



## GENEVA GROUP INTERNATIONAL

## Minutes of the ITPG Skype Meeting, on Tuesday 6 July 2010, 15:00 – 16:00 CET

Chairman: Oliver Biernat		Secretary: Astrid Rechel-Götz			
Country	Title	Name	First Name	E-Mail	
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Italy	Dr.	Dalla Libera	Carlo	<a href="mailto:carlo@dalla-libera.com">carlo@dalla-libera.com</a>	
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1.	<p><b>Update on International Business Guide</b></p> <p>Oliver pointed out that the last deadline for providing articles or revising articles is <b>15 July 2010</b> as indicated in his email to all authors and ITPG visitors and regulars on 24 June 2010. It is planned to distribute the book at the German Speaking Chapter in Switzerland in September and send it to those members who do not attend this meeting.</p> <p>Status: <b>Outstanding</b> are general tax aspect articles from Raghu Marwah and Eva Haase. Peter Kaeser has announced that some GGI members from his Asian/African region might like to add their country profiles, but none of them has reacted yet. By now 39 countries, amongst them the major ones, are covered in the book.</p> <p>In case you have published the <b>tax matrix</b>” or <b>“holding company matrix</b>” in GGI intranet please make sure that your country is updated by 15 July 2010. Some information (esp. from Latin American countries) has not been updated since more than 2 years and will be deleted on 15 July if not updated. Graham Busch is available as contact for any question related.</p> <p>GGI headquarter contacts potential sponsors. So far <b>2 sponsors</b> have signed to pay the minimum fee of 2.000 Euros each for an advert on the inner cover pages. Adverts for pages inside the guide can still be booked. Please contact Annika Mentel urgently if you know other potential sponsors.</p> <p>As soon as we know more about the final costs and the final amount we will get from the sponsors Annika will send out <b>order forms</b> so that you may order copies for your office. In order to meet the minimum quantity to get a nice price offer per copy we need to order at least 3.000 to 5.000 copies. If all regular members order at least 100 copies (or more) and the visiting members 50 copies this will be achievable.</p> <p>We also plan to distribute a <b>pdf. version</b> of the book</p>		<p>Provide or revise country profiles</p> <p>Send general tax article if discussed with Oliver and still outstanding</p> <p>Update tax matrix and holding company matrix”</p> <p>Send contact details of potential sponsors to Annika Mentel</p>	all	15 July 2010



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	Subject	To Do	In Charge	Due Date
	<p>and give the right to use the pdf. for their own homepage or email marketing to those members who order at least 100 copies of the book (50 copies in countries where English is not a main language). Benefitax plans to order 500 copies, some of the participants in the meeting announce to order 100 copies or more.</p> <p>The Business Guide is supposed to be a marketing instrument to be distributed for free amongst clients and partners especially outside GGI and will not have a price indication printed on it. It is desired to spread it in the widest range possible. However, it is up to the individual companies to sell it if they consider it suitable. Selling via bookstores is not what we aim at so it is up to the individual GGI member to spread as many copies as possible in their country/region.</p>			
2.	<p><b>How to market the Comtax tax planning software actively</b></p> <p>4 of the 22 GGI members who use Comtax have announced that they intend to cancel the licence with Comtax at the next possible time.</p> <p><u>Earlier termination of licence agreement</u></p> <p>All GGI members use one standard agreement with Comtax and the price we pay is based on the 22 licences our members have contracted for. In case the number is reduced (possible as of 1 June at each year) the price will change for the remaining members. Comtax will agree to cancel the licence agreement before 1 June 2011 if another GGI member takes over the existing agreement, so that the total number of users from GGI will remain the same. If those who want to quit earlier find another GGI member who likes take over their contract Comtax accepts immediate cancellation of the contract irrespective of any cancellation period.</p> <p><u>No use of Comtax due to lack of technical knowledge how to use it</u></p> <p>If you are too busy to participate in one of the free one hour online trainings Comtax offers for all GGI firms on a regular basis ask somebody else in your firm to do so and make him the responsible person for using the software in case one of the partners needs tax planning. If you are interested in a online training by phone and via internet or a webinar please contact , <a href="mailto:Henrik.Spiren@comtaxit.com">Henrik.Spiren@comtaxit.com</a></p> <p>Please notice that the Comtax software also works on Windows Terminal Servers, which means that all staff members may have access to it, but only one at a time.</p> <p><u>Use Comtax not only for tax planning</u></p> <p>Comtax offers more. There is a database for 129 countries providing you with many inbound and outbound tax rates and commentaries. If you need to</p>	Use Comtax proactively	All Comtax users or potential Comtax users	



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<p><u>report on the tax situation of a certain country</u> you may import a lot of useful information from Comtax with a few clicks. You may even do that with your own country if your native language is not English and a foreign client asks you to give him an overview on the tax situation of your country. Thus you have all relevant information in perfect English readily available and save the translation.</p> <p>If you are asked to perform a <u>survey on a certain tax problem</u> (e.g. group taxation, capital gains taxation, stamp duty, double taxation agreements and reliefs, excess foreign tax credit, thin capitalisation, CFC (controlled foreign entities)-rules, treaty shopping, treatment of losses etc.) you may also get that from Comtax for up to 129 countries with a few clicks and enter it into your own expert opinion format.</p> <p><u>Active use of Comtax</u></p> <p>In the last Eisenberg meeting Oliver found out that some members do not use the Comtax tax planning software actively. They wait for clients to ask them to perform international tax planning for them. This might be difficult, especially if your firm is very small and usually not handling big international clients or if you are located in a very small country, probably a tax haven where there are usually more holding companies or subsidiary companies than mother companies. In this case Oliver recommends to use Comtax e.g. in the following proactive way:</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. If you see an organisational chart of the client enter it into the Comtax system.</li> <li>2. Try to find a tax optimised structure with Comtax so that the overall tax burden of the group will be reduced. Do so e.g. by changing the type of income and/or by adding additional countries in between.</li> <li>3. Ask the client why he has chosen the structure.</li> <li>4. If there are no good reasons for the existing structure tell the client that you might have a better solution which saves him a certain amount of taxes per year.</li> <li>5. If the client is interested ask him how much he would be prepared to pay for an expert opinion on a new tax-optimised structure saving him this amount annually.</li> <li>6. Do not tell the client you are working with a tax planning software. Tell him you work it out for him manually in connection with checking all possibilities with your local GGI partners (which you should in fact do if you recommend a certain structure). He will see that involving so many tax experts in many countries and preparing an elaborated individual survey for him is not readily available and has a certain price.</li> <li>7. Make a (written) agreement on the fee with the client.</li> </ol>			



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	<p>8: In case you prepare an expert opinion for the client use the Comtax software calculations and comments but delete the Comtax logo and name. Copy and paste the results into a standard letter you usually use for expert opinions and add some individual comments and use the client companies names.</p> <p>9. If you see that your client is present in other countries where there is an ITPG expert try to involve him so that he has a chance to contact the client in the other country and get a job.</p> <p><u>Offer your client help in finding the price for offers in international quotations</u></p> <p>If your client faces competitors from other countries for the same product and same quality try to find out about the countries the competitors come from or even the structure of the competitors and enter the structure into the Comtax system. Find out what the tax situation is for the competitors and how much of their profits is spend on taxes until profits are repatriated to their mother company. Compare the results to the structure and total tax burden of your client and advise him on pricing for this client. If your client faces a bad tax situation he might never be able to bet his competitor, even if he offers the product at break-even.</p> <p>Example: Your client from country A has a potential new customer in country B and faces one big competitor from country C. You find out that profits repatriated from country A to country B are taxed 20% less than profits repatriated from country A to country C and tell your client. So he knows he has a good chance to beat his competitor even if he adds a nice profit in his pitch. If profits repatriated to his country are taxed with 20% more he might try to find clients from other countries.</p> <p><u>Find out which potential clients from which countries are interesting for you</u></p> <p>Data on Comtax is updated monthly. Maybe a new tax loophole has arisen and can be discovered if you or a staff member of yours spends some time on gambling around with Comtax, trying to find countries which extremely profit from installing an additional (holding) company in your country when repatriating profits: If you found a loophole try to contact potential clients in these countries or tell the local GGI partner firm about it and ask them to talk to their clients about it. You might win a new client and also do a favour to your fellow GGI member.</p> <p>Example: Mother companies located in India usually use a holding company in Mauritius to repatriate profits from European subsidiaries.</p> <p>These recommendations are considered to be very helpful and it is suggested to distribute them to other</p>			



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	<p>GGI members, especially those who do not participate in ITPG. An article in the Insider is not appropriate as this publication is sometimes also handed out to clients who should not know all our information sources. A round-mail is deemed difficult as members already receive many communications and ITPG distribution list already covers most of the members who do have any relation with taxes. However, the information shall be spread in the next conferences (Latinamerica, German Chapter, China and/or UK).</p> <p>A Comtax technical training about one week before the London ITPG meeting in January 2011 was proposed so that Oliver can concentrate on how to market it proactively during the full day meeting in London.</p>			
3.	<p><b>Suggestions for Articles for publication on the ITPG pages of the Insider</b></p> <ol style="list-style-type: none"> <li>1. Ionut Zeche will prepare a resumed version of his VAT contribution to the Business Guide for the next Insider.</li> <li>2. Carlo Dalla Libera plans information on upcoming legal changes in Italy for the following number.</li> <li>3. Graham Busch is also ready to present an article on profit extraction for following number.</li> </ol> <p>Due to holiday season it is quite difficult to find authors at short term. It is desired to find also new authors who have not yet been very active.</p>	Contact Annika Mentel at HQ. Articles needed for ITPG pages next edition!	All potential authors	9 July. 2010
4.	<p><b>Who is a member of IFA?</b></p> <p>If you are a member of the International Fiscal Association (IFA)  <a href="http://www.ifa.nl/Pages/default.aspx">http://www.ifa.nl/Pages/default.aspx</a>  please let Oliver know. This independent organisation attracts the best experts in international tax law worldwide. There are regional, national and international meetings. If you plan to attend the <a href="#">annual congress in Rome</a> (29 August – 3 September 2010) with approx. 1000-1.700 attendees including professors, government representatives and corporate tax experts please let Oliver know so that several GGI members can liaise.</p> <p>Topics in Rome will be:</p> <p><b>Subject 1 :</b></p> <ul style="list-style-type: none"> <li>• Tax treaties and tax avoidance : application of anti-avoidance provisions</li> </ul> <p><b>Subject 2 :</b></p> <ul style="list-style-type: none"> <li>• Death as a taxable event and its international ramifications</li> </ul> <p>The <b>Seminar programme</b> is as follows:</p>	Members of IFA please contact Oliver, Especially if they intent to go to annual meetings.	all	

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	<ul style="list-style-type: none"> <li>• The subsidiary as PE</li> <li>• The privilege for tax advice</li> <li>• Tax treaty regime of trust income</li> <li>• Tax havens</li> <li>• IFA/OECD</li> <li>• VAT and group of companies</li> <li>• International assistance in collection of taxes</li> <li>• Recent developments in international tax</li> <li>• IFA/EU - State aid</li> <li>• Tax indemnifications in mergers and acquisitions and other commercial transactions</li> </ul> <p>Costs for membership are very moderate (120 € annually in Germany) and the annual congress costs approx. as much as a GGI world conference.</p> <p>Ionut Zeche and Oliver Biernat think of becoming a member. Ionut is gathering more information and will coordinate with Oliver. Information about other GGI firms or cooperation partners of GGI firms who might be familiar with IFA or interested to join and participate in future annual meetings would be helpful as “door openers” are deemed important for sustainable contacts inside IFA.</p>			
5.	<p><b>Other topics</b></p> <p>No other topics are proposed. A next Skype conference can be held on request of members. Oliver will contact Sergio Guerrero to update him as regional chairman Latinamerica (tried to participate in the Skype but was not able to obtain access for technical reasons). Sergio could inform members in America during their regional conference end of July.</p>			