



International Corporate Tax

Attractiveness of European Tax regimes

An investigation into business views on tax regimes in Europe

TAX

Attractiveness of a country for individual attributes

Q1: How attractive is your country's tax regime in the following areas?

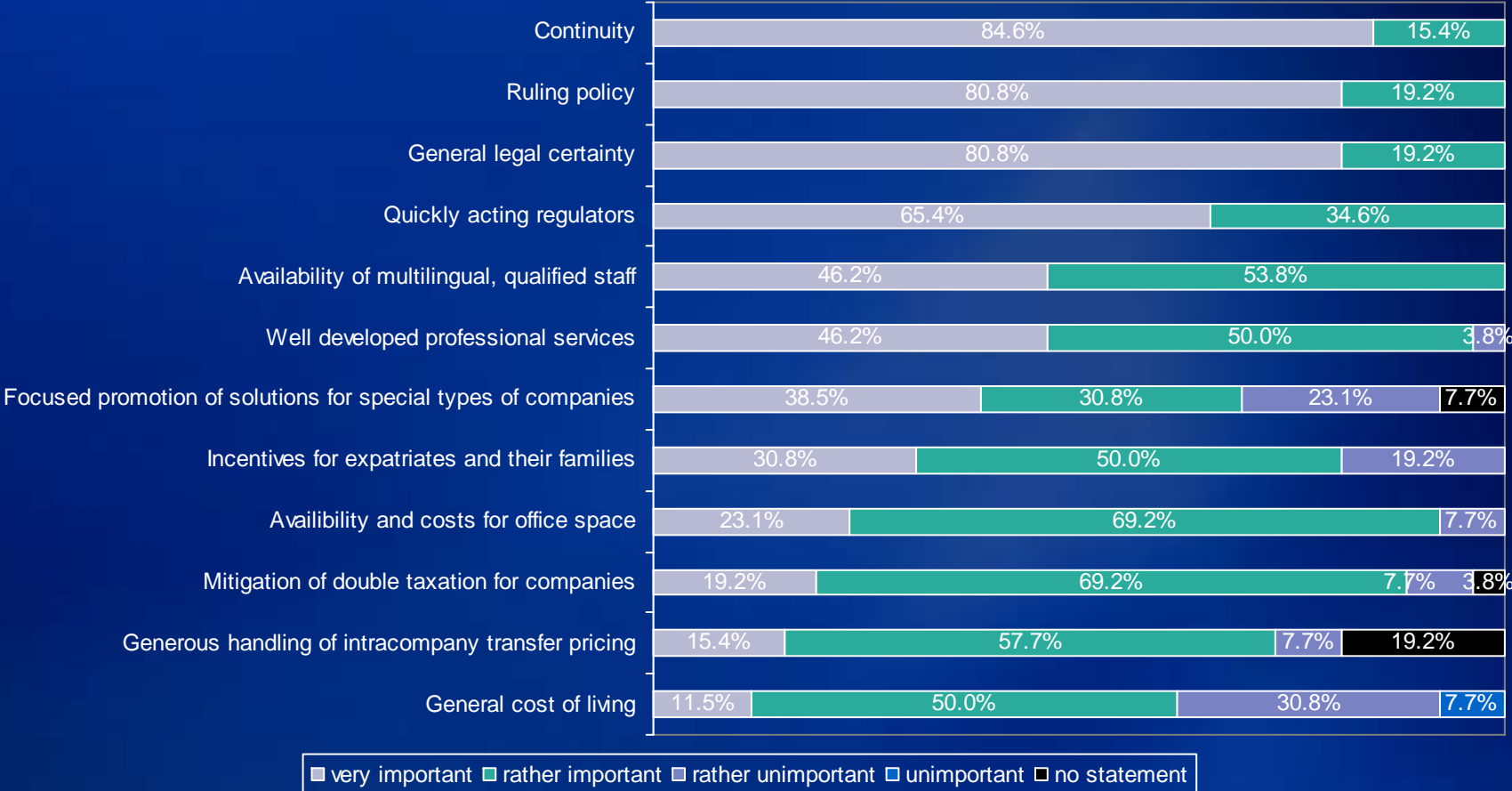
Country	Ranking	Net average attribute attractiveness	Consistency	Stability over years	Volume of tax legislation	Clarity of interpretation	Advance of warning of major changes	Low tax rate	Relations with tax authorities	Country	Ranking	Net average attribute attractiveness	Consistency	Stability over years	Volume of tax legislation	Clarity of interpretation	Advance of warning of major changes	Low tax rate	Relations with tax authorities
EU Average	N/A	45%	52%	49%	28%	30%	50%	49%	60%	EU Average	N/A	45%	52%	49%	28%	30%	50%	49%	60%
Cyprus	1	90	80	100	100	100	70	100	80	Belgium	12=	46	60	60	10	50	50	20	70
Ireland	2	89	90	90	80	70	90	100	100	UK	12=	46	66	70	8	18	56	40	62
Switzerland	3	83	80	100	40	80	90	100	90	Denmark	13	44	60	40	10	20	50	40	90
Malta	4	81	82	100	82	91	73	73	64	France	14	41	40	40	30	30	50	40	60
Estonia	5	71	80	80	60	50	60	80	90	Slovenia	15	39	60	10	20	20	50	20	90
Finland	6	66	80	100	40	30	80	40	90	Latvia	16=	37	30	10	20	20	60	70	50
Austria	7	63	90	70	10	40	60	100	70	Portugal	16=	37	60	40	20	20	40	30	50
Slovakia	8=	61	90	70	50	40	30	90	60	Germany	17=	30	32	20	10	10	62	36	42
Luxembourg	8=	61	70	90	40	40	40	70	80	Lithuania	17=	30	20	0	30	40	30	0	90
Netherlands	9=	59	91	82	9	27	64	55	82	Poland	18	29	30	0	10	0	20	80	60
Sweden	9=	59	60	90	50	50	40	40	80	Italy	19	28	22	26	22	16	26	42	40
Bulgaria	10	51	60	40	50	40	50	60	60	Czech	20	26	27	36	27	0	36	27	27
Hungary	11=	47	60	70	30	50	30	40	50	Romania	21	21	20	10	0	20	10	40	50
Spain	11=	47	40	40	70	40	70	30	40	Greece	22	14	10	10	10	10	20	20	20



Key: 70%+ 50-69% Less than 50%

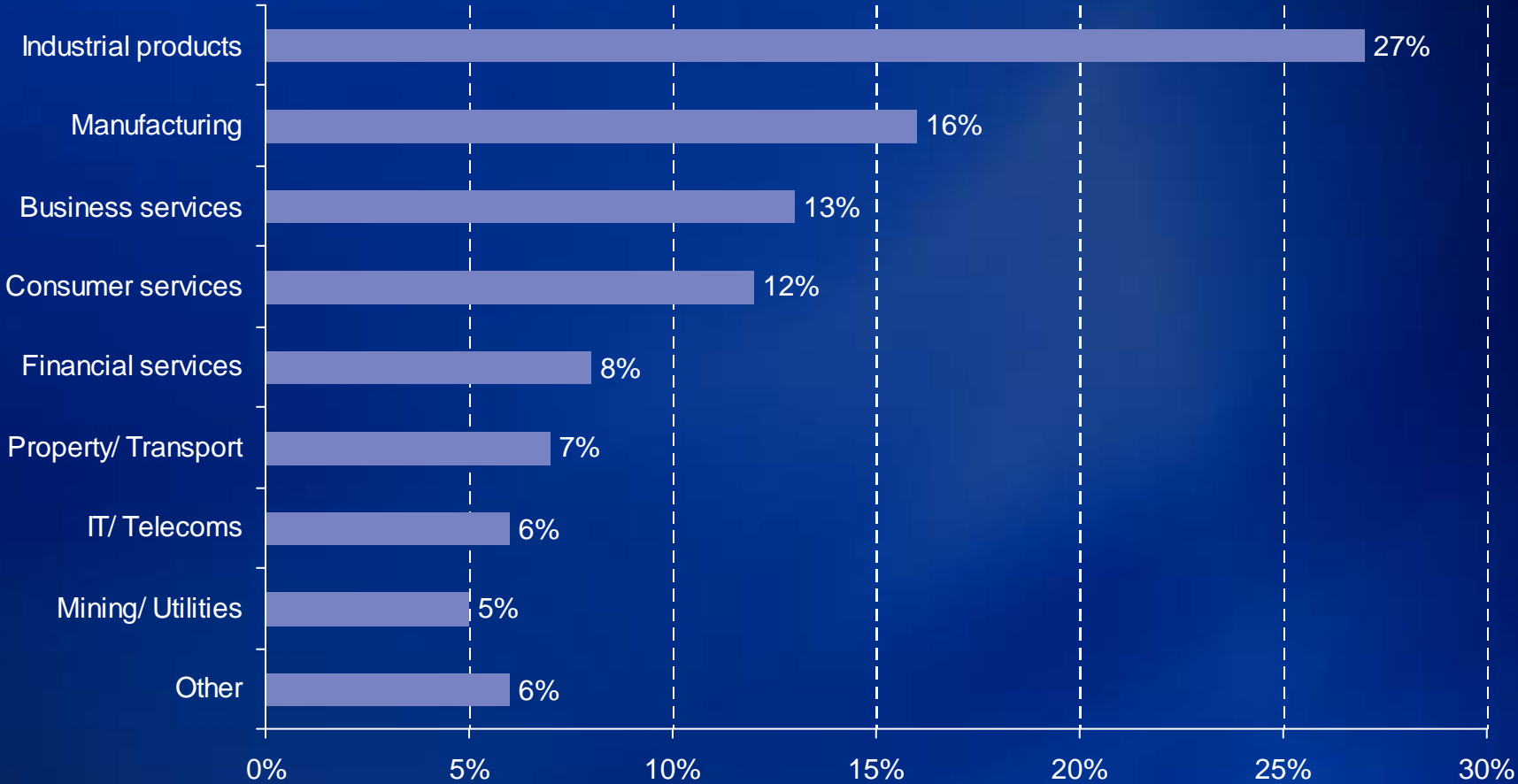
Base: All respondents (403)

Excursus: Most important criteria for choosing the tax location: Continuity of tax policy, ruling policy and legal certainty



The participants represent a range of industry sectors

Q2: Which of the following best describes the industry in which your company operates?



Overall attractiveness of country tax regimes

Q3: Overall, how attractive is your country's tax regime compared to other countries in Europe?
- Rankings reflect also splits between very attractive and attractive -

Country	Ranking*	No. of interviews	Net attractiveness	Net un-attractiveness	Country	Ranking*	No. of interviews	Net attractiveness	Net un-attractiveness
Ireland	1	10	100%	0%	Sweden	15	10	50%	20%
Switzerland	2	10	100%	0%	Poland	16	10	50%	50%
Austria	3	10	100%	0%	Hungary	17	10	40%	60%
Cyprus	4	10	90%	0%	Italy	18	50	38%	56%
Estonia	5=	10	90%	10%	Romania	19	10	30%	30%
Slovakia	5=	10	90%	10%	France	20	10	30%	40%
Malta	7	11	82%	9%	Portugal	21	10	30%	50%
Netherlands	8	11	82%	18%	Denmark	22	10	30%	70%
Luxembourg	9	10	80%	0%	Slovenia	22	10	30%	70%
Finland	10	10	70%	10%	Czech	23	11	27%	73%
Latvia	11	10	70%	20%	Germany	24	50	26%	68%
Belgium	12	10	70%	30%	Spain	25	10	20%	70%
Bulgaria	13	10	60%	40%	Greece	25	10	20%	70%
UK	14	50	50%	28%	Lithuania	26	10	20%	80%



Key: 70%+ 50-69% Less than 50%

Base: All respondents (403)

Country splits (1 of 2)

Q3: Overall, how attractive is your country's tax regime compared to other countries in Europe?

Country	Number of interviews	Very attractive	Attractive	Neither attractive nor unattractive	Unattractive	Very Unattractive	Refused / Don't Know
Germany	50		26%	6%	44%	24%	
Italy	50	8%	30%	2%	42%	14%	4%
UK	50	6%	44%	16%	26%	2%	6%
Austria	10	10%	90%				
Belgium	10		70%		20%	10%	
Bulgaria	10	10%	50%		40%		
Cyprus	10	70%	20%				10%
Czech	11		27%		64%	9%	
Denmark	10		30%		70%		
Estonia	10	40%	50%		10%		
Finland	10	30%	40%	20%	10%		
France	10		30%	20%	30%	10%	10%
Greece	10		20%		50%	20%	10%
Hungary	10	10%	30%		60%		

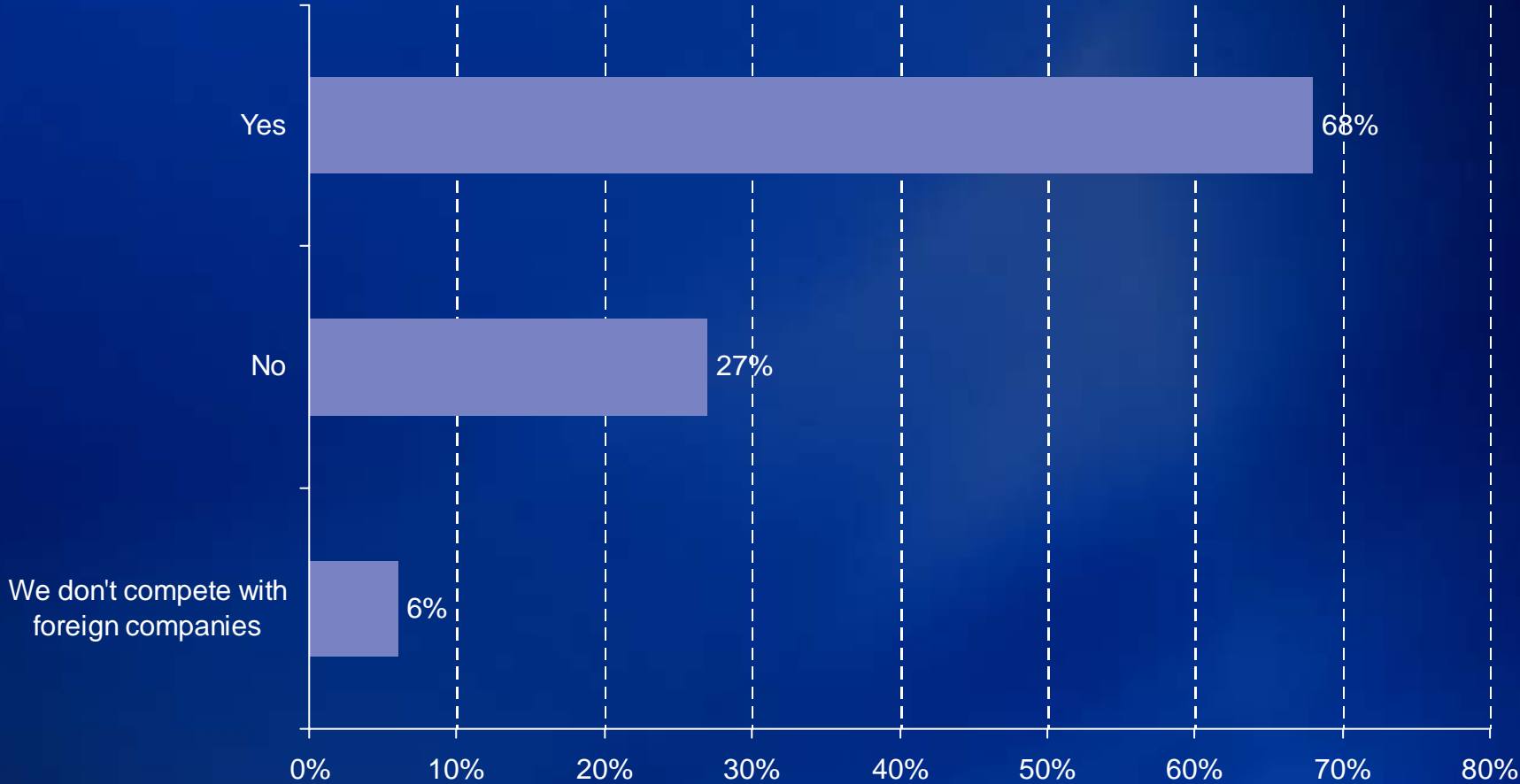
Country splits (2 of 2)

Q3: Overall, how attractive is your country's tax regime compared to other countries in Europe?

Country	Number of interviews	Very attractive	Attractive	Neither attractive nor unattractive	Unattractive	Very Unattractive	Don't Know
Ireland	10	90%	10%				
Latvia	10	10%	60%	10%	10%	10%	
Lithuania	10		20%		70%	10%	
Luxembourg	10	40%	40%	20%			
Malta	11	27%	55%	9%	9%		
Netherlands	11	9%	73%		9%	9%	
Poland	10		50%		50%		
Portugal	10		30%	20%	40%	10%	
Romania	10	10%	20%	20%	20%	10%	20%
Slovakia	10		90%		10%		
Slovenia	10		30%		70%		
Spain	10	10%	10%	10%	50%	20%	
Sweden	10		50%	30%	20%		
Switzerland	10	70%	30%				

Effects of unattractive tax regime on competitive advantage

Q4: Does the unattractiveness of the tax regime put your company at a competitive disadvantage when competing with foreign companies?



Base: 160 (Net unattractive respondents of Q: Overall, how attractive is your country's tax regime compared to other countries in Europe?)

For almost all companies a country's unattractive tax regime is a **strong disadvantage**

Q4: Does the unattractiveness of the tax regime put your company at a competitive disadvantage when competing with foreign companies?

Country	Number of interviews	Yes	No	Don't compete with foreign companies	Country	Number of interviews	Yes	No	Don't compete with foreign companies
UK	14	36%	36%	28%	Ireland	0	0%	0%	0%
Germany	34	71%	26%	3%	Latvia	2	50%	50%	0%
Italy	28	75%	25%	0%	Lithuania	8	75%	25%	0%
Austria	0	0%	0%	0%	Luxembourg	0	0%	0%	0%
Belgium	3	67%	33%	0%	Malta	1	100%	0%	0%
Bulgaria	4	75%	25%	0%	Netherlands	2	100%	0%	0%
Cyprus	0	0%	0%	0%	Poland	5	80%	20%	0%
Czech	8	13%	50%	38%	Portugal	5	60%	40%	0%
Denmark	7	71%	29%	0%	Romania	3	67%	33%	0%
Estonia	1	100%	0%	0%	Slovakia	1	100%	0%	0%
Finland	1	0%	100%	0%	Slovenia	7	86%	0%	14%
France	4	50%	50%	0%	Spain	7	86%	14%	0%
Greece	7	86%	14%	0%	Sweden	10	40%	60%	0%
Hungary	6	83%	17%	0%	Switzerland	0	0%	0%	0%

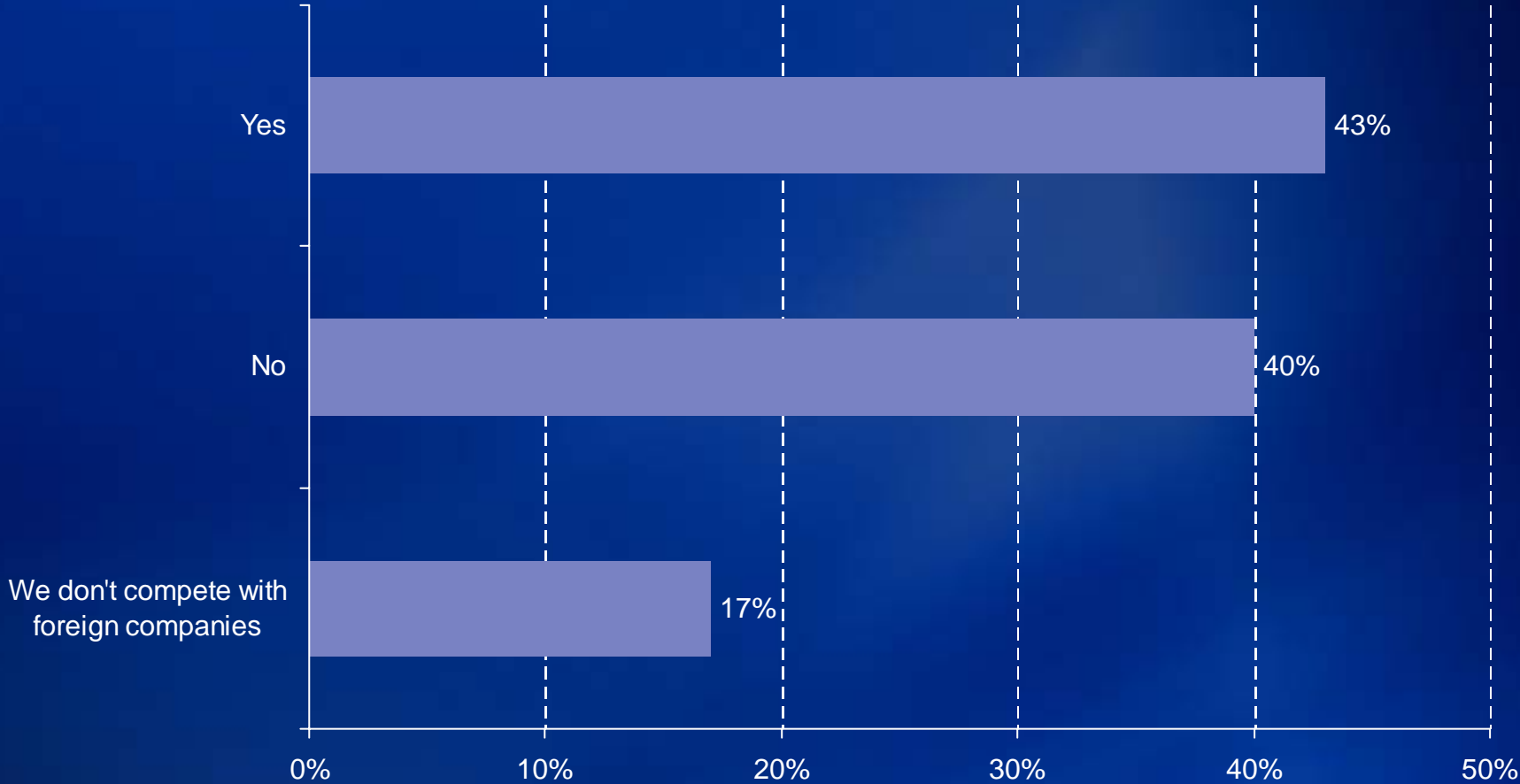


Base: 160 (Net unattractive respondents of Q: Overall, how attractive is your country's tax regime compared to other countries in Europe?)

Key: Yes Not sure No

Effects of attractiveness of tax regime on competitive advantage

Q5: Does the attractiveness of the tax regime put your company at a competitive advantage when competing with foreign companies?



Effects of attractiveness of tax regime on competitive advantage **by country**

Q5: Does the attractiveness of the tax regime put your company at a competitive advantage when competing with foreign companies?

Country	Number of interviews	Yes	No	Don't compete with foreign companies	Country	Number of interviews	Yes	No	Don't compete with foreign companies
UK	25	44%	24%	32%	Ireland	10	70%	20%	10%
Germany	13	31%	62%	8%	Latvia	7	57%	0%	43%
Italy	19	21%	79%	0%	Lithuania	2	50%	50%	0%
Austria	10	50%	10%	40%	Luxembourg	8	13%	75%	13%
Belgium	7	71%	29%	0%	Malta	9	67%	22%	11%
Bulgaria	6	83%	17%	0%	Netherlands	9	22%	78%	0%
Cyprus	9	56%	11%	33%	Poland	5	80%	20%	0%
Czech	3	0%	33%	67%	Portugal	3	33%	67%	0%
Denmark	3	33%	67%	0%	Romania	3	0%	100%	0%
Estonia	9	56%	44%	0%	Slovakia	9	22%	11%	67%
Finland	7	43%	43%	14%	Slovenia	3	33%	67%	0%
France	3	33%	33%	33%	Spain	2	50%	50%	0%
Greece	2	50%	50%	0%	Sweden	5	40%	60%	0%
Hungary	4	25%	75%	0%	Switzerland	10	50%	20%	30%



Base: 205 (Net attractive respondents of Q: Overall, how attractive is your country's tax regime compared to other countries in Europe?)

Key: **Yes** **Not sure** **No**



Contact

Jörg Walker
Head of Tax

KPMG AG

Badenerstrasse 172
Postfach
8026 Zürich

Telefon +41 44 249 31 50
Fax +41 44 249 31 30
joergwalker@kpmg.com

Johannes Rettig
Marketing Tax & Legal

KPMG AG

Badenerstrasse 172
Postfach
8026 Zürich

Telefon +41 44 249 28 50
Fax +41 44 249 31 30
jrettig@kpmg.com