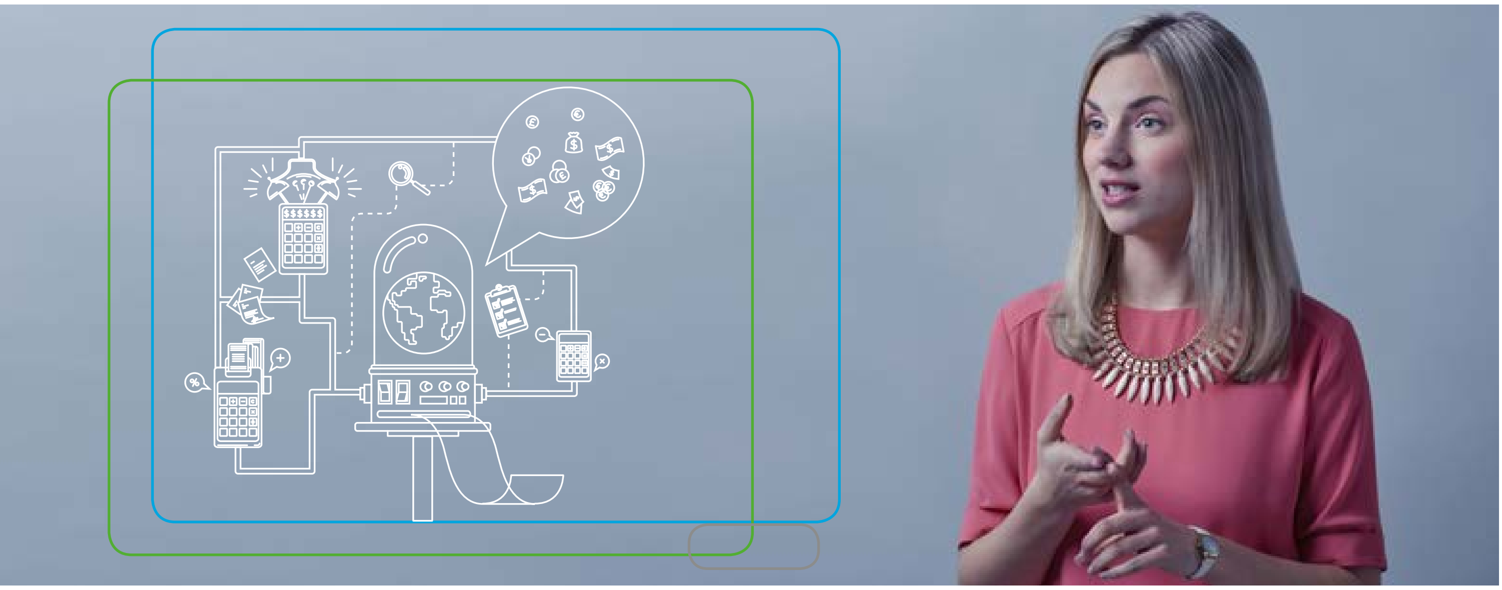

AGREEMENT REACHED ON NEW ANTI-TAX AVOIDANCE PACKAGE

On Monday June 20th, the Member States of the European Union reached an agreement on binding measures for far-reaching new rules against aggressive tax planning.

The measures, which will be implemented by means of a Directive are aimed at ensuring that businesses pay their fair share of taxes and target the main forms of tax avoidance practiced by large multinationals, include:

- interest deduction limitations;
- the ability for Member States to tax profits that are moved to a no- or low tax jurisdiction where the business has no genuine economic activity (CFC rules) ;
- the ability to tax previously untaxed gains on assets that are moved to a non-EU country (exit taxation rules);
- measures against hybrid mismatches;
- the possibility to tackle tax avoidance schemes that are not covered by specific legislation (GAAR);

The Directive builds on the global standards that have been developed by the OECD under their Base Erosion and Profit Shifting ("BEPS") project. As the European Parliament already issued its opinion the new rules, which will now soon be formally adopted by the European Council.

Based on the Directive EU Member States will have to implement minimum standards that are in line with the rules set out in the Directive.

We expect that the impact of these proposals on the international tax landscape could be quite significant. We will of course keep you informed about the Directive's implementation.