

Appendix A

NON TAX ISSUES

Jurisdiction	Legal System	Forced Heirship	Trust v. Foundation Regime	Marital Property Regime	Other Noteworthy Issues
Argentina	Civil Law	<u>Forced heirship rules apply</u> ; for example, surviving descendants are entitled to 4/5 th of the deceased's assets and the surviving spouse is entitled to 1/2 of the marital assets and a share of the deceased's assets equal to that of the descendants.	" <i>Fideicomisos</i> ", which are similar to trusts, are recognized. Foreign trusts are recognized if they comply with laws of the foreign country and don't violate Argentina's public policy laws.	<u>Community Property Regime</u> <u>Personal property</u> : for example, assets owned by each spouse prior to marriage or received by gift/inheritance during marriage. <u>Marital property</u> : for example, property acquired during the marriage and "fruit" of personal property (e.g., interest but not gains from sale) - owned in equal shares. Prenuptial agreements not recognized	
Australia	Common Law	No forced heirship regime	Recognizes trusts	<u>Separate Property Regime</u> Each spouse retains ownership of property legally theirs, however, courts of equity can make equitable reallocations based on various factors Prenuptial agreements recognized	
Bahamas	Common Law	No forced heirship regime	Recognizes trusts Recognizes foundations	<u>Separate Property Regime</u> Each spouse retains ownership of property legally theirs, however, courts of equity can make equitable reallocations based on various factors Prenuptial agreements are not recognized	

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Jurisdiction	Legal System	Forced Heirship	Trust v. Foundation Regime	Marital Property Regime	Other Noteworthy Issues
Belgium	Civil Law	<u>Forced heirship rules apply</u> ; for example, the surviving spouse is entitled to the usufruct of 1/2 of estate (the legal cohabitant is entitled to the usufruct of the house and the furniture where the couple lived) and the descendants are entitled to the following portions, depending on the number of children: - one child (1/2 of remaining estate); - two children (2/3rds of the remaining estate); three or more children (3/4ths of the remaining estate).	Does not recognize trusts. Foreign trusts may be recognized if recognized as a legal entity in its governing jurisdiction	<u>Community Property Regime</u> <u>Personal property</u> : for example, assets owned by each spouse before marriage, personal items, inherited assets etc. <u>Marital property</u> : for example, assets acquired during marriage, professional revenue, etc. Marriage contracts recognized, which allow for choice of separate property regime	
Brazil	Civil Law	<u>Forced heirship rules apply</u> ; for example, the surviving spouse is entitled to 1/2 of estate (depending on the marital property regime) and the descendants are entitled to one-half of the other one-half	Does not recognize trusts. Foreign trusts may be recognized if recognized as a legal entity in its governing jurisdiction.	Four types of marital regimes recognized, which spouses may choose: Partial Communion of Assets (default), Total Communion of Assets, Mandatory Separation of Assets, and Participation in Acquired Estate.	
Canada	Common Law	Forced heirship rules do not apply	Recognizes trusts Hague Convention on Trusts entered into force on 1/1/1993	<u>Community Property Regime</u> Details vary by province, but generally, net value of marital assets to be shared equally unless the spouses have specified otherwise in a domestic contract. Marriage contracts recognized but can be voided in "best interests of children".	Forced heirship does not apply but spouses can effectively sue for split of assets at last moment in time before death of deceased if not better provided for in will. Attack in assets, not attack on will.
Cayman Islands	Common Law	No forced heirship regime	Recognizes trusts	<u>Community Property Regime</u> Case law treats all assets acquired both before and during the marriage as marital property.	

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Jurisdiction	Legal System	Forced Heirship	Trust v. Foundation Regime	Marital Property Regime	Other Noteworthy Issues
China	Civil Law	No forced heirship regime	Recognizes trusts under the "PRC Trust Law" (2001)	<p><u>Community Property Regime</u></p> <p><u>Personal property:</u> for example, assets owned by each spouse before marriage, personal items, inherited assets etc.</p> <p><u>Marital property:</u> for example, assets acquired during marriage, professional revenue, etc.</p> <p>Marriage contracts recognized, which allow for choice of separate property regime</p>	Currency & exchange control jurisdiction
Colombia	Civil Law	<u>Forced heirship rules apply</u> ; one-fourth of the estate is freely disposable	Recognizes trusts Recognizes foundations	<p>Two types of regimes available by choice: Community of Property Regime (default) and Separation of Property Regime</p> <p>Prenuptial agreements are recognized</p>	Exchange control jurisdiction
Cyprus	Common Law	No forced heirship regime	Recognizes trusts	<p><u>Separate Property Regime</u></p> <p>Each spouse retains ownership of property legally theirs, however, courts of equity can make equitable reallocations based on various factors</p> <p>Prenuptial agreements not binding</p>	
Czech Republic	Civil Law	<u>Forced heirship rules apply</u> ; for example, the surviving spouse and surviving descendants are entitled to a compulsory portion that they would be entitled to if the decedent died intestate (<i>i.e.</i> , without a will)	The Czech Republic does not recognize trusts; foundations are recognized	<p><u>Community Property Regime</u></p> <p>Prenuptial agreements recognized</p>	

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Jurisdiction	Legal System	Forced Heirship	Trust v. Foundation Regime	Marital Property Regime	Other Noteworthy Issues
France	Civil Law	<u>Forced heirship rules apply</u> ; children are entitled by law to a portion of the estate, for instance, the disposable portion is reduced to one-half when there is only one child, one-third when there are two children, one-fourth when there are at least three children. In the case where there are no children the spouse is entitled by law to one-fourth of the estate (<i>i.e.</i> , the disposable portion is reduced to three-fourths).	France does not recognize the concept of trusts	<u>Community Property Regime</u> "Community of property acquired during marriage" regime applies, but spouses may, by agreement, agree to a "community of property" regime or "separation of property" regime	A civil partnership exists: "PACS"
Germany	Civil Law	<u>Forced heirship rules apply</u> ; for example, the surviving spouse and surviving children are entitled to a legal right to monetary payment equal to one-half of the heir's hypothetical entitlement under intestacy rules	Germany does not recognize the concept of trusts	"Community of property acquired during marriage" (default – all assets acquired before and during marriage are separated). Alternatives: "community of property" and "separation of property"	
Guernsey	Common Law	<u>Forced heirship rules apply</u> ; for example, the surviving spouse and surviving children are entitled to: <u>Immovable assets</u> : must be left to at least one of the following: surviving spouse, surviving descendants, the surviving descendants of step-children/illegitimate children. <u>Moveable assets</u> : 1/3rd to surviving spouse, 1/3rd to surviving children, remaining 1/3 rd is freely disposable.	Guernsey recognizes trusts	No choice of property regimes. Disputes dealt with by the courts applying Guernsey legislation and case-law. Prenuptial agreements are not binding	
Hong Kong	Common Law	No forced heirship regime	Hong Kong recognizes trusts	Disputes dealt with by the courts. Contributions made, income, financial needs, standard of living, age, and physical/mental ability all considered.	

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Hungary	Civil Law	<u>Forced heirship rules apply</u> ; for example, the surviving spouse and surviving children are entitled to one-half of what they would be entitled to inherit under intestacy law	Hungary does not recognize the concept of trusts	"Community in Acquisitions Regime" applies in the absence of a marital agreement between the spouses Prenuptial agreements are recognized	
India	Common Law	Forced heirship rules apply and vary depending on religion (Hindu, Muslim, Parsi, Christian)	India recognizes trusts	Marital property laws vary depending on religion (Hindu, Muslim, Parsi, Christian)	
Israel	Mixed - civil and common law, and indigenous including religious law.	No forced heirship regime	Israel recognizes trusts	Pre-1/1/74 marriages: all property accumulated during marriage divided equally. Post-1/1/74 marriages: each spouse entitled to one-half aggregate value of property except for property owned prior to the marriage/ received by gift/inheritance, subject to prenuptial agreements which are recognized.	
Italy	Civil Law	Forced heirship rules apply: The surviving spouse, descendants and parents receive a compulsory portion (size varies depending on number of heirs)	Hague Convention on Trusts entered into force on 1/1/1992, but no domestic laws governing trusts	In the absence of a prenuptial agreement, the Community Property System applies (common ownership of property in equal shares)	
Japan	Civil Law	Forced heirship rules apply: surviving spouse and descendants are entitled to one-half of the estate, and if only ascendants survive, one-third passes to the ascendants.	Japan has a Trust Act, but it remains unclear how a foreign trust would be treated under Japanese law	Statutory Property System: Property acquired before/during the marriage is separated unless sole ownership is unclear (presumed jointly owned) Prenuptial agreements are recognized	

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Jersey	Common Law	<p>Forced heirship rules apply:</p> <p><u>Immovables:</u> n/a but surviving spouse may have right to dower. <u>Movables:</u> Unmarried (none), surviving spouse only (entitled to 2/3 of estate), spouse and descendants (1/3 each), descendants only (2/3).</p>	Trusts are recognized and Jersey is a party to the Hague Convention on the Law Applicable to Trusts and Their Recognition. A law permitting the incorporation of foundations will be brought into force in 2009.	<p>No community of property or separation of goods. Jersey courts apply Jersey case law/statutes.</p> <p>Prenuptial agreements are not binding</p>	
Mexico	Civil Law	A testator is free to dispose of his or her property but is required to support certain dependents	Trusts have existed in Mexico for a long time but Mexico lacks a well developed body of law to deal with trust issues.	<p>Joint Marital Property regime (may be terminated during marriage). Separation of Property (by prenuptial agreement or by judicial ruling).</p>	
Netherlands	Civil Law	<p>Forced heirship rules apply:</p> <p>The surviving spouse and descendants are entitled to a "compulsory or statutory portion" of the deceased's estate or have certain statutory rights. For example, surviving children are entitled to 50% of the share they would be entitled to under intestacy law.</p>	While there is no domestic trust law, case law exists. Also, the Hague Convention on Trusts entered into force on 1/1/1996	<u>Community of property regime:</u> property is owned in common by the spouses. <u>Marriage Settlement:</u> either prenuptial or during the marriage (needs to be approved by a court of law).	
Portugal	Civil Law	<p>Forced heirship rules apply:</p> <p>Spouse only (1/2 of estate), descendants and spouse (2/3), descendants only (1/2 or 2/3, depending on number of descendants), ascendants and spouse (2/3), parents only (1/2), other ascendants only (1/3). Remainder is freely disposable.</p>	Trusts are not recognized	<p>Spouses may adopt the "community of property acquired during marriage regime", "community of property regime" or "separation of property regime".</p> <p>Prenuptial agreements are recognized within the limits established by law.</p>	
Russia	Civil Law	<p>Forced heirship rules apply:</p> <p>Minor/disabled children, disabled spouse, disabled parents and disabled dependants must receive at least a half of their statutory share of inheritance</p>	Trusts are not recognized	<p>Spouses may adopt the "common joint property", "common share property" or "separation of matrimonial property" regimes</p> <p>Prenuptial agreements are recognized</p>	

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Singapore	Common Law	n/a (but Islamic law may apply to Muslims)	Singapore recognizes trusts	The court divides "matrimonial assets" based on a range of factors. Prenuptial agreements are not binding	
South Africa	Common Law	No forced heirship regime	South Africa recognizes trusts	Marriages are generally in community of property (estate is owned jointly), unless there is a prenuptial contract.	South Africa recognizes same sex unions, similar status to marriages
Spain	Civil Law	Forced heirship rules apply: For example, descendants (2/3), ascendants only (1/2), ascendants and spouse (ascendants 1/3, spouse 1/2 of usufruct), descendants and spouse (1/3 each), spouse only (2/3 of usufruct). Remainder is freely disposable.	Spain does not recognize trusts	Spouses may also adopt the "joint property", "separate property" and "participation" regimes. Prenuptial agreements are recognized	
Sweden	Civil Law	Forced heirship rules apply: Surviving spouse: whole estate. Otherwise, one-half of estate freely disposable. Children: divide other one-half equally. No children: parents divide equally.	Sweden does not recognize trusts	Marital settlements recognized. Otherwise, spouses remain owners of their respective property/ earnings, but can claim for one-half of property held jointly.	
Switzerland	Civil Law	Forced heirship rules apply: If spouse and children survive, three-eighths of the estate is freely disposable. Forced heirship applies as follows. Children: three-eighths of remaining five-eighths. Spouse: one-fourth of the remaining five-eighths	Switzerland has no domestic trust law, but the Hague Convention on Trusts entered into force on 1/7/2007	There are three marital property regimes: "Participation in Acquisitions", "Community of Property" and "Separation of Property" regimes or as agreed between the parties.	Restrictions on real estate ownership

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Taiwan	Civil Law	Forced heirship rules apply: One-half of estate freely disposable. Spouse and descendants: equal shares, spouse and parents/ brothers/sisters: spouse receives one-half of the remaining one-half, spouse and grandparents: spouse receives two-thirds of remaining one-half, spouse only: all of remaining one-half.	Taiwan recognizes trusts	There are three applicable matrimonial property regimes: Statutory Regime, Community Property Regime, and Separate Property Regime. Marital contracts recognized	
Thailand	Civil Law with Common Law influences.	No forced heirship regime	Thailand recognizes trusts but limits their use under the Trust for Transactions in Capital Markets Act.	Communal property only is shared equally. Ante-nuptial agreements recognized	
Ukraine	Civil Law	Forced heirship rules apply: One-half of estate freely disposable. Higher class inherits remainder (shared equally within class), lower classes receive nothing: 1 st class (children/spouse/parents), 2 nd class (siblings/grandparents/nephews/nieces), 3 rd class (uncles/aunts).	Ukraine does not recognize trusts	Default regime is "Common Joint Property": spouses jointly own the property they acquired during the marriage. Prenuptial agreements recognized	
UAE	Civil Law	Shari'a or Islamic law applies to all UAE nationals (exception non-Muslims with their own religious rules). Shari'a Law is also applicable to non-UAE nationals unless they insist on application of the law of their home country.	The UAE do not recognize trusts	Property acquired prior to/during marriage will remain that person's property throughout the marriage. For divorce, a husband's support obligations will be determined in accordance with the provisions of the marriage contract.	

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Jurisdiction	Legal System	Forced Heirship	Trust v. Foundation Regime	Marital Property Regime	Other Noteworthy Issues
United Kingdom	Common Law	No forced heirship regime	<p>The UK has a domestic law on trusts.</p> <p>Hague Convention on Trusts entered into force on 1/1/1992</p>	<p>No community of property regimes. In England, the ownership of family property is determined according to Parliament-made law and previous cases.</p> <p>Preuptial agreements are not binding</p>	
USA	Common Law (except Louisiana state law)	No forced heirship regimes (except for Louisiana)	<p>Domestic trust law at the individual state level.</p> <p>Hague Convention on Trusts signed on 13/7/1988</p>	<p>Marital regimes vary by State</p> <p>Preuptial agreements are recognized</p>	
Venezuela	Civil Law	<p>Forced heirship rules apply:</p> <p>Surviving spouse: one-fourth Children: one-fourth</p>	<p>"<i>Fideicomisos</i>", which are similar to trusts, are recognized and regulated by Law. Foreign trusts are recognized if they comply with laws of the foreign country and do not violate Venezuela's public policy laws.</p>	<p>Two marital property regimes: "Marriage Settlement Regime" where spouses free to administer/dispose/retain (in case of divorce) their property; and "Community Property Regime", where most properties, assets, and revenues are owned in common by the spouses.</p> <p>Preuptial agreements are recognized</p>	

Appendix B

INCOME, WEALTH & GRATUITOUS TRANSFER TAXATION¹

Legend

Territorial tax system = only income sourced in the country is taxed.

Residential tax system = for those that meet the tax residence definition (usually: spending more than 183 days in the country each year or being domiciled in the country), income from worldwide sources is subject to taxation.

Citizenship based tax system = e.g., USA: citizens, green card holders, those who meet a substantial presence test are subject to US tax and reporting exposure even if they are not US residents and their income is not sourced in the US.

Definitions

Testamentary = a transfer made at death

Gratuitous = means a transfer made with purely donative intent, i.e., without consideration

Exit Taxation = a tax that applies when an individual gives up his or her citizenship or terminates residency in a country

Jurisdiction	Tax System	Income Taxation (Highest Bracket)	Taxation of Lifetime Gratuitous Transfers - Gift/Donation Taxation (Highest Bracket)	Taxation of Testamentary Gratuitous Transfers - Estate/Inheritance/Deemed Disposition/Generation Skipping (Highest Bracket)	Wealth (Net Worth) Taxation (Highest Bracket)	Exit Taxation	Charitable Gratuitous Transfers - Tax Exemption(s)	Gratuitous Transfer Tax Liability
Argentina	Residential tax system	ARS28,500 + 35% of excess over ARS120,000	n/a	n/a	Rate of 1.25% if total assets exceed ARS5,000,000	n/a	Income tax deduction available up to the limit of 5% of the net taxable income of the donor; qualifying charitable donations are not subject to taxation.	n/a
Australia	Residential tax system	AUD58,600 + 45% of excess over AUD180,000	n/a (but capital gains tax and stamp duty may be relevant)	Capital gains tax and stamp duty consequences, <i>i.e.</i> market value deemed disposition, can arise for certain transfers.	n/a	For assets that are not taxable Australian property, unrealized capital gains are subject to tax upon termination of residency (subject to an election for the assets to remain within the Australian tax net).	Income tax deduction potentially available; qualifying charitable donations are not subject to taxation.	Generally, CGT (capital gains tax) would apply to the Donor / Decedent's estate.
Bahamas	None; Customs duty, stamp duty and real property taxes are the primary taxes.	n/a	n/a	n/a	n/a	Departure tax of BSD15 (now usually included in ticket price).	Most charitable transfers are exempt. However, exemptions are not applicable generally for real property transfers. The Treasurer has discretion to exempt stamp duty on gratuitous transfers of real property located in the Bahamas.	Not applicable generally, but stamp duty is applicable to gratuitous transfers of real property located in the Bahamas.

¹ Except as otherwise specifically noted, real property tax, land tax, stamp duty and indirect taxes that can arise upon a gratuitous transfer being made of property are not covered in this Matrix as are separate capital gains tax regimes. In addition, unless otherwise indicated, the Matrix covers the taxation of resident individuals (and for the USA, citizens of the USA).

INCOME, WEALTH & GRATUITOUS TRANSFER TAXATION²

Legend

Territorial tax system = only income sourced in the country is taxed.

Residential tax system = for those that meet the tax residence definition (usually: spending more than 183 days in the country each year or being domiciled in the country), income from worldwide sources is subject to taxation.

Citizenship based tax system = e.g., USA: citizens, green card holders, those who meet a substantial presence test are subject to US tax and reporting exposure even if they are not US residents and their income is not sourced in the US.

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Exit Taxation = a tax that applies when an individual gives up his or her citizenship or terminates residency in a country

Jurisdiction	Tax System	Income Taxation (Highest Bracket)	Taxation of Lifetime Gratuitous Transfers - Gift/Donation Taxation (Highest Bracket)	Taxation of Testamentary Gratuitous Transfers - Estate/Inheritance/Deemed Disposition/Generation Skipping (Highest Bracket)	Wealth (Net Worth) Taxation (Highest Bracket)	Exit Taxation	Charitable Gratuitous Transfers - Tax Exemption(s)	Gratuitous Transfer Tax Liability
Belgium	Residential tax system	EUR12,437 + 50% of excess over EUR32,860	Gift tax is imposed by region (Brussels, Wallonia and Flanders). Rates depend on the relationship of the donor to the beneficiary and range from 27%-80% for real estate and 3%-7% on movable goods.	Inheritance tax is imposed by regions (Brussels, Wallonia and Flanders). Rates range from 27%-80%, depending on the relationship of the donor to the beneficiary. Reduced rates are available for the transfer of small & medium size undertakings and family residence.	n/a	n/a (except in certain case with respect to life insurance policies)	Income tax deduction available for qualifying charitable donations up to maximum of the lowest of 10% of net income or EUR 331,200. Gift tax due at rates ranging from 5.5% to 25% depending on the region and the beneficiary.	Gift tax: the person who files the deed of gift with the authority. Inheritance tax: the heirs or the sole legatee.
Brazil	Residential tax system	Over BRL2,743.25 per month: 27.5%	State tax rate, if any, varies, e.g., Sao Paulo and Rio de Janeiro tax donations at a rate of 4%.	State tax rate, if any, varies, e.g., Sao Paulo and Rio de Janeiro tax bequests at a rate of 4%.	n/a	n/a	Income tax deductions available; qualifying charitable donations are not subject to taxation.	Donor / Decedent's estate
Canada	Residential tax system	Varies by province from 39% in Alberta to 48.25% in Nova Scotia on income in excess of CAD123,185	n/a	Deemed disposition of capital assets occurs at death resulting in capital gains tax exposure on unrealized gains. Spousal exemption is available.	n/a	Unrealized capital gains are subject to taxation upon termination of residency.	Income tax credits available; qualifying charitable donations are not subject to taxation.	Decedent's estate
Cayman Islands	None; Customs/import duties, stamp duty and real property taxes are the primary taxes.	n/a	n/a	n/a	n/a	n/a	n/a	n/a

² Except as otherwise specifically noted, real property tax, land tax, stamp duty and indirect taxes that can arise upon a gratuitous transfer being made of property are not covered in this Matrix as are separate capital gains tax regimes. In addition, unless otherwise indicated, the Matrix covers the taxation of resident individuals (and for the USA, citizens of the USA).

INCOME, WEALTH & GRATUITOUS TRANSFER TAXATION³

Legend

Territorial tax system = only income sourced in the country is taxed.

Residential tax system = for those that meet the tax residence definition (usually: spending more than 183 days in the country each year or being domiciled in the country), income from worldwide sources is subject to taxation.

Citizenship based tax system = e.g., USA: citizens, green card holders, those who meet a substantial presence test are subject to US tax and reporting exposure even if they are not US residents and their income is not sourced in the US.

Definitions

Testamentary = a transfer made at death

Gratuitous = means a transfer made with purely donative intent, i.e., without consideration

Exit Taxation = a tax that applies when an individual gives up his or her citizenship or terminates residency in a country

Jurisdiction	Tax System	Income Taxation (Highest Bracket)	Taxation of Lifetime Gratuitous Transfers - Gift/Donation Taxation (Highest Bracket)	Taxation of Testamentary Gratuitous Transfers - Estate/Inheritance/Deem ed Disposition/Generation Skipping (Highest Bracket)	Wealth (Net Worth) Taxation (Highest Bracket)	Exit Taxation	Charitable Gratuitous Transfers - Tax Exemption(s)	Gratuitous Transfer Tax Liability
China	Residential tax system	Employment income over RMB100,000 per month: 45%; Income from independent labor services over RMB50,000 per time: 40%; Income of individual entrepreneurs over RMB50,000 per month: 35%; Income from royalty, interest, dividend, capital gain: flat rate of 20%.	n/a	n/a	n/a	n/a	Income tax deductions available; qualifying charitable donations are not subject to taxation.	n/a

³ Except as otherwise specifically noted, real property tax, land tax, stamp duty and indirect taxes that can arise upon a gratuitous transfer being made of property are not covered in this Matrix as are separate capital gains tax regimes. In addition, unless otherwise indicated, the Matrix covers the taxation of resident individuals (and for the USA, citizens of the USA).

INCOME, WEALTH & GRATUITOUS TRANSFER TAXATION⁴

Legend

Territorial tax system = only income sourced in the country is taxed.

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Citizenship based tax system = e.g., USA: citizens, green card holders, those who meet a substantial presence test are subject to US tax and reporting exposure even if they are not US residents and their income is not sourced in the US.

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Colombia	Residential tax system	Over US\$43,450 per year: 33%	Capital gains tax is imposed on gratuitous lifetime transfers at rates up to 33%; transfers over US\$43,450 taxed at 33% rate. Non-domiciliaries are subject to a capital gains tax rate of 33% on any amount received.	Capital gains tax is imposed on testamentary gratuitous transfers at rates up to 33%; transfers over US\$43,450 taxed at 33% rate. Non-domiciliaries are subject to a capital gains tax rate of 33% on any amount received. The first COP26,464,800 (approx. USD12,717) received by legal legatees and the spouse as conjugal portions, are exempt from capital gains tax. From the amount received by individuals different from the spouse or legal legatees, 20% is exempt from capital gains tax. Such exemption may not be higher than COP26,464,800.	This tax applies for FY 2007 to 2010, at a rate of 1.2%, only to taxpayers that, on January 1, 2007, had a net equity equivalent to COP\$3,000,000,000 (approx. USD1,441,641).	n/a	Income tax deductions available. Charitable donations are not subject to taxation for legal entities that receive the donation if their excess is destined to programs that develop their corporate purpose. The corporate purpose must be health, education, cultural, or sport activities, as well as scientific and technologic investigation, or social development programs. These must be considered of public interest and of access to the community.	The recipient
Cyprus	Residential tax system	Over EUR36,300 per year: 30%	n/a (but some gratuitous transfers may be subject to capital gains tax – spousal exemption available).	n/a	n/a	n/a	n/a	The recipient

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INCOME, WEALTH & GRATUITOUS TRANSFER TAXATION⁵

Legend

Territorial tax system = only income sourced in the country is taxed.

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Citizenship based tax system = e.g., USA: citizens, green card holders, those who meet a substantial presence test are subject to US tax and reporting exposure even if they are not US residents and their income is not sourced in the US.

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Czech Republic	Residential tax system	Income subject to a flat rate of 15%	Gift tax applies at rates ranging from 7.0%-40%, but is not applicable for transfers between relatives and the donor's spouse.	Inheritance tax applies at rates ranging from 3.5%-20%, but is not applicable for transfers between relatives and the decedent's surviving spouse.	n/a	n/a	Income tax deductions available; qualifying charitable donations are not subject to gift and inheritance taxation.	The recipient
France	Residential tax system	The maximum rate of income tax is 40% (plus an increase from 8%-11% for social taxes depending on the nature of the income).	Gift tax rates range between 5% and 60% depending on relationship between donor and recipient, and the value of the transfer. Limited exemptions available for a spouse, civil partner and heirs of the donor.	Inheritance tax rates range between 5% and 60% depending on relationship between donor and recipient, and the value of the transfer. For inheritance opened as from August 22, 2007, full spousal exemption available.	If net market asset value > EUR770,000 on January 1st, wealth tax applies; wealth tax rates range from 0.55% to 1.8%.	n/a	Income tax deductions available; qualifying charitable donations are not subject to taxation.	The recipient
Germany	Residential tax system	Over €250,001 per year: 45%	Gift tax rates vary between 7% and 50% depending on relationship between donor and recipient, and the value of the transfer. Spousal allowance available.	Inheritance tax rates vary between 7% and 50% depending on relationship between donor and recipient, and the value of the transfer. Spousal allowance available.	n/a	Unrealized capital gains from sale in shares in corporation (representing at least 1 % of the stated capital) are subject to taxation. In case of an exit to another EU member state, payment of tax liability is deferred until the actual sale of the shares.	Income and gratuitous transfer tax deductions available; qualifying charitable donations are not subject to taxation.	The recipient

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INCOME, WEALTH & GRATUITOUS TRANSFER TAXATION⁶

Legend

Territorial tax system = only income sourced in the country is taxed.

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Jurisdiction	Tax System	Income Taxation (Highest Bracket)	Taxation of Lifetime Gratuitous Transfers - Gift/Donation Taxation (Highest Bracket)	Taxation of Testamentary Gratuitous Transfers - Estate/Inheritance/Deem ed Disposition/Generation Skipping (Highest Bracket)	Wealth (Net Worth) Taxation (Highest Bracket)	Exit Taxation	Charitable Gratuitous Transfers - Tax Exemption(s)	Gratuitous Transfer Tax Liability
Guernsey	Residential tax system	Income tax rate of 20% applies to assessable income	n/a	n/a	n/a	n/a	Income tax deduction is not available; qualifying charitable donations are not subject to taxation.	n/a
Hong Kong	Territorial tax system	Profit tax: 15% (16.5% for corporations) Salary tax: the lesser of 15% (without tax allowances) OR 2% on first 40k, 7% on next 40k, 12% on next 40k, 17% on remainder (after deducting applicable tax allowances). Persons who are subject to both profits tax and salaries tax can elect to have his/her total income taxed according to the marginal rates (if this results in a lower overall tax liability).	n/a	n/a (for persons who pass away on or after February 11, 2006)	n/a	n/a	Tax deductions for donations in money to recognized charitable institutions are available (up to 35% of the donor's taxable income); qualifying charitable donations are not subject to taxation.	n/a

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Hungary	Residential tax system	HUF306,000 + 36% of excess over HUF1.7m	Gift duty varies between 2.5% and 40% depending on relationship between donor and recipient, the value of the transfer and the type of asset.	Inheritance duty varies between 2.5% and 40% depending on relationship between donor and recipient, the value of the transfer and the type of asset.	Applies to real estate: 0.5% on the value that exceeds HUF100million.	n/a	Income tax deduction is available; qualifying charitable donations are not subject to taxation.	The recipient
India	Residential tax system	INR55k + 30% of excess over INR500k	n/a (but a gift of money in excess of INR50,000 may be treated as taxable income).	n/a	Individuals and undivided Hindu families taxed at 1% on amount by which net wealth > INR1.5million.	n/a	Income tax deduction available; qualifying charitable donations are not subject to taxation	The recipient
Israel	Residential tax system	Over NIS423,240 per year: 47% rate	n/a	n/a	n/a	Deemed sale of all assets on cessation of residency.	Income tax deduction available	n/a
Italy	Residential tax system	Over EUR75,000 per year: 43% rate	Gift tax applies: <u>Spouses/descendants/ascendants</u> : 4% net value of any asset > EUR1million; <u>brothers/sisters</u> : 6% of net value of any asset < EUR 100,000.00; <u>Other relatives</u> : 6% of net value of any assets; <u>Other heirs / beneficiaries</u> : 8% of net value of any assets.	Inheritance tax applies: <u>Spouses/descendants/ascendants</u> : 4% net value of any asset > EUR1million; <u>brothers/sisters</u> : 6% of net value of any asset < EUR 100,000.00; <u>Other relatives</u> : 6% of net value of any assets; <u>Other heirs / beneficiaries</u> : 8% of net value of any assets.	n/a	n/a (but entrepreneurs subject to capital gains tax exposure on transferred business)	Income tax deductions available; qualifying charitable donations are not subject to taxation.	The recipient

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Japan	Residential tax system	Over JPY18million per year: 50%	Gift tax imposed on some assets (dependent on donor, recipient and location of asset) at progressive rates up to 50%. Annual exemption is available.	Inheritance tax imposed on some assets (dependent on donor, recipient and location of asset) at progressive rates up to 50%. Spousal exemption may be available.	n/a	n/a	Income tax deductions available; qualifying charitable donations are not subject to taxation.	The recipient
Jersey	Residential tax system	Income tax is levied at a flat rate of 20%	n/a	No inheritance tax in hands of recipient, but a fee is levied in order to obtain probate if the value of the estate is over GBP10,000. The rate is GBP50 for each GBP10,000 or part thereof up to GBP100,000 and GBP75 for each GBP10,000 or part thereof over GBP100,000.	n/a	n/a	Income tax deduction is not available; qualifying charitable donations are not subject to taxation.	n/a
Mexico	Residential tax system	Monthly salary: 3%-28%; fees/personal services: 10%, interest from non-financial institutions: 20%, rental income: 10%	n/a	n/a	n/a (asset tax payable at 1.25% by certain individuals/companies engaged in business in Mexico has been repealed and substituted by Single Rate Tax, as of January 08)	n/a (a change in the company's residence is deemed as a liquidation for tax purposes, thus tax on transfer of all assets may be triggered)	Income tax deductions available; qualifying charitable donations are not subject to taxation.	n/a

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Netherlands	Residential tax system	<u>Profits/employment:</u> Over EUR53,860 per year: 52%; <u>Shares (>5% interest):</u> 25%; <u>Savings/Investments:</u> 1.2%	Gift tax is levied if the donor is resident at the time of the gift; rates vary (ranging from 5% to 68%) according to the value of the transfer and the relationship between the recipient and the donor. <u>Key exemptions:</u> Donations to children are exempt from tax up to an annual amount of EUR 4,479 (2008). Children between 18 and 35 years may receive a one-time donation of EUR 22,379 (2008) tax free.	Estate tax is levied if the deceased was a resident of the Netherlands at the time of his death; rates vary (ranging from 5% to 68%) according to the value of the transfer and the relationship between the recipient and the deceased. <u>Key exemptions:</u> The surviving spouse can inherit the deceased spouses' estate tax free up to an amount of EUR 532,667 (2008). Inheritances by children under 23 are exempt from tax up to an amount of EUR 4,479 (2008) per year under 23 (minimum EUR 10,150 (2008)).	n/a (but note that personal income tax includes taxation of wealth – see "income taxation")	Preserved tax assessments for 10 years in case of (i) substantial shareholding and (ii) built-up pension schemes. However, possibility of infringement of tax treaty.	Gifts to qualifying institutions of public health are deductible for the donor, provided a certain threshold is met. The donation is also tax-exempt at the institutional level for gift and inheritance tax.	The recipient
Portugal	Residential tax system	Over EUR62,546 per year: 42% rate	There is no gift tax but stamp duty at 10% (10.8% concerning real estate) applies to gifts, except when made to the donor's spouse, descendants and ascendants.	There is no inheritance tax but stamp duty at 10% (10.8% concerning real estate) applies to bequests, except when made to the decedent's spouse, descendants and ascendants.	n/a	n/a	Income tax deduction is available; qualifying charitable donations are not subject to taxation.	Stamp duty liability is imposed on the donee or the decedent's estate.

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Russia	Residential tax system	Income tax rate of 13% applies to assessable income	n/a (but certain gifts received by persons other than close relatives of the donor are subject to income tax at a 13% rate for a resident donee and at a 30% rate for a non-resident donee).	n/a	n/a	n/a	Income tax deduction is available; qualifying charitable donations are not subject to taxation.	The recipient
Singapore	Territorial tax system	Income over SGD320,000 per year: 20% rate	n/a	n/a	n/a	n/a	Income tax deduction is available; qualifying charitable donations are not subject to taxation.	n/a
South Africa	Residential tax system	ZAR143,010 + 40% of excess over ZAR490k	Donation tax at a rate of 20% applies to transfers over ZAR100,000. Spousal exemption available.	Estate duty at a rate of 20% applies to transfers over ZAR3,500,000. Spousal exemption available.	n/a	n/a	Qualifying charitable donations/bequests of up to ZAR100,000 are exempt from gift/estate duty; amounts in excess are subject to tax at a rate of 20%	Donor / Decedent's estate

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Spain	Residential tax system	Savings: 18%; General: ¹² Progressive rates are applicable: EUR16,081.73+ 43% of excess over EUR53,407.20	Gift tax ¹³ applies at progressive rates (maximum: EUR199,291.40 + 34% of excess over EUR797,555.08). The rate must be multiplied by a coefficient that varies depending on the relationship between the donor and the recipient, and the recipient's net worth (e.g., net worth more than EUR4,020,770.98, to a spouse/descendant: 1.20 x 34% = 40.8%). Allowances: - Family business exempted of Net Worth Tax, where the transfer is in favor of the taxpayer's spouse, a descendant or adoptee attract a reduction of the taxable amount equal to 95% of the value of the family business.	Inheritance tax ¹⁴ applies at progressive rates (maximum: EUR199,291.40 + 34% of excess over EUR797,555.08). The rate must be multiplied by a coefficient that varies depending on the relationship between the donor and the recipient, and the recipient's net worth (e.g., net worth more than EUR4,020,770.98, to a spouse/descendant: 1.20 x 34% = 40.8%). Allowances: - Family business: 95% of the value of the family business. - Life insurances policies: 100% deduction with a limit of EUR9,195.49. - Habitual place of abode: reduction equal to 95% of the value, with a limit of EUR122,606.47 per taxpayer.	Net worth tax ¹⁵ applies: The Maximum bracket is EUR183,670.29 + 2.5% of excess over EUR 10,695,996.06 Allowances: As of January 1 st of 2008, a 100% tax allowance will be applicable. ¹⁶	n/a	Income tax credits are available; Qualifying charitable donations are exempt from tax.	The recipient

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¹² Scale according to the Personal Income Tax Law (State Law).

¹³ The Inheritance and Gift Tax has been transferred in certain aspects (such as the scale, the allowances, etc.) from the State to the Autonomous Regions. The information included in this matrix is the one related to the State Law. For further information as regards the taxation in the different Autonomous Regions, see page number 105 of Spain's Private Banking Offering.

¹⁴ *Ibid.*

¹⁵ Scale according to the Net Worth Tax Law (State Law).

¹⁶ As stated in the Bill of Law for the suppression of the Net Worth Tax.

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Sweden	Residential tax system	Employment and business income taxed at different rates by local government (28.89-34.09%). State taxes 20% on annual income between SEK328,800-507,100 and 25% on income exceeding SEK507,100. State tax on capital gains is 30%.	n/a	n/a	n/a	Exit tax applies to those holding stock options and, <i>inter alia</i> , securities that emigrate from Sweden. For capital gains on securities and other rights, the exit tax applies to capital gains made ten years after the year of emigration (subject to tax treaty provisions). The government has introduced a bill in parliament which if passed will abolish the exit tax on stock options effective as of January 1, 2009.	Income tax deductions are not available; qualifying charitable donations of dividends are not subject to taxation. The government has recently initiated a state funded inquiry into whether gratuitous income tax deductions shall become available.	n/a

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Switzerland	Residential tax system	Income taxed at federal level (maximum rate is 11.5% max) in addition to cantonal and municipal levels which vary (maximum municipal and cantonal rate is approx. 28% max). Reduced taxable basis for forfait taxpayers.	Gift taxes are levied at the cantonal level: Rates vary depending on canton, municipality and relationship between donor and recipient. Generally, spousal exemption applies.	Estate taxes are levied at the cantonal level: Rates vary depending on canton, municipality and relationship between donor and recipient. Generally, spousal exemption applies.	Wealth tax applies at the cantonal and municipal levels at varying rates.	n/a	Income and inheritance tax deductions available; qualifying charitable donations are not subject to taxation. Note that there are variations between cantons.	Donor / Decedent's estate
Taiwan	Territorial tax system ¹⁹	Over 4,090,000 per year: 40%	Gift tax rates range from 4% up to 50% if the net transfer value exceeds TWD50,090,000. Spousal exemption applies.	Estate tax rates range from 2% up to 50% if the net transfer value exceeds TWD111,320,000. Spousal exemption applies. ²⁰	n/a	n/a	Income tax deductions available; qualifying charitable donations are not subject to taxation.	Donor / Decedent's estate or heir
Thailand	Residential tax system	Net income over THB4,000,000 per year: 37%	n/a	n/a (but the government is considering implementing testamentary transfer taxes)	n/a (but note that the tax officer has the authority to conduct an assessment on personal income tax from the wealth of the tax payer if they do not submit a tax return, or submit with a lower realistic income).	n/a	Income tax deductions available; qualifying charitable transfers not taxed.	n/a

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¹⁹ Offshore income of more than NT\$1 million will be subject to the Alternative Minimum Tax Regime beginning from January 1, 2010.

²⁰ In October 2008 Taiwan introduced a tax reform package that would reduce the estate tax to a flat 10%.

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Ukraine	Residential tax system	Flat tax rate of 15% applies to assessable income	Gift tax applies at varying rates ranging from 0% to 30% depending on the residency of, and relationship between, donor and recipient. Spousal exemption applies.	Inheritance tax applies at varying rates ranging from 0% to 30% depending on the residency of, and relationship between, testator and recipient. Spousal exemption applies.	n/a	n/a	Income tax deductions available at level of donor; charitable transfers not taxed at level of qualifying recipient.	Recipient
United Arab Emirates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
United Kingdom	Residential tax system	Dividends 32.5%, savings income 40%, other income 40%.	Gifts are subject to taxation: GBP312,000+ at a rate of 20%. Spousal gifts are <i>generally</i> exempt.	Inheritance tax applies: GBP312,000+ at a rate of 40%. Spousal bequests are <i>generally</i> exempt.	n/a	n/a	Income tax deductions available; charitable transfers not subject to taxation.	The donor, the recipient, anyone vested in the gifted property.

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Jurisdiction	Tax System	Income Taxation (Highest Bracket)	Taxation of Lifetime Gratuitous Transfers - Gift/Donation Taxation (Highest Bracket)	Taxation of Testamentary Gratuitous Transfers - Estate/Inheritance/Deemed Disposition/Generation Skipping (Highest Bracket)	Wealth (Net Worth) Taxation (Highest Bracket)	Exit Taxation	Charitable Gratuitous Transfers - Tax Exemption(s)	Gratuitous Transfer Tax Liability
USA	Citizenship based tax system	Federal income tax rates: 35% State income tax rates vary	Gift and generation skipping transfer taxes apply at the federal (and, depending on the state, at the state level). Federal gift tax rates are as follows: <u>2008</u> : 45%, <u>2009</u> : 45%, <u>2010</u> : None <u>2011</u> : 55% <u>Key exemptions</u> : Marital transfers to US spouse exempt (annual exclusion for non-US spouse of USD128,000 (2008)); lifetime cumulative gift and estate tax exclusion amount of USD2 million (2008); annual exclusion per donee of USD12,000 (2008); educational/medical exclusions.	Estate and generation skipping transfer taxes apply at the federal (and, depending on the state, at the state level). Federal estate tax rates are as follows: <u>2008</u> : USD2mil+: 45%, <u>2009</u> : USD3.5mil+: 45%, <u>2010</u> : None <u>2011</u> : USD1mil+: 55% <u>Key exemptions</u> : Marital transfers to US spouse exempt; lifetime cumulative gift and estate tax exclusion amount of USD2 million (2008); annual exclusion per donee of USD12,000 (2008).	n/a	Exit tax applies only to "covered expatriates" whose unrealized gains on assets exceed USD600k.	Income and gratuitous transfer tax deductions are available; charitable transfers are not subject to taxation.	Donor / Decedent's estate
Venezuela	Residential tax system	From 6% on the first 1,000 Tax Units (TU - currently VEBsF46.00) to 34% of the excess over 6,000 TUs.	Gift tax applies at graduated rates ranging from 10% (on the first 15 TUs) to 55% (over 4k TUs) depending on the relationship between donor and recipient.	Estate tax applies at graduated rates ranging from 10% (on the first 15 TUs) to 55% (over 4k TUs) depending on the relationship between donor and recipient.	n/a	n/a	Income tax deductions are available; charitable transfers are not subject to taxation.	The recipient

²² Except as otherwise specifically noted, real property tax, land tax, stamp duty and indirect taxes that can arise upon a gratuitous transfer being made of property are not covered in this Matrix as are separate capital gains tax regimes. In addition, unless otherwise indicated, the Matrix covers the taxation of resident individuals (and for the USA, citizens of the USA).

Appendix C

TAX TREATY NETWORK – TREATIES IN FORCE & FOREIGN TAX CREDITS

Legend

Income DTT = I

Gift/Donation DTT = G

Estate/Inheritance DTT = E

Foreign Income Tax Credit, Deduction or Other Relief = i

Foreign Gift/Donation Tax Credit, Deduction or Other Relief = g

Foreign Estate/Inheritance Tax Credit, Deduction or Other Relief = e

	Argentina	Australia	Bahamas	Belgium	Brazil	Canada	Cayman Is.	China	Colombia	Cyprus	Czech Republic	France	Germany	Guernsey	Hong Kong	Hungary	India	Israel	Italy	Japan	Jersey	Mexico	Netherlands	Portugal	Russia	Singapore	South Africa	Spain	Sweden	Switzerland	Taiwan	Thailand	Ukraine	UAE	United Kingdom	USA	Venezuela
Argentina	i	I		I	I	I						I	I						I				I					I	I	I					I		
Australia	I	i		I		I		I			I	I	I			I	I		I	I			I	I	I	I	I	I	I	I					I	I	G
Bahamas																																					
Belgium	I	I		i	I	I		I		I	I	I	E		I	I	I	I	I	I		I	I	I	I	I	I	I	E	I	I	I	I	I	I	I	I
Brazil	I			I	i ²³	I		I		I	I					I	I	I	I	I		I	I	I			I	I	I								
Canada	I	I		I	I	i		I		I	I	I	I			I	I	I	I	I			I	I	I	I	I	I	I								
Cayman Is.																																					
China		I		I	I	I		i		I	I	I	I			I	I	I	I	I			I	I	I	I	I	I	I								
Colombia									i																												
Cyprus				I		I					i	I	I			I	I		I						I	I	I		I						I	I	
Czech Republic		I	G		I	I		I		I	i ²⁴ g ²⁵ e ²⁶	I	I			I	I	I	I	I			I	I	I	I	I	I	I								
France	I	I		I	I			I		I	I	g				I	I	I	I	I			I	E	I	I	I	I	I	I							
Germany	I	I		I		I		I		I	I	I	i	g ²⁷ e ²⁸			I	I	E	I	I			I	I	I	I	I	I	I							

²³ Based on reciprocity.

²⁴ Tax credit or exemption with progression are only available under a particular tax treaty. Non-creditable foreign tax may be used as a deductible item in certain cases.

²⁵ Tax credit or exemption with progression are only available under a particular tax treaty. Otherwise foreign tax can only be deducted from the tax base.

²⁶ Tax credit or exemption with progression are only available under a particular tax treaty. Otherwise foreign tax can only be deducted from the tax base.

²⁷ Tax credit available according to local tax law for specific foreign situs assets, i.e., real estate and qualifying shareholdings.

²⁸ Tax credit available according to local tax law for specific foreign situs assets, i.e., real estate and qualifying shareholdings.

TAX TREATY NETWORK – TREATIES IN FORCE & FOREIGN TAX CREDITS

Legend

Income DTT = I
Foreign Income Tax Credit, Deduction or Other Relief = i

Gift/Donation DTT = G
Foreign Gift/Donation Tax Credit, Deduction or Other Relief = g

Estate/Inheritance DTT = E
Foreign Estate/Inheritance Tax Credit, Deduction or Other Relief = e

	Argentina	Australia	Bahamas	Belgium	Brazil	Canada	Cayman Is.	China	Colombia	Cyprus	Czech Republic	France	Germany	Guernsey	Hong Kong	Hungary	India	Israel	Italy	Japan	Jersey	Mexico	Netherlands	Portugal	Russia	Singapore	South Africa	Spain	Sweden	Switzerland	Taiwan	Thailand	Ukraine	UAE	United Kingdom	USA	Venezuela	
South Africa		I		I	I	I		I		I	I	I	I			I	I	I	I	I			I		I	I	I	e	I	E	I	I	I		I	E		
Spain	I	I		I	I	I		I			I	I	I			I	I	I	I	I			I	I	I		I	ige	E	I		I		I	I	I		
Sweden	I	I		E	I	I		I		I	I	IEG	E			E	I	E	E	I			I	E	I	I	E	E	i	E	I	I		I	E	I	I	
Switzerland	I	I		I		I		I			I	IEG	E			I	I	I	I	I			I	E	I	I	I	I		i		I	I		I	E	I	I
Taiwan		I		I																				I			I	I		I	ge				I			
Thailand		I		I		I		I		I	I	I	I		I	I	I	I	I	I						I	I	I	I			i		I	I	I	I	
Ukraine				I	I	I		I			I	I	I			I	I	I	I					I	I	I	I					I	ige	I	I	I		
UAE				I		I		I			I	I	I				I		I							I							I					
United Kingdom	I	I		I		I		I		I	I	E	I	I		I	E	I	E	I	I	I	I	E	I	I	I	E	I	E	I	I			ige	I	E	I
USA		IGE		I		I		I		I	I	IGE	IGE			I	I	I	E	IGE			I	E	I		E	I	I		I	I			IGE	ie	I	
Venezuela				I		I		I		I	I	I	I						I					I	I		I	I						I	I		i	