



FIDUCENTER

Luxembourg, Monday the 26th of May 2008

Dear Clients and Contacts

Welcome to our fifth newsletter.

We of course remain at your disposal to discuss any of these issues in greater depth upon request.

With best regards

Fiducenter S.A.

In this edition:

- I. Summary: general overview of the topics
- II. Abolition of capital duty as from 2009.
- III. Reduction of Luxembourg corporate income tax.
- IV. The professional status of FIDUCENTER S.A.: a quite unique advantage in tax matters.



I. SUMMARY:

1) Abolition of capital duty as from 2009.

The Luxembourg Prime Minister confirmed on Thursday the abolition of the capital contribution tax as from 2009.

2) Reduction of Luxembourg corporate income tax.

The Luxembourg Prime Minister also announced a progressive reduction of the corporate and municipal business tax rate to an aggregate rate of 25,5%.

3) The professional status of FIDUCENTER S.A.: a quite unique advantage in tax matters.

A professional cannot hide behind his obligation to the professional secret to put obstacle in demand of the tax authorities, as the demand concerns an information relative to the economic beneficiary or not!

The situation is however different for a professional subjected to the bank secrecy: the bank secrecy can indeed be set against the tax administration.

The Luxembourg statute of Professional of the Financial Sector held by FIDUCENTER S.A., so guaranties a perfect confidentiality of the data concerning the beneficial owners, notably for what concerns a possible investigation by the tax administration.



ARTICLES:

II) Abolition of capital duty as from 2009.

While capital duty had already been reduced from 1% to 0,5% since January the 1st 2008, the Luxembourg Prime Minister, Jean-claude Juncker, during his traditional speech on the state of the nation, just confirmed on Thursday the abolition of the capital contribution tax as from 2009.

III) Reduction of Luxembourg corporate income tax.

The Luxembourg Prime Minister has also announced a progressive and step by step reduction of the corporate and municipal business tax rate from the actual aggregate rate of 29,63% (in Luxembourg) at the moment to 25,5% in the near future.

IV) The professional status of FIDUCENTER S.A.: a quite unique advantage in tax matters.

The protection of the private life and the fiscal secret are indissolubly connected one to another. Strength is however to notice that the powers of investigation of tax authorities, both national and foreign, are more and more increased.

As a rule, in Luxembourg, the fiscal secret cannot be opposed to the tax administration. Even the professional secret, whatever is the profession which is imposed, cannot be set against it.

There is however an important exception: the bank secrecy!

Professional secret. The right for the professional secret is not absolute! The tax law notably foresees the obligation of disclosure of the professional secret.

As such, a professional cannot hide behind his obligation to the professional secret to put obstacle in demand of the tax authorities, as the demand concerns an information relative to the economic beneficiary or not!

Bank secrecy. The situation is however different for a professional subjected to the bank secrecy: the bank secrecy can indeed be set against the tax administration.

The Luxembourg tax legislation provides that "tax authorities are not authorized to require financial institutions for the individual information on their customers".

This fiscal secret can be then opposed to the tax administration!



The Luxembourg statute of Professional of the Financial Sector held by FIDUCENTER S.A., imposing heavy procedures in many cases, notably with respect to the obligations of identification of the beneficial owners and origin of funds, so guaranties a perfect confidentiality of the data concerning them, notably for what concerns a possible investigation by the tax administration.

The tax administration has the right to investigate and to collect information from the Professional of the Financial Sector or from the directors of the domiciled companies under mandate agreement with him. As domiciliation agent, subject to the specific statute of professional of the financial sector (including the directors provided by a professional of the financial sector), the professional can only deliver corporate documents related to the company (bookkeeping, etc) and in any case cannot deliver documents that contain information related to the beneficial owner(s) of the same.

The tax administration has then no access to information covered by the bank secrecy such kind of professional are submitted to (unless of course in case the name of the beneficial owner(s) appears in public documents because he is officially shareholders or director of the domiciled company).

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