

The Comtax[®] System

VERSION 11

The unique tax planning system for cross-border repatriations



Optimal solutions conveniently

Throughout the decades, Comtax® users have discovered how the System can help create effective cost control. Clients include multinational companies, lawyers, tax consultants and leading banks worldwide.



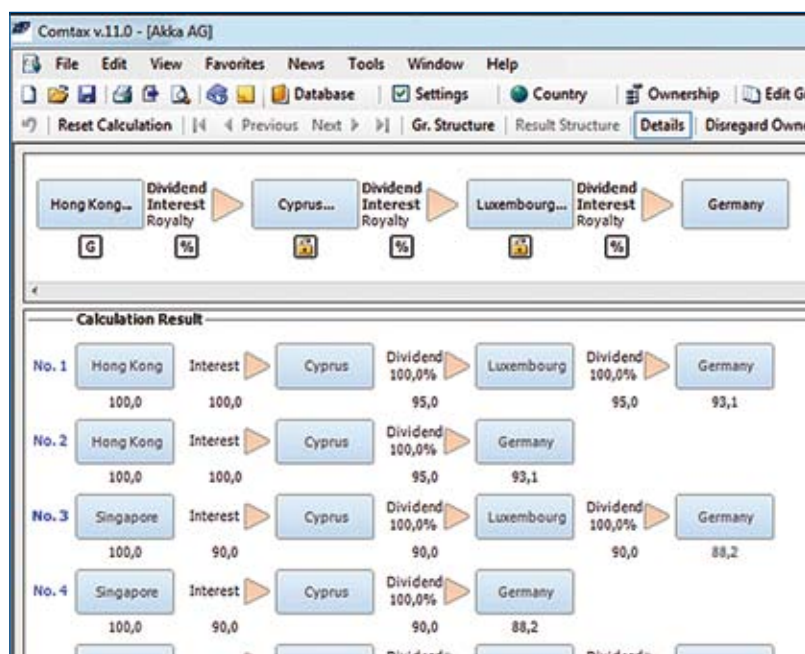
at hand – saves tax and time!

You should not have to spend days finding up-to-date regulations and thereafter make numerous calculations for cross-border transactions. The Comtax® System does the job for you!

With Comtax® you can concentrate your efforts on

evaluating optimal solutions against factors such as exchange regulations and group policies.

In this brochure there is only space to demonstrate a limited number of the opportunities the Comtax® System offers.



Comtax® calculates the tax effects on cross-border transactions of:

- Dividends.
- Two types of interest – intercompany interest and interest paid to financial institutions.
- Three types of royalties – patent, copyright and trademark.
- Capital gains on sale of shares.

In addition to this you have the possibility to apply UK onshore pooling to your dividends and thin capitalisation rules to your interest transactions.

The number of available tax jurisdictions in the Comtax® System is regularly increased based on suggestions from users.

The 30 best results are neatly presented within a few seconds. All results are:

- Fully transparent from the start figure down to what is eventually received after tax in the hands of the ultimate recipient.
- Supported by comprehensive explanations.
- Swiftly exported to Microsoft® Excel, Microsoft® Word or as an Adobe® pdf file to be used in reports.
- Easily modified with your specific rate, e.g. state tax in the USA, municipal trade tax in Germany, and clearly indicated in red.
- Easily shared with the people involved.

The screenshot shows the 'Calculation Details, result 3' window. It displays a breakdown of the tax calculation for Germany. The dividend received from Luxembourg is 90,0. The taxable amount is 4,5, and the corporate tax in Germany is 1,5. The amount received after tax is 88,5.

Item	Value
Dividend from Luxembourg	90,0
Tax position: Taxable income	
Amount received	90,0
Tax credit: Foreign tax is a cost	
Taxable % of income	5,0 %
Taxable amount	4,5
Corporate tax in Germany	33,0 % (1,5)
Corporate tax after credit	(1,5)
Amount received after tax	88,5

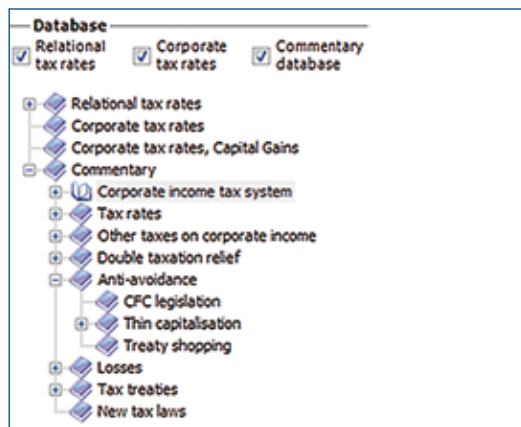
A comprehensive database – updated monthly!

The user friendly database, which is updated monthly, contains effective tax rates, income situations and international relations. Any rate in the database is fully modifiable by the user. The database is divided into three parts:

The *relational tax rates database* forms the basis for dividend, interest and royalty payments and shows rates and rules applicable between each country.

The *corporate tax rate database* contains statutory corporate tax rates, surtaxes and progressive income scales. Together these rates generate the effective corporate tax rate.

You will find detailed information about each country in the *commentary database*. The information presented, e.g. group taxation, anti avoidance rules, elimination of double taxation, a complete list of signed and double tax treaties in effect, is of importance when analysing possible scenarios and generating memos.



In connection with the monthly update of the Comtax® System, a newsletter is published and distributed to the users.

The Comtax® System also contains a library covering newsletters from 2002 and onwards.

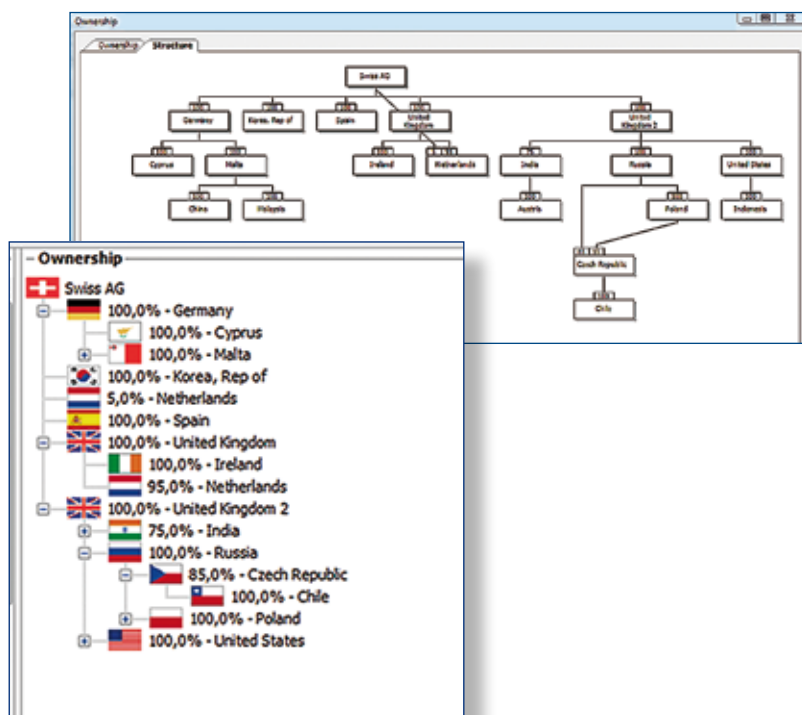


The uniqueness of the Comtax® System is reached...

...when you apply your own facts and figures, such as:

- Inserting the real start value in a transaction.
- Starting the calculation before or after corporate tax in the source state.
- Changing the tax positions to a situation with current loss, loss carried forward or taxable income etc.
- Inserting payment restrictions to avoid results not in line with group policies.
- Selecting your countries.
- Having the Comtax® System analysing the situation with or without your group structure as a basis.
- Copying and renaming countries.
- Using your own preferred groups of countries or the predefined groups for the OECD and the EU.

Country	Start Value
Cyprus	100
Czech Republic	3500
Denmark	4000
Ecuador	100
Egypt	100
El Salvador	100
Estonia	100
Finland	100
France	100
Gabon	100
Germany	100
Gibraltar Exempt C.	100
Gibraltar	100
Greece	100
Guatemala	100
Hong Kong	100
Hungary	100
Iceland	100
India	100
Indonesia	100

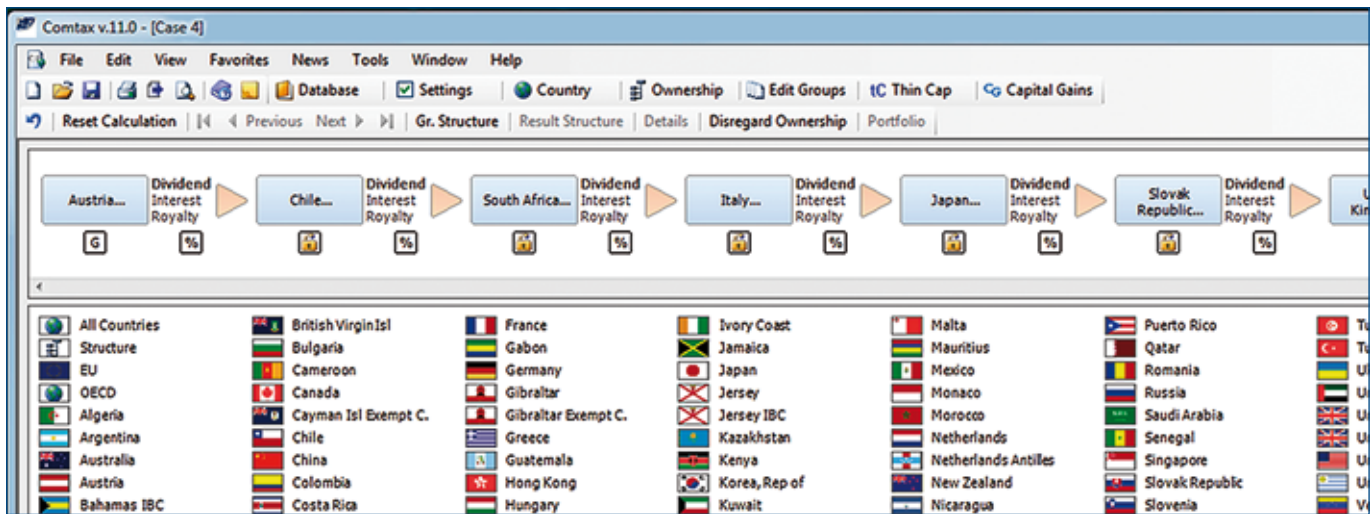


Your group ownership structure can easily be set up in Comtax® and can easily be modified for specific purposes. The structure instructs the calculation process and a consolidated group result can be generated.

Having the structure as a basis will lead to efficient and useful results, for instance when implementing a new entity to the group.

All changes made by you are retained within the project and can be used over and over again. Further, all changes are neatly summarised for easy access.

System modules



Simulation & Planning

Simulation & Planning forms the fundamental basis of what we call the Comtax® System.

You can tailor your licence to a selection of our System countries, for which limitless scenarios can

be simulated and analysed. Underlying data and settings can be modified in a project environment in which current and future factors can be considered.



Capital Gains

This module calculates and analyses the capital gains taxation on cross-border sales of shares. It automatically applies the capital gains consequences of a sale on any simulated ownership scenario. It can also be used as a separate simulation tool analysing capital gains taxation considering the level of ownership as well as the shareholding time.

You can customise the System to suit your specific need. Add the countries you want to include together with the optional modules that you find useful. You can easily upgrade as your needs change over time.

The screenshot shows the 'Calculation Details, result 1' window for Japan. It details the tax implications of interest payments from Japan to Spain.

Item	Rate	Amount	Result
Thin Cap - Interest (Intercompany Loans) to Spain			
Tax position: Taxable income			
Profit before tax payable		4 000,0	4 000,0
Deductible	0,0 %	(0,0)	
Taxable amount		4 000,0	
Corporate tax on payment	43,0 %		(1 720,0)
Payment before withholding tax			2 280,0
Withholding tax	20,0 %		(456,0)
Net payment to Spain			1 824,0

Thin Capitalisation

By indicating that a country is thinly capitalised, this module automatically applies thin capitalisation rules to the interest simulations. Additional commentaries are also provided.

Comtax[®] at a glance

The Comtax[®] System has been designed to allow the international tax professional to identify the optimal solution in the shortest possible time.

When used as intended, it guarantees that a global group pays a minimum of taxes on cross-border payments.

The Comtax[®] System:

- Will within seconds present you with ideas of optimal ownership structures.
- Will quickly analyse 'what-if' scenarios and identify the optimal cross-border tax planning strategy.
- Improves your net revenue by reducing your total tax burden.
- Tells you to whom you should license an intangible right and when a sublicense arrangement will improve your after-tax result.
- Lets you know whether to finance a subsidiary with a loan or equity and how to route the money in the most tax-efficient way.
- Tells you how to set up financial companies and how to structure the loans.
- Always tells you the effects on after-tax result.
- Lets you know the capital gains tax effect when you sell the shares of a subsidiary.
- Presents you with the figures, comments and explanations necessary to show those not involved in strategic tax planning the advantages of a certain structure.
- Gives you the arguments why tax costs are as important as other costs.
- Has a monthly updated database containing tax information on more than 125 countries.



More than two decades at the forefront of international tax planning



Extensive support

Comtax® is organised from the inside out in order to ensure that our customers know how to utilise all the benefits of the Comtax® software.

Training can be provided either on site or via Comtax® online training, where the training session is brought directly to your desktop via the Internet.

Our skilled trainers can tailor the session to your specific needs and thereafter interact with you to ensure that you optimise your use of the Comtax® software for your situation.

Furthermore, we offer seminars around the world, where Comtax® users meet, exchange experiences, develop their Comtax® software skills and gain knowledge of the very latest developments.

We also have experienced in-house technical support staff who promptly assist you on any technical issue.

Continuously refined

Comtax® is the only company worldwide to offer a tax planning software suite specially tailored for international tax professionals.

The Systems are continuously being refined, and have been used on a daily basis since 1985 by multinational corporations, banks, tax consultants and lawyers all over the world – providing them with the tools for minimising tax on cross-border repatriations and capital gains on shares.

Do not hesitate to call us today for a free full-scale demonstration, tailored to your specific situation and needs.



COMTAX

The problem is complex – the solution is simple

Comtax AB, Järnvägsgatan 11, SE-252 24 Helsingborg, Sweden.

Tel. +46 42 38 04 20. Fax +46 42 21 01 84.

E-mail: info@comtaxit.com Web: www.comtaxit.com