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India Outbound

Using the Netherlands as holding and joint venture jurisdiction

Typical holding structures for India Outbound

- **Mauritius**
- **The Netherlands**
- **Singapore**
- **Cyprus**

Foreign Holding Company

Objectives are:

Tax efficient repatriation of profits

Obtaining treaty benefits (e.g. royalties)

Indian deferral planning

Tax efficient financing of foreign operations

Protection under Bilateral Investment treaties

Organizational and business reasons

Comparison Holding Regimes

NL SIN MAU CYP UK LUX BEL

gains

No taxes on dividends / capital

No subject to tax requirement

No exclusion of passive income

Losses on participations deductible

Financing expenses deductible

No holding period

No WHT on dividends paid

No capital tax/stamp duties

No CFC rules

Ruling system

No WHT on interest and royalties

No non-resident taxation rules

Comparison Holding Regimes

Conclusion:

- **tax alone is not decisive**
- **combination with other activities**
- **financing**
- **corporate governance**
- **service industry**
- **work permits**
- **gateway to Europe**

The Netherlands as a joint venture location

Long history:

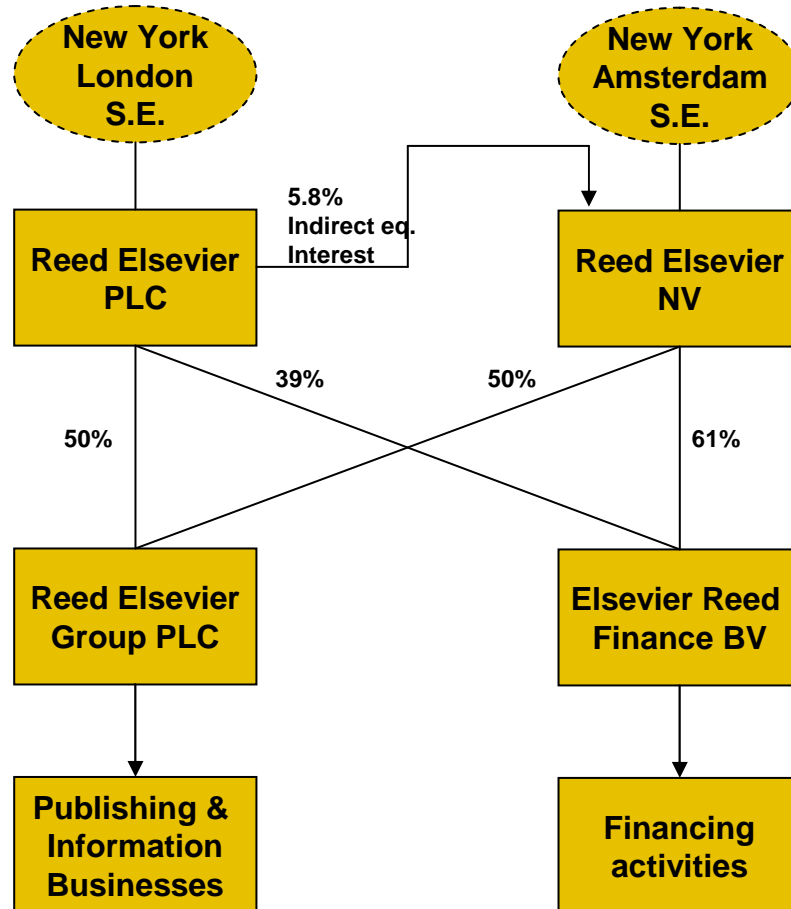
- Royal Dutch
- Unilever
- Reed Elsevier

Tool kit:

- **tracking stock**
- **dividend access shares**
- **pooling agreements**
- **shareholders' agreement**
- **partnerships**
- **cost company**
- **dual listed companies**
- **dual listed company arrangement**
- **societas europea**

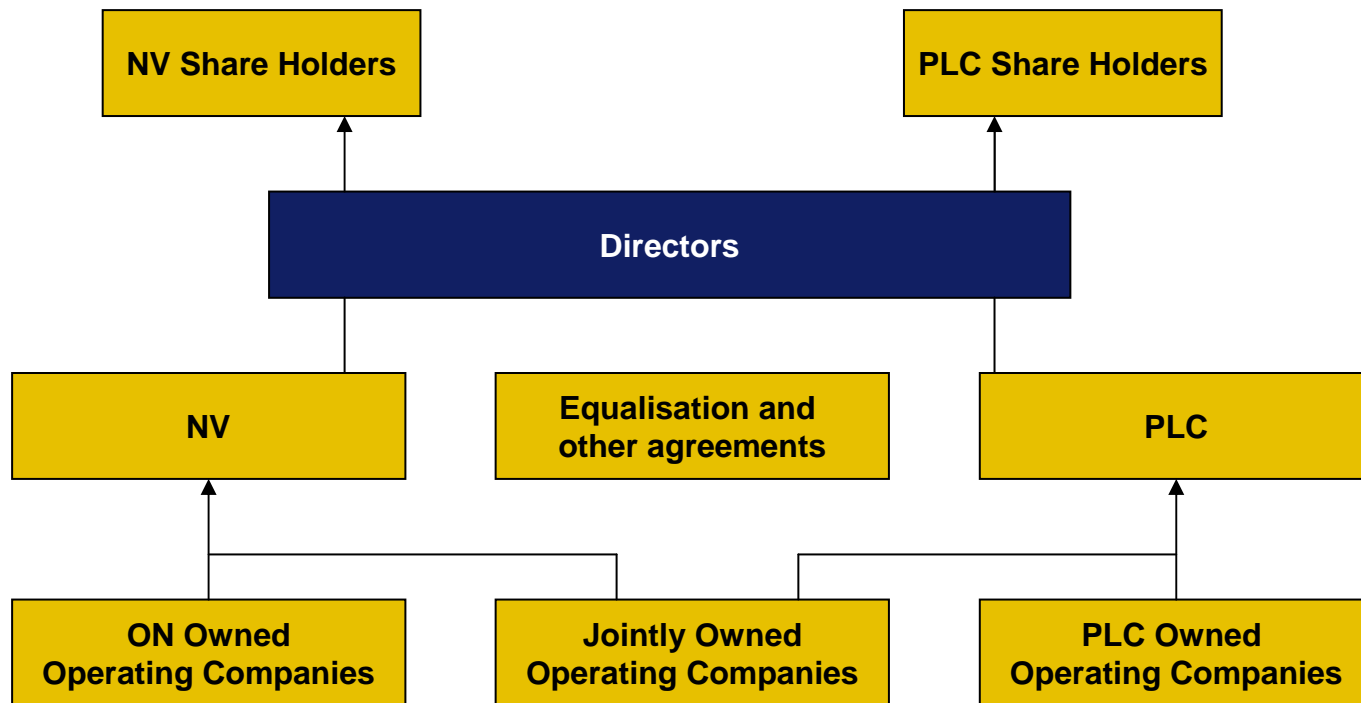
Examples of joint venture structures

Reed Elsevier:



Examples of joint venture structures

- Unilever



The Netherlands as a Joint venture location

Conclusion:

- legal
- tax
- regulatory