

INTERNATIONAL COMPARISON

March 2018



What's in this issue: Taxation on intellectual property

Auren International Comparison is a quarterly publication that provides you an overview of trends and international tax developments by comparing tax issues in different legislations around the world, that may affect those doing business in multiple locations.

Constant legislative, regulatory, and judicial changes, along with globalization, economic shifts, and operational adjustments, are challenging issues. Now more than ever, in an increasingly globalized world, companies must have a total perspective and awareness of tax issues, and this publication aims to cover key tax topics which should be of interest to businesses operating internationally.

This edition includes numerous country focus pieces, in which it is analyzed; the tax issues on intellectual property divided in two types; traditional intellectual property and technology, internet and high-tech.

We hope you that you find this publication helpful.

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Intellectual Property

Intellectual property is reserved for protecting creations of the mind in which the author's personality is captured, and that are unique creations, not industrially manufactured or mass-produced. These creations can be literary and artistic works such as novels, poems and theatre plays, films, musical works, artworks, drawings, paintings, photographs and sculptures or architectural designs, as well as rules for games and computer programs.

Industrial Property

Exploitation of the right of use of Industrial Property. Creations related to industry: patents, drawings, models, plans, formulae, secret procedures, utility models, distinctive signs and designs.



Argentina

Intellectual Property

Ownership	Taxes and benefits	
	Income Tax	VAT
Individual	<p><i>Owner other than the creator perceives income derived from the license with third parties.</i> Progressive tax rate: from 5% to 35%.</p>	<p>Exempt. (Except in the case that the company provides a taxable service vinculated with in an accessory way, in which case will apply a rate of 21%).</p>
	<p><i>Author that keeps ownership licenses it to third parties.</i> Exempted up to the sum of USD 500, only if the registration was complied at the National Directorate of Copyright and the person is an Argentine resident. In the case of payments to beneficiaries from abroad, the effective tax rate of 12.25% must be applied as a withholding tax (sole and final payment), only if the registration in the National Directorate of Copyright was complied. Otherwise, will apply a rate of 31.50%.</p>	
	<p><i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Exempted up to the sum of USD 500, only if the registration was complied at the National Directorate of Copyright and the person is an Argentine resident. In the case of payments to beneficiaries from abroad, the effective tax rate of 12.25% must be applied as a withholding tax (sole and final payment), only if the registration in the National Directorate of Copyright was complied. Otherwise, will apply a rate of 31.50%.</p>	
	<p><i>Transmission of property.</i> Exempted up to the sum of USD 500, only if the transferor is author or beneficiary and the registration was complied at the National Directorate of Copyright. For the rest of the cases, apply a progressive tax rate from 5 to 35%.</p>	
Company	<p><i>Author, that keeps ownership licenses it to third parties.</i> Tax rate: Exercises started on 2018-01-01 until 2019-12-31, 30%. Exercises started 2020-01-01, 25%. In the case of payments to beneficiaries from abroad, the effective rate of 31.50% will be applied as a withholding tax.</p>	



Argentina

Industrial Property

Ownership	Taxes and benefits	
Individual	Income Tax	VAT
	<i>Owner perceives income derived from the license with third parties.</i> Progressive tax rate: from 5% to 35%.	Exempt. (Except in the case that the company provides a taxable service vinculated with in an accessory way, in which case will apply a rate of 21%).
	<i>Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> Progressive tax rate: from 5% to 35%. In the case of payments to beneficiaries from abroad, the effective tax rate of 28% must be applied as a withholding tax (sole and final payment), only if the registration was complied at the National Directorate of Industry Property. Otherwise, will apply a rate of 31.50%.	
<i>Transmission of property.</i> Progressive tax rate: from 5% to 35%.		
Company	Income Tax	
	<i>Author, that keeps ownership licenses it to third parties.</i> Tax rate: Exercises started on 2018-01-01 until 2019-12-31, 30%. Exercises started 2020-01-01, 25%. In the case of payments to beneficiaries from abroad, the effective tax rate of 28% must be applied as a withholding tax (sole and final payment), only if the registration was complied at the National Directorate of Industry Property. Otherwise, will apply a rate of 31.50%.	
	<i>Transmission of property.</i> Tax rate: Exercises started on 2018-01-01 until 2019-12-31, 30%. Exercises started 2020-01-01, 25%.	



Argentina

Treatment of expenses for Intellectual and Industrial Property

Licensee	Taxes and benefits	
	Income Tax	VAT
Individual	The expense is deductible if it's related to the revenue. In case of trademarks and patents licensed by foreign residents, only up to 80% of the remuneration paid for this concept will be deductible.	There is no computable tax credit because it's an exempt operation.
Company	The expense is deductible if it's related to the revenue. In the case of trademarks and patents licensed by foreign residents, only up to 80% of the expenses paid for this concept will be deductible. If the local company has links with the subject licensee must present a transfer pricing study to determine if that 80% is deductible, or if it must be adjusted to the "Arm's Length" value.	
Acquirer	Taxes and benefits	
	Income Tax	VAT
Individual	The amortizations of keys and brands are not deductible since they do not represent rights with limited useful life. On the contrary, amortizations of patents are deductible because it is a right that is extinguished by the pass of time.	There is no computable tax credit because it's an exempt operation.
Company	The amortizations of keys and brands are not deductible since they do not represent rights with limited useful life. On the contrary, amortizations of patents are deductible because it is a right that is extinguished by the pass of time.	



Austria

Intellectual Property

Ownership	Taxes and benefits	
Individual	Personal Income Tax	VAT
	<i>Author that keeps ownership attaches it to his/her business activity and ex-ploits it. OR Owner other than the creator perceives income derived from the license with third parties. OR Author that keeps ownership licenses it to third parties. If attached to business activity: Business income / tax rate: up to 50% If not attached to business activity: Income from rent / tax rate: up to 50%</i>	Tax rate: 20% 10% on artistic work or literary work
	<i>Transmission of property. Business income / tax rate: up to 50% Private income / tax free</i>	Tax rate: 20%
Company	Corporate Income Tax	VAT
	<i>Author, that keeps ownership licenses it to third parties. Business income / tax rate: 25%</i>	Tax rate: 20%
	<i>Transmission of property. Business income / tax rate: 25%</i>	Tax rate: 20%

Industrial Property

Ownership	Taxes and benefits	
Individual	Personal Income Tax	VAT
	<i>Creator keeps ownership attaches it to his/her business activity and exploits it. OR Owner other than the creator perceives income derived from the license with third parties. OR Creator keeps ownership licenses it to third parties. If attached to business activity: Business income / tax rate: up to 50% If not attached to business activity: Income from rent / tax rate: up to 50%</i>	Tax rate: 20%



Austria

Individual	<i>Transmission of property.</i> Business income / tax rate: up to 50% Tax benefit: reduced tax rate 50% of average tax rate BUT: only for inventions which are protected by patent right and only for its author	Tax rate: 20%
Company	Corporate Income Tax	VAT
	<i>Author, that keeps ownership licenses it to third parties.</i> Business income / tax rate: 25%	Tax rate: 20%
	<i>Transmission of property.</i> Business income / tax rate: 25%	Tax rate: 20%

Tax deductibility of expenses relating to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue.	If located in Austria according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	If located in Austria according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Austria according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Austria according to General Location Rules, deductible.



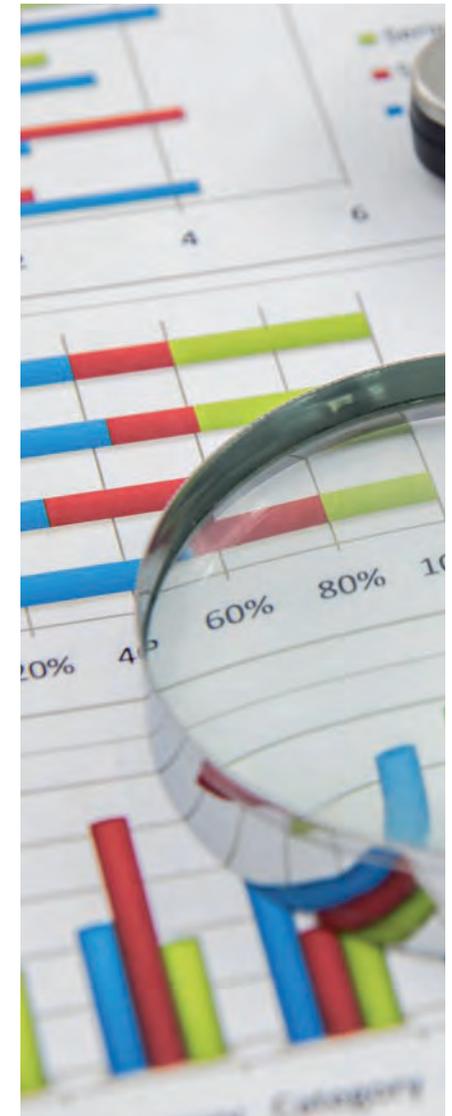
Bulgaria

Intellectual Property

Ownership	Taxes and benefits	
	Income Tax	VAT
Individual	<i>Owner other than the creator perceives income derived from the license with third parties.</i> The owner has right to deduct from tax base before taxation 10% legally defined expenses / Tax rate: 10%	Tax rate: 20%
	<i>Author, that keeps ownership licenses it to third parties.</i> The author has right to deduct from tax base before taxation 40% legally defined expenses / Tax rate: 10%	Tax rate: 20%
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> The author has right to deduct from tax base before taxation 40% legally defined expenses / Tax rate: 10%	Tax rate: 20%
	<i>Transmission of property.</i> Capital gain / Tax rate: 10%	Tax rate: 20%
Company	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income / Tax rate: 10%.	Tax rate: 20%

Industrial Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner perceives income derived from the license with third parties.</i> The owner has right to deduct from tax base before taxation 10% legally defined expenses / Tax rate: 10%	Tax rate: 20%
	<i>Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> The author has right to deduct from tax base before taxation 40% legally defined expenses / Tax rate: 10%	Tax rate: 20%
	<i>Transmission of property.</i> Capital gain /Tax rate: 10%	Tax rate: 20%



Bulgaria

Company	Corporate Income Tax	VAT
	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income / Tax rate: 10%.	Tax rate: 20%
	<i>Transmission of property.</i> Business activity income / Tax rate: 10%	Tax rate: 20%

Common taxation to Intellectual and Industrial Property

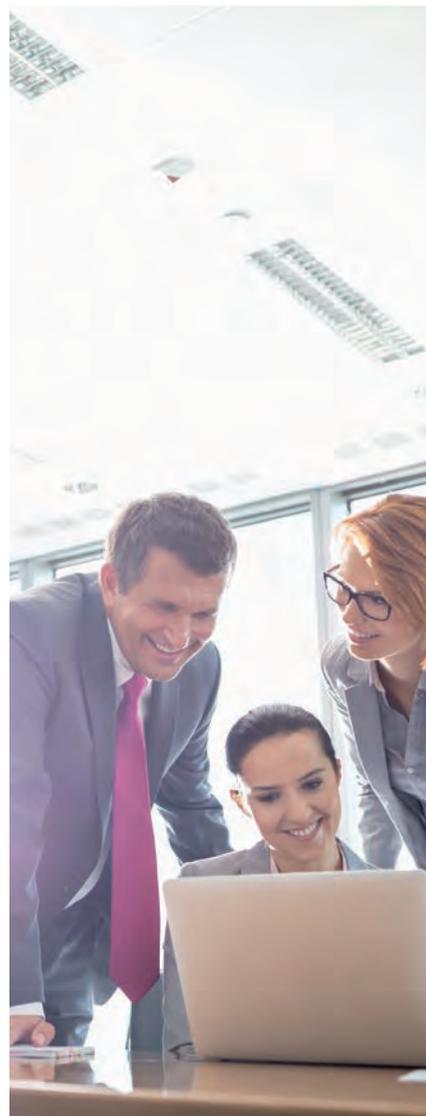
Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expenses from tax base in percentage legally defined.	If located in Bulgaria according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	There is no benefits - common taxation on tax base	If located in Bulgaria according to General Location Rules, deductible.
	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expenses from tax base in percentage legally defined.	If located in Bulgaria according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	There is no benefits - common taxation on tax base	If located in Bulgaria according to General Location Rules, deductible.



Cyprus

Cyprus' legislation does not distinguish between Intellectual Property and Industrial Property

Ownership	Taxes and benefits	
	Income Tax	VAT
Individuals and Companies	<p>Qualifying intangible assets refer to assets that were acquired, developed or exploited by a person in the course of his business (excluding intellectual property associated with marketing) and which pertains to research and development activities for which economic ownership exists. Specifically these assets are:</p> <ul style="list-style-type: none"> • Patents as defined in the Patents Law • Computer Software • Other IP assets that are non-obvious, novel and useful, where the person which utilizes them in further development of a business that does not generate annual gross revenues exceeding Euro 7.500.000 (or Euro 50.000.000 for a group of companies) and which should be certified by an appropriate authority either in Cyprus or abroad. • Utility models, intellectual property assets which provide protection to plants and generic material, orphan drug designations and extensions of protections of patents, all of which should be legally protected. <p>It should be noted that rights used for the marketing of products and services such as business names, brands, trademarks, image rights etc. are not considered as qualifying intangible assets.</p>	<p>As a general rule only computer software is subject to the standard VAT rate of 19%.</p> <p>However, each case needs to be examined separately, especially in relation to the third and fourth category of qualifying intangible assets</p>
	<p>Qualifying profits (income) relates to the proportion of the total income which relates to the fraction of the qualifying expenditure as well as the uplift expenditure which was incurred for the qualifying intangible asset. Such income, for example, consists of royalties in connection with the use of the qualifying intangible asset, capital gains arising on the disposal of a qualifying intangible asset etc.</p>	
	<p>The overall income refers to the total income arising on the qualifying intangible asset within a specific tax year reduced by the direct costs for generating this income.</p>	
	<p>Qualifying expenditure for a qualifying intangible asset relates to the total research and development costs incurred in any tax year wholly and exclusively for the development, improvement or creation of qualifying intangible assets and where costs are directly related to the qualifying intangible assets; plus uplift expenditure of 30%</p>	
Company	<p>80% of the overall income as defined above is treated as a deductible expense. In the case of companies the taxable income is taxed under corporation tax at 12.5% (i.e. effective tax rate of 12.5%). For individuals the tax rate will depend on their total income (tax rates vary between 0% and 35%)</p>	



Egypt

Taxable Revenues

The Tax shall be imposed on:

1. Net revenues of free professions and other non-commercial professions exercised by the taxpayer independently, in which work constitutes the basic element, if these revenues result from exercising the profession or activity in Egypt;
2. Income obtained by intellectual property rights holders from the sale of or investment in their rights;
3. Any revenues resulting from any profession or activity non-prescribed in article-6 of the present law.

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
	<p>Determination of Revenues Included</p> <p>In The Taxable Base</p> <p>The revenues included in the taxable base shall be determined annually on basis of the net revenues during the previous year. Revenues from non-commercial professions shall comprise the yields of disposing of any professional assets, and yields of transferring the know-how or relinquishing the profession exercise offices, wholly or partially, and any amounts collected as a result of closing down the office.</p> <p>Determining the net revenues shall be on basis of the revenue resulting from the different transactions, according to the provisions of the present law, after deducting all costs and expenses necessary for exercising the profession including the depreciations of assets, which shall all be according to simplified accounting standards to be issued by decree of the minister.</p>	
Individual	<p>The following shall be considered among the deductible costs:</p> <ol style="list-style-type: none"> 1. The registration fees, the annual contributions, and the fees for exercising the profession; 2. The taxes settled by the taxpayer in the course of exercising the profession, with the exception of the tax he pays according to the provisions of the present law; 3. The amounts settled by the taxpayer to his association according to its pensions scheme; 4. The premiums of life insurance and health insurance on the taxpayer in his own favor and in favor of his spouse and minor children. <p>In applying the provisions of items (3 and 4), the total tax-exempted portion for the taxpayer from his/her net taxable revenue shall not exceed three thousand pounds annually.</p> <p>This deduction shall not be repeated from any other income prescribed in article (6) of the present law.</p>	



Egypt

Individual	<p>Donations that are granted or devolve to the government, the local government units, and the public juridical persons shall be deducted from the net revenues prescribed in article (32) of the present law, within and not exceeding the annual net revenue, as well as the donations and aids extended to the Egyptian non-governmental organizations registered according to the provisions of the laws organizing them, and to the educational establishments and hospitals that are subject to supervision by the government, as well as to the Egyptian scientific research institutions, providing this shall not exceed 10% of the annual net revenue.</p> <p>The same donations shall not be deducted from any other revenue of those prescribed in article-6 of the present law.</p>	
	<p>All costs and expenses necessary for realizing the revenue shall be deducted from the total revenue of the taxpayer, based on the regular documentarily supported accounts, including the costs and expenses that are not customarily supported by documents, and as determined by the executive regulations of the present law. The deduction shall be at the rate of 10% in case of non-holding regular books.</p> <p>In applying the provisions of the present part, the provision of article-29 of the present law shall apply if the taxpayer holds regular books.</p>	
Tax Exemptions	<p>The followings shall be exempted from the tax:</p> <ol style="list-style-type: none"> 1. The educational establishments placed under the supervision of the government, the public juridical persons or the public sector or the public business sector. 2. Revenues from writing and translating religious, scientific, cultural and literary books and articles, with the exception of the revenues resulting from the sale or translation of the book for producing it in a visual or audio form. 3. Revenues of members of the teaching staff in the universities, institutes and others as realized from their books and compilations which are primarily printed for distribution to the students according to the systems and prices to be set by the universities and institutes. 4. Revenues of members of the plastic artists association from the production of works of photography, sculpture and carving arts. 5. Revenues of the free professionals that are registered as active members of trade unions in their field of specialization for a period of three years form the date of exercising the free profession. They shall not pay the said tax except from the beginning of the month following the lapse of the said exemption period to which is added the training 	Tax rate: Zero%

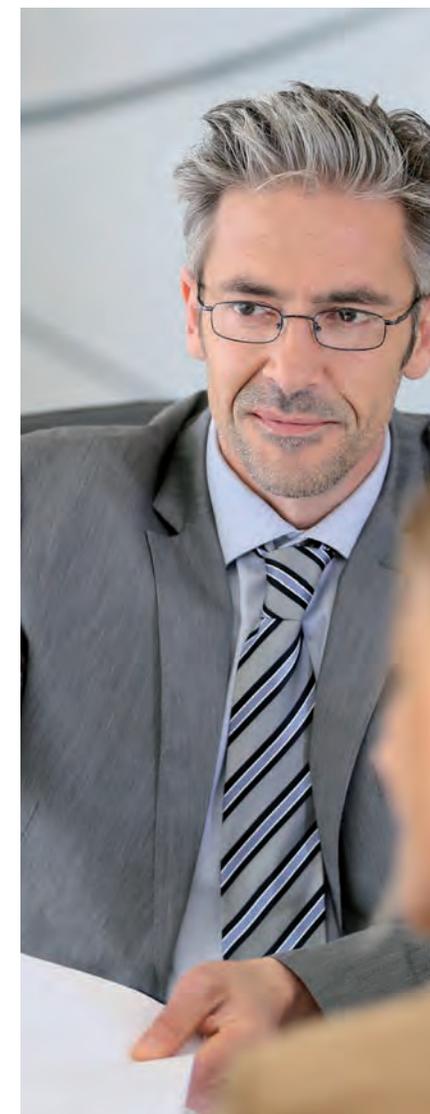


Germany

Intellectual Property

Ownership	Taxes and benefits	
Individual	Personal Income Tax*	VAT
	<i>Owner other than the creator perceives income derived from the license with third parties, as well as random inventions.</i> Income from renting and leasing / Personal tax rate: Up to 45%	Tax rate: 7%
	<i>Author that keeps ownership licenses it to third parties.</i> Income from self-employment / Personal tax rate: Up to 45%	Tax rate: 7%
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Income from commercial activity / Personal tax rate: Up to 45%, possible trade tax	Tax rate: 7%
	<i>Transmission of property.</i> Capital gain has to be considered / Personal tax rate: Up to 45%	Tax rate: 19%
Company	Corporate Income Tax*	VAT
	<i>Author that keeps ownership licenses it to third parties.</i> Business activity income. Tax rate: about 30% incl. trade tax. Tax Benefit: No.	Tax rate: 7%
	<i>Transmission of property.</i> Business activity income / Tax rate: about 30% incl. trade tax.	Tax rate: 19%

*In the case of limited tax liability, the income tax is levied by means of tax deductions for income derived from the use or right to use rights.



Germany

Industrial Property

Ownership	Taxes and benefits	
Individual	Personal Income Tax*	VAT
	<i>Owner other than the creator perceives income derived from the license with third parties, as well as random inventions.</i> Income from renting and leasing / Personal tax rate: Up to 45%	Tax rate: 7% if the right holder grants the beneficiary the economic exploitation of the work, otherwise 19%
	<i>Author that keeps ownership licenses it to third parties.</i> Income from self-employment / Personal tax rate: Up to 45%	Tax rate: 7% if the right holder grants the beneficiary the economic exploitation of the work, otherwise 19%
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Income from commercial activity / Personal tax rate: Up to 45%, possible trade tax	Tax rate: 7% if the right holder grants the beneficiary the economic exploitation of the work, otherwise 19%
	<i>Transmission of property.</i> Capital gain has to be considered / Personal tax rate: Up to 45%	Tax rate: 19%
Company	Corporate Income Tax*	VAT
	<i>Author that keeps ownership licenses it to third parties.</i> Business activity income. Tax rate: about 30% incl. trade tax. Tax Benefit: No.	Tax rate: 7% if the right holder grants the beneficiary the economic exploitation of the work, otherwise 19%
	<i>Transmission of property.</i> Business activity income / Tax rate: about 30% incl. trade tax.	Tax rate: 19%

* In the case of limited tax liability, the income tax is levied by means of tax deductions for income derived from the use or right to use rights.



Germany

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	In general deductible expense. Limited expenditure deduction regarding trade tax if applicable. However, expenses are limited if; <ul style="list-style-type: none"> • Creditor is subject to lower taxation (< 25%) • Creditor related to the debtor in the sense of the "AStG" 	If located in Germany according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	In general deductible expense regarding corporate tax. Limited expenditure deduction regarding trade tax. However, expenses are limited if; <ul style="list-style-type: none"> • Creditor is subject to lower taxation (< 25%) • Creditor related to the debtor in the sense of the "AStG" 	If located in Germany according to General Location Rules, deductible.
	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Can only be depreciated if acquired.	If located in Germany according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Can only be depreciated if acquired.	If located in Germany according to General Location Rules, deductible.



Greece

Intellectual Property

Ownership	Taxes and benefits	
Individual and Company	Personal Income Tax	VAT
	<i>Author, that keeps ownership licenses it to third parties. Business activity income / Tax rate: 15%.</i>	Tax rate: 15% Patents achieve protection by registration pursuant to Law No. 1733/1987 (the Patent Act). The requirements for a patent to be protected are that the invention must be new, original and capable of industrial application. Once granted, a patent will be protected for 20 years. Note that in Greece the concept of 'enabling disclosure', is more elastic than in other member states. An inventor may apply for EU registration but this would effectively create a number of national patents.
Company		

Industrial Property

Ownership	Taxes and benefits	
Individual and Company	Personal Income Tax	
	Copyright Law Greek Copyright Law (2121/1993 as amended and now in force): comprises a non-exclusive list of works, i.e. literary (written or oral), dramatic, choreographies, pantomimes, musical, films and audiovisual works, photographs, artistic (fine art), architectural works, works of artistic craftsmanship, illustrations, maps, three-dimensional works related to geography, topography, architecture or science. Computer programs and databases (the latter defined by law as collections of independent works, data, or other materials arranged in a systematic way and individually accessible by electronic or other means) are also protected as special categories of works.	

Common taxation to Intellectual and Industrial Property

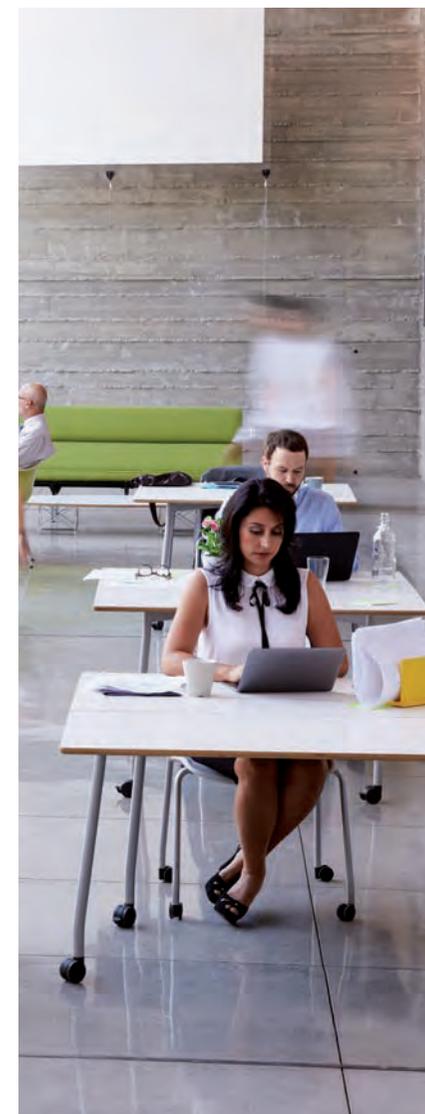
Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue.	If located in Greece according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	If located in Greece according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Greece according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Greece according to General Location Rules, deductible.



Israel

Intellectual Property

Ownership	Taxes and benefits	
Individual	Personal Income Tax	VAT
	<i>Creator that keeps ownership licenses it to third parties.</i> Income from rental / Tax rate: Up to 50%	A random transaction of a commercial nature: VAT rate 17%
	<i>Creator that keeps ownership attaches it to his/her business activity and exploits it.</i> Business activity income / Tax rate: Up to 50%	VAT rate 17%
	<i>Transmission of property:</i> <ul style="list-style-type: none"> Patent, a sample, or copyright: Tax rate: up to 40%. All the rest: Capital gain / Tax rate: 25% 	VAT rate 17% Sale of an intangible asset to a foreign resident, under the conditions prescribed by law: VAT rate 0%
Company	Corporate Income Tax	VAT
	<i>Creator that keeps ownership licenses it to third parties.</i> Business activity income. Tax rate: 23%.	VAT rate 17%
	<i>Transmission of property:</i> Business activity income or Capital gain /Tax rate: 23%	Sale of an intangible asset to a foreign resident, under the conditions prescribed by law: VAT rate 0%



Israel

Common taxation to Intellectual and Industrial Property

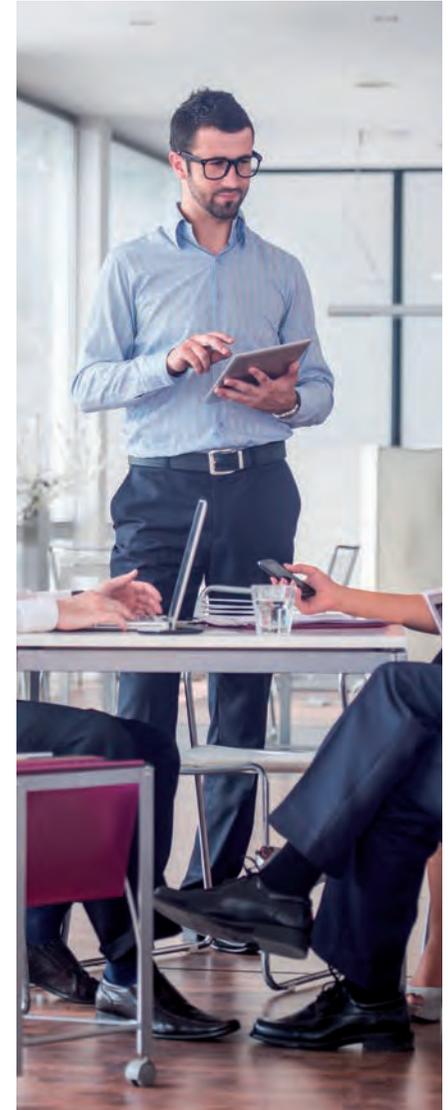
Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue.	If located in Israel according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	If located in Israel according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue. <i>Transmission of property, excluding Patent, a sample, or copyright:</i> Revenue from the sale by the inventor or the creator shall be allowed for the deployment of the revenues. The deployment will take place retroactive up to 4 years before the year of sale, in accordance with the terms of the law. The expenses deployed under the mechanism deployment of revenues.	If located in Israel according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Israel according to General Location Rules, deductible.



Japan

Intellectual Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<p><i>Owner other than the creator perceives income derived from the license with third parties.</i> Business income if the owner developed the property as his/her business. Miscellaneous income if he/she developed the property and license it to 3rd parties not for business. In both cases tax rate is up to 55% when he/she receives the license income.</p>	<p>8% Japanese Consumption Tax (JCT) JCT is similar to VAT in nature. If he/she developed the property not for business, JCT received by him/her is a part of his/her taxable income and he/she does not pay JCT to tax authority.</p>
	<p><i>Author, that keeps ownership licenses it to third parties.</i> Business income if the owner developed the property as his/her business. Miscellaneous income if he/she developed the property and license it to 3rd parties not for business. In both cases tax rate is up to 55% when he/she receives the license income.</p>	<p>8% Japanese Consumption Tax (JCT) If he/she developed the property not for business JCT received by him/her is a part of his/her taxable income and he/she does not pay JCT to tax authority.</p>
	<p><i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Business income/ Tax rate: Up to 55%</p>	8% JCT
	<p><i>Transmission of property.</i> Business income if the owner developed the property as his/her business. Miscellaneous income if he/she developed the property and licenses it to 3rd parties not for business./ Tax rate: In both cases up to 55%</p>	8% JCT
Company	<p><i>Author, that keeps ownership licenses it to third parties.</i> Normal taxable income./Tax rate 29.97%</p>	8% JCT



Japan

Industrial Property

Ownership	Taxes and benefits	
Individual	Personal Income Tax <i>Owner perceives income derived from the license with third parties.</i> Business income if the owner developed the property as his/her business. Miscellaneous income if he/she developed the property and licenses it to 3rd parties not for business. In both cases tax rate is up to 55% when he/she received the license income.	VAT 8% Japanese Consumption Tax (JCT) If he/she developed the property not for business JCT received by him/her is a part of his/her taxable income and he/she does not pay JCT.
	<i>Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> Business income / Tax rate is up to 55%	8% JCT
	<i>Transmission of property.</i> Business income if the owner developed the property as his/her business. Miscellaneous income if he/she developed the property and licenses it to 3rd parties not for business./ Tax rate: Up to 55%	8% JCT
Company	Corporate Income Tax <i>Author, that keeps ownership licenses it to third parties.</i> Business activity income. Normal taxable income./Tax rate 29.97%	VAT 8% JCT
	<i>Transmission of property.</i> Normal taxable income./Tax rate 29.97%	8% JCT



Japan

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue.	8% JCT
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	8% JCT However in case the place of domicile of the seller or lessor is in overseas payment to them for the property is not subject to JCT.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue.	8% JCT
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	8% JCT



Jordan

Intellectual Property

Ownership	Taxes and benefits	
Individual	Personal Income Tax	
	Individual have a personal exempted JOD 12K annually and family exempted JOD 12K the net amount after exemptions subject to the following percentage:	
	First	JOD 10K 7%
	Second	JOD 10K 14%
	Any amount after the above subject to 20%	
Company	Its depend on industry the net taxable income subject to the following rates:	
	Industrial	14%
	Trade & services	20%
	Communications, Insurance and brokerage	24%
	Banking	35%
	VAT	
	Tax rate: 16%	
	Tax rate: 16%	



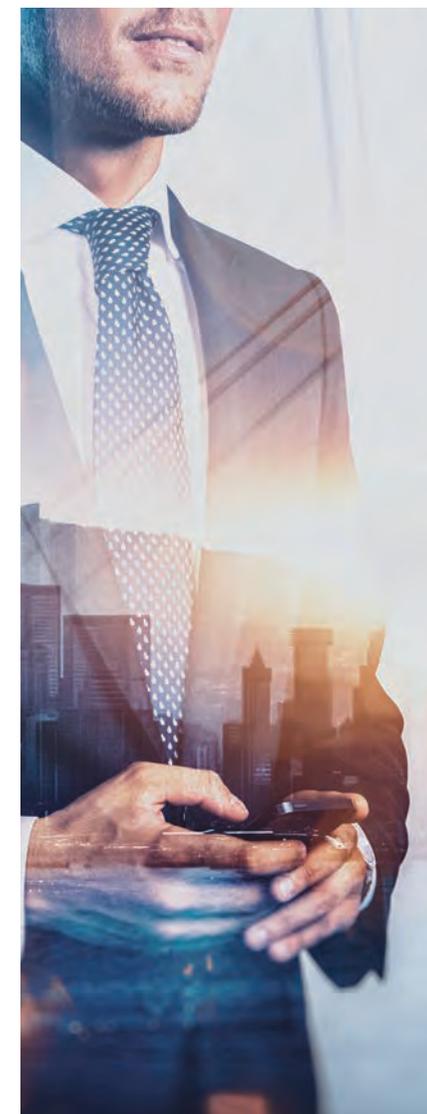
Malta

Intellectual Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner other than the creator perceives income derived from the license with third parties.</i> Tax rate: from 0% - 35%, depending on the income earned	Tax rate: 18%
	<i>Author, that keeps ownership licenses it to third parties.</i> Tax rate: from 0% - 35%, depending on the income earned	Tax rate: 18%
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Business activity income / Tax rate: from 0% - 35%, depending on the income earned	Tax rate: 18%
	<i>Transmission of property.</i> Capital gain / Tax rate: from 0% - 35%, depending on the income earned	Exempt
Company	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income / Tax rate: from 35%, but can be eligible to claim 6/7ths tax refund	Tax rate: 18%

Industrial Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner perceives income derived from the license with third parties.</i> Tax rate: from 0% - 35%, depending on the income earned	Tax rate: 18%
	<i>Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> Business activity income / Tax rate: from 0% - 35%, depending on the income earned	Tax rate: 18%
	<i>Transmission of property.</i> Capital gain / Tax rate: from 0% - 35%, depending on the income earned	Exempt

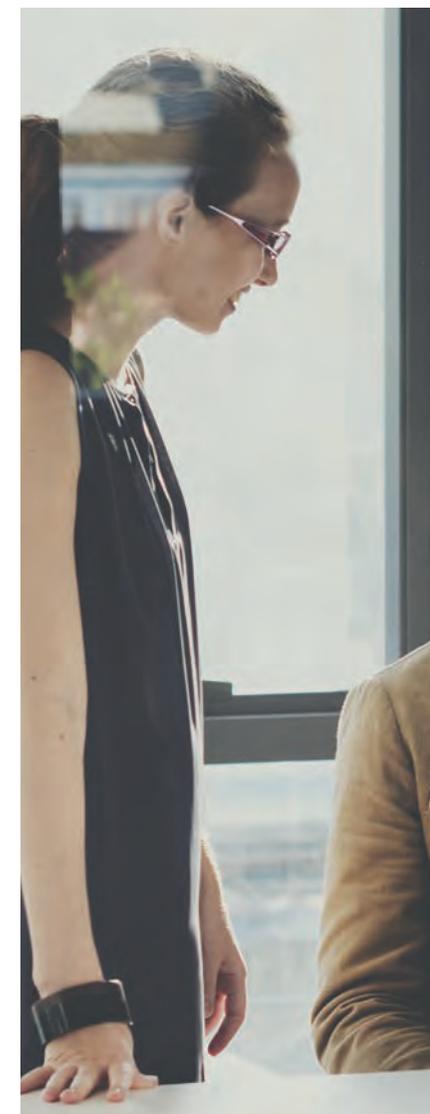


Malta

	Corporate Income Tax	VAT
Company	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income / Tax rate: from 35%, but can be eligible to claim 6/7ths tax refund	Tax rate: 18%
	<i>Transmission of property.</i> Business activity income / Tax rate: from 35%, but can be eligible to claim 6/7ths tax refund	Tax rate: 18%

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue.	If located in Malta according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	If located in Malta according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Malta according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Malta according to General Location Rules, deductible.



Mexico

Intellectual Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner other than the creator perceives income derived from the license with third parties.</i> Movable capital / Tax rate: 35%	Tax rate: 16%
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Business activity income / Tax rate: 35%, Exempt 32,000 usd	Tax rate: 16%
	<i>Transmission of property.</i> Capital gain / Tax rate: 35%	If it was attached to a business activity: VAT rate 16% If it was not attached to a business activity: Transfer Tax 16%
Company	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income / Tax rate: 30%.	Tax rate: 16%

Industrial Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner perceives income derived from the license with third parties.</i> Movable capital / Tax rate: 35%	Tax rate: 16%
	<i>Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> Business activity income / Tax rate: Up to 35%	Tax rate: 16%
	<i>Transmission of property.</i> Capital gain /Tax rate: 35%	If it was attached to a business activity: VAT rate 16% If it was not attached to a business activity: Transfer Tax 16%



Mexico

	Corporate Income Tax	VAT
Company	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income. Tax rate: 30%.	Tax rate: 16%
	<i>Transmission of property.</i> Business activity income / Tax rate: 30%	Tax rate: 16%

Common taxation to Intellectual and Industrial Property

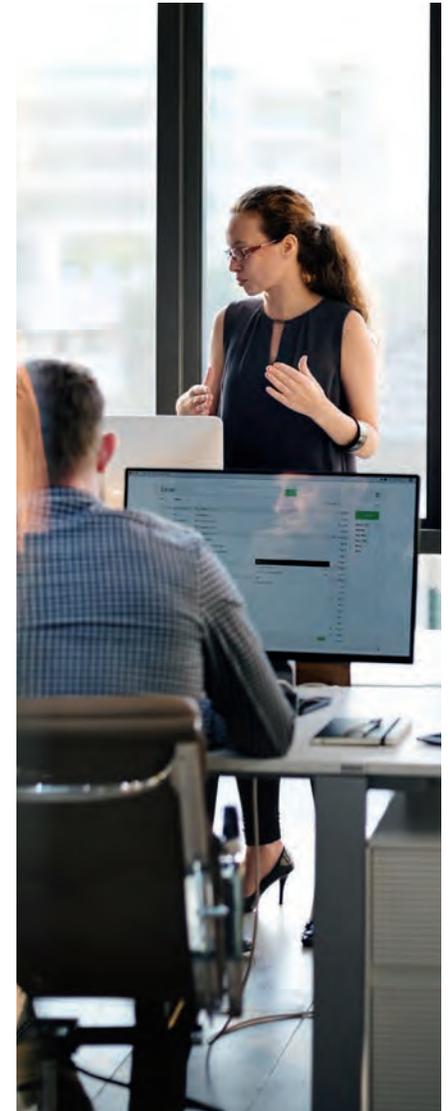
Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue.	If located in Mexico according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	If located in Mexico according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Mexico according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Mexico according to General Location Rules, deductible.



Paraguay

Intellectual Property

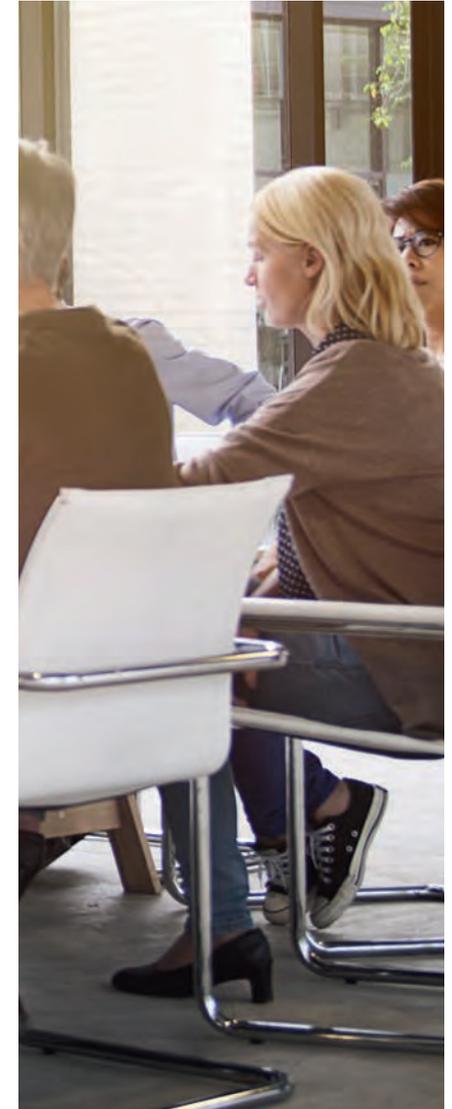
Property	Taxes and benefits	
	Personal Income Tax	VAT
Copyright and related rights	<i>It covers literary and artistic works, such as novels, poems and plays, films, musical works, works of art, drawings, paintings, photographs and sculptures, architectural designs.</i>	<i>In Paraguay there is no exclusive tax on intellectual property. However, there are fees for each specific procedure that may occur within the process of registration of copyright or intellectual property.</i>
	<i>The rights related to copyright are for performers.</i>	<i>This is paid at the National Directorate of Intellectual Property.</i>
	<i>The rights of producers of phonograms over their recordings and the rights of broadcasting organizations over their radio and television programs.</i>	<i>The cost is for daily journals ranging from 1 day's wage to 300, cost per day's wage 13 EUR.</i>
	<i>In addition all procedures are done through lawyers who charge an additional fee.</i>	



Portugal

Intellectual Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner other than the creator who receives income from the license to third parties.</i> Movable capital/tax flat rate at 28% (or tax jointly by option)	Tax rate: 23%
	<i>Author, that keeps ownership and licenses it to third parties.</i> Salary income / Tax rate: Up to 48%	Exempt
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Business activity income / Tax rate: Up to 48%	Exempt
	<i>Transmission of property.</i> Capital gain / tax flat rate at 28% (or tax jointly by option)	If it was attached to a business activity: VAT rate 23% If it was not attached to a business activity: Exempt
	Corporate Income Tax	VAT
Company	<i>Author that keeps ownership and licenses it to third parties.</i> <i>Business activity income / Tax rate: 21%.</i>	Tax rate: 23%



Portugal

Industrial Property

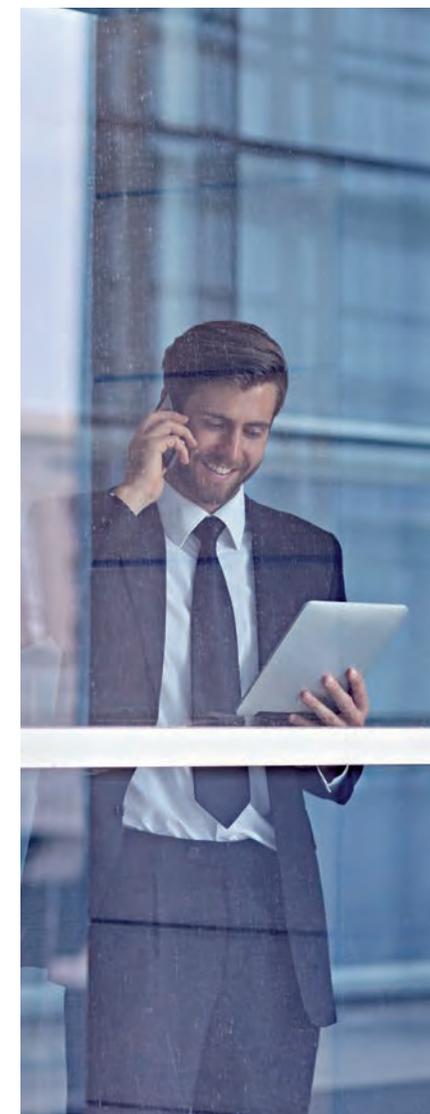
Ownership	Taxes and benefits	
Individual	Personal Income Tax	VAT
	<i>Owner receives income derived from the license that invoices to third parties.</i> Movable capital / tax flat rate at 28% (or tax jointly by option)	Tax rate: 23%
	<i>Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> Business activity income / Tax rate: Up to 48%	Tax rate: 23%
	<i>Transmission of property.</i> Capital gain / tax flat rate at 28% (or tax jointly by option)	If it was attached to a business activity: VAT rate 23% If it was not attached to a business activity: Exempt
Company	Corporate Income Tax	VAT
	<i>Author that keeps ownership and licenses it to third parties.</i> Business activity income. Tax rate: 21%. Tax Benefit: Patent Box. 50% reduction of the net income resulting from the transfer or license to a third party that will use it to develop an economic activity.	Tax rate: 23%
	<i>Transmission of property.</i> Business activity income / Tax rate: 21%	Tax rate: 23%



Portugal

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue.	If located in Portugal according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	If located in Portugal according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Portugal according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Portugal according to General Location Rules, deductible.



Romania

Intellectual Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner other than the creator perceives income derived from the license with third parties.</i> Movable capital / Tax rate: 10% on taxable income	Tax rate: 19%
	<i>Author, that keeps ownership licenses it to third parties.</i> If employee, Salary income / Tax rate: Up to 45% Otherwise, independent activity/Other incomes/Tax rate 10% on taxable income	Exempt
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> If employee, Business activity income / Tax rate: Up to 45% Otherwise, independent activity/Other incomes/Tax rate 10% on taxable income	Exempt, if not VAT payer
	<i>Transmission of property.</i> Capital gain / Tax rate: 10%	If it was attached to a business activity: VAT rate 19%
Company	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income / Tax rate: 1% on income or 16% on taxable profit	Tax rate: 1% on income (up to EUR 1,000,000 turnover) or 16% Corporate Profit Tax



Romania

Industrial Property

Ownership	Taxes and benefits	
Individual	Personal Income Tax	VAT
	<i>Owner perceives income derived from the license with third parties.</i> Movable capital / Tax rate: 10% Otherwise, independent activity/Other incomes/Tax rate 10% on taxable income	Tax rate: 19%, if VAT registered
	<i>Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> If employee, Business activity income / Tax rate: Up to 45% Otherwise, independent activity/Other incomes/Tax rate 10% on taxable income	Tax rate: 19%
	<i>Transmission of property.</i> Capital gain /Tax rate: 10%	If it was attached to a business activity: VAT rate 19% If it was not attached to a business activity: Transfer Tax 10%
Company	Corporate Income Tax	VAT
	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income. Tax rate: 16% on taxable profit or 1% on income	Tax rate: 19%
	<i>Transmission of property.</i> Business activity income / Tax rate: 16% on taxable profit or 1% on income, depending by tax status of the company micro-enterprise or normal profit tax payer	Tax rate: 19%



Romania

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue, 40% of incomes can be considered deductible	If located in Romania according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	If located in Romania according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Romania according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Romania according to General Location Rules, deductible.



Singapore

Intellectual Property

Ownership	Taxes and benefits	
	Personal Income Tax	GST
Individual	<i>Owner other than the creator perceives income derived from the license with third parties.</i> Movable capital / Tax rate: 2-22%	Tax rate: 7% (If GST Registered)
	<i>Author, that keeps ownership licenses it to third parties.</i> Salary income / Tax rate: Up to 2-22%	Tax rate: 7% (If GST Registered)
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Business activity income / Tax rate: Up to 2-22%	Tax rate: 7% (If GST Registered)
	<i>Transmission of property.</i> Capital gain / Tax rate: NIL	If it was attached to a business activity: GST rate Tax rate: 7% (If GST Registered)
Company	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income / Tax rate: 17%.	Tax rate: Tax rate: 7% (If GST Registered)

Industrial Property

Ownership	Taxes and benefits	
	Personal Income Tax	GST
Individual	<i>Owner perceives income derived from the license with third parties.</i> Movable capital / Tax rate: 2-22%	Tax rate: 7% (If GST Registered)
	<i>A Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> Business activity income / Tax rate: Up to 2-22%	Tax rate: 7% (If GST Registered)
	<i>Transmission of property.</i> Capital gain /Tax rate: NIL	If it was attached to a business activity: Tax rate: 7% (If GST Registered)
Company	Corporate Income Tax	GST
	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income. Tax rate: 17%.	Tax rate: 21%
	<i>Transmission of property.</i> Business activity income / Tax rate: 17%	Tax rate: 21%

Singapore

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	GST
	Deductible expense if related to revenue.	If located in Singapore according to General Location Rules, deductible.
Company	Corporate Income Tax	GST
	Deductible expense if related to revenue.	If located in Singapore according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	GST
	It can be depreciated if related to revenue.	If located in Singapore according to General Location Rules, deductible.
Company	Corporate Income Tax	GST
	It can be depreciated if related to revenue.	If located in Singapore according to General Location Rules, deductible.



Spain

Intellectual Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner other than the creator perceives income derived from the license with third parties.</i> Movable capital / Tax rate: 19-21-23%	Tax rate: 21%
	<i>Author, that keeps ownership licenses it to third parties.</i> Salary income / Tax rate: Up to 45%	Exempt
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Business activity income / Tax rate: Up to 45%	Exempt
	<i>Transmission of property.</i> Capital gain / Tax rate: 19-21-23%	If it was attached to a business activity: VAT rate 21% If it was not attached to a business activity: Transfer Tax 10%
Company	<i>Author, that keeps ownership licenses it to third parties.</i> <i>Business activity income / Tax rate: 25%.</i>	Tax rate: 21%

Industrial Property

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner perceives income derived from the license with third parties.</i> Movable capital / Tax rate: 19-21-23%	Tax rate: 21%
	<i>Author, that keeps ownership, attaches it to his/her business activity and exploits it or licenses it to a third party.</i> Business activity income / Tax rate: Up to 45%	Tax rate: 21%
	<i>Transmission of property.</i> Capital gain / Tax rate: 19-21-23%	If it was attached to a business activity: VAT rate 21% If it was not attached to a business activity: Transfer Tax 10%



Spain

	Corporate Income Tax	VAT
Company	<i>Author, that keeps ownership licenses it to third parties.</i> Business activity income. Tax rate: 25%. Tax Benefit: Patent Box. 60% reduction of the net income resulting from the transfer or license to a third party that will use it to develop an economic activity.	Tax rate: 21%
	<i>Transmission of property.</i> Business activity income / Tax rate: 25%	Tax rate: 21%

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to revenue.	If located in Spain according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	If located in Spain according to General Location Rules, deductible.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Spain according to General Location Rules, deductible.
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	If located in Spain according to General Location Rules, deductible.



United Kingdom

Intellectual Property

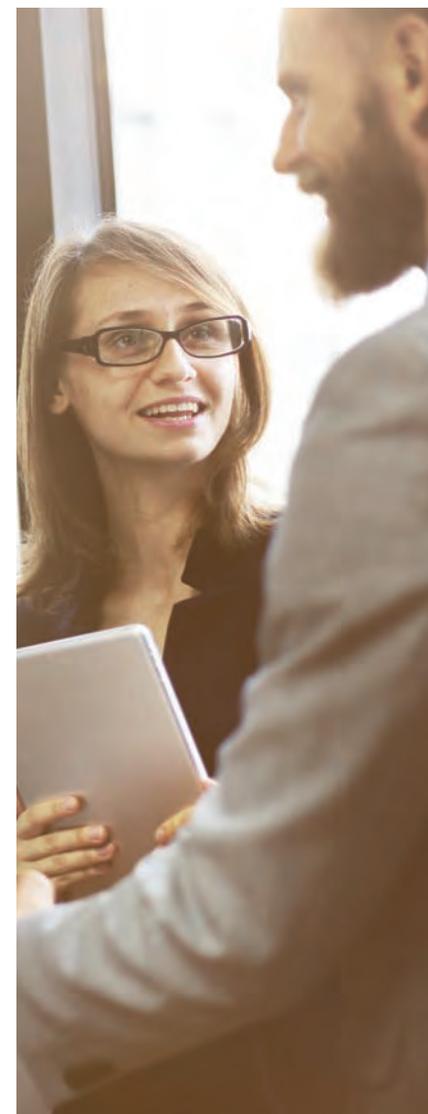
Intellectual property (IP) is an intangible asset that is unique and has been created by a person.

Typical creations can be literary and artistic works such as: novels, poems and theatre plays, films, musical works, artworks, drawings, paintings, photographs and sculptures or architectural designs.

Intellectual Property that is created and held with a view to exploiting it for business purposes includes: patents/inventions, drawings, models, plans, formulae, secret procedures, utility models, distinctive signs and designs.

Please see below the basic tax implications surrounding IP. Please note that only for businesses in which turnover is in excess of the VAT registration threshold (currently £85,000), will VAT be due.

UK resident individuals	
Income Tax	VAT
<p><i>Author, that keeps ownership licenses it to third parties.</i></p> <p>Royalties are subject to income tax. The tax rate will either be 20%, 40% or 45% depending on the individual's total level of income. The person making the royalty payment withholds 20% of the royalty payment at source and the recipient claims a deduction against their tax liability.</p> <p>In some circumstances, individuals who receive fluctuating royalties are allowed to average their profits between 2 years which may save tax.</p>	<p>VAT applies to supplies of services which includes the grant and assignment of a right to use IP (e.g. a licence).</p> <p>The current VAT rate is 20%.</p>
<p><i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i></p> <p>Where an individual exploits the IP through their sole trade or through a partnership the cost of creating the IP will be treated as an intangible asset which is held by the individual/partners.</p> <p>Profits in respect of the trade will be subject to the usual tax rates i.e. either 20%, 40% or 45% depending on the individuals' total level of income.</p> <p>To avoid transfer pricing adjustments, transactions between related parties should be valued on an arm's length basis.</p>	<p>VAT applies to supplies of services which includes the grant and assignment of a right to use IP (e.g. a licence).</p> <p>The current VAT rate is 20%.</p>
<p><i>Transmission of property.</i></p> <p>Where IP has been disposed of a capital gain will occur which will be subject to capital gains tax. The current rates are either 10% or 20% depending on the individual's total income.</p>	<p>VAT applies to supplies of services which includes the surrender of a right to use IP (e.g. a sale).</p> <p>The current VAT rate is 20%.</p>



United Kingdom

UK resident companies or companies that are trading through a UK branch	
Corporation Tax	VAT
<p><i>Author, that keeps ownership licenses it to third parties.</i></p> <p>Normally any income which is generated as a result of licensing the IP to third parties will be subject to UK corporation tax, which at the time of writing is 19%, but is due to reduce to 17% from 1 April 2020.</p> <p>Worldwide profits arising from patented inventions (or even items which include at least one UK or EU patented invention) will be subject to a corporation tax rate of 10% as opposed to the standard corporation rate. Since 1 July 2016 the 'Nexus' fraction is applied to ensure the patent box relief is more closely linked to the R&D activities carried out by the company.</p> <p>Companies paying royalties will usually deduct 20% withholding tax, however, when the licensee company is resident in the EU, the EU Directive will usually apply and the payment can be made gross as long as the conditions apply. Other rates of withholding tax could apply depending on the Double Tax Treaty.</p> <p>The costs associated to the creation of the IP will be capitalized as intangible assets under the UK accounting rules. Where these costs were incurred after 31 March 2002 the UK tax rules follow the accounting rules and hence a tax deduction will usually be available when the costs are amortised or impaired.</p> <p>Pre 31 March 2002 assets are subject to the old regime, whereby the costs are largely treated as capital assets and hence the amortization is not allowable.</p>	<p>VAT applies to supplies of services which includes the grant and assignment of a right to use IP (e.g. a licence).</p> <p>The current VAT rate is 20%.</p> <p>However where a licence is granted to a business in another EU state, no VAT is chargeable as the supply is zero rated. The recipient will then effectively need to self assess for VAT under the 'reverse charge' provisions.</p> <p>Similarly, where a licence is granted to a business outside the EU, no VAT is chargeable because it is outside the scope of VAT.</p>
<p><i>Transmission of property.</i></p> <p>Where IP has been disposed of a chargeable gain will occur.</p> <p>Where the IP was created after 31 March 2002, the gain will be calculated by comparing the sales proceeds with the tax written down value which in most instances is the accounting net book value. The chargeable gain will be subject to corporation tax at the rate which is prevailing at the time.</p> <p>For IP created before 31 March 2002, capital gains principles apply meaning the company is subject to corporation tax on the gain.</p>	<p>It is likely that when IP is disposed of it will be as part of the disposal of the company's trade and assets and hence the transaction will be deemed to be a 'transfer of a going concern' which is outside the scope of VAT.</p>



Russian Federation

Intellectual Property

Intellectual rights shall be recognized for the results of intellectual activity and means of individualization equated to them (results of intellectual activity and means of individualization), which include an exclusive right that is a proprietary right; and, in cases provided for by the Russian Civil Code, also personal non-proprietary rights and other rights (droit de suite, right of access, and others).

The results of intellectual activity and means equated to them of individualization of legal entities, goods, work, services, and enterprises that are granted legal protection (intellectual property) shall be as follows: works of science, literature, and art; computer programs; databases; performances; phonograms; broadcasting or diffusion of radio- or television transmissions via cable; inventions; utility models; industrial designs; selection attainments; topographies of integrated circuits; secrets of production (know-how); trade names; trademarks and service marks; appellations of origin; commercial names.

The citizen or legal entity possessing the exclusive right to a result of intellectual activity or to means of individualization (the rightholder) shall have the right to use this result or this means at his discretion in any legitimate manner.

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner perceives income derived from the license with third parties.</i> Other personal income / Tax rate: 13%	Not subject to VAT
	<i>Author, that keeps ownership licenses it to third parties.</i> Other personal income / Tax rate: 13%	Not subject to VAT
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Business activity income / Tax rate: Up to 20%	Tax rate: not subject to VAT if personal business is under simplified taxation regime or 18% under standard taxation regime
	<i>Transmission of IP property rights.</i> Other personal income / Tax rate: 13%	If it was attached to a business activity: not subject to VAT or 18% If it was not attached to a business activity: not subject to VAT
Company	<i>Company that keeps ownership (or has right to use) the IP licenses (or sublicenses) it to third parties.</i> Business activity income / Tax rate: 20%.	Tax rate: 18%



Russian Federation

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to individual business revenue.	No subject to VAT
Company	Corporate Income Tax	VAT
	Deductible expense if related to revenue.	Input VAT paid is deductible if expense related to revenue subject to VAT.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to individual business revenue.	No subject to VAT
Company	Corporate Income Tax	VAT
	It can be depreciated if related to revenue.	Input VAT paid is deductible if expense related to revenue subject to VAT.



Belarus

Intellectual Property

According to the Belarusian Civil Code, Intellectual Property ("IP") comprises of intellectual activity results and means of individualization. The IP objects protected by the law: - works of science, literature, and art; software & databases; drawings, performances; phonograms; broadcasting or diffusion of radio- or television transmissions via cable; inventions; utility models; industrial designs; selection attainments; integrated circuits; trade and service marks and etc. An individual or a legal entity possessing the exclusive right to IP object is entitled to use this IP object in any manner as prescribed by the law, including setting a bans for using that IP object by any third person or entity.

Ownership	Taxes and benefits	
	Personal Income Tax	VAT
Individual	<i>Owner perceives income derived from the license with third parties.</i> Other personal income / Tax rate: 13%	Exempt
	<i>Author, that keeps ownership licenses it to third parties.</i> Other personal income / Tax rate: 13%	Exempt
	<i>Author, that keeps ownership attaches it to his/her business activity and exploits it.</i> Business activity income / General taxation system: - Tax rate is 13%; simplified taxation – tax rate is 3% (if an individual has chosen to account for VAT) and 5% - without charging VAT.	General rule is that business income / revenue derived by an individual is subject to VAT if total income / revenue for 3 preceding month exceeds k40EUR equivalent. VAT exempt in case of individual entrepreneur applies simplified taxation (single tax paid on revenues on quarterly basis) without VAT. In all other cases, 20% VAT is charged on respective individual' income.
	<i>Transmission of IP property rights.</i> Other personal income / Tax rate: 13%	If related to business (i.e. derived by individual entrepreneur) – than exempt from VAT or taxed with 20% VAT (pls. see previous comments). If the income not qualifies for business income – then PIT of 13% flat rate is solely applied.
Company	<i>Company that keeps ownership (or has right to use) the IP licenses (or sublicenses) it to third parties.</i> Business activity income / Tax rate: 18%.	Tax rate: 20 %



Belarus

Common taxation to Intellectual and Industrial Property

Licensee	Taxes and benefits	
Individual	Personal Income Tax	VAT
	Deductible expense if related to individual business revenue	VAT exempt
Company	Corporate Income Tax	VAT
	Tax deductible cost for CIT purposes if incurred for business needs (there should be a direct link b/w costs incurred and profits/revenue generated)	Input VAT, if any, is generally deductible if the purchase costs relate to a VATable transaction.
Acquirer	Taxes and benefits	
Individual	Personal Income Tax	VAT
	It can be depreciated if related to individual business revenue.	VAT exempt
Company	Corporate Income Tax	VAT
	Acquired IP represents tangible assets for a company from local accounting & tax perspective s. Cost incurred on IP purchase is depreciated for tax purposes if the transaction is for business needs of a particular taxpayer (company).	Input VAT, if any, is generally deductible if purchase costs relate to a VATable transaction.





EUROPE

Andorra
Austria
Belgium
Bulgaria
Cyprus
Czech Republic
Denmark
Finland
France
Germany
Greece
Hungary

Ireland
Italy
Luxembourg
Malta
Montenegro
Norway
Poland
Portugal
Romania
Russia
Serbia
Spain
Sweden

Switzerland
The Netherlands
Ukraine
United Kingdom

AMERICA
Argentina
Bolivia
Brazil
Canada
Chile
Colombia
Costa Rica

Dominican Republic
Ecuador
El Salvador
Guatemala
Honduras
Mexico
Panama
Paraguay
Peru
Uruguay
USA
Venezuela

**MIDDLE EAST
AND AFRICA**

Algeria
Angola
Egypt
Israel
Jordan
Mauricio
Morocco
Nigeria
Saudi Arabia
South Africa
Tunisia
Turkey
UAE

ASIA-PACIFIC

Australia
China
India
Indonesia
Japan
Malaysia
New Zealand
Pakistan
Singapore
Thailand

