

**Brazil Desk Email Bulletin  
Number 16**

*This email bulletin is issued by the Brazil Desk of Loyens & Loeff. It is intended to provide you on an ad hoc basis with news flashes or background information on topical corporate, finance and tax law issues in the Benelux.*

**Proposed corporation tax and dividend tax amendments**

On September 15, 2011, Dutch Government released a Tax Bill. The most important proposed amendments in the area of corporate taxation (dividend tax and corporation tax) are summarized below.

**CORPORATION TAX**

- Further restriction of interest deduction in respect of acquisition debt.
- Elimination of immediate deductibility of non-Dutch permanent establishments losses.
- Limitation of taxation of non-Dutch-resident entities with a so-called substantial interest in a Dutch-resident entity.
- Expansion of research and development facilities.

**DIVIDEND TAX**

- Anti-abuse provision to subject certain distributions by cooperatives to dividend tax.
- Extension of dividend tax refunds to qualifying non-EU tax-exempt portfolio investors.

For more information on the amendments, please click on one of the links below.

- [a tax flash concerning the proposed amendments;](#)
- [a more detailed summary of the proposed amendments;](#)
- [a tax flash concerning the proposed "extra" R&D deduction.](#)

Should you have any questions, please do not hesitate to contact us or visit our [Brazil Desk web page](#).

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Loyens & Loeff is an independent Benelux law firm with over 850 lawyers and offices in the main financial centres around the world. Loyens & Loeff combines an integrated corporate law, regulatory and tax practice.

In order to be able to give the best advice possible to our clients, Loyens & Loeff formed the Brazil

Desk.

The members of the Brazil Desk strongly focus on Brazilian clients that invest or trade in Europe or other regions, as well as on international companies and financial institutions that want to expand their businesses to Brazil. In many cross border (including cross Atlantic) transactions, benefits can be derived by investing through the Benelux (Belgium, Netherlands and Luxembourg).

The team comprises members from various Loyens & Loeff practice groups. Members of the Brazil Desk visit Brazil three to four times a year.

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