

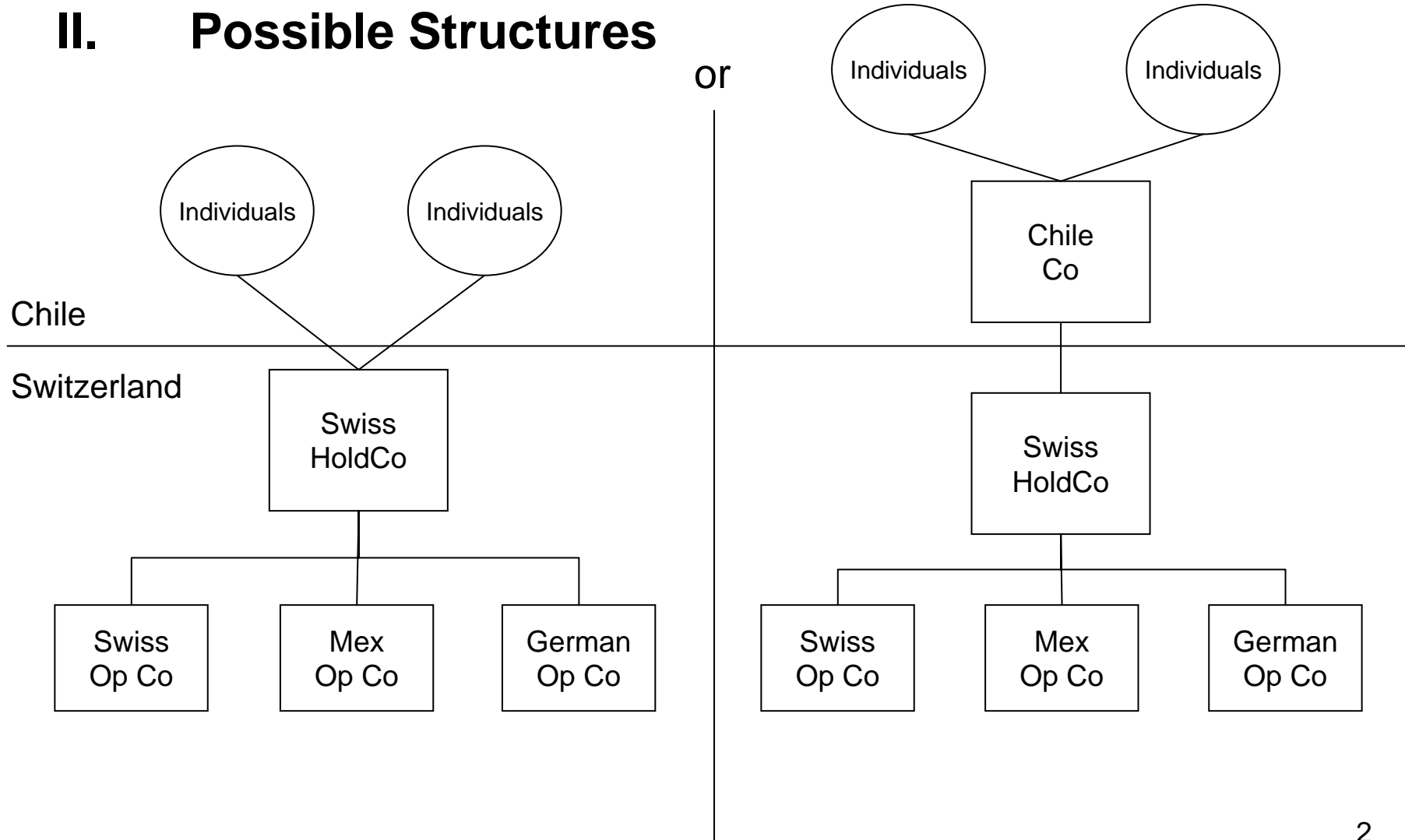
# Case Study 1: Swiss Holding Company

## I. Facts

Chilean private or corporate shareholders would like to set up a European Holding structure, in order to

- centralize holding functions
- centralize financing / IP / etc.
- protect assets
- reduce tax burden

## II. Possible Structures



### III. Corporate and General Issues

- Incorporation with cash or as contribution in kind or intended taking over of assets
- No restrictions for investments and for exit
- No physical presence required for Swiss purposes

## IV. Tax Issues

- Incorporation might be subject to the 1% stamp duty, but not in case of reorganization
- Holding privilege: dividends and capital gains almost tax free
- Holding can serve as finance vehicle
- Dividends to Chile: 15% w/h tax

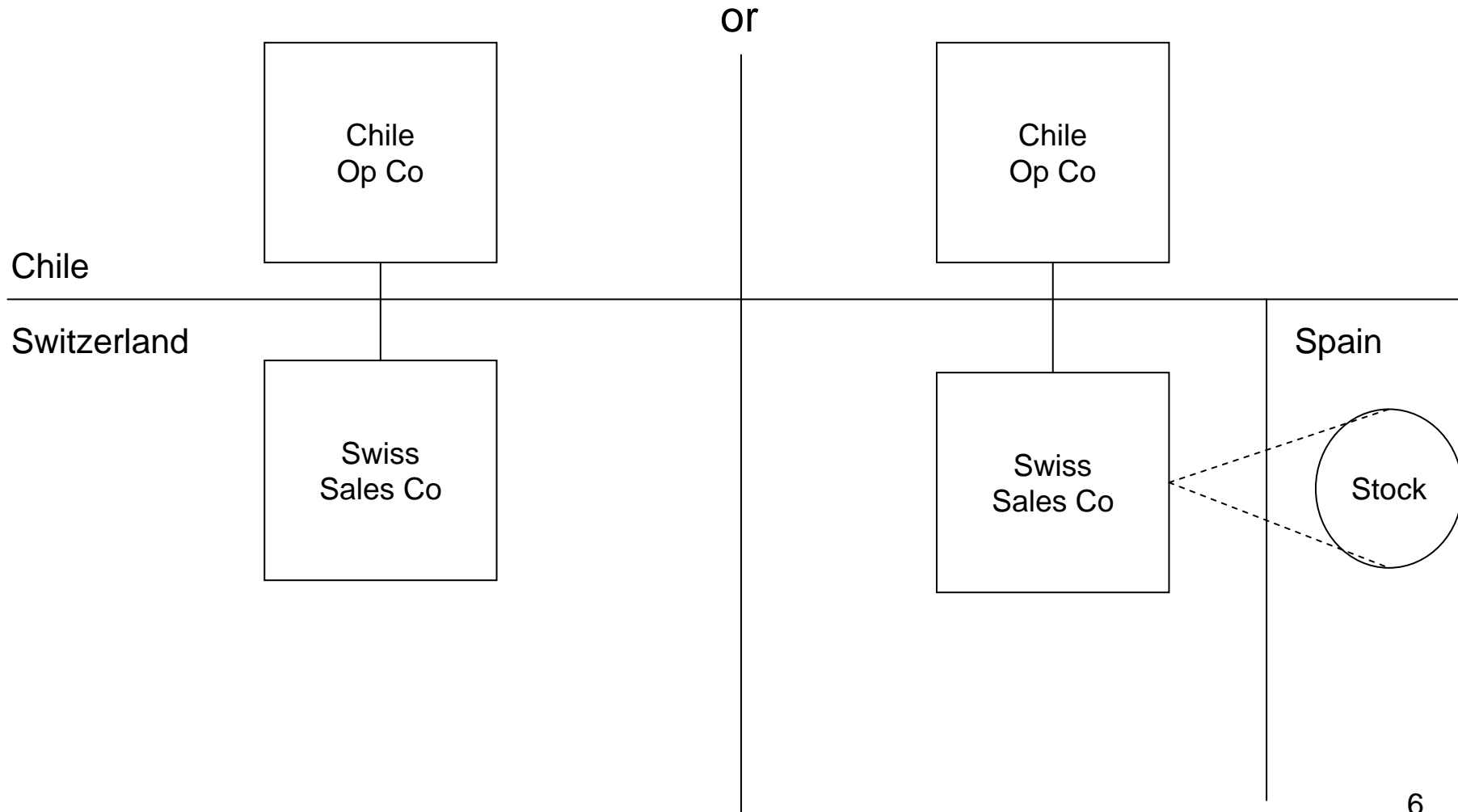
# Case Study 2: Swiss Sales Company

## I. Facts

Chilean private or corporate shareholders would like to set up an European Sales Company, in order to

- centralize European sales
- switch from a sales agent structure to a centralized structure
- reduce tax burden

## II. Possible Structures



### III. Corporate and General Issues

- Easy set-up of SwissCo / Spanish warehouse
- Agreements with other group companies / dependent or independent distributors can be in Switzerland
- Many services can be outsourced
- No special substance required

## IV. Tax Issues

- Set-up of SwissCo tax free
- If at least 80% of SwissCo's income are foreign sourced: Swiss tax privileges
- Spanish warehouse is no permanent establishment under Swiss / Spanish Double Tax Treaty
- CH-Chilean treaty shall in the future apply for CH-dividends

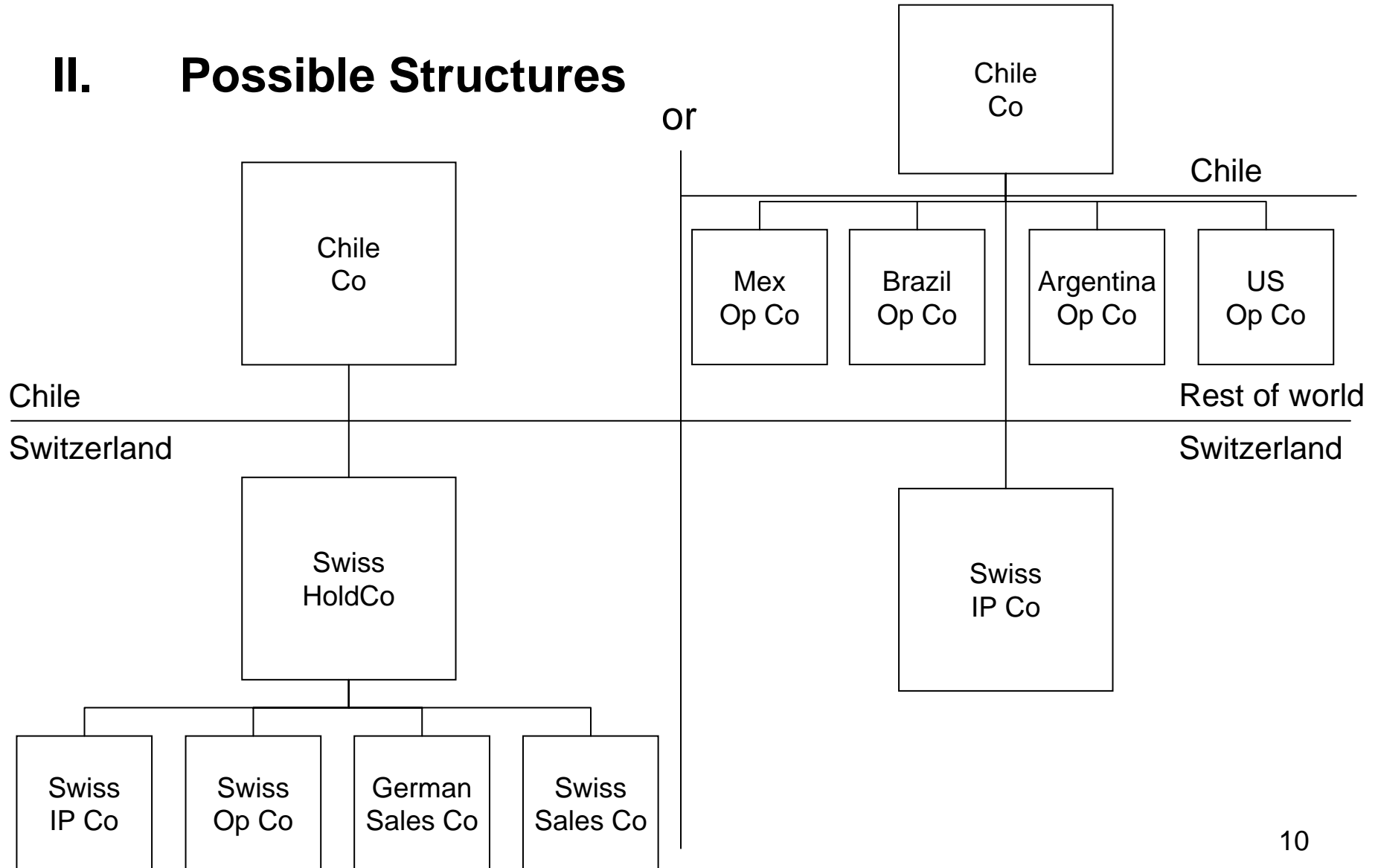
# Case Study 3: Swiss IP-Company

## I. Facts

Chilean private or corporate shareholders would like to set up an European IP-Company, in order to

- centralize all IP rights
- protection of IP rights
- separation from operational risks
- benefit from international registration systems
- reduce tax burden

## II. Possible Structures



### III. Corporate and General Issues

- IP rights as contribution in kind to Swiss IP Co
- Structure similar to holding structure
- Switzerland being part of international IP treaties
- Licence Agreements / Royalty stream
- Cost considerations

## IV. Tax Issues

- Swiss IP Co benefits from special tax status, if 80% foreign sourced income
- Dividends to Swiss HoldCo almost tax free
- Royalties must be at arms-length, then deductible in ordinary (high) taxed companies
- avoidance of Swiss w/h tax through use of Swiss branch structure

# Case Study 4: Swiss Headquarter Company

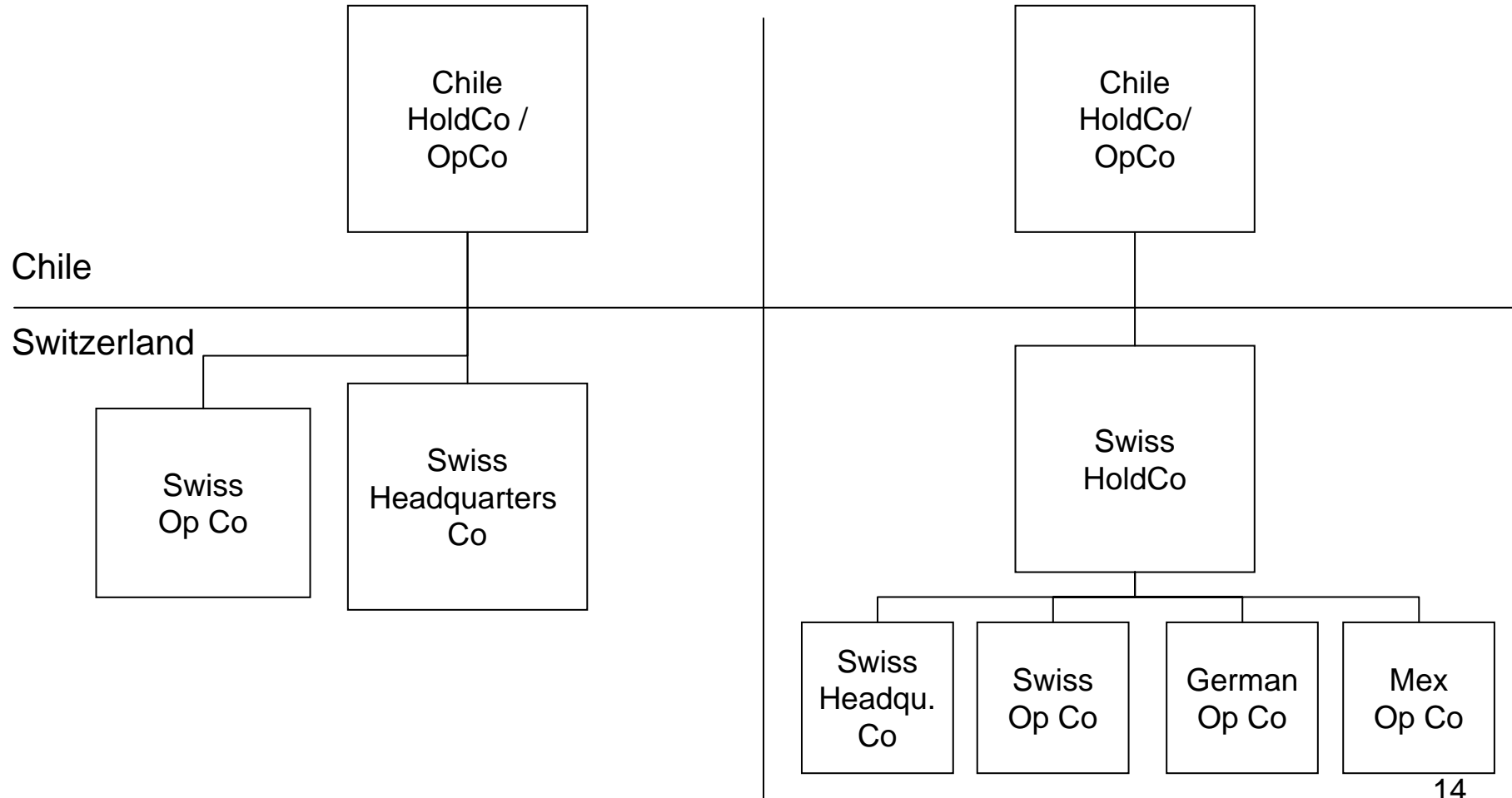
## I. Facts

Chilean private or corporate shareholders would like to set up a Swiss Headquarter Company, in order to

- centralize all European or worldwide management
- be in the heart of Europe
- access to skilled and motivated people
- reduce tax burden of company and management

## II. Possible Structures

or



### **III. Corporate and General Issues**

- attractive employment law
- work permit Issues
- real estate issues

## IV. Tax Issues

- cost plus taxation of management company
- management relatively low taxed
- management fees at arms-length in order to be deductible in operative companies
- only a few countries know w/h taxes on services
- avoidance of Swiss w/h tax through use of Swiss branch structure