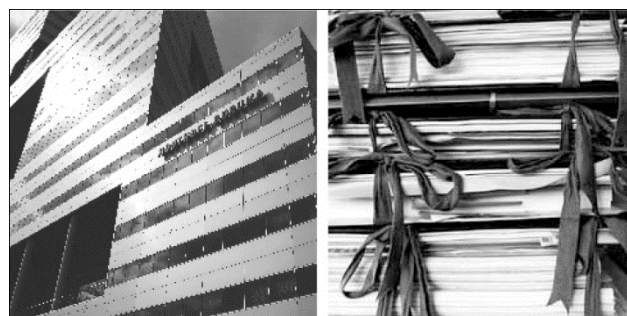


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## Dutch FBI Regime

The Netherlands generally has the following tax regimes for investment funds:

- Tax transparent fund for joint account (*fonds voor gemene rekening*) ("**FGR**") or limited partnership ("**CV**");
- Fiscal investment institution ("**FBI**");
- Exempt investment institution ("**VBI**").

Please find below a high level overview of the tax regime applying to the FBI and the requirements that need to be met.

Main Dutch tax aspects	
Taxable profits	No corporate income tax (profits taxed at 0%).
Distribution of profits	Distribution of profits subject to 15% dividend withholding tax. Reduction of dividend withholding tax / exemption from dividend withholding tax for qualifying shareholders under double taxation treaties.  Under circumstances, a reduction of dividend withholding tax on profit distributions by the FBI is granted for Dutch and foreign withholding taxes incurred by the FBI (remittance reduction). Qualifying distributions out of reinvestment reserve (please see below) under circumstances not subject to dividend withholding tax.
Tax treaty protection	Generally qualifies for tax treaty protection.

Main requirements	
Legal form	NV, BV, FGR or similar qualifying Aruba, Curaçao, Sint-Maarten, BES islands and EU/tax treaty entities.
Activities test	Activities limited to portfolio investment activities. Certain non-portfolio investment activities allowed.
Debt to equity ratio	Debt funding limited to 60% of book value real estate and 20% book value other investments.
Distribution of profits	Mandatory within 8 months following the end of the financial year. However, certain reserves may be formed. E.g. capital gains or unrealised gains on securities do not have to be distributed if these are allocated to a reinvestment reserve.
Profits allocation	All classes of shares must equally share in the profits.
Shareholder	Specific shareholder requirements:

Requirements	<p><b>a. Regulated<sup>1</sup> FBI:</b></p> <ul style="list-style-type: none"> <li>No single individual may own an interest of 25% or more in the FBI;</li> <li>There may not be a single corporate (taxable or tax transparent) shareholder who holds an interest of 45% or more in the FBI (also taking into account interests held by affiliates), unless such entity is a qualifying portfolio investment entity.<sup>2</sup></li> </ul> <p><b>b. Non-regulated FBI:</b></p> <ul style="list-style-type: none"> <li>No single individual may (together with his or her partner) own an interest of 5% or more in the FBI;<sup>3</sup></li> <li>At least 75% of the interests in the FBI has to be owned by private individuals, tax exempt entities or regulated FBIs.</li> </ul> <p><b>c. In all cases:</b></p> <ul style="list-style-type: none"> <li>Dutch resident entities may not own, together or with affiliates, an interest of 25% or more in the FBI through non-Dutch resident entities.</li> </ul>
Board of directors / supervisor board	Certain restrictions apply for directors and supervisory board members of regulated FBIs.



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<sup>1</sup> A FBI is regulated if (i) the shares are admitted to the market for financial instruments as defined under the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) ("**FMSA**"), or (ii) the fiscal investment institution or its manager (as applicable) has a license as referred to in the FMSA, or (iii) the fiscal investment institution or its manager is exempt from such license based on the FMSA.

<sup>2</sup> Generally, this is an UCITS (*Instelling voor Collectieve Beleggingen in Effecten (ICBE)*) or FBI.

<sup>3</sup> This is a substantial interest (*aanmerkelijk belang*) as defined in the Dutch personal income tax.