



## PROJECT INFORMATION

<b>1 Country of End User:</b>	<b>2 Contractor:</b>
<b>3 Project-code:</b>	<b>4 Client:</b>
<b>5 Contractual position of the Contractor:</b> (Principal Contractor, Sub-Contractor, Consortium-Partner)	
<b>6 Project Manager</b> (commercial):	
<b>7 Description of Project</b> (in key words):	
<b>8 Status of Project:</b> (Offer, Order/Contract from....)	
<b>9 Is the order/offer functionally or organisationally part of another project?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes, of project:	
<b>10 Description of scope of Project:</b> (Supply of goods, Engineering, Erection, Supervision, etc.)	
<b>11 Contract Price and price splitting according to contract:</b>	
<b>12 Local Purchases from Subcontractors:</b> (local construction, erection, supervision, etc.) <input type="checkbox"/> No <input type="checkbox"/> Yes → please state type and volume!	
<b>13 Terms of delivery for Import supplies:</b>	<b>14 Duration of presence at site:</b> (including sub-contractors)
<b>15 Success of Project:</b> (calculated profit/loss)	<b>16 Provisions for foreign taxes:</b>
<b>17 Is there a tax-clause in the contract/offer? LOI</b> <input type="checkbox"/> No <input type="checkbox"/> Yes → please attach a copy of tax clause (if available)!	

**Date:**

**Signature:** \_\_\_\_\_

Attachments page(s)



## EXPLANATORY NOTES TO PROJECT INFORMATION-SHEET

- <sup>1</sup> Country of End User is the country where the activities in respect of the offer are performed. That is the country where the plant is installed or services and consultation are rendered as well as know-how is delivered. Concerning hiring out of personnel, it is the country where the workers are do their job.
- <sup>2</sup> Contractor is the company which has the contractual obligation vis-à-vis the client (point 4) to deliver a specified good or to render a specified service.
- <sup>3</sup> Project-code is the name (abbreviation) of the project used for internal affairs as well as for correspondence between the parties involved in the project.
- <sup>4</sup> Client is the company which has or will have a direct contractual relationship with the contractor (see point 2). As there are usually specific tax rules in contracts with government agencies, please state if the client is a public owned or are private owned company.
- <sup>5</sup> For the evaluation of the project it is essential which form of co-operation is used for carrying out the project, that means which contractual position the contractor (see point 2) has vis-à-vis the client (see point 4). Please let us know, if the contractor vis-à-vis the End User act as Principal contractor, as partner of a working group, as partner of a silent or open consortium, as subcontractor of another principal- or sub-contractor.
- <sup>6</sup> Under „Project Manager (commercial)“ please state the person, who is responsible for the running of the project.
- <sup>7</sup> Under this point please state the relevant facts concerning the project in a short way.
- <sup>8</sup> The current status of the project is relevant for us to know, how far taxational arrangements are still realisable.
- <sup>9</sup> The question concerning a functionally or organisationally relationship to another project is relevant for the matter of the creation of a permanent establishment. A temporal, local and functional connection to another project in the same country may result in the combination of the orders into one permanent establishment . A continued construction site has to be seen geographically and economically as a whole. Separate supplies and services - even in the case they are contractually splintered – must be combined for the evaluation a potential permanent establishment.  
Furthermore, there might already exist a tax registration which makes a further registration indispensable and existing loss carry forward might be set off against profits of the project in question. Only with these information an optimised tax strategy is realisable.
- <sup>10</sup> To guarantee the correct qualification of your tax case, please give a short description of the scope of work to be performed, for example design, engineering, software development, supply of plant equipment, production of components, construction, erection, supervision, start-up, training, maintenance, etc. You may add these information as an attachment.
- <sup>11</sup> The price splitting according to the contract is necessary for the calculation of the tax burden and the tax risk in the country concerned. Business profits of a foreign enterprise shall only be taxable in the country of End User if they are attributable to a permanent establishment in that State. Relevant criteria for the attribution of profits to the permanent establishment and the parent company are their function in respect of the performance of the contract.

Please state – if possible – the attributable price for the following service:

- a) Engineering & Design
- b) Royalties
- c) Supply of materials and equipment
- d) Erection, supervision
- e) Training of personnel inside and outside the country of end user
- f) Delivery of spare parts
- g) Others



If the price agreed is a flat rate or on a turn-key basis, please make a sharing of the price according to your calculation or, if necessary, by estimating.

- <sup>12</sup> This question is of importance with respect to the fact that local purchases are usually subject to VAT and/or excise taxes. In order to get these taxes refunded a registration is normally necessary – independently from the existence of a permanent establishment.

Services which have to be rendered in the country of end user and are subcontracted to a company not resident in that country usually imply tax obligations. In such cases payments to subcontractors may be subject to a withholding tax, where the client is obliged to withhold tax and pay it to the tax authorities.

- <sup>13</sup> In some countries the terms of delivery are relevant for the determination of liability to tax concerning the delivery of materials. For this reason, please state the agreed term of delivery according to INCOTERMS (for example, EXW, FCA, FAS, FOB, CFR, CIF, CPT, CIP, DAF, DES, DEQ, DDU, DDP)

- <sup>14</sup> In general liability to tax arises if the foreign resident company establishes a permanent establishment in the country of end user. According to many Tax Treaties a building site or construction or installation project constitutes a permanent establishment only if it has remained 6 and 12 months respectively.

The period begins when the project-activities at site start. The conclusion of the contract, the time for registration of down-payments to local subcontractors are not relevant. Also the delivery of material and components has no implication on the period for the creation of a permanent establishment. However, preparatory activities (for example the set up of a site office) have to be taken into consideration. Usually the period starts with the arrival of the first employee at the construction site and ends at the time the last employee leaves the construction site. It is important to note, that also the activities of subcontractors must be taken into account for the determination of the period of the activities at site.

The permanent establishment exists as long as the activities in the country of end user are finished. Time stops with the termination of the work at site.

Temporary interruptions of the project activities in the country of End User to not interrupt the period for the permanent establishment.

- <sup>15</sup> The possible tax burden is the product of the relevant tax rate and the calculation basis. Although the calculation basis has to be determined according to the accounting principles of the country of end user, starting point will be the profit according to your calculation. This basis will be adjusted to the characteristic of the country.

In order to guarantee a precise calculation of the foreign tax burden please state the calculated profit. In the case you do not want to state this information, we have to estimate the profit

- <sup>16</sup> Please let us know, if there are any provisions for foreign tax already included in the calculation, in order to avoid double-consideration.

- <sup>17</sup> Tax clauses have to be adjusted to the characteristics of the country. Please attach any agreements concerning taxes existing in the offer, letter of intent or correspondence with the client.