



CFO Summit

EMERGING EUROPE & CIS

8-9 OCTOBER 2008, VIENNA

Group Financing – Cash Pooling

Dr. Jacek Bak,

Head of Nörr Stiefenhofer Lutz,
Warsaw, Poland

Mag. Werner Müller,

CFO, Allianz,
Vienna, Austria

Sebastian Bock,

Partner, Nörr Stiefenhofer Lutz,
Frankfurt/Main, Germany

NÖRR STIEFENHOFER LUTZ

RECHTSANWÄLTE STEUERBERATER WIRTSCHAFTSPRÜFER • PARTNERSCHAFT

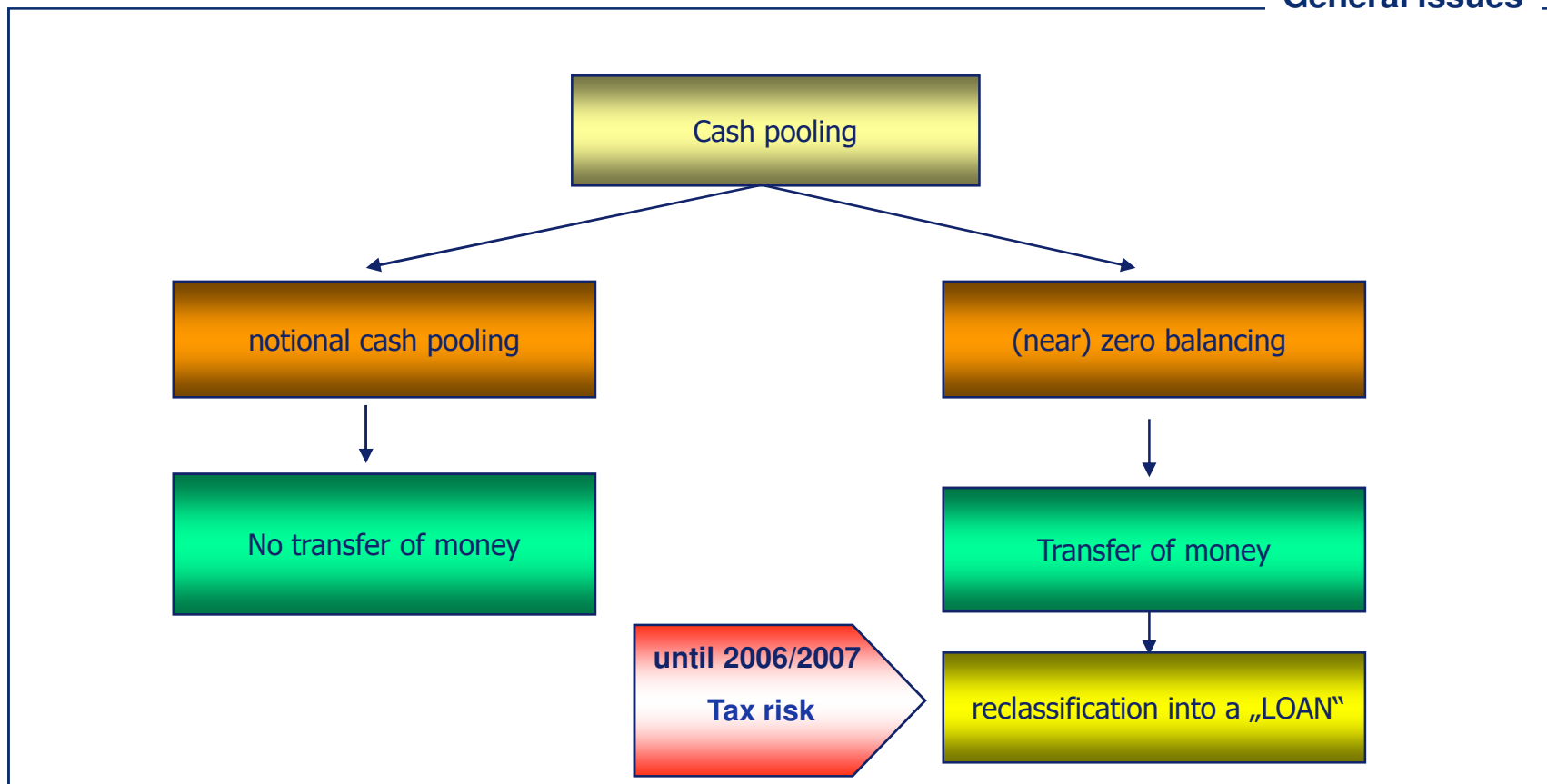
Cash pooling

Poland

NÖRR STIEFENHOFER LUTZ

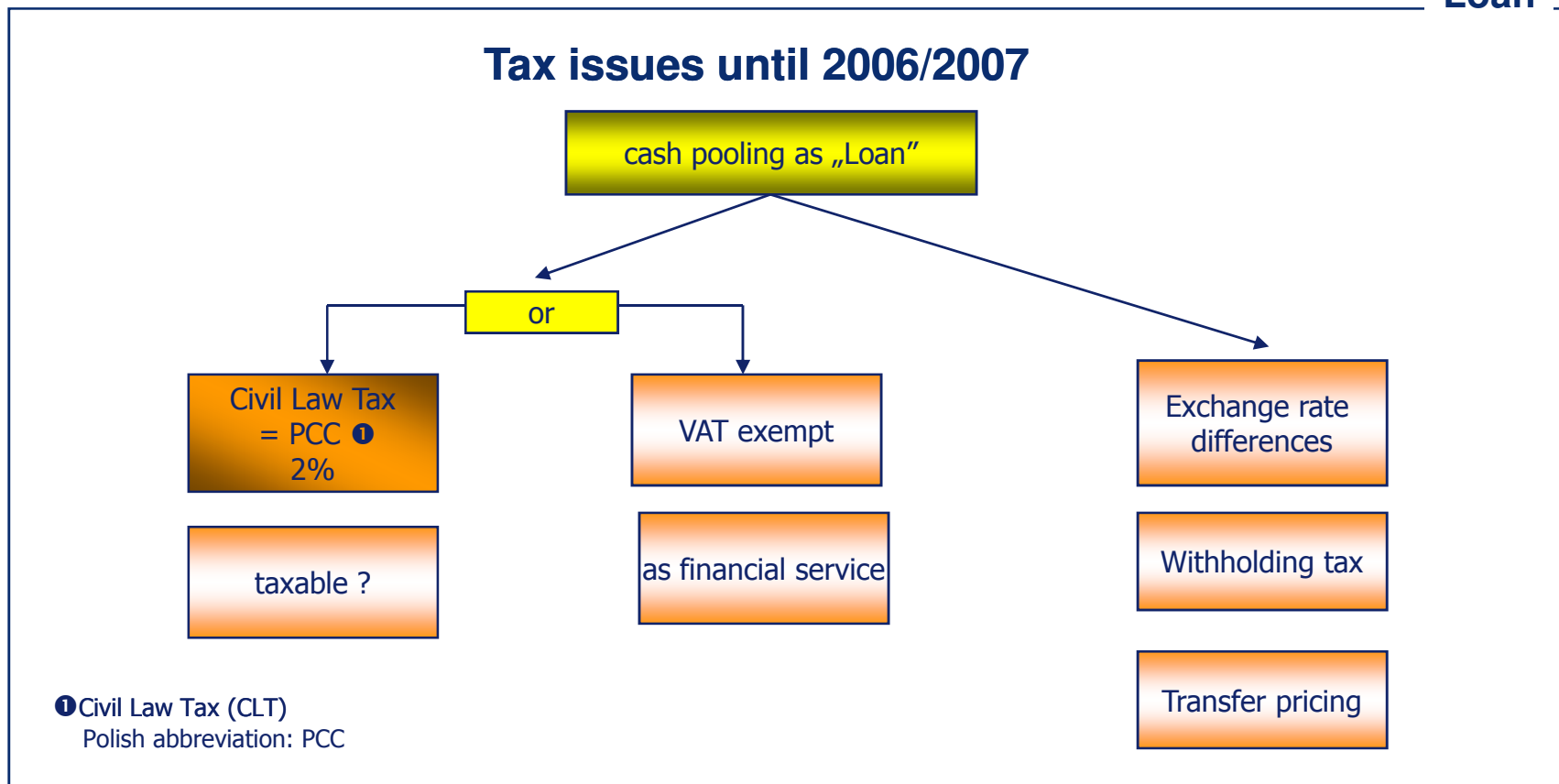
Cash Pooling

General issues



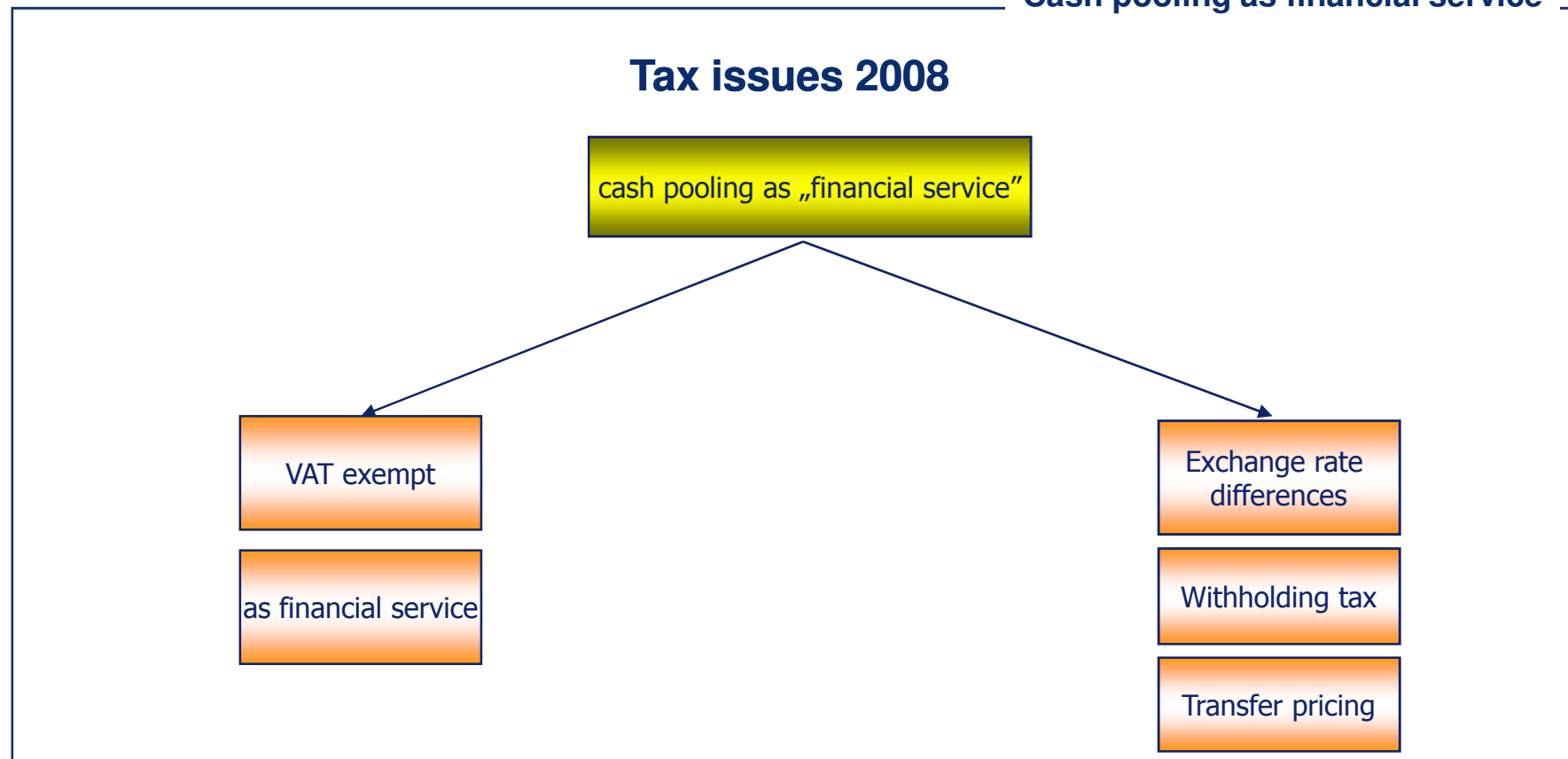
Cash Pooling

Loan



Cash Pooling

Cash pooling as financial service



Finance Minister's approach

- Cash pooling is classified as financial service;
- Cash pooling shall not be deemed a loan and shall not be subject to PCC taxation provided cash pooling agreement includes no essential features of a loan agreement;
- Cash pooling including essential features of a loan agreement shall not be subject to PCC taxation, provided that cash pooling services are rendered by a VAT payer

Finance Minister's approach

- Entities participating in cash pooling obtain income and income costs from interest either received or paid;
- Funds transfers among any parties to cash pooling agreements are tax neutral;
- Terms and conditions of a cash pooling agreement must not be far from arm's length;
- Cash pooling transaction is subject to limitations related to transfer prices.

Capital group transaction structure accepted by tax authorities

Capital group transaction structure accepted by tax authorities:

- A party to any transaction is always a pool leader and a specific entity from the group;
- no direct transfers between accounts of capital group companies occur;
- interest on transfers is the same and based on the interest rates determined at arm's length;
- Thin capitalization requirements;
- financial assistance issues?