

McDermott
Will & Emery

Taxation

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European Tax

AWARDS & RECOGNITION

- Carlo Maria Paoletta awarded joint first place as “Tax Professional of the Year”
–*TopLegal Awards 2009*
- “The practice’s forte is in tax litigation but it also performs well on transactional and restructuring work”
–*European Legal 500 2009*
- “Experienced, fast and proactive”
–*Chambers Europe 2009*
- “Accomplished and diligent lawyer”
–*Chambers Europe 2009*
- “Tax planning remains a strength for McDermott Will & Emery UK LLP, as well as structured finance restructuring”
–*Legal 500 UK 2008*
- “Always involved in interesting and influential tax litigation before the ECJ”
–*European Legal 500 2009*
- “A thoughtful, considered approach to problem solving”
–*Chambers UK 2009*
- “Nationally renowned for their expertise in (international) tax proceedings”
–*Juve Handbook 2009*
- “A wealth of expertise in almost all fields of tax law”
–*Juve Handbook 2009*
- Leading firm in Germany, Italy and the United Kingdom
–*International Tax Review’s World Tax 2009*

McDermott Will & Emery's European tax advisors provide professional advice in all areas of taxation for major companies doing business in Europe as well as those operating internationally. We offer strategic European and international tax planning services, covering all direct and indirect taxes, and deliver innovative advice quickly and effectively. Our objective is to place tax planning into context, working closely with our clients to ensure that our advice fits their commercial objectives and enhances their return on investment. Through our tax lawyers worldwide and a network of the best advisors in locations where we do not have a local office, we supply a comprehensive multijurisdictional service to our clients.

Our European presence and relationships provide high-end legal services in the United Kingdom, Italy, Belgium, Germany and beyond. Our lawyers bring a wealth of practical experience and impressive legal and business backgrounds to all matters on which they advise, and have extensive experience handling sophisticated international and domestic transactions.

With licensed tax specialists and economists in Germany, and chartered accountants in Rome and Milan, we are able to provide a truly integrated multidisciplinary approach to our clients' tax planning requirements.

We provide legal tax advice independent of auditing services, which is mandatory not only in the United States (Sarbanes-Oxley Act), but also for listed companies in Germany (Accounting Control Act – Bilanzrechtskontrollgesetz) and other European countries.

Our tax advisors support multidisciplinary projects in which tax questions arise from commercial and capital market issues, such as the acquisition or sale of companies, and situations requiring fund structuring. In such cases, the Firm adds value by taking on the legal, tax and financial due diligence exercises.

In addition to our strong practice in Europe, we have more than 100 tax lawyers in the United States, including a presiding officer of the International Fiscal Association, an appointed member of the Tax Reform Commission and numerous former U.S. Internal Revenue Service (IRS) officials.

We work closely with leading tax law advisors in other countries through our International Tax Panel (for more information, visit www.taxpanel.mwe.com) to provide our clients with “best in the field” tax and transactional services in the major business and financial markets of the world, on matters such as transfer pricing, mergers and acquisitions, jurisdictional restructuring, joint ventures, executive compensation, private client matters, risk assessment and tax controversy.

Capabilities



CORPORATE TRANSACTIONS

Our team advises on mergers and acquisitions, pre- and post-acquisition restructurings, reconstructions and listings, tax and financial due diligence, joint ventures and buyouts. We identify the optimum means to mitigate transfer duties and capital and withholding taxes, and seek ways to obtain the maximum relief for funding costs through cross-border “double dip” structures and other techniques.

GROUP TAX AND CORPORATE LAW

We have extensive experience in all forms of group relief, financing and thin capitalisation, clearance applications and revenue rulings, where applicable.

BANKING AND CAPITAL MARKETS

We regularly provide advice in areas such as loan facilities, bond issues and foreign exchange, derivatives and other financial instruments.

STRUCTURED FINANCE

Our team has wide-ranging experience in securitisation, private equity, venture capital, and other structured and asset-financed transactions. The taxation treatment of such transactions is of paramount importance to success.

COMMERCIAL TRANSACTIONS

We understand that major contracts can mean major exposures to taxes and duties, particularly where there is an international element. Indirect taxes such as value added tax (as well as landfill tax or insurance premium tax) can, for the unwary, become an unexpected cost. We provide advice and opinions to help control and minimise these costs.

INTERNATIONAL STRUCTURINGS

We advise on tax efficient cross-border business structures to optimise the net of tax rate-of-return on corporate capital. Doing so requires an understanding of double taxation treaties and the mutual agreement procedures, transfer pricing, thin capitalisation and other anti-avoidance measures, and the use of different corporate structures and entities for both inbound and outbound transactions.

INWARD INVESTMENT

Our team acknowledge the existence of attractive opportunities in many jurisdictions for overseas investors, and regularly advises on the tax consequences of capital investment and business operations and the financing of those activities. We provide advice to help manage the impact of the application of European Commission law, thin capitalisation rules, transfer pricing regulations and double tax treaty provisions on the return on investment.

E-BUSINESS

We advise both established and start-up businesses on the domestic and international taxation consequences of their e-business projects. We also advise on the fast-changing developments in the taxation of such activities.



Capabilities

INTELLECTUAL PROPERTY

We advise on the domestic and international tax issues that can affect businesses. We advise multinationals seeking to locate their intellectual property development functions, develop innovative ideas, or complete intellectual property licensing and structured sales.

PROPERTY

We provide advice on the valuable tax relief that exists in connection with capital expenditure on land and buildings that can reduce the cost of funding for commercial or industrial occupants as well as increase returns for domestic and international investors.

TAX DISPUTE RESOLUTION AND LITIGATION

We have considerable experience in representing clients during tax enquiries and investigations into possible irregularities. Our experience includes negotiating with tax authorities in the course of seeking to settle disputes with the revenue authorities, and, where necessary, conducting litigation through the national courts at all levels, up to and including proceedings before the European Court of Justice.

TRUST AND PRIVATE CAPITAL TAX PLANNING

Our team of professionals has extensive experience in helping clients protect and preserve their wealth for future generations. Our advice includes estate planning as well as inheritance law and tax law.

Representative United Kingdom Experience



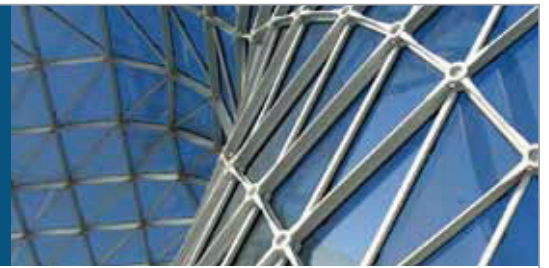
- Advising a publisher and information provider on the reorganisation and consolidation of the ownership and management of its worldwide brand in a tax-efficient structure
- Advising a number of multinational clients on the implications of the international arbitration rules introduced in 2005
- Advising the principal UK subsidiary of a global developer and supplier of multimedia computer games on successfully settling a revenue enquiry into certain transfer pricing aspects of its UK operations
- Advising a major US-based pharmaceutical company on the renewal of first Advanced Pricing Agreement under the United Kingdom's transfer pricing regime
- Advising an FTSE 100 international group on the worldwide restructuring of its multibillion-dollar brand to maintain ownership protection and enhance brand value
- Advising on the European restructuring of a US-based heavy machinery group, including debt restructuring to achieve UK thin capitalisation targets, and fulfilment of US repatriation objectives
- Advising an underwriting agent on a proposal to insure a tax risk associated with a leasing transaction undertaken by a financial institution
- Advising a US computer and electronics engineering company on a complex international structuring project relating to permanent establishment and VAT planning in connection with the construction and commercial operating arrangements of a telecommunications switch
- Advising one of the largest transport providers in Europe on restructuring its intellectual property portfolio
- Advising a major insurance and financial services provider in relation to withholding tax issues relating to its investment portfolio in the United Kingdom and Europe, and on the transfer pricing related issues raised by possible changes to functions carried out in the United Kingdom
- Advising a number of clients in the design and implementation of international cash management structures
- Advising the world leader in the fashion eyewear business on the consolidation of its UK and Republic of Ireland subsidiaries and in a UK merger transaction
- Advising a leading financial firm on its tax appeal in relation to the application of the UK/Swiss Double Tax Treaty, including the hearing before the Special Commissioners and the client's successful appeal to the High Court



Representative German Experience

- Advising a global energy and petrochemical company stating that German tax rules concerning depreciation in the value of start-up capital, granted by a German company to its permanent establishment in Italy, were incompatible with EU law
- Advising a multinational pharmaceutical company on a complete change of its distribution and production structure during a post-acquisition restructuring of its German operations, and defending the transfer pricing adjustments successfully during the tax audit
- Advising a consumer goods manufacturer on a multi-country restructuring with one of the first cross-border mergers between a Luxembourg and Dutch entity in the Netherlands
- Advising a CLT UFA S.A./Bertelsmann AG on the reduction of the tax rate for permanent establishment in Germany from 42 per cent (1994) to 33.5 per cent
- Advising a major automotive supplier in a reorganisation of its distribution and production structure
- Advising an international group with German headquarters during a private placement of a guaranteed note in the United States
- Advising a multinational in the chemical industry in the restructuring of the group in Germany, Luxembourg and the United States
- Advising a European energy company in the structuring of the acquisition of a German/Danish group
- Advising a German media company during the bidding process and tax due diligence
- Advising a British/Swiss strategic investor on a new holding structure for a total of four divisions (real estate, consumer goods) and re-financing on the capital marketplace with PIK loan, as well as repercussions of the 2008 company tax reform on financing
- Advising a major shareholder with substantial holding on an IPO in Germany (including fiscal issues in Germany, the United States and Switzerland)
- Advising several large German groups in an appeal at the Supreme Tax Court and the Federal Constitutional Court regarding trade tax of multiple-parents corporations
- Advising a professional liability insurer in various proceedings for the defence of tax consultation liability actions
- Advising a private client on German/US inheritance and inheritance tax planning, foreign trusts and taxation according to §15 Act on External Tax Relations
- Advising a charitable research company on the charitable status for certain areas of research, and providing representation before the revenue office to the stage of national and regional reporting meeting

Representative Italian Experience



- Advising a leading Italian company engaged in the beverage business in several transactions, including a commercial and industrial partnership agreement with the Valle d'Aosta Region and the sale of two of its Italian plants; a tax-neutral spin-off of the business into a Newco and the subsequent sale of the 100 per cent capital of the Newco to the purchaser; and a group restructuring aimed at the integration of the Italian business of a UK multinational, following the global acquisition of the UK group by the Dutch parent company
- Advising a multinational leader in the automotive industry (motorbikes) in the issuing of a corporate bond and the subsequent refinancing by a pool of banks, as well as providing analysis of the tax implication of the sale of trade receivables within factoring and securitization schemes, and advising on certain profiles of the restructuring of the group following its de-listing
- Advising the world leader in the fashion eyewear business in the structuring of a financing pole within Europe, restructuring of trading and sourcing activities worldwide, structuring of the financing for the US\$2.1 billion acquisition in the United States, European restructuring subsequent to a global acquisition, and the merger of US- and Italy-owned subsidiaries in the United Kingdom with a UK/Irish group of companies
- Advising the world-leading US multinational engaged in the medical devices and diagnostics business in the restructuring of its Italian operations
- Advising a primary Italian bank on the tax profiles of the project financing for the construction of a system of water purification plants in the area of the Venice lagoon
- Advising a leading Italian brand in the food industry on the sale of the company for EUR 300 million to a US private equity fund, as well as the restructuring of the remaining minority interest in the company
- Advising a primary listed company engaged in the food and beverages business in the analysis of specific finance tax related issues concerning the restructuring of the group within an Extraordinary Bankruptcy Procedure
- Advising several listed companies in the analysis of the tax implications of the use of the International Accounting Standards both on an ongoing basis and within the First Time Adoption
- Advising a Milan-based foundation in the analysis and validation of the business plan submitted to the banks with respect to the financing related to a wide real estate project, and providing several opinions separately to the client with respect to the direct and indirect tax implications of some of the transactions contemplated, including the construction of a parking building through the use of a project financing scheme
- Advising primary private equity funds in several acquisitions, IPOs, and subsequent exits and winding-up of the investment structure
- Advising a primary private banker in the set up and structuring of the tax clauses included in the standard contracts with clients, and providing ongoing advice on tax-related issues concerning the private banking activity
- Advising a Dutch finance company with respect to its participation in a EUR 6.85 billion financing
- Advising a Dutch finance company in the granting of loans and cash collaterals relating to a financing

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