 8th December, 2pm Paris time</li> <li>▪ 15th December, 10am Paris time</li> </ul> <p>In addition, GGI members are always welcome to ask for an individual presentation at a time that suits them.</p> <p>Contact partner: Henrik Spirén<br/>LL.M./Head of Customer Relations</p>      | If you are interested to join a license for Comtax tax planning software at a favourable price for GGI members please contact Henrik Spirén. | all       | always               |

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|    | <p>COMTAX AB, Sweden<br/> <a href="mailto:henrik.spiren@comtaxit.com">henrik.spiren@comtaxit.com</a><br/>                     Direct line +46 42 38 04 25<br/> <a href="http://www.comtaxit.com">http://www.comtaxit.com</a></p> <p>Oliver advises explicitly to indicate to Henrik at the time of establishing contact that you are a GGI member in order to obtain the adequate access and information.</p>  |  |                    |                      |
| 2. | <p><b>News from the regions</b></p> <p><b>Northern America</b><br/>                     Robert Simon welcomes the attendees on his continent. He asks interested members in assuming a regional vice-chairpersons' position to contact himself.</p>  |  |                    |                      |
| 3. | <p><b>Latin America</b><br/>                     Gabriel Guerrero, on behalf of his brother Sergio, who is not able to attend the meeting, reports on the ITPG meeting, which was held at the Latin American Conference in Bogota on 21 July 2011 and invites the participants to the ITPG meeting to be held at the Latin American Conference in Miami on 21st of June 2012.</p>  |  |                    |                      |
| 4. | <p><b>Europe</b><br/>                     - Ionut Zeche invites to the ITPG meeting to be held at the Easy Meet in Bucharest on 19 November 2011 and gives an outlook on the agenda.</p>   |  |                    |                      |
| 5. | <p><b>Asia</b><br/>                     Ashish Bairagra reports about the first Asian Skype conference which took place with a good attendance.</p> <p>Ricky Wong informs on a first common project for the Asia-Pacific region: requirements for working visa in this region; tax implications for expatriates coming to this region for work. A template has been developed. The project will be presented during the Regional Asian Conference. Members from all countries of the region will be asked to fill the questionnaire.</p> <p>Ashish Bairagra invites to the ITPG meeting to be held before the Asian conference in Kuala Lumpur to be held on 16 December 2011 from 14:30 – 17:30 and gives an outlook on the agenda.</p> |  |                    |                      |
| 6. | <p><b>Africa</b><br/>                     Oliver informs that the position of a regional ITPG chairman in Africa is still vacant although he has asked some possible candidates. Any interested GGI member is asked to apply.</p>  |  |                    |                      |
| 7. | <p><b>ITPG event between 9 -12 February 2012 in Marbella (Spain)</b><br/>                     On behalf of the ITPG regular member Santiago Lapausa and his colleague Maria José Rubio Garcia Oliver pronounces the invitation to the ITPG meeting to be held in Marbella. They have negotiated very good prices in a nice 4 star hotel and an additional tourist programme and presumably good weather conditions.</p>  | <p>Make suggestions for presentations, topics, discussions</p> | <p>All members</p> | <p>November 2011</p> |

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| <p>A special price of just 51.20 EUROS for a single room per night will be offered for reservations to be done until 9 January 2012.</p> <p>“PG International Executive &amp; Immigration Services”, “PG Enhanced Business Opportunities” and the newly established “ITPG subgroup VAT” will hold parallel meetings on Friday morning (10<sup>th</sup>). Friday afternoon is reserved for networking and sightseeing.</p> <p>The full day ITPG meeting will take place on Saturday (11<sup>th</sup>). Oliver has got some suggestions for the agenda which he asks the attendees to give their vote for (to be continued):</p> <ul style="list-style-type: none"> <li>▪ Oliver informs about the presentation given to him by a representative of the International <b>Bureau of Fiscal Documentation (IBFD)</b> on online publications, books and other IBFD services. Oliver has negotiated that, if at least 20 GGI members will join and have a license, a discount of 80% on the normal prices (annual fee for global transfer pricing explorer plus database 1,250 € net annually) shall be granted.</li> </ul> <p>Additional tools for benchmarking exercise can be obtained. E.g. the international Transfer Pricing Journal can be ordered for 535 € or 715 USD annually (online version). More information on: <a href="http://www.ibfd.org">www.ibfd.org</a></p> <p>A presentation from IBFD has been offered for the Marbella meeting including an online demonstration of a broad range of regional and topical publications (Country Surveys, Country Analysis, Tax Treaties, relevant case law, online journals, publications on VAT, Transfer Pricing, Holding companies, Mergers and Acquisitions etc.).<br/>(8 votes for this topic)</p> <ul style="list-style-type: none"> <li>▪ IBFD furthermore has offered to send us a speaker to talk about a <b>transfer pricing topic</b> for another 2-3 hours. This offer is linked to the IBFD presentation above.<br/>(10 votes for this topic)</li> <li>▪ Presentation of a representative of the <b>Bureau van Dijk (BvD)</b>. They offer a <b>database for benchmarking exercises for transfer pricing documentation</b>, which is complementary to the offer from IBFD. Some GGI members know the software from their Big Four time but have not ordered it because of its high price (starting at 18,000 € for a single annual licence fee). If of interest our regular member Artur Plutowski has offered to organise that with BvD.</li> </ul> |       |           |          |

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|     | <p>More information with the link:<br/><a href="http://www.bvdinfo.com/Products/Company-Information/International/Amadeus.aspx">http://www.bvdinfo.com/Products/Company-Information/International/Amadeus.aspx</a>.<br/>(15 votes).</p> <ul style="list-style-type: none"> <li>▪ Discussion and comparison (moderated by Oliver Biernat) on “<b>How tight do tax authorities see transfer pricing rules in reality?</b>” Do they make use of the punishments threatened? Are there exceptions for SMEs in different countries? What can tax consultants learn from that?<br/>(8 votes)</li> <li>▪ Presentation from Hugo Everaerd (De Keijzer Nipius)<br/><b>Allocation of profits to PE's</b> (summary of new OECD Guidelines). This presentation has been postponed from the Toronto conference and will take place anyway.</li> <li>▪ Probably joint presentation from Joe McCall, Byrne &amp; McCall, Ireland and Ricky Wong, The Wong Brothers, Hong Kong. Follow up and intensifying “<b>Tax strategies for expanding into China via Ireland and/or Hong Kong</b>”.<br/>(8 votes for this topic)</li> </ul> |       |           |          |
| 8.  | <p><b>Tax questionnaire</b><br/>Oliver presents the results of an inquiry realised and based on the “tax questionnaire on consulting services” developed during the Eisenberg ITPG meeting. The results have been resumed in an excel-sheet which can be looked up in the GGI intranet.</p>   |       |           |          |
| 9.  | <p><b>Speed networking session</b><br/>Oliver hands over the moderation to Graham Busch who introduces the idea of the “speed networking”. Regular members are asked to sit in one row, newcomers in the rows facing the regular members. After a maximum of 3 minutes the regular members will move on. “Partners” will have the time to present themselves to each other; they are asked to have the business cards prepared and also to take some notes on these cards about their “partners”. A very lively discussion is initiated.</p>  |       |           |          |
|     | <p><b>Coffee break 15:30 – 16:00</b></p>  |       |           |          |
| 10. | <p><b>Technical presentations (presentations should be available on GGI intranet)</b></p> <p><b>Steve Cantor (Cantor &amp; Webb):</b><br/>Cross Border Estate Planning (abbreviated version of presentation which was made in the Estate Planning PG)</p>   |       |           |          |
| 11. | <p><b>Steve Braun (Drucker &amp; Scaaccetti):</b><br/>IRS Initiative on US income tax and FBAR filing requirements for Americans living in Canada-</p>  |       |           |          |

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| 12. | <b>Brian Rowbotham and Harriet Leung (Rowbotham &amp; Company LLP):</b><br>US and European tax strategies for expanding into China, |       |           |          |
| 13. | <b>Bob Simon (Eisnerlubin):</b><br>Update on FACTA rules-   |       |           |          |
| 14. | At 18:00 Oliver closes the session thanking all speakers for their contributions and Graham Busch for organizing the speed-dating.  | .     |           |          |