



Ministry of Finance

The new UK - NL Tax Treaty

Breakfast Seminar

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27th of April 2010



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1. Introduction

- Involvement in negotiations
- Reassurance:
responsibility for current and future tax treaty policy issues
(Ms. Hester Henry and myself)
- Background negotiations
modernization from 1980 to 2008
- Symbol of constructive ongoing relationship
comparable countries / international committees /
plus especially 'mutual agreement procedures'



2. Current Status

- UK-side: ratification process finished (if we are not mistaken)
- NL-side: some restraint because of current discussion between Parliament and State Secretary
- Genuine interest Parliament in this treaty and broader
- Extensive questions Lower House of Parliament
- Relation with public note on “international taxation treaty policy” and resignation of Cabinet
- Our aim: ratified before end of the year



3. Content

Ten topics / a to j

a. Dividends, interest, royalties

- Intriguing contrast United Kingdom versus Netherlands in national legislation
- Basic idea: minimize withholding taxes to improve mutual investments



3. Content (continued)

b. Anti-abuse

- No limitation on benefits
- Main purpose, plus consultation

c. Capital gains

- Sale of shares in companies with real estate, narrower than OECD-model
- Two paragraphs on emigration of individuals and persons



3. Content (continued)

d. Corporate tiebreaker

- Cause of concern in the Netherlands: justified or not?
- Experience in other treaties
- Specific paragraph on 'dual listed company arrangements'

e. Directors' fees

- Taxed in 'source state' to the extent of "services rendered" there



3. Content (continued)

f. Pensions

- Limited 'source state' levying rights
(for both private and public pensions, plus social security and annuities)

g. Exchange of information

- Obviously in line with the OECD-standard

h. Assistance in the collection of taxes



3. Content (continued)

i. Arbitration (plus mutual agreement)

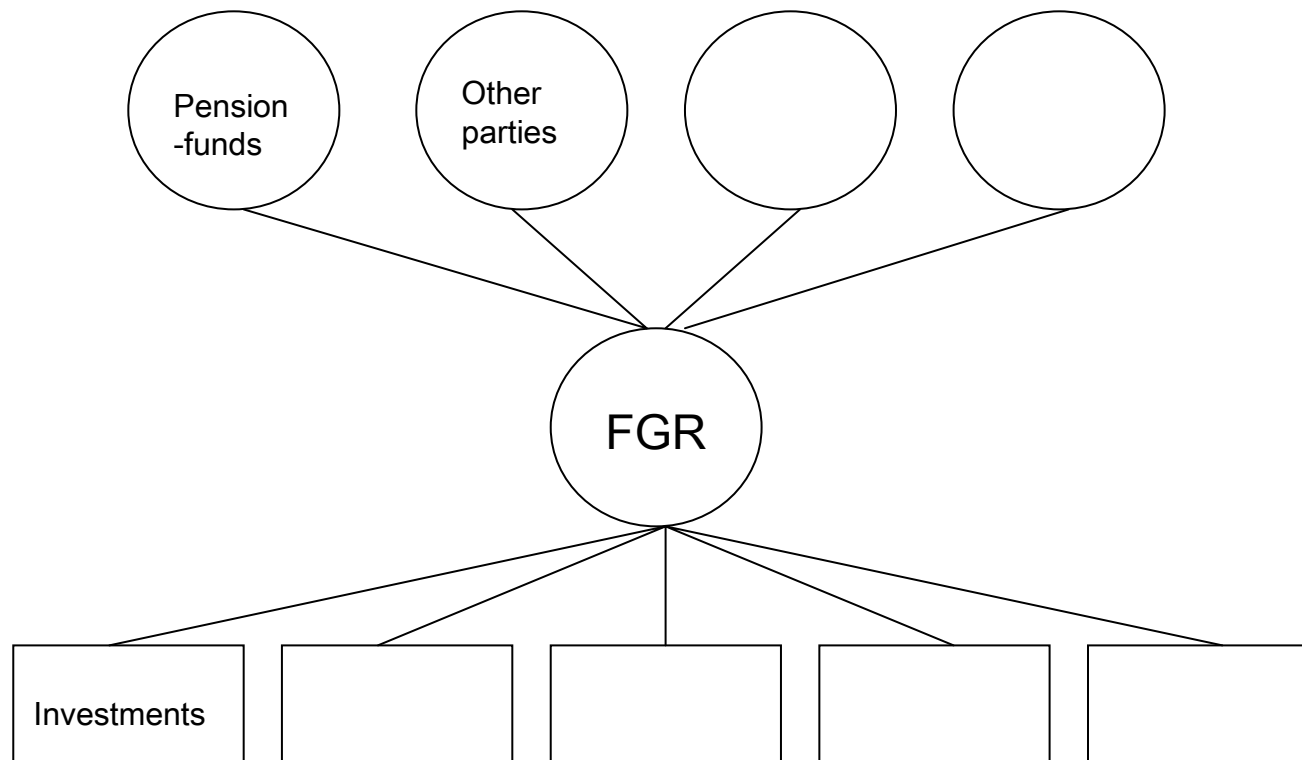
- Demonstration of willingness to solve double taxation

j. Asset pooling (see next page)

- Closed mutual fund ('besloten fonds voor gemene rekening' (FGR))
- Incentive for collective international investments, for instance for pension obligations to employees of multinational enterprises
- Relation with Protocol article V



3. Content (continued)





4. Conclusion

- The new treaty is a modernization of the current treaty
- It should hopefully reflect the strong economic ties between the United Kingdom and the Netherlands and have a positive effect on future developments



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*Thank you for your
attention &
questions are welcome*

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