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ANNEXES

ANNEX I: LIST OF RELEVANT EUROPEAN COURT OF JUSTICE CASES REGARDING ARTICLE 13 OF THE SIXTH EU VAT DIRECTIVE

Case	Date	Content	Parties	Articles
C-348/87	15.06.89	Exemption	Stichting Uitvoering Financiële Acties (SUFA) / Secretary of state for finance	13 A (1) (f)
C-144/00	03.04.03	Exemptions for certain activities in the public interest - Body - Meaning - Services performed by a natural person - Cultural services by a soloist	Criminal proceedings / Matthias Hoffmann	13 A (1) (f)
C-77/01	29.04.04 Meaning of 'economic activities' - Meaning of 'incidental financial transactions' - Services effected for consideration Empresa de Desenvolvimento Mineiro SGPS SA (EDM) / Fazenda Pública		13 A (1) (f)	
C-8/01	20.11.03 Exemption for services performed by independent groups not likely to give rise to distortions of competition - Exemption for insurance transactions and related services performed by insurance brokers and insurance agents - Assessments of damage caused to motor vehicles carried out by an association on behalf of insurance companies which are members of		13 A (1) (f) and B (a)	
C-349/96	that association Package of services - Single service - Concept - Exemptions - Insurance transactions - 'Assistance activities' - Supplies of services by insurance intermediaries - Restriction of the insurance exemption to transactions of authorised insurers Card Protection Plan Ltd / Commissioners of Customs & Excise Excise		13 B (a)	
C-240/99	08.03.01	Exemptions - Insurance and reinsurance transactions	Försäkringsaktiebolaget Skandia (publ)	13 B (a)
C-308/01	29.04.04	Tax on insurance premiums - Higher rate applicable to certain insurance contracts - Insurance connected with the rental or sale of domestic appliances - State aid	GIL Insurance Ltd, UK Consumer Electronics Ltd, Consumer Electronics Insurance Co. Ltd, Direct Vision Rentals Ltd, Homecare Insurance Ltd, Pinnacle Insurance plc / Commissioners of Customs & Excise	13 B (a)

Case	Date	Content	Parties	Articles
ins bro		Exemption of services related to insurance transactions by insurance brokers and insurance agents – Life assurance – 'Back-office' activities	Secretary of state for finance / Arthur Andersen & Co. Accountants c.s.	13 B (a)
C-16/00	27.09.01	Economic activity - Involvement of a holding company in the management of its subsidiaries - Deduction of VAT charged on services purchased by a holding company in the context of the acquisition of a shareholding in a subsidiary - Receipt of dividends by a holding company	Cibo Participations SA / Directeur régional des impôts du Nord-Pas-de-Calais	13 B (d)
C-306/94	94 11.07.96 Deduction of input tax - Incidental financial transactions - Calculation of the deductible proportion Régie dauphinoise - Cabinet A. Forest SARL / Ministre du budget		13 B (d)	
C-255/81	10.06.82	Direct effect of directives - Value- added tax - Exemption	R.A. Grendel GmbH / Tax office for corporations in Hamburg	13 B (d) (1)
C-70/83	22.02.84	Effect of directives - Retroactive effect of an amendment	Gerda Kloppenburg / Tax Office Leer	13 B (d) (1)
C-207/87	14.07.88	Exemption from VAT - Passing on of VAT	Gerd Weissgerber / Tax Office Neustadt an der Weinstrasse	13 B (d) (1)
C-281/91	27.10.93	Interest - Taxable amount - Immovable property	Muys' en de Winter's Bouw- en Aannemingsbedrijf / Secretary of state for finance	13 B (d) (1)
C-453/05	23.11.05	Reference for a preliminary ruling from the Finanzgericht des Landes Brandenburg	Volker Ludwig / Finanzamt Luckenwalde	13 B (d) (1)
C-305/01	26.06.03 Field of application - Factoring - Factoring company purchasing debts and assuming the risk of the debtors' default Tax Office Gross-Gerau / MKG-Kraftfahrzeuge- Factoring GmbH		13 B (d) (3)	
C-2/95	05.06.97	Exempt transactions - Outsourcing	Sparekassernes Datacenter / Skatteministeriet	13 B (d) (3) and (5)
C-172/96	14.07.98	Foreign exchange transactions - taxable amount	Commissioners of Customs & Excise / First National Bank of Chicago	13 B (d) (4)
C-60/90	20.06.91	Taxable person - Activities of a holding company.	Polysar Investments Netherlands BV / Inspector of Customs and Excise	13 B (d) (5)
C-80/95	06.02.97	Taxable person - Acquisition and holding of bonds	Harnas & Helm CV / Secretary of state for finance	13 B (d) (5)

Case	Date	Content	Parties	Articles
C-102/00	12.07.01	Economic activity - Involvement of a holding company in the management of its subsidiaries	Welthgrove BV / Secretary of state for finance	13 B (d) (5)
C-235/00	13.12.01	Exempt transactions - Transactions in securities - Negotiation - Provision of a "call centre" service	The Commissioners of Customs and Excise / CSC Financial Services Limited	13 B (d) (5)
C-442/01	26.06.03	Scope - Supply of services for consideration - Admission of a member to a partnership in consideration of payment of a contribution in cash	KapHag Renditefonds 35 Spreecenter Berlin- Hellersdorf 3. Tranche GbR / Tax Office Charlottenburg	13 B (d) (5)
C-155/94	20.06.96	Concept of economic activity	Wellcome Trust Ltd / Commissioners of Customs & Excise	13 B (d) (5)
C-8/03	21.10.04	Concept of taxable person - Place where services are supplied - SICAV	Bank Brussel Lambert NV (BBL) / Belgian State	13 B (d) (6)
C-169/04	04.05.06	Management of special investment funds – Exemption – Meaning of 'management' – Functions of a depositary – Delegation of administrative management function	Abbey National plc, Inscape Investment Fund / Commissioners of Customs & Excise	13 B (d) (6)
C-8/81	19.01.82	Direct effect of directives	Ursula Becker / Tax office, Munster central	13 B (d) and (

ANNEX II: TEMPLATE QUESTIONNAIRES

ANNEX II.1: TEMPLATE QUESTIONNAIRE BANKING

Section 0 Instructions for Completion (1)

PLEASE READ CAREFULLY BEFORE COMPLETION

0.1 Introduction

The survey which follows is aimed at determining the value of non-deductible or irrecoverable VAT to your company activities for the most recent year for which published accounts are available²³⁹. It is also designed to determine the impact, if any, the VAT exemption for financial services within the EU25 has had on your business – be that in terms of cost or price competitiveness, profit margins, business structures or international market access. Completion of the survey is the first step in a research process, aimed at advising the European Commission on the extent to which the VAT exemption of financial services in the EU25 has resulted in market distortions.

For additional details, please see the published contract award notice ²⁴⁰.

The survey comprises the following additional sections:

Section 1	Profile of Respondent;
Section 2	Value of Irrecoverable VAT, 2005;
Section 3	Distribution of Irrecoverable VAT, 2005;
Section 4	VAT and Competition from EU25 Suppliers;
Section 5	VAT and Competition from Non-EU Suppliers;
Section 6	VAT and Country Location of Operations;
Section 7	VAT, Outsourcing & Shared Services;
Section 8	VAT and Exploitation of Single Market Opportunities.

Upon completion of the survey, a PricewaterhouseCoopers team of VAT experts will visit with you at your company premises to discuss your responses in more detail.

This meeting will require a half day of your time at the minimum.

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²³⁹ This is assumed to be 2005 in the survey. If this is not the case, please specify the year to which financial information pertains. ²⁴⁰http://ted.publications.eu.int/official/Exec?DataFlow=ShowPage.dfl&Template=TED/N_one_result_detail_curr.htm&docnumber=214 26%202006&docld=21426-2006&StatLang=EN.

0.2 Confidentiality

Certain of the information which is sought in the survey which follows is likely to be of a commercially sensitive nature. PricewaterhouseCoopers (PwC) would like to assure you that individual responses to all surveys and the outcomes of all consultations will be entirely confidential to the PwC project team. Aggregate findings from circa 15 company case studies only will be presented in the final report and individual case study reports (to the extent that such will be included in an Annex to the main report or provided on a confidential basis to the European Commission) will be subject to the prior approval of the respondent firm, with a view to ensuring that no confidentiality is breached. Should you have any queries in respect of this aspect of the survey, please do not hesitate to call the Partner in Charge of the PwC Ireland VAT practice, John Fay, on 00353 1 704 8701.

0.3 Definition of "Our Company" or "Your Company" in the Survey

The terms "our company" and "your company" are used consistently throughout the survey. While it is clear that certain financial institutions incorporate a large number of incorporated interests within and beyond the EU25, we would like you to be clear from the outset which individual incorporated interest or company is the subject of this survey. We are particularly interested in an incorporated interest which:

- is, by-and-large, dedicated to the provision of: a) banking; or b) insurance services; or
 c) investment management services;
- is, by-and-large, dedicated to the provision of such services within the EU25.

Otherwise stated, we are looking for the consolidated results of your EU25 operations.

Should you have any queries in relation to the appropriate definition of "our company" or "your company" to be applied, please contact Rachael Morgan (00353 1 704 8750) or Colm Blaney (00353 1 662 6741) of Pricewaterhouse Coopers, Dublin at your earliest convenience.

0.4 The Time Required of You and Your Team

The survey which follows is very detailed and will require a minimum of one day for full completion. While it is important that all information provided is accurate, PwC accepts that the time requirements associated with the supply of perfectly accurate information may be excessive relative to the quality of readily available "best estimates". In other words, estimates which are considered to be broadly accurate (i.e. +/- 5% of actual value) are considered acceptable when the time inputs associated with the provision of perfect detail are excessive.

Similarly, if there are sections of this questionnaire which are proving particularly time-consuming, feel free to touch base with Rachael Morgan or Colm Blaney of PricewaterhouseCoopers. Alternatively, you may leave these sections blank and complete them in conjunction with the PwC team at the time of your meeting.

0.5 Financial Information requested in the Survey

A selection of information of a financial nature is requested in Sections 1, 2 and 3 of this survey. A number of points are of note here, namely:

- any additional information (e.g. published accounts) which provides substance to the reported financial figures would be most gratefully received;
- as indicated in Section 0.4, should the nature of the financial information requested be such that it does not readily exist within your financial reporting systems, we would be most grateful if you provide best estimates in the attached – details of which will be discussed in the process of our half-day interview with your company;
- financial data in respect of the year 2005 is sought throughout the survey. If published
 financial information in respect of 2005 is not yet available, please provide data in
 respect of the most recent year for which published accounts are available and specify
 the year to which the information relates;
- a small number of requests for financial information are duplicated across the survey, with a view to ensuring a consistency of response. Details of these duplications, i.e. responses where € values should be equal, are shown in Table 1;
- similarly, subject to the provision of all other requested financial information, the PwC team will be in a position to compute certain of the financial details requested. Details of these financial figures are shown in Table 2, and the relevant questions in the survey are shaded grey for ease of identification.

Table 1: Question Numbers with Identical € Values

Question No.	Information Requested	Question No. (Identical € Sum Required)
1.9	Total Revenues	1.11.4, 1.12.5, 1.13.7, 1.17.1
1.13.1	Revenues from EU Business Customers	3.3.2
1.13.2	Revenues from Non EU Business Customers	3.4.2
1.15.1	Interest payable and Similar Charges	1.17.2
1.15.2	Overheads (Direct Labour)	1.17.5
1.15.3	Overheads (Depreciation)	1.17.6
1.15.4	Overheads (Other)	1.17.7, 2.1
1.17.8	Net Profit before Tax	3.5.1
1.17.12	Net Profit Margin	3.5.3
2.13	Irrecoverable VAT Paid on Goods and Services,	3.1

Table 2: Financial Information which may be Computed by PwC Team

Question No.	Information Requested
1.17.3	Gross Profit
1.17.8	Net Profit before Tax
1.17.10	Net Profit after Tax
1.17.11	Gross Profit Margin
1.17.12	Net Profit Margin
3.3.3	Average Irrecoverable VAT Charge to EU25 Business Customers
3.3.4	Irrecoverable VAT as % of EU25 Business Revenues
3.4.3	Average Irrecoverable VAT Charge to EU25 Non Business Customers
3.4.4	Irrecoverable VAT as % of EU25 Non Business Revenues
3.5.2	Net Profit + Irrecoverable VAT, 2005
3.5.4	Net Profit Margin, No Irrecoverable VAT
7.13.6	Net Business Case (10 Year NPV, including VAT costs)
7.13.7	Net Business Case (10 Year NPV, excluding VAT costs)

Again, should you have any queries in relation to the financial figures sought, please contact Rachael Morgan (00353 1 704 8750) or Colm Blaney (00353 1 662 6741) of PricewaterhouseCoopers, Dublin at your earliest convenience.

0.6 Practical Examples & Anecdotal Evidence

You will find a series of requests for practical examples to provide substance to opinions provided in the course of this survey. The complex nature of the issue under review means that information of this nature will be crucial to the success of the PwC team in testing perceived distortions and gathering underlying empirical evidence.

We would, therefore, encourage you – to the greatest extent possible – to provide anecdotal back-up for all opinions provided.

Annex II.1: Template Questionnaire Banking

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0.7 Survey Completion and Face-to-Face Consultation

Full completion of this survey will be a very important aide to the PwC team in conducting a time efficient and meaningful consultation with your company. For this reason, we would ask that you aim to submit a completed survey to PricewaterhouseCoopers at least two days in advance of our scheduled meeting date. Completed questionnaires should be sent by email to colm.blaney@ie.pwc.com and copied to rachael.morgan@ie.pwc.com.

0.8 Many Thanks

The PricewaterhouseCoopers team fully appreciate the time required for participation in this survey and our wider case study research, and the pressures that such a time requirement can bring in an otherwise packed schedule. We would like to extend our sincere thanks to you and your team for agreeing to participate and are confident that your participation will help the European Commission work to the ultimate benefit of the financial services sector.

Profile of Respondent (1) Section 1 Name of Company 1.1 Name of Primary Respondent 1.2 1.3 Role of Primary Respondent 1.4 Telephone Contact for Primary Respondent Names of Additional Respondent(s) 1.5 High-Level Description of Operations 1.6 Location of Company HQ 1.7 1.8 Market Capitalisation (€ mn), 2005 (EU25 Operations) Total Revenues 2005 (€ mn) 1.9 Total Employees (Full-Time Equivalents), 2005 1.10 1.11 Distribution of Revenues by Market Area, 2005 (€ mn) EU25 1.11.1 1.11.2 North America (USA + Canada) 1.11.3 Rest of World 1.11.4 Total 1.12 Distribution of Revenues by Financial Services Sub-Sector, 2005 (€ mn) 1.12.1 Banking 1.12.2 Insurance 1.12.3 Funds 1.12.4 Other 1.12.5 Total 1.13 Distribution of Revenues by Client Type, 2005 (€ mn) EU25 Business (i.e. VAT-registered) 1.13.1 EU25 Non-Business 1.13.2 1.13.3 Non-EU Business (i.e. VAT or GST-registered) 1.13.4 Non-EU Non-Business Total EU25 1.13.5 Total Non-EU 1.13.6 1.13.7 Total

Section 1 Profile of Respondent (2)

1.14	Location of Business Activities (Please ✓)	Country HQ	EU25	N. America	Rest of World
1.14.1	Major Administrative Centre(s)				
1.14.2	Stand Alone Domestic Operation (s)				
1.14.3	Shared Services Centre				
1.14.4	Regional Sales Office/Team				
1.14.5	Local Sales Office/Team				
1.14.6	Third-Party Provider of Outsourced Services				

1.15	Overview of Company Operating Costs, 2005 (€ mn)	Referable to EU25 Customers	Referable to Non-EU Customers	Total
1.15.1	Interest Payable and Similar Charges			
1.15.2	Overheads (Direct Labour)			
1.15.3	Overheads (Depreciation)			
1.15.4	Overheads (Other)			
1.15.5	Total Costs			
1.16	Capital Investment Costs (Tangible & Intangible Assets), 2005 (€ mn)			

Annex II.1: Template Questionnaire Banking

Section 1 **Profile of Respondent (3)** Referable to EU25 Referable to Non-EU Total 1.17 Overview of Financial Performance, 2005 (€ mn) Customers Customers 1.17.1 Total Revenues, 2005 (€ mn) 1.17.2 Interest Payable and Similar Charges, 2005 (€ mn) 1.17.3 * Gross Profit, 2005 (€ mn) 1.17.4 Total Overheads, 2005 (€ mn) - Direct Labour, 2005 (€ mn) 1.17.5 - Depreciation, 2005 (€ mn) 1.17.6 1.17.7 - Other, 2005 (€ mn) 1.17.8 * Net Profit before Tax, 2005 (€ mn) Tax, 2005 (€ mn) 1.17.9 1.17.10 * Net Profit After Tax, 2005 (€ mn) 1.17.11 * Gross Profit Margin, 2005 (%) 1.17.12 * Net Profit Margin, 2005 (%)

Annex II.1: Template Questionnaire Banking

^{*} Shading indicates that PwC will compute as Required.

Section 2 Value of Irrecoverable VAT, 2005 (1)

		Referable to EU25 Customers	Referable to Non-EU Customers	Total
2.1	Non-Capital Expenditures on Goods and Services (excluding Direct Labour), 2005 (€ mn)			
2.2	of which, Expenditures on Outsourced or Shared Services, 2005 (€ mn) ²⁴¹			
2.3	Non-Capital Expenditures on Vatable Goods and Services, 2005 (€ mn)			
2.4	of which, Expenditures on Vatable Outsourced or Shared Services, 2005 (€ mn)			
2.5	VAT Paid on Non-Capital Goods and Services, 2005 (€ mn)			
2.6	of which, VAT Paid on Outsourced or Shared Services, 2005 (€ mn)			
2.7	VAT Recovered on Non-Capital Goods and Services, 2005 (€ mn)			
2.8	of which, VAT Recovered on Outsourced or Shared Services, 2005 (€ mn)			
2.9	Irrecoverable VAT Paid on Non-Capital Goods and Services, 2005 (€ mn)			
2.10	of which, Irrecoverable VAT Paid on Outsourced or Shared Services			
2.11	Total VAT Paid on Capital Expenditures, 2005 (€ mn)			
2.12	Irrecoverable VAT Paid on Capital Expenditures, 2005 (€ mn)			
2.13	Total Irrecoverable VAT, 2005 (€ mn) (2.12 + 2.9)			
2.14	Total Irrecoverable VAT as a % of Expenditures on Goods, Services & Capital			

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The term "outsourced or shared services", as used here, is intended to refer to services which traditionally may have been undertaken in-house by financial institutions, e.g. IT processing, accounts payable and receivable. It is not intended to refer to other types of generally bought-in services, e.g. consultancy, legal services etc.

Section 3 Distribution of Irrecoverable VAT (1)

	Location of Client	Referable to EU25 Customers	Referable to Non-EU Customers	Total
3.1	<u>Total</u> Value of Irrecoverable VAT, 2005, (€ mn)			
3.2	Distribution of Irrecoverable VAT, 2005, (€ mn)			
3.2.1	Pricing of Services to:			
3.2.1.1	EU25 Business Customers (i.e. VAT-registered), 2005, (€ mn)			
3.2.1.2	EU25 Non Business Customers, 2005, (€ mn)			
3.2.1.3	Non EU25 Business Customers (i.e. VAT or GST-registered), 2005, ($\!$			
3.2.1.4	Non EU25 Non Business Customers, 2005, (€ mn)			
3.2.2	Absorption into Cost Base of:			
3.2.2.1	EU25 Operations/P&L, 2005, (€ mn)			
3.2.2.2	Non-EU Operations/P&L, 2005, (€ mn)			
3.2.3	Other, 2005, (€ mn)			
3.2.3.1	Please Specify { }			
3.2.3.2	Please Specify { }			
3.3	Irrecoverable VAT in EU25 Business Customer Perspective			
3.3.1	Number of EU25 Business Customers			
3.3.2	Revenues from EU25 Business Customers, 2005, (€ mn)			
3.3.3 *	Average Irrecoverable VAT Charge to EU25 Business Customers			
3.3.4 *	Irrecoverable VAT as % of EU25 Business Revenues			
3.4	Irrecoverable VAT in EU25 Non Business Customer Perspective			
3.4.1	Number of EU25 Non Business Customers			
3.4.2	Revenues from EU25 Non Business Customers, 2005, (€ mn)			
3.4.3 *	Average Irrecoverable VAT Charge to EU25 Non Business Customers			
3.4.4 *	Irrecoverable VAT as % of EU25 Non Business Revenues			
3.5	Irrecoverable VAT and Net Profit Margin			
3.5.1	Net Profit before Tax, 2005, (€ mn)			
3.5.2 *	Net Profit + Irrecoverable VAT, 2005, (€ mn)			
3.5.3	Net Profit Margin, 2005 (%)			
3.5.4 *	Net Profit Margin, No Irrecoverable VAT, 2005			

^{*} Shading indicates that PwC will compute as Required.

Section 4 VAT and Competition from EU25 Suppliers (1)

Thinking of the Market for Financial Services within the EU25, please indicate your level of Agreement with the Following Statements by Ticking (🗸) the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
4.1	Our Company faces Intense Competition from Firms with Significant Operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Not Applicable
4.2	Certain of these EU25 Competitors enjoy a Considerable VAT-related Cost Advantage Over Our Company as a Result of <i>Lower Standard Rates of VAT</i> in those Countries in which they have Operations:					
4.3	If you agreed with the Statement at 4.2, please provide a practical example:		•		•	
		Example of Cost Adv	vantage Conferred on EU2	25 Competitor by Low S	tandard Rate of VAT	
		Agree Strongly	Agree	Disagree	Disagree Strongly	Not Applicable
4.4	Certain of these EU25 Competitors enjoy a Considerable VAT-related Cost Advantage Over Our Company as a Result of a <i>More Favourable VAT Treatment of Financial Services</i> in those Countries in which they have Operations:					

VAT and Competition from EU25 Suppliers (2) Section 4 4.5 If you agreed with the Statement at 4.4, please provide a practical example: Example of Advantage Conferred on EU25 Competitor by VAT Treatment of Financial Services If you can, please provide Details of Five EU25 Countries where, in your Opinion, the VAT Treatment 4.6 of the Financial Services which Your Company Provides is Most Favourable EU25 Country 1 (Most Favourable Treatment) EU25 Country 2 (2nd Most Favourable Treatment) EU25 Country 3 (3rd Most Favourable Treatment) EU25 Country 4 (4th Most Favourable Treatment) EU25 Country 5 (5th Most Favourable Treatment) If you can, Please Indicate (✓) the Primary Source of the VAT Advantage Reportedly Enjoyed by those 4.7 EU25 Countries Identified in 4.6:

Definition of Financial Services	Use of Options	Use of Derogations	VAT Group Rules	Pro Rata Calculation	Other

Annex II.1: Template Questionnaire Banking

EU25 Country 1 (Most Favourable Treatment)
EU25 Country 2 (2nd Most Favourable Treatment)
EU25 Country 3 (3rd Most Favourable Treatment)
EU25 Country 4 (4th Most Favourable Treatment)
EU25 Country 5 (5th Most Favourable Treatment)

Section 4 VAT and Competition from EU25 Suppliers (3) 4.8 As Appropriate, please Elaborate on the Reported Sources of VAT Advantage Highlighted at 4.7: Sources of Country-Specific VAT Advantage Agree Strongly Disagree Strongly Don't Know Agree Disagree VAT-related Costs are Not Sufficiently Large within the Greater Scheme of Costs (e.g. Local Labour 4.9 Costs, Rates of Direct Taxation) to Confer Any Significant Cost Advantage on our EU25 Competitors: Agree Strongly Agree Disagree Disagree Strongly Don't Know Our Company Operations within the EU25 are now Structured in such a Manner as to Minimise the Scope

4.10

for EU25 Competitors to enjoy VAT-related Cost Advantage in the Supply of Services:



Section 5 VAT and Competition from Non-EU Suppliers (1)

Thinking of the Market for Financial Services within the EU25, please indicate your level of Agreement with the Following Statements by Ticking (v) the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.1 *	Our Company faces Significant Competition from Firms with very limited operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.2	Our Competition is Dominated by Financial Services Firms with Significant Operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.3	Competition from Firms with very Limited EU25 Operations has Intensified over the Past 10 Years:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.4	Competition from Firms with very Limited EU25 Operations will Intensify in the Next 10 Years:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.5	Our Company is typically at a Considerable Price Disadvantage to Competitor Firms with very limited Operations within the EU25:					
	• •	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.6	This Price Disadvantage is Largely Attributable to the VAT Treatment of Financial Services in the EU25 vis-à-vis Other Jurisdictions:					

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^{*} in answering this question, please have regard to the entirety of your business. If differences exist within sections of your business, e.g. retail as opposed to wholesale, we will raise this in the course of our meeting/subsequent telephone conversation.

Section 5 VAT and Competition from Non-EU Suppliers (2)

5.7 If you agreed with the statement in 5.1, please provide examples of relevant competitors:

Examples of Competitors with No Significant Operational Presence in the EU25

5.8 If you agreed with the statement in 5.6, please provide anecdotal evidence of price disadvantage:

Examples of VAT-related Price Disadvantage vis-à-vis Competitors with Limited EU25 Presence



						1	
Section 6 VAT and Country Location of Operations (1)							
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know	
6.1	There are considerable differences in the value of irrecoverable VAT as a % of expenditures between the EU25 Member States in which our company has operations:						
6.2	For those EU25 Member States in which your company has operations, please indicate how irrecoverable VAT as a % of total expenditures compares with the average for your European operations (see 2.14) by ticking (\checkmark) the Relevant Box.		Irrecoverab	le VAT as a % of Total Ex	penditures		
	EU25 Member State	No Operations in this Country	Below Average for EU25	At Average for EU25	Above Average for EU25		
6.2.1	Austria					1	
6.2.2	Belgium					1	
6.2.3	Cyprus					1	
6.2.4	Czech Republic					1	
6.2.5	Denmark					1	
6.2.6	Estonia					1	
6.2.7	Finland						
6.2.8	France						
6.2.9	Germany						
6.2.10	Greece						
6.2.11	Hungary						
6.2.12	Ireland						
6.2.13	Italy						
6.2.14	Latvia						
6.2.15	Lithuania						
6.2.16	Luxembourg						
6.2.17	Malta						
6.2.18	Netherlands						
6.2.19	Poland						
6.2.20	Portugal						
6.2.21	Slovakia					ĺ	
6.2.22	Slovenia					Į.	
6.2.23	Spain						
6.2.24	Sweden					ł	
6.2.25	United Kingdom	1			Ĭ		

Annex II.1: Template Questionnaire Banking

Section 6 VAT and Country Location of Operations (2)

6.3 Where it was identified in Question 6.2 that Irrecoverable VAT as a % of Total Costs Deviated from the Norm for the EU25, Please Provide an Explanation by Ticking (✓) the Relevant Box.

	EU25 Member State	Standard Rate of VAT	VAT Treatment of Financial Services	Company Specific Factors	Not Applicable
6.3.1	Austria				
6.3.2	Belgium				
6.3.3	Cyprus				
6.3.4	Czech Republic				
6.3.5	Denmark				
6.3.6	Estonia				
6.3.7	Finland				
6.3.8	France				
6.3.9	Germany				
6.3.10	Greece				
6.3.11	Hungary				
6.3.12	Ireland				
6.3.13	Italy				
6.3.14	Latvia				
6.3.15	Lithuania				
6.3.16	Luxembourg				
6.3.17	Malta				
6.3.18	Netherlands				
6.3.19	Poland				
6.3.20	Portugal				
6.3.21	Slovakia				
6.3.22	Slovenia				
6.3.23	Spain				
6.3.24	Sweden				
6.3.25	United Kingdom				

Section 6 VAT and Country Location of Operations (3)

	Section 6 VAT and Country Loca	tion of Operation	15 (3)			
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
6.4	Within the EU25, our company has been directly influenced by VAT Cost Considerations in making decisions regarding the country location of company operations:					
6.5	If you agreed with the previous statement, please provide a practical example.					
		Example of V	AT Influence on Location of	of Company Operations	within the EU25	
			•	Yes	No Don't Know	•
6.6	Thinking of your online business operations, have VAT Considerations influenced the Country Location of You	ur Operations?				
6.7	If yes, please provide Details:					1
	Example of VAT Influence on Country Location of Online Business Operations					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
6.8	Within the EU25, VAT considerations have had no direct bearing on the decisions our company has made regarding the country location of company operations:	g an exercise,	J	- 25-22	and a carendy	
			<u> </u>	<u> </u>	1	

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Section 6 **VAT and Country Location of Operations (4)** Agree Strongly Agree Disagree Disagree Strongly Don't Know Within the EU25, the country location of our company operations is less than optimal owing to the need to 6.9 locate operations in such a way as to achieve savings in irrecoverable VAT: 6.10 If you agreed with the previous statement, please provide a practical example. Example of how VAT Regulations have Led to Sub-Optimal Business Locations within EU25 Agree Strongly Agree Disagree Disagree Strongly Don't Know Within the EU25, VAT considerations have had a direct bearing on our corporate structures, e.g. 6.11 establishment of branches as opposed to subsidiaries in new markets: Agree Strongly Disagree Disagree Strongly Don't Know Agree Within the EU25, our corporate structures are less than optimal owing to the need to structure operations 6.12 in a particular manner to achieve savings in irrecoverable VAT: Agree Strongly Agree Disagree Disagree Strongly Don't Know Within a global context, the VAT treatment of financial services within the EU25 is considerably less 6.13 favourable than that of certain Non-EU jurisdictions in which our company operates:

Section 6 VAT and Country Location of Operations (5)

6.14 If you agreed with the previous statement, please provide examples of Non-EU countries in which you operate where the VAT treatment of financial services is more favourable:

Examples of Non-EU Countries with more Favourable VAT Treatment of Financial Services

Within a global context, the VAT exemption on Financial Services in the EU25 has disadvantaged EU25
6.15 Member States in the attraction of investment from our company vis-à-vis certain Non-EU jurisdictions with a more favourable VAT treatment of Financial Services:

Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know

Section 7 VAT, Outsourcing & Shared Services (1) Please Provide Details of the Major Outsourcing Contracts which have Been Awarded by Your Company in 7.1 the Past Five Years, if Any: Nature of Outsourced Location of Service Annual (VAT Inclusive) Cost VAT Component of Year Outsourced Cost (€ mn), 2005 Service Provider of Service (€ mn), 2005 7.1.1 7.1.2 7.1.3 7.1.4 7.1.5 Please indicate your level of Agreement with the Following Statements by Ticking () the Relevant Box: Agree Strongly Disagree Disagree Strongly Don't Know Agree Effective Outsourcing will be Crucial to the Future Financial Performance of Financial Services Firms: 7.2 Agree Strongly Agree Disagree Disagree Strongly Don't Know 7.3 Our Company has Derived Considerable Value for Money from Outsourcing: Agree Strongly Agree Disagree Disagree Strongly Don't Know

Annex II.1: Template Questionnaire Banking

7.4

Our Company is Planning on Outsourcing Additional Activities in the Next Three Years:

Section 7 Section 7 VAT, Outsourcing & Shared Services (2) Agree Strongly Agree Disagree Disagree Strongly Don't Know The VAT Treatment of Financial Services in the EU25 has Frustrated Our Company's Outsourcing Ambitions: 7.5 7.6 If you agreed with the previous statement, please provide a practical example: Example of how VAT has Frustrated Outsourcing Plans Agree Strongly Disagree Disagree Strongly Don't Know Agree The Incidence of Outsourcing among Non-EU Financial Services Firms is Not Any Greater than among 7.7 EU25 Financial Services Firms: 7.8 If you disagreed with the previous statement, please provide practical examples: Example of Greater Incidence of Outsourcing among Non-EU Financial Services Firms

Section 7 VAT, Outsourcing & Shared Services (3) Don't Know Yes No 7.9 Have you attempted to use Decisions of the Court of Justice to Contend that Some or All of Your Outsourced Services Quality for Exemption from VAT? 7.10 If Yes, Please Provide Details of Outcomes: Success or Otherwise in Use of ECJ Precedent in Securing VAT Exemption for Outsourced Services Agree Strongly Agree Disagree Disagree Strongly Don't Know VAT-related Constraints on Outsourcing among EU25 Financial Services Firms will Not have any Long-7.11 Term Impact on the Global Competitiveness of the EU25 Financial Services Sector: Agree Strongly Agree Disagree Disagree Strongly Don't Know In our Company, the VAT Costs associated with Outsourcing have been the Difference between 7.12 Successful and Non-Successful Business Cases for Outsourcing:

Section 7 VAT, Outsourcing & Shared Services (4) 7.13 If you agreed with the previous statement, please provide details: 7.13.1 Nature of Activity Considered for Outsourcing: 7.13.2 One-off Costs Associated with Outsourcing (€ mn/ express as negative): 7.13.3 Annual Costs Associated with Outsourcing (€ mn/ express as negative): 7.13.4 - of which VAT (€ mn/ expressed as negative) 7.13.5 Annual Savings Associated with Outsourcing (€ mn/ express as positive): 7.13.6 * Net Business Case (10 Year NPV, including VAT costs) 7.13.7 * Net Business Case (10 Year NPV, excluding VAT costs) 7.14 Please Provide Details of the Shared Services Centres operated or used by your Company:

	Nature of Services Provided	Year Established	Location of Shared Services Centre	Annual VAT Inclusive Costs of Shared Service (€ mn), 2005	VAT Component of Cost (€ mn), 2005
7.14.1					
7.14.2					
7.14.3					
7.14.4					
7.14.5					

^{*} PwC will compute as Required

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Section 7 VAT, Outsourcing & Shared Services (5)

Please indicate your level of Agreement with the Following Statements by Ticking () the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagr	ree Strongly	Don't Knov
7.15	The VAT Treatment of Shared Services within the EU25 has Not Deterred Our Company from the Development of Shared Services Centres:						
7.40	Our Company has used VAT Group Registration to Maximum Effect to Minimise the VAT Charge on	Agree Strongly	Agree	Disagree	Disagr	ree Strongly	Don't Know
7.16	Shared Services:						
7.17	If Yes, Please Indicate in which Countries:						
			Countries where VA	AT Group Registration	n has been Use	ed	
				Yes	No	Don't Know	
7.18	Has the VAT Treatment of FS Inhibited Your Company's Desire to Establish Collaborative or Joint Venture Ar of Upgrade of IT Systems?	rangements with Third Par	rties, e.g. Development				

Section 7 VAT, Outsourcing & Shared Services (6)

7.19	If Yes, Please Elaborate:							
		Example of VAT Inhibiting Collaboration with Third Parties						
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know		
7.20	Our Company has benefited from the use of the exemption in Article 13 A.1. (f) of the Sixth EU VAT Directive to minimise the VAT charge on shared services :							
7.21	If you disagreed with the previous statement, please explain why you have not benefited:							
		Reasons for Not Using Article 13.A.1 (f) Exemption						
			Reasons for Not	Using Article 13.A.1 (f) E	exemption			
			Reasons for Not	Using Article 13.A.1 (f) E	Exemption			
		Agree Strongly	Reasons for Not	Using Article 13.A.1 (f) E Disagree	Exemption Disagree Strongly	Don't Know		
7.22	The Number of Our Company Activities provided by Shared Service Centres would be Significantly Greater if the VAT Treatment of Financial Services in the EU25 was different:	Agree Strongly				Don't Know		
7.22	The Number of Our Company Activities provided by Shared Service Centres would be Significantly Greater if the VAT Treatment of Financial Services in the EU25 was different:	Agree Strongly Agree Strongly				Don't Know Don't Know		

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Section 8 VAT and Exploitation of Single Market Opportunities (1)

8.1 Please Insert a Tick Mark (🗸) Opposite the Name(s) of the Member State(s) where Your Company is Presently Providing Services:

8.1.1	Austria	
8.1.2	Belgium	
8.1.3	Cyprus	
8.1.4	Czech Republic	
8.1.5	Denmark	
8.1.6	Estonia	
8.1.7	Finland	
8.1.8	France	
8.1.9	Germany	
8.1.10	Greece	
8.1.11	Hungary	
8.1.12	Ireland	
8.1.13	Italy	
8.1.14	Latvia	
8.1.15	Lithuania	
8.1.16	Luxembourg	
8.1.17	Malta	
8.1.18	Netherlands	
8.1.19	Poland	
8.1.20	Portugal	
8.1.21	Slovakia	
8.1.22	Slovenia	
8.1.23	Spain	
8.1.24	Sweden	
8.1.25	United Kingdom	

Section 8 VAT and Exploitation of Single Market Opportunities (2)

8.2 Please Indicate the Means by which You Are Providing Services in EU25 Member States by Ticking (🗸) the Relevant Box Below:

		Not Relevant / No Sales in this Market	Company Branch or Subsidiary	Outsourcing / Third Party Service Provider	d- Remote Selling Only
8.2.1	Austria				
8.2.2	Belgium				
8.2.3	Cyprus				-
8.2.4	Czech Republic				-
8.2.5	Denmark				
8.2.6	Estonia				-
8.2.7	Finland				
8.2.8	France				-
8.2.9	Germany				
8.2.10	Greece				-
8.2.11	Hungary				-
8.2.12	Ireland				
8.2.13	Italy				-
8.2.14	Latvia				
8.2.15	Lithuania				-
8.2.16	Luxembourg				-
8.2.17	Malta				
8.2.18	Netherlands				
8.2.19	Poland				\dashv
8.2.20	Portugal				\dashv
8.2.21	Slovakia				\dashv
8.2.22	Slovenia				\dashv
8.2.23	Spain				\dashv
8.2.24	Sweden				\dashv
0.2.24	United				\dashv
8.2.25	Kingdom				
				Yes	No Don't Know
8.3	Have VAT-related Co	st Considerations ever Dis	ssuaded your Company		
0.0	from Pursuing New M	larket Opportunities in an I	EU25 Member State?		
8.4	If yes, please provide	details.			
			Evennle	of \/AT Inhihiting No	w Market Development
			Example	or var initibility ne	w Market Development

Section 8 VAT and Exploitation of Single Market Opportunities (3)

			Yes	No	Don't Know
8.5	Have VAT-related Cost Considerations ever Dictated a Mar Strategy which May have Not Have Been Considered Optim				
		_			
8.6	If yes, please provide details.				
		Example	of VAT Influencin	g Market Entr	y Strategy

ANNEX II.2: TEMPLATE QUESTIONNAIRE INVESTMENT MANAGEMENT

Section 0 Instructions for Completion (1)

PLEASE READ CAREFULLY BEFORE COMPLETION

0.1 Introduction

The survey which follows is aimed at determining the value of non-deductible or irrecoverable VAT to your company activities for the most recent year for which published accounts are available²⁴². It is also designed to determine the impact, if any, the VAT exemption for financial services within the EU25 has had on your business – be that in terms of cost or price competitiveness, profit margins, business structures or international market access. Completion of the survey is the first step in a research process, aimed at advising the European Commission on the extent to which the VAT exemption of financial services in the EU25 has resulted in market distortions.

For additional details, please see the published contract award notice ²⁴³.

The survey comprises the following additional sections:

Section 1	Profile of Respondent;
Section 2	Value of Irrecoverable VAT, 2005;
Section 3	Distribution of Irrecoverable VAT, 2005;
Section 4	VAT and Competition from EU25 Suppliers;
Section 5	VAT and Competition from Non-EU Suppliers;
Section 6	VAT and Country Location of Operations;
Section 7	VAT, Outsourcing & Shared Services;
Section 8	VAT and Exploitation of Single Market Opportunities.

Upon completion of the survey, a PricewaterhouseCoopers team of VAT experts will visit with you at your company premises to discuss your responses in more detail.

This meeting will require a half day of your time at the minimum.

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²⁴² This is assumed to be 2005 in the survey. If this is not the case, please specify the year to which financial information pertains.

²⁴³http://ted.publications.eu.int/official/Exec?DataFlow=ShowPage.dfl&Template=TED/N_one_result_detail_curr.htm&docnumber=214

26%202006&docld=21426-2006&StatLang=EN.

0.2 Confidentiality

Certain of the information which is sought in the survey which follows is likely to be of a commercially sensitive nature. PricewaterhouseCoopers (PwC) would like to assure you that individual responses to all surveys and the outcomes of all consultations will be entirely confidential to the PwC project team. Aggregate findings from circa 15 company case studies only will be presented in the final report and individual case study reports (to the extent that such will be included in an Annex to the main report or provided on a confidential basis to the European Commission) will be subject to the prior approval of the respondent firm, with a view to ensuring that no confidentiality is breached. Should you have any queries in respect of this aspect of the survey, please do not hesitate to call the Partner in Charge of the PwC Ireland VAT practice, John Fay, on 00353 1 704 8701.

0.3 Definition of "Our Company" or "Your Company" in the Survey

The terms "our company" and "your company" are used consistently throughout the survey. While it is clear that certain financial institutions incorporate a large number of incorporated interests within and beyond the EU25, we would like you to be clear from the outset which individual incorporated interest or company is the subject of this survey. We are particularly interested in an incorporated interest which:

- is, by-and-large, dedicated to the provision of: a) banking; or b) insurance services; or
 c) investment management services;
- is, by-and-large, dedicated to the provision of such services within the EU25.

Otherwise stated, we are looking for the consolidated results of your EU25 operations.

Should you have any queries in relation to the appropriate definition of "our company" or "your company" to be applied, please contact Rachael Morgan (00353 1 704 8750) or Colm Blaney (00353 1 662 6741) of PricewaterhouseCoopers, Dublin at your earliest convenience.

0.4 The Time Required of You and Your Team

The survey which follows is very detailed and will require a minimum of one day for full completion. While it is important that all information provided is accurate, PwC accepts that the time requirements associated with the supply of perfectly accurate information may be excessive relative to the quality of readily available "best estimates". In other words, estimates which are considered to be broadly accurate (i.e. +/- 5% of actual value) are considered acceptable when the time inputs associated with the provision of perfect detail are excessive.

Similarly, if there are sections of this questionnaire which are proving particularly time-consuming, feel free to touch base with Rachael Morgan or Colm Blaney of PricewaterhouseCoopers. Alternatively, you may leave these sections blank and complete them in conjunction with the PwC team at the time of your meeting.

0.5 Financial Information requested in the Survey

A selection of information of a financial nature is requested in Sections 1, 2 and 3 of this survey. A number of points are of note here, namely:

- any additional information (e.g. published accounts) which provides substance to the reported financial figures would be most gratefully received;
- as indicated in Section 0.4, should the nature of the financial information requested be such that it does not readily exist within your financial reporting systems, we would be most grateful if you provide best estimates in the attached – details of which will be discussed in the process of our half-day interview with your company;
- financial data in respect of the year 2005 is sought throughout the survey. If published
 financial information in respect of 2005 is not yet available, please provide data in
 respect of the most recent year for which published accounts are available and specify
 the year to which the information relates;
- a small number of requests for financial information are duplicated across the survey, with a view to ensuring a consistency of response. Details of these duplications, i.e. responses where € values should be equal, are shown in Table 1;
- similarly, subject to the provision of all other requested financial information, the PwC team will be in a position to compute certain of the financial details requested. Details of these financial figures are shown in Table 2, and the relevant questions in the survey are shaded grey for ease of identification.

Table 1: Question Numbers with Identical € Values

Question No.	Information Requested	Question No. (Identical € Sum Required)
1.9	Total Revenues	1.11.4, 1.12.5, 1.13.7, 1.17.1
1.13.1	Revenues from EU Business Customers	3.3.2
1.13.2	Revenues from Non EU Business Customers	3.4.2
1.15.1	Cost of Sales (as applicable)	1.17.2
1.15.2	Overheads (Direct Labour)	1.17.5
1.15.3	Overheads (Depreciation)	1.17.6
1.15.4	Overheads (Other)	1.17.7, 2.1
1.17.8	Net Profit before Tax	3.5.1
1.17.12	Net Profit Margin	3.5.3
2.13	Irrecoverable VAT Paid on Goods and Services,	3.1

Table 2: Financial Information which may be Computed by PwC Team

Question No.	Information Requested
1.17.3	Gross Profit
1.17.8	Net Profit before Tax
1.17.10	Net Profit after Tax
1.17.11	Gross Profit Margin
1.17.12	Net Profit Margin
3.3.3	Average Irrecoverable VAT Charge to EU25 Business Customers
3.3.4	Irrecoverable VAT as % of EU25 Business Revenues
3.4.3	Average Irrecoverable VAT Charge to EU25 Non Business Customers
3.4.4	Irrecoverable VAT as % of EU25 Non Business Revenues
3.5.2	Net Profit + Irrecoverable VAT, 2005
3.5.4	Net Profit Margin, No Irrecoverable VAT
7.13.6	Net Business Case (10 Year NPV, including VAT costs)
7.13.7	Net Business Case (10 Year NPV, excluding VAT costs)

Again, should you have any queries in relation to the financial figures sought, please contact Rachael Morgan (00353 1 704 8750) or Colm Blaney (00353 1 662 6741) of PricewaterhouseCoopers, Dublin at your earliest convenience.

0.6 Practical Examples & Anecdotal Evidence

You will find a series of requests for practical examples to provide substance to opinions provided in the course of this survey. The complex nature of the issue under review means that information of this nature will be crucial to the success of the PwC team in testing perceived distortions and gathering underlying empirical evidence.

We would, therefore, encourage you – to the greatest extent possible – to provide anecdotal back-up for all opinions provided.

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0.7 Survey Completion and Face-to-Face Consultation

Full completion of this survey will be a very important aide to the PwC team in conducting a time efficient and meaningful consultation with your company. For this reason, we would ask that you aim to submit a completed survey to PricewaterhouseCoopers at least two days in advance of our scheduled meeting date. Completed questionnaires should be sent by email to colm.blaney@ie.pwc.com and copied to rachael.morgan@ie.pwc.com.

0.8 Many Thanks

The PricewaterhouseCoopers team fully appreciate the time required for participation in this survey and our wider case study research, and the pressures that such a time requirement can bring in an otherwise packed schedule. We would like to extend our sincere thanks to you and your team for agreeing to participate and are confident that your participation will help the European Commission work to the ultimate benefit of the financial services sector.

Profile of Respondent (1) Section 1 Name of Company 1.1 Name of Primary Respondent 1.2 1.3 Role of Primary Respondent 1.4 Telephone Contact for Primary Respondent Names of Additional Respondent(s) 1.5 High-Level Description of Operations 1.6 Location of Company HQ 1.7 1.8 Market Capitalisation (€ mn), 2005 (EU25 Operations) Total Revenues 2005 (€ mn) 1.9 1.10 Total Employees (Full-Time Equivalents), 2005 1.11 Distribution of Revenues by Market Area, 2005 (€ mn) EU25 1 11 1 1.11.2 North America (USA + Canada) 1.11.3 Rest of World Total 1.11.4 1.12 Distribution of Revenues by Financial Services Sub-Sector, 2005 (€ mn) Banking 1.12.1 1.12.2 Insurance 1.12.3 Funds 1.12.4 Other 1.12.5 Total 1.13 Distribution of Revenues by Client Type, 2005 (€ mn) 1.13.1 EU25 Business (i.e. VAT-registered) 1.13.2 EU25 Non-Business 1.13.3 Non-EU Business (i.e. VAT or GST-registered) 1.13.4 Non-EU Non-Business Total 1.13.5 EU25 1.13.6 Total Non-EU 1.13.7 Total

Section 1 Profile of Respondent (2)

1.14	Location of Business Activities (Please ✓)	Country HQ	EU25	N. America	Rest of World
1.14.1	Major Administrative Centre(s)				
1.14.2	Stand Alone Domestic Operation (s)				
1.14.3	Shared Services Centre				
1.14.4	Regional Sales Office/Team				
1.14.5	Local Sales Office/Team				
1.14.6	Third-Party Provider of Outsourced Services				

1.15	Overview of Company Operating Costs, 2005 (€ mn)	Referable to EU25 Customers	Referable to Non-EU Customers	Total
1.15.1	Cost of Sales (as applicable)			
1.15.2	Overheads (Direct Labour)			
1.15.3	Overheads (Depreciation)			
1.15.4	Overheads (Other)			
1.15.5	Total Costs			
1.16	Capital Investment Costs (Tangible & Intangible Assets), 2005 (€ mn)			

Section 1 **Profile of Respondent (3)** Referable to EU25 Referable to Non-EU Total 1.17 Overview of Financial Performance, 2005 (€ mn) Customers Customers Total Revenues, 2005 (€ mn) 1.17.1 1.17.2 Cost of Sales (as applicable), 2005 (€ mn) 1.17.3 * Gross Profit, 2005 (€ mn) 1.17.4 Total Overheads, 2005 (€ mn) - Direct Labour, 2005 (€ mn) 1.17.5 - Depreciation, 2005 (€ mn) 1.17.6 1.17.7 - Other, 2005 (€ mn) 1.17.8 * Net Profit before Tax, 2005 (€ mn) Tax, 2005 (€ mn) 1.17.9 1.17.10 * Net Profit After Tax, 2005 (€ mn) 1.17.11 * Gross Profit Margin, 2005 (%) 1.17.12 * Net Profit Margin, 2005 (%)

^{*} Shading indicates that PwC will compute as Required.

Section 2 Value of Irrecoverable VAT, 2005 (1)

		Referable to EU25 Customers	Referable to Non-EU Customers	Total
2.1	Non-Capital Expenditures on Goods and Services (excluding Direct Labour), 2005 (€ mn)			
2.2	of which, Expenditures on Outsourced or Shared Services, 2005 (€ mn) ²⁴⁴			
2.3	Non-Capital Expenditures on Vatable Goods and Services, 2005 (€ mn)			
2.4	of which, Expenditures on Vatable Outsourced or Shared Services, 2005 (€ mn)			
2.5	VAT Paid on Non-Capital Goods and Services, 2005 (€ mn)			
2.6	of which, VAT Paid on Outsourced or Shared Services, 2005 (€ mn)			
2.7	VAT Recovered on Non-Capital Goods and Services, 2005 (€ mn)			
2.8	of which, VAT Recovered on Outsourced or Shared Services, 2005 (€ mn)			
2.9	Irrecoverable VAT Paid on Non-Capital Goods and Services, 2005 (€ mn)			
2.10	of which, Irrecoverable VAT Paid on Outsourced or Shared Services			
2.11	Total VAT Paid on Capital Expenditures, 2005 (€ mn)			
2.12	Irrecoverable VAT Paid on Capital Expenditures, 2005 (€ mn)			
2.13	Total Irrecoverable VAT, 2005 (€ mn) (2.12 + 2.9)			
2.14	Total Irrecoverable VAT as a % of Expenditures on Goods, Services & Capital			

The term "outsourced or shared services", as used here, is intended to refer to services which traditionally may have been undertaken in-house by financial institutions, e.g. IT processing, accounts payable and receivable. It is not intended to refer to other types of generally bought-in services, e.g. consultancy, legal services etc.

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Section 3 Distribution of Irrecoverable VAT (1)

	Location of Client	Referable to EU25 Customers	Referable to Non-EU Customers	Total
3.1	<u>Total</u> Value of Irrecoverable VAT, 2005, (€ mn)			
3.2	Distribution of Irrecoverable VAT, 2005, (€ mn)			
3.2.1	Pricing of Services to:			
3.2.1.1	EU25 Business Customers (i.e. VAT-registered), 2005, (€ mn)			
3.2.1.2	EU25 Non Business Customers, 2005, (€ mn)			
3.2.1.3	Non EU25 Business Customers (i.e. VAT or GST-registered), 2005, ($\!$			
3.2.1.4	Non EU25 Non Business Customers, 2005, (€ mn)			
3.2.2	Absorption into Cost Base of:			
3.2.2.1	EU25 Operations/P&L, 2005, (€ mn)			
3.2.2.2	Non-EU Operations/P&L, 2005, (€ mn)			
3.2.3	Other, 2005, (€ mn)			
3.2.3.1	Please Specify { }			
3.2.3.2	Please Specify { }			
3.3	Irrecoverable VAT in EU25 Business Customer Perspective			
3.3.1	Number of EU25 Business Customers			
3.3.2	Revenues from EU25 Business Customers, 2005, (€ mn)			
3.3.3 *	Average Irrecoverable VAT Charge to EU25 Business Customers			
3.3.4 *	Irrecoverable VAT as % of EU25 Business Revenues			
3.4	Irrecoverable VAT in EU25 Non Business Customer Perspective			
3.4.1	Number of EU25 Non Business Customers			
3.4.2	Revenues from EU25 Non Business Customers, 2005, (€ mn)			
3.4.3 *	Average Irrecoverable VAT Charge to EU25 Non Business Customers			
3.4.4 *	Irrecoverable VAT as % of EU25 Non Business Revenues			
3.5	Irrecoverable VAT and Net Profit Margin			
3.5.1	Net Profit before Tax, 2005, (€ mn)			
3.5.2 *	Net Profit + Irrecoverable VAT, 2005, (€ mn)			
3.5.3	Net Profit Margin, 2005 (%)			
3.5.4 *	Net Profit Margin, No Irrecoverable VAT, 2005			

^{*} Shading indicates that PwC will compute as Required.

Section 4 VAT and Competition from EU25 Suppliers (1)

Thinking of the Market for Financial Services within the EU25, please indicate your level of Agreement with the Following Statements by Ticking (🗸) the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
4.1	Our Company faces Intense Competition from Firms with Significant Operations within the EU25:					
			1			
		Agree Strongly	Agree	Disagree	Disagree Strongly	Not Applicable
4.2	Certain of these EU25 Competitors enjoy a Considerable VAT-related Cost Advantage Over Our Company as a Result of <i>Lower Standard Rates of VAT</i> in those Countries in which they have Operations:					
4.3	If you agreed with the Statement at 4.2, please provide a practical example:					
		Example of Cost Adv	antage Conferred on EU2	25 Competitor by Low St	andard Rate of VAT	
		Agree Strongly	Agree	Disagree	Disagree Strongly	Not Applicable
4.4	Certain of these EU25 Competitors enjoy a Considerable VAT-related Cost Advantage Over Our Company as a Result of a <i>More Favourable VAT Treatment of Financial Services</i> in those Countries in which they have Operations:					

VAT and Competition from EU25 Suppliers (2) Section 4 4.5 If you agreed with the Statement at 4.4, please provide a practical example: Example of Advantage Conferred on EU25 Competitor by VAT Treatment of Financial Services If you can, please provide Details of Five EU25 Countries where, in your Opinion, the VAT Treatment of 4.6 the Financial Services which Your Company Provides is Most Favourable EU25 Country 1 (Most Favourable Treatment) EU25 Country 2 (2nd Most Favourable Treatment) EU25 Country 3 (3rd Most Favourable Treatment) EU25 Country 4 (4th Most Favourable Treatment) EU25 Country 5 (5th Most Favourable Treatment) If you can, Please Indicate (✓) the Primary Source of the VAT Advantage Reportedly Enjoyed by those 4.7 EU25 Countries Identified in 4.6:

Definition of Financial Services	Use of Options	Use of Derogations	VAT Group Rules	Pro Rata Calculation	Other

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EU25 Country 1 (Most Favourable Treatment)

EU25 Country 2 (2nd Most Favourable Treatment)

EU25 Country 3 (3rd Most Favourable Treatment)

EU25 Country 4 (4th Most Favourable Treatment)

EU25 Country 5 (5th Most Favourable Treatment)

Section 4 VAT and Competition from EU25 Suppliers (3) 4.8 As Appropriate, please Elaborate on the Reported Sources of VAT Advantage Highlighted at 4.7: Sources of Country-Specific VAT Advantage Agree Strongly Disagree Strongly Don't Know Agree Disagree VAT-related Costs are Not Sufficiently Large within the Greater Scheme of Costs (e.g. Local Labour 4.9 Costs, Rates of Direct Taxation) to Confer Any Significant Cost Advantage on our EU25 Competitors: Agree Strongly Agree Disagree Disagree Strongly Don't Know

4.10

Our Company Operations within the EU25 are now Structured in such a Manner as to Minimise the Scope

for EU25 Competitors to enjoy VAT-related Cost Advantage in the Supply of Services:

Section 5 VAT and Competition from Non-EU Suppliers (1)

Thinking of the Market for Financial Services within the EU25, please indicate your level of Agreement with the Following Statements by Ticking (*) the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.1 *	Our Company faces Significant Competition from Firms with very limited operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.2	Our Competition is Dominated by Financial Services Firms with Significant Operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.3	Competition from Firms with very Limited EU25 Operations has Intensified over the Past 10 Years:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.4	Competition from Firms with very Limited EU25 Operations will Intensify in the Next 10 Years:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.5	Our Company is typically at a Considerable Price Disadvantage to Competitor Firms with very limited Operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.6	This Price Disadvantage is Largely Attributable to the VAT Treatment of Financial Services in the EU25 vis-à-vis Other Jurisdictions:					

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^{*} in answering this question, please have regard to the entirety of your business. If differences exist within sections of your business, e.g. retail as opposed to wholesale, we will raise this in the course of our meeting/subsequent telephone conversation.

Section 5 VAT and Competition from Non-EU Suppliers (2)

5.7	If you agreed with the statement in 5.1, please provide examples of relevant competitors:	
		Examples of Competitors with No Significant Operational Presence in the EU25

5.8 If you agreed with the statement in 5.6, please provide anecdotal evidence of price disadvantage:

Examples of VAT-related Price Disadvantage vis-à-vis Competitors with Limited EU25 Presence

Section 6 VAT and Country Location of Operations (1)

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
6.1	There are considerable differences in the value of irrecoverable VAT as a % of expenditures between the EU25 Member States in which our company has operations:					
6.2	For those EU25 Member States in which your company has operations, please indicate how irrecoverable VAT as a % of total expenditures compares with the average for your European operations (see 2.14) by ticking (<) the Relevant Box.		Irrecoverabl	le VAT as a % of Total Ex	penditures	
	EU25 Member State	No Operations in this Country	Below Average for EU25	At Average for EU25	Above Average for EU25	
6.2.1	Austria					1
6.2.2	Belgium					1
6.2.3	Cyprus					1
6.2.4	Czech Republic					1
6.2.5	Denmark					
6.2.6	Estonia					
6.2.7	Finland					
6.2.8	France					
6.2.9	Germany					
6.2.10	Greece					
6.2.11	Hungary]
6.2.12	Ireland					
6.2.13	Italy					
6.2.14	Latvia					
6.2.15	Lithuania					
6.2.16	Luxembourg					
6.2.17	Malta					
6.2.18	Netherlands					
6.2.19	Poland					
6.2.20	Portugal					Į.
6.2.21	Slovakia					
6.2.22	Slovenia					ŀ
6.2.23 6.2.24	Spain Sweden					1
6.2.25						1
0.2.25	United Kingdom					1

Annex II.2: Template Questionnaire Investment Management

Section 6 VAT and Country Location of Operations (2)

6.3 Where it was identified in Question 6.2 that Irrecoverable VAT as a % of Total Costs Deviated from the Norm for the EU25, Please Provide an Explanation by Ticking (✓) the Relevant Box.

	EU25 Member State	Standard Rate of VAT	VAT Treatment of Financial Services	Company Specific Factors	Not Applicable
6.3.1	Austria				
6.3.2	Belgium				
6.3.3	Cyprus				
6.3.4	Czech Republic				
6.3.5	Denmark				
6.3.6	Estonia				
6.3.7	Finland				
6.3.8	France				
6.3.9	Germany				
6.3.10	Greece				
6.3.11	Hungary				
6.3.12	Ireland				
6.3.13	Italy				
6.3.14	Latvia				
6.3.15	Lithuania				
6.3.16	Luxembourg				
6.3.17	Malta				
6.3.18	Netherlands				
6.3.19	Poland				
6.3.20	Portugal				
6.3.21	Slovakia				
6.3.22	Slovenia				
6.3.23	Spain				
6.3.24	Sweden				
6.3.25	United Kingdom				

	Section 6 VAT and Country Loca	ation of Operation	s (3)			
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
6.4	Within the EU25, our company has been directly influenced by VAT Cost Considerations in making decisions regarding the country location of company operations:					
6.5	If you agreed with the previous statement, please provide a practical example.					•
		Example of V	AT Influence on Location	of Company Operations	s within the EU25	
				Yes	No Don't Know	
6.6	Thinking of your online business operations, have VAT Considerations influenced the Country Location of You	our Operations?				
6.7	If yes, please provide Details:					1
		Example of V	AT Influence on Country	Location of Online Busi	ness Operations	
		A (Share)		D'access	Discours Oliver 1]
	Within the EU25, VAT considerations have had no direct bearing on the decisions our company has made	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
6.8	regarding the country location of company operations:					

VAT and Country Location of Operations (4) Section 6 Agree Strongly Agree Disagree Disagree Strongly Don't Know Within the EU25, the country location of our company operations is less than optimal owing to the need to 6.9 locate operations in such a way as to achieve savings in irrecoverable VAT: 6.10 If you agreed with the previous statement, please provide a practical example. Example of how VAT Regulations have Led to Sub-Optimal Business Locations within EU25 Agree Strongly Agree Disagree Disagree Strongly Don't Know Within the EU25, VAT considerations have had a direct bearing on our corporate structures, e.g. 6.11 establishment of branches as opposed to subsidiaries in new markets: Agree Strongly Disagree Disagree Strongly Don't Know Agree Within the EU25, our corporate structures are less than optimal owing to the need to structure operations 6.12 in a particular manner to achieve savings in irrecoverable VAT: Agree Strongly Agree Disagree Disagree Strongly Don't Know Within a global context, the VAT treatment of financial services within the EU25 is considerably less 6.13 favourable than that of certain Non-EU jurisdictions in which our company operates:

Section 6 VAT and Country Location of Operations (5)

6.14 If you agreed with the previous statement, please provide examples of Non-EU countries in which you operate where the VAT treatment of financial services is more favourable:

Examples of Non-EU Countries with more Favourable VAT Treatment of Financial Services

Within a global context, the VAT exemption on Financial Services in the EU25 has disadvantaged EU25
6.15 Member States in the attraction of investment from our company vis-à-vis certain Non-EU jurisdictions with a more favourable VAT treatment of Financial Services:

Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know

	Section 7 VAI, Outsourcing & Shared Services (1)						
7.1	Please Provide Details of the Major Outsourcing Contracts which have Been Award the Past Five Years, if Any:	led by Your Company in					
		Nature of Outsourced Service	Year Outsourced	Location of Service Provider	Annual (VAT Inclusive) Co of Service (€ mn), 2005		
7.1.1							
7.1.2							
7.1.3							
7.1.4							
7.1.5	l						
	Please indicate your level of Agreement of Please indicate your level of Please indic	Ī	ments by Ticking (✔) the	he Relevant Box: Agree	Disagree	Disagree Strongly	Don't Know
7.2							
			Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
7.3	Our Company has Derived Considerable Value for Money from Outsourcing:						
		ı	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
7.4	Our Company is Planning on Outsourcing Additional Activities in the Next Three Ye	ars :					

Section 7 Section 7 VAT, Outsourcing & Shared Services (2) Agree Strongly Agree Disagree Disagree Strongly Don't Know The VAT Treatment of Financial Services in the EU25 has Frustrated Our Company's Outsourcing Ambitions: 7.5 7.6 If you agreed with the previous statement, please provide a practical example: Example of how VAT has Frustrated Outsourcing Plans Don't Know Agree Strongly Disagree Disagree Strongly Agree The Incidence of Outsourcing among Non-EU Financial Services Firms is Not Any Greater than among 7.7 EU25 Financial Services Firms: 7.8 If you disagreed with the previous statement, please provide practical examples: Example of Greater Incidence of Outsourcing among Non-EU Financial Services Firms

Section 7 VAT, Outsourcing & Shared Services (3) Yes Don't Know No 7.9 Have you attempted to use Decisions of the Court of Justice to Contend that Some or All of Your Outsourced Services Quality for Exemption from VAT? 7.10 If Yes, Please Provide Details of Outcomes: Success or Otherwise in Use of ECJ Precedent in Securing VAT Exemption for Outsourced Services Agree Strongly Agree Disagree Disagree Strongly Don't Know VAT-related Constraints on Outsourcing among EU25 Financial Services Firms will Not have any Long-7.11 Term Impact on the Global Competitiveness of the EU25 Financial Services Sector: Agree Strongly Agree Disagree Disagree Strongly Don't Know In our Company, the VAT Costs associated with Outsourcing have been the Difference between 7.12 Successful and Non-Successful Business Cases for Outsourcing:

Section 7 VAT, Outsourcing & Shared Services (4) 7.13 If you agreed with the previous statement, please provide details: 7.13.1 Nature of Activity Considered for Outsourcing: 7.13.2 One-off Costs Associated with Outsourcing (€ mn/ express as negative): 7.13.3 Annual Costs Associated with Outsourcing (€ mn/ express as negative): 7.13.4 - of which VAT (€ mn/ expressed as negative) 7.13.5 Annual Savings Associated with Outsourcing (€ mn/ express as positive): 7.13.6 * Net Business Case (10 Year NPV, including VAT costs) 7.13.7 * Net Business Case (10 Year NPV, excluding VAT costs) 7.14 Please Provide Details of the Shared Services Centres operated or used by your Company: Nature of Services Annual VAT Inclusive Costs of VAT Component of Location of Shared Year Established Provided Services Centre Shared Service (€ mn), 2005 Cost (€ mn), 2005 7.14.1 7.14.2 7.14.3 7.14.4

7.14.5

^{*} PwC will compute as Required

Section 7 VAT, Outsourcing & Shared Services (5)

Please indicate your level of Agreement with the Following Statements by Ticking () the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagree S	Strongly	Don't Know
7.15	The VAT Treatment of Shared Services within the EU25 has Not Deterred Our Company from the Development of Shared Services Centres:						
7.16	Our Company has used VAT Group Registration to Maximum Effect to Minimise the VAT Charge on Shared Services:	Agree Strongly	Agree	Disagree	Disagree S	Strongly	Don't Know
7.17	If Yes, Please Indicate in which Countries:						
			Countries where V	AT Group Registratio	n has been Used		
			_	Yes	No D	Don't Know	l
7.18	Has the VAT Treatment of FS Inhibited Your Company's Desire to Establish Collaborative or Joint Venture Arra of Upgrade of IT Systems?	ngements with Third Partie	es, e.g. Development				

Section 7 VAT, Outsourcing & Shared Services (6)

7.19	If Yes, Please Elaborate:					
			Example of VAT Inhi	ibiting Collaboration with	Third Parties	
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
7.20	Our Company has benefited from the use of the exemption in Article 13 A.1. (f) of the Sixth EU VAT Directive to minimise the VAT charge on shared services :					
7.21	If you disagreed with the previous statement, please explain why you have not benefited:					
			Reasons for Not	Using Article 13.A.1 (f) E	xemption	
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
7.22	The Number of Our Company Activities provided by Shared Service Centres would be Significantly Greater if the VAT Treatment of Financial Services in the EU25 was different:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
7.23	The current VAT treatment of FS within the EU does not readily lend itself to the creation of such pan- European solutions to activities such as clearing, settlements and global custody:					

Annex II.2: Template Questionnaire Investment Management

Section 8 VAT and Exploitation of Single Market Opportunities (1)

8.1 Please Insert a Tick Mark (🗸) Opposite the Name(s) of the Member State(s) where Your Company is Presently Providing Services:

8.1.1	Austria	
8.1.2	Belgium	
8.1.3	Cyprus	
8.1.4	Czech Republic	
8.1.5	Denmark	
8.1.6	Estonia	
8.1.7	Finland	
8.1.8	France	
8.1.9	Germany	
8.1.10	Greece	
8.1.11	Hungary	
8.1.12	Ireland	
8.1.13	Italy	
8.1.14	Latvia	
8.1.15	Lithuania	
8.1.16	Luxembourg	
8.1.17	Malta	
8.1.18	Netherlands	
8.1.19	Poland	
8.1.20	Portugal	
8.1.21	Slovakia	
8.1.22	Slovenia	
8.1.23	Spain	
8.1.24	Sweden	
8.1.25	United Kingdom	

Section 8 VAT and Exploitation of Single Market Opportunities (2)

8.2 Please Indicate the Means by which You Are Providing Services in EU25 Member States by Ticking (🗸) the Relevant Box Below:

		Not Relevant / No Sales in this Market	Company Branch or Subsidiary	Outsourcing / Third- Party Service Provider	Remote Selling Only
8.2.1	Austria				
8.2.2	Belgium				
8.2.3	Cyprus				
8.2.4	Czech Republic				
8.2.5	Denmark				
8.2.6	Estonia				
8.2.7	Finland				
8.2.8	France				
8.2.9	Germany				
8.2.10	Greece				
8.2.11	Hungary				
8.2.12	Ireland				
8.2.13	Italy				
8.2.14	Latvia				
8.2.15	Lithuania				
8.2.16	Luxembourg				
8.2.17	Malta				
8.2.18	Netherlands				
8.2.19	Poland				
8.2.20	Portugal				
8.2.21	Slovakia				
8.2.22	Slovenia				
8.2.23	Spain				
8.2.24	Sweden				
	United				
8.2.25	Kingdom				
8.3	Have VAT-related Cos from Pursuing New M	st Considerations ever Disa arket Opportunities in an E	suaded your Company U25 Member State?	Yes No	Don't Know
8.4	If yes, please provide	details.		Example of VAT Inhibi	
				Developm	ent

Section 8 VAT and Exploitation of Single Market Opportunities (3)

			Yes	No	Don't Know
8.5	Have VAT-related Cost Considerations ever Dictated a Market Entry Strateg which May have Not Have Been Considered Optimal?	у			
	,				
8.6	If yes, please provide details.				
			Example of VA		Market Entry
				Strategy	

ANNEX II.3: TEMPLATE QUESTIONNAIRE INSURANCE

Section 0 Instructions for Completion (1)

PLEASE READ CAREFULLY BEFORE COMPLETION

0.1 Introduction

The survey which follows is aimed at determining the value of non-deductible or irrecoverable VAT to your company activities for the most recent year for which published accounts are available²⁴⁵. It is also designed to determine the impact, if any, the VAT exemption for financial services within the EU25 has had on your business – be that in terms of cost or price competitiveness, profit margins, business structures or international market access. Completion of the survey is the first step in a research process, aimed at advising the European Commission on the extent to which the VAT exemption of financial services in the EU25 has resulted in market distortions.

For additional details, please see the published contract award notice ²⁴⁶.

The survey comprises the following additional sections:

Section 1	Profile of Respondent;
Section 2	Value of Irrecoverable VAT, 2005;
Section 3	Distribution of Irrecoverable VAT, 2005;
Section 4	VAT and Competition from EU25 Suppliers;
Section 5	VAT and Competition from Non-EU Suppliers;
Section 6	VAT and Country Location of Operations;
Section 7	VAT, Outsourcing & Shared Services;
Section 8	VAT and Exploitation of Single Market Opportunities.

Upon completion of the survey, a PricewaterhouseCoopers team of VAT experts will visit with you at your company premises to discuss your responses in more detail.

This meeting will require a half day of your time at the minimum.

Annex II.3: Template Questionnaire Insurance

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²⁴⁵ This is assumed to be 2005 in the survey. If this is not the case, please specify the year to which financial information pertains. ²⁴⁶http://ted.publications.eu.int/official/Exec?DataFlow=ShowPage.dfl&Template=TED/N_one_result_detail_curr.htm&docnumber=214 26%202006&docld=21426-2006&StatLang=EN.

0.2 Confidentiality

Certain of the information which is sought in the survey which follows is likely to be of a commercially sensitive nature. PricewaterhouseCoopers (PwC) would like to assure you that individual responses to all surveys and the outcomes of all consultations will be entirely confidential to the PwC project team. Aggregate findings from circa 15 company case studies only will be presented in the final report and individual case study reports (to the extent that such will be included in an Annex to the main report or provided on a confidential basis to the European Commission) will be subject to the prior approval of the respondent firm, with a view to ensuring that no confidentiality is breached. Should you have any queries in respect of this aspect of the survey, please do not hesitate to call the Partner in Charge of the PwC Ireland VAT practice, John Fay, on 00353 1 704 8701.

0.3 Definition of "Our Company" or "Your Company" in the Survey

The terms "our company" and "your company" are used consistently throughout the survey. While it is clear that certain financial institutions incorporate a large number of incorporated interests within and beyond the EU25, we would like you to be clear from the outset which individual incorporated interest or company is the subject of this survey. We are particularly interested in an incorporated interest which:

- is, by-and-large, dedicated to the provision of: a) banking; or b) insurance services; or
 c) investment management services;
- is, by-and-large, dedicated to the provision of such services within the EU25.

Otherwise stated, we are looking for the consolidated results of your EU25 operations.

Should you have any queries in relation to the appropriate definition of "our company" or "your company" to be applied, please contact Rachael Morgan (00353 1 704 8750) or Colm Blaney (00353 1 662 6741) of Pricewaterhouse Coopers, Dublin at your earliest convenience.

0.4 The Time Required of You and Your Team

The survey which follows is very detailed and will require a minimum of one day for full completion. While it is important that all information provided is accurate, PwC accepts that the time requirements associated with the supply of perfectly accurate information may be excessive relative to the quality of readily available "best estimates". In other words, estimates which are considered to be broadly accurate (i.e. +/- 5% of actual value) are considered acceptable when the time inputs associated with the provision of perfect detail are excessive.

Similarly, if there are sections of this questionnaire which are proving particularly time-consuming, feel free to touch base with Rachael Morgan or Colm Blaney of PricewaterhouseCoopers. Alternatively, you may leave these sections blank and complete them in conjunction with the PwC team at the time of your meeting.

0.5 Financial Information requested in the Survey

A selection of information of a financial nature is requested in Sections 1, 2 and 3 of this survey. A number of points are of note here, namely:

- any additional information (e.g. published accounts) which provides substance to the reported financial figures would be most gratefully received;
- as indicated in Section 0.4, should the nature of the financial information requested be such that it does not readily exist within your financial reporting systems, we would be most grateful if you provide best estimates in the attached – details of which will be discussed in the process of our half-day interview with your company;
- financial data in respect of the year 2005 is sought throughout the survey. If published
 financial information in respect of 2005 is not yet available, please provide data in
 respect of the most recent year for which published accounts are available and specify
 the year to which the information relates;
- a small number of requests for financial information are duplicated across the survey, with a view to ensuring a consistency of response. Details of these duplications, i.e. responses where € values should be equal, are shown in Table 1;
- similarly, subject to the provision of all other requested financial information, the PwC team will be in a position to compute certain of the financial details requested. Details of these financial figures are shown in Table 2, and the relevant questions in the survey are shaded grey for ease of identification.

Table 1: Question Numbers with Identical € Values

Question No.	Information Requested	Question No. (Identical € Sum Required)
1.9	Gross Premiums and Investment Income ("Total Revenues"), 2005 (€ mn)	1.11.4, 1.12.5, 1.13.7, 1.17.1
1.13.1	Revenues from EU Business Customers	3.3.2
1.13.2	Revenues from Non EU Business Customers	3.4.2
1.15.1	Underwriting Costs	1.17.2
1.15.2	Overheads (Direct Labour)	1.17.5
1.15.3	Overheads (Depreciation)	1.17.6
1.15.4	Overheads (Other)	1.17.7, 2.1
1.17.8	Net Profit before Tax	3.5.1
1.17.12	Net Profit Margin	3.5.3
2.13	Irrecoverable VAT Paid on Goods and Services,	3.1

Table 2: Financial Information which may be Computed by PwC Team

Question No.	Information Requested
1.17.3	Gross Profit
1.17.8	Net Profit before Tax
1.17.10	Net Profit after Tax
1.17.11	Gross Profit Margin
1.17.12	Net Profit Margin
3.3.3	Average Irrecoverable VAT Charge to EU25 Business Customers
3.3.4	Irrecoverable VAT as % of EU25 Business Revenues
3.4.3	Average Irrecoverable VAT Charge to EU25 Non Business Customers
3.4.4	Irrecoverable VAT as % of EU25 Non Business Revenues
3.5.2	Net Profit + Irrecoverable VAT, 2005
3.5.4	Net Profit Margin, No Irrecoverable VAT
7.13.6	Net Business Case (10 Year NPV, including VAT costs)
7.13.7	Net Business Case (10 Year NPV, excluding VAT costs)

Again, should you have any queries in relation to the financial figures sought, please contact Rachael Morgan (00353 1 704 8750) or Colm Blaney (00353 1 662 6741) of PricewaterhouseCoopers, Dublin at your earliest convenience.

0.6 Practical Examples & Anecdotal Evidence

You will find a series of requests for practical examples to provide substance to opinions provided in the course of this survey. The complex nature of the issue under review means that information of this nature will be crucial to the success of the PwC team in testing perceived distortions and gathering underlying empirical evidence.

We would, therefore, encourage you – to the greatest extent possible – to provide anecdotal back-up for all opinions provided.

Annex II.3: Template Questionnaire Insurance

0.7 Survey Completion and Face-to-Face Consultation

Full completion of this survey will be a very important aide to the PwC team in conducting a time efficient and meaningful consultation with your company. For this reason, we would ask that you aim to submit a completed survey to PricewaterhouseCoopers at least two days in advance of our scheduled meeting date. Completed questionnaires should be sent by email to colm.blaney@ie.pwc.com and copied to rachael.morgan@ie.pwc.com.

0.8 Many Thanks

The PricewaterhouseCoopers team fully appreciate the time required for participation in this survey and our wider case study research, and the pressures that such a time requirement can bring in an otherwise packed schedule. We would like to extend our sincere thanks to you and your team for agreeing to participate and are confident that your participation will help the European Commission work to the ultimate benefit of the financial services sector.

Section 1 **Profile of Respondent (1)** Name of Company 1.1 Name of Primary Respondent 1.2 1.3 Role of Primary Respondent 1.4 Telephone Contact for Primary Respondent 1.5 Names of Additional Respondent(s) High-Level Description of Operations 1.6 Location of Company HQ 1.7 1.8 Market Capitalisation (€ mn), 2005 (EU25 Operations) Gross Premiums and Investment Income ("Total Revenues"), 2005 (€ mn) 1.9 1.10 Total Employees (Full-Time Equivalents), 2005 1.11 Distribution of Revenues by Market Area, 2005 (€ mn) EU25 1.11.1 North America (USA + Canada) 1.11.2 1.11.3 Rest of World Total 1.11.4 1.12 Distribution of Revenues by Financial Services Sub-Sector, 2005 (€ mn) Banking 1.12.1 1.12.2 Insurance 1.12.3 Funds 1.12.4 Other 1.12.5 Total 1.13 Distribution of Revenues by Client Type, 2005 (€ mn) 1.13.1 EU25 Business (i.e. VAT-registered) EU25 Non-Business 1.13.2 1.13.3 Non-EU Business (i.e. VAT or GST-registered) 1.13.4 Non-EU Non-Business Total EU25 1.13.5 1.13.6 Total Non-EU 1.13.7 Total

Section 1 Profile of Respondent (2)

1.14	Location of Business Activities (Please ✓)	Country HQ	EU25	N. America	Rest of World
1.14.1	Major Administrative Centre(s)				
1.14.2	Stand Alone Domestic Operation (s)				
1.14.3	Shared Services Centre				
1.14.4	Regional Sales Office/Team				
1.14.5	Local Sales Office/Team				
1.14.6	Third-Party Provider of Outsourced Services				

1.15	Overview of Company Operating Costs, 2005 (€ mn)	Referable to EU25 Customers	Referable to Non-EU Customers	Total
1.15.1	Underwriting Costs			
1.15.2	Overheads (Direct Labour)			
1.15.3	Overheads (Depreciation)			
1.15.4	Overheads (Other)			
1.15.5	Total Costs			
1.16	Capital Investment Costs (Tangible & Intangible Assets), 2005 (€ mn)			

Annex II.3: Template Questionnaire Insurance

Section 1 **Profile of Respondent (3)** Referable to EU25 Referable to Non-EU Total 1.17 Overview of Financial Performance, 2005 (€ mn) Customers Customers Gross Premiums and Investment 1.17.1 Income ("Total Revenues"), 2005 (€ mn), 2005 (€ mn) 1.17.2 Underwriting Costs, 2005 (€ mn) 1.17.3 * Gross Profit, 2005 (€ mn) Total Overheads, 2005 (€ mn) 1.17.4 1.17.5 - Direct Labour, 2005 (€ mn) - Depreciation, 2005 (€ mn) 1.17.6 - Other, 2005 (€ mn) 1.17.7 1.17.8 * Net Profit before Tax, 2005 (€ mn) 1.17.9 Tax, 2005 (€ mn) 1.17.10 * Net Profit After Tax, 2005 (€ mn) 1.17.11 * Gross Profit Margin, 2005 (%) 1.17.12 * Net Profit Margin, 2005 (%)

Annex II.3: Template Questionnaire Insurance

^{*} Shading indicates that PwC will compute as Required.

Section 2 Value of Irrecoverable VAT, 2005 (1)

		Referable to EU25 Customers	Referable to Non-EU Customers	Total
2.1	Non-Capital Expenditures on Goods and Services (excluding Direct Labour), 2005 (€ mn)			
2.2	of which, Expenditures on Outsourced or Shared Services, 2005 (€ mn) ²⁴⁷			
2.3	Non-Capital Expenditures on Vatable Goods and Services, 2005 (€ mn)			
2.4	of which, Expenditures on Vatable Outsourced or Shared Services, 2005 (€ mn)			
2.5	VAT Paid on Non-Capital Goods and Services, 2005 (€ mn)			
2.6	of which, VAT Paid on Outsourced or Shared Services, 2005 (€ mn)			
2.7	VAT Recovered on Non-Capital Goods and Services, 2005 (€ mn)			
2.8	of which, VAT Recovered on Outsourced or Shared Services, 2005 (€ mn)			
2.9	Irrecoverable VAT Paid on Non-Capital Goods and Services, 2005 (€ mn)			
2.10	of which, Irrecoverable VAT Paid on Outsourced or Shared Services			
2.11	Total VAT Paid on Capital Expenditures, 2005 (€ mn)			
2.12	Irrecoverable VAT Paid on Capital Expenditures, 2005 (€ mn)			
2.13	Total Irrecoverable VAT, 2005 (€ mn) (2.12 + 2.9)			
2.14	Total Irrecoverable VAT as a % of Expenditures on Goods, Services & Capital			

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The term "outsourced or shared services", as used here, is intended to refer to services which traditionally may have been undertaken in-house by financial institutions, e.g. IT Processing, accounts payable and receivable. It is not intended to refer to other types of generally bought-in services, e.g. consultancy, legal services etc.

Section 3 Distribution of Irrecoverable VAT (1)

	Location of Client	Referable to EU25 Customers	Referable to Non-EU Customers	Total
3.1	<u>Total</u> Value of Irrecoverable VAT, 2005, (€ mn)			
3.2	Distribution of Irrecoverable VAT, 2005, (€ mn)			
3.2.1	Pricing of Services to:			
3.2.1.1	EU25 Business Customers (i.e. VAT-registered), 2005, (€ mn)			
3.2.1.2	EU25 Non Business Customers, 2005, (€ mn)			
3.2.1.3	Non EU25 Business Customers (i.e. VAT or GST-registered), 2005, (\in mn)			
3.2.1.4	Non EU25 Non Business Customers, 2005, (€ mn)			
3.2.2	Absorption into Cost Base of:			
3.2.2.1	EU25 Operations/P&L, 2005, (€ mn)			
3.2.2.2	Non-EU Operations/P&L, 2005, (€ mn)			
3.2.3	Other, 2005, (€ mn)			
3.2.3.1	Please Specify { }			
3.2.3.2	Please Specify { }			
3.3	Irrecoverable VAT in EU25 Business Customer Perspective			
3.3.1	Number of EU25 Business Customers			
3.3.2	Revenues from EU25 Business Customers, 2005, (€ mn)			
3.3.3 *	Average Irrecoverable VAT Charge to EU25 Business Customers			
3.3.4 *	Irrecoverable VAT as % of EU25 Business Revenues			
3.4	Irrecoverable VAT in EU25 Non Business Customer Perspective			
3.4.1	Number of EU25 Non Business Customers			
3.4.2	Revenues from EU25 Non Business Customers, 2005, (€ mn)			
3.4.3 *	Average Irrecoverable VAT Charge to EU25 Non Business Customers			
3.4.4 *	Irrecoverable VAT as % of EU25 Non Business Revenues			
3.5	Irrecoverable VAT and Net Profit Margin			
3.5.1	Net Profit before Tax, 2005, (€ mn)			
3.5.2 *	Net Profit + Irrecoverable VAT, 2005, (€ mn)			
3.5.3	Net Profit Margin, 2005 (%)			
3.5.4 *	Net Profit Margin, No Irrecoverable VAT, 2005			

^{*} Shading indicates that PwC will compute as Required.

Section 4 VAT and Competition from EU25 Suppliers (1)

Thinking of the Market for Financial Services within the EU25, please indicate your level of Agreement with the Following Statements by Ticking (🗸) the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
4.1	Our Company faces Intense Competition from Firms with Significant Operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Not Applicable
4.2	Certain of these EU25 Competitors enjoy a Considerable VAT-related Cost Advantage Over Our Company as a Result of <i>Lower Standard Rates of VAT</i> in those Countries in which they have Operations:					
4.3	If you agreed with the Statement at 4.2, please provide a practical example:					
		Example of Cost Adv	antage Conferred on EU2	25 Competitor by Low S	tandard Rate of VAT	
		Agree Ctrongly	Agraa	Diagrae	Diagrae Strangly	Not Applicable
4.4	Certain of these EU25 Competitors enjoy a Considerable VAT-related Cost Advantage Over Our Company as a Result of a <i>More Favourable VAT Treatment of Financial Services</i> in those Countries in which they have Operations:	Agree Strongly	Agree	Disagree	Disagree Strongly	Not Applicable

VAT and Competition from EU25 Suppliers (2) Section 4 4.5 If you agreed with the Statement at 4.4, please provide a practical example: Example of Advantage Conferred on EU25 Competitor by VAT Treatment of Financial Services If you can, please provide Details of Five EU25 Countries where, in your Opinion, the VAT Treatment of 4.6 the Financial Services which Your Company Provides is Most Favourable EU25 Country 1 (Most Favourable Treatment) EU25 Country 2 (2nd Most Favourable Treatment) EU25 Country 3 (3rd Most Favourable Treatment) EU25 Country 4 (4th Most Favourable Treatment) EU25 Country 5 (5th Most Favourable Treatment) If you can, Please Indicate (✓) the Primary Source of the VAT Advantage Reportedly Enjoyed by those 4.7

Definition of Financial Services	Use of Options	Use of Derogations	VAT Group Rules	Pro Rata Calculation	Other

Annex II.3: Template Questionnaire Insurance

EU25 Countries Identified in 4.6:

EU25 Country 1 (Most Favourable Treatment) EU25 Country 2 (2nd Most Favourable Treatment) EU25 Country 3 (3rd Most Favourable Treatment) EU25 Country 4 (4th Most Favourable Treatment) EU25 Country 5 (5th Most Favourable Treatment)

Section 4 VAT and Competition from EU25 Suppliers (3) 4.8 As Appropriate, please Elaborate on the Reported Sources of VAT Advantage Highlighted at 4.7: Sources of Country-Specific VAT Advantage Agree Strongly Disagree Strongly Don't Know Agree Disagree VAT-related Costs are Not Sufficiently Large within the Greater Scheme of Costs (e.g. Local Labour 4.9 Costs, Rates of Direct Taxation) to Confer Any Significant Cost Advantage on our EU25 Competitors: Agree Strongly Agree Disagree Disagree Strongly Don't Know Our Company Operations within the EU25 are now Structured in such a Manner as to Minimise the Scope

for EU25 Competitors to enjoy VAT-related Cost Advantage in the Supply of Services:

4.10

Section 5 VAT and Competition from Non-EU Suppliers (1)

Thinking of the Market for Financial Services within the EU25, please indicate your level of Agreement with the Following Statements by Ticking (🗸) the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.1 *	Our Company faces Significant Competition from Firms with very limited operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.2	Our Competition is Dominated by Financial Services Firms with Significant Operations within the EU25:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.3	Competition from Firms with very Limited EU25 Operations has Intensified over the Past 10 Years:					
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.4	Competition from Firms with very Limited EU25 Operations will Intensify in the Next 10 Years:				1	
	• •	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.5	Our Company is typically at a Considerable Price Disadvantage to Competitor Firms with very limited Operations within the EU25:				1	
	• •	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
5.6	This Price Disadvantage is Largely Attributable to the VAT Treatment of Financial Services in the EU25 vis-à-vis Other Jurisdictions:					

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^{*} in answering this question, please have regard to the entirety of your business. If differences exist within sections of your business, e.g. retail as opposed to wholesale, we will raise this in the course of our meeting/subsequent telephone conversation.

Section 5 VAT and Competition from Non-EU Suppliers (2)

5.7	If you agreed with the statement in 5.1, please provide examples of relevant competitors:

Examples of Competitors with No Significant Operational Presence in the EU25

5.8 If you agreed with the statement in 5.6, please provide anecdotal evidence of price disadvantage:

Examples of VAT-related Price Disadvantage vis-à-vis Competitors with Limited EU25 Presence

Section 6 VAT and Country Location of Operations (1)

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
6.1	There are considerable differences in the value of irrecoverable VAT as a % of expenditures between the EU25 Member States in which our company has operations:					
6.2	For those EU25 Member States in which your company has operations, please indicate how irrecoverable VAT as a % of total expenditures compares with the average for your European operations (see 2.14) by ticking (✓) the Relevant Box.		Irrecoverab	le VAT as a % of Total Ex	penditures	
	EU25 Member State	No Operations in this Country	Below Average for EU25	At Average for EU25	Above Average for EU25	
6.2.1	Austria					1
6.2.2	Belgium					
6.2.3	Cyprus					
6.2.4	Czech Republic					
6.2.5	Denmark					
6.2.6	Estonia					
6.2.7	Finland					
6.2.8	France					
6.2.9	Germany					
6.2.10	Greece					
6.2.11	Hungary					
6.2.12	Ireland					
6.2.13	Italy					
6.2.14	Latvia					
6.2.15	Lithuania					
6.2.16	Luxembourg					
6.2.17	Malta					
6.2.18	Netherlands					
6.2.19	Poland					
6.2.20	Portugal					
6.2.21	Slovakia					
6.2.22	Slovenia					
6.2.23	Spain					
6.2.24	Sweden					
6.2.25	United Kingdom					

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Section 6 VAT and Country Location of Operations (2)

6.3 Where it was identified in Question 6.2 that Irrecoverable VAT as a % of Total Costs Deviated from the Norm for the EU25, Please Provide an Explanation by Ticking (✓) the Relevant Box.

6.3.1 Austria		EU25 Member State	Standard Rate of VAT	VAT Treatment of Financial Services	Company Specific Factors	Not Applicable
6.3.3 Cyprus 6.3.4 Czech Republic 6.3.5 Denmark 6.3.6 Estonia 6.3.7 Finland 6.3.8 France 6.3.9 Germany 6.3.10 Greece 6.3.11 Hungary 6.3.12 Ireland 6.3.13 Italy 6.3.15 Lithuania 6.3.15 Lithuania 6.3.16 Luxembourg 6.3.16 Luxembourg 6.3.17 Malta 6.3.18 Netherlands 6.3.18 Netherlands 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.1	Austria				
6.3.3 Cyprus 6.3.4 Czech Republic 6.3.5 Denmark 6.3.6 Estonia 6.3.7 Finland 6.3.8 France 6.3.9 Germany 6.3.10 Greece 6.3.11 Hungary 6.3.12 Ireland 6.3.13 Italy 6.3.15 Lithuania 6.3.15 Lithuania 6.3.16 Luxembourg 6.3.16 Luxembourg 6.3.17 Malta 6.3.18 Netherlands 6.3.18 Netherlands 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.2	Belgium				
Commark Comm	6.3.3					
Commark Comm	6.3.4	Czech Republic				
6.3.7 Finland 6.3.8 France 6.3.9 Germany 6.3.10 Greece 6.3.11 Hungary 6.3.12 Ireland 6.3.13 Italy 6.3.14 Lativia 6.3.15 Lithuania 6.3.16 Luxembourg 6.3.17 Malta 6.3.18 Netherlands 6.3.19 Poland 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden						
6.3.8 France 6.3.9 Germany 6.3.10 Greece 6.3.11 Hungary 6.3.12 Ireland 6.3.13 Italy 6.3.14 Latvia 6.3.15 Lithuania 6.3.16 Luxembourg 6.3.17 Malta 6.3.17 Malta 6.3.19 Poland 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.6	Estonia				
6.3.8 France 6.3.9 Germany 6.3.10 Greece 6.3.11 Hungary 6.3.12 Ireland 6.3.13 Italy 6.3.14 Latvia 6.3.15 Lithuania 6.3.16 Luxembourg 6.3.17 Malta 6.3.17 Malta 6.3.19 Poland 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.7	Finland				
6.3.9 Germany 6.3.10 Greece 6.3.11 Hungary 6.3.12 Ireland 6.3.13 Italy 6.3.14 Latvia 6.3.15 Lithuania 6.3.16 Luxembourg 6.3.17 Malta 6.3.18 Netherlands 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovakia 6.3.23 Spain 6.3.24 Sweden		France				
6.3.11 Hungary 6.3.12 Ireland 6.3.13 Italy 6.3.14 Latvia 6.3.15 Lithuania 6.3.16 Luxembourg 6.3.17 Malta 6.3.18 Netherlands 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden		Germany				
6.3.12 Ireland	6.3.10	Greece				
6.3.12 Ireland	6.3.11	Hungary				
6.3.14 Latvia 6.3.15 Lithuania 6.3.16 Luxembourg 6.3.17 Malta 6.3.18 Netherlands 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden		Ireland				
6.3.15 Lithuania	6.3.13	Italy				
6.3.16 Luxembourg 6.3.17 Malta 6.3.18 Netherlands 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.14	Latvia				
6.3.17 Malta 6.3.18 Netherlands 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.15	Lithuania				
6.3.18 Netherlands 6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.16	Luxembourg				
6.3.19 Poland 6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.17	Malta				
6.3.20 Portugal 6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.18	Netherlands				
6.3.21 Slovakia 6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.19	Poland				
6.3.22 Slovenia 6.3.23 Spain 6.3.24 Sweden	6.3.20	Portugal				
6.3.23 Spain 6.3.24 Sweden	6.3.21	Slovakia				
6.3.24 Sweden	6.3.22	Slovenia				
6.3.24 Sweden	6.3.23	Spain				
6.3.25 United Kingdom						
	6.3.25	United Kingdom				

Section 6 VAT and Country Location of Operations (3)							
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know	
6.4	Within the EU25, our company has been directly influenced by VAT Cost Considerations in making decisions regarding the country location of company operations:						
6.5	If you agreed with the previous statement, please provide a practical example.					_	
		Example of V	AT Influence on Location	of Company Operation	ons within the EU25		
			_	Yes	No Don't Know	_	
6.6	Thinking of your online business operations, have VAT Considerations influenced the Country Location of Your	Operations?					
6.7	If yes, please provide Details:					_	
		Example of V	'AT Influence on Country	Location of Online Bu	usiness Operations		
		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know	
6.8	Within the EU25, VAT considerations have had no direct bearing on the decisions our company has made regarding the country location of company operations:						

Annex II.3: Template Questionnaire Insurance

VAT and Country Location of Operations (4) Section 6 Agree Strongly Agree Disagree Disagree Strongly Don't Know Within the EU25, the country location of our company operations is less than optimal owing to the need to 6.9 locate operations in such a way as to achieve savings in irrecoverable VAT: 6.10 If you agreed with the previous statement, please provide a practical example. Example of how VAT Regulations have Led to Sub-Optimal Business Locations within EU25 Agree Strongly Agree Disagree Disagree Strongly Don't Know Within the EU25, VAT considerations have had a direct bearing on our corporate structures, e.g. 6.11 establishment of branches as opposed to subsidiaries in new markets: Agree Strongly Disagree Disagree Strongly Don't Know Agree Within the EU25, our corporate structures are less than optimal owing to the need to structure operations 6.12 in a particular manner to achieve savings in irrecoverable VAT: Agree Strongly Agree Disagree Disagree Strongly Don't Know Within a global context, the VAT treatment of financial services within the EU25 is considerably less 6.13 favourable than that of certain Non-EU jurisdictions in which our company operates:

Section 6 VAT and Country Location of Operations (5)

6.14 If you agreed with the previous statement, please provide examples of Non-EU countries in which you operate where the VAT treatment of financial services is more favourable:

Examples of Non-EU Countries with more Favourable VAT Treatment of Financial Services

Within a global context, the VAT exemption on Financial Services in the EU25 has disadvantaged EU25
6.15 Member States in the attraction of investment from our company vis-à-vis certain Non-EU jurisdictions with a more favourable VAT treatment of Financial Services:

Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know

Section 7 VAT, Outsourcing & Shared Services (1) Please Provide Details of the Major Outsourcing Contracts which have Been Awarded by Your Company in 7.1 the Past Five Years, if Any: Nature of Outsourced Location of Service Annual (VAT Inclusive) Cost VAT Component of Year Outsourced Cost (€ mn), 2005 Service Provider of Service (€ mn), 2005 7.1.1 7.1.2 7.1.3 7.1.4 7.1.5 Please indicate your level of Agreement with the Following Statements by Ticking () the Relevant Box: Agree Strongly Disagree Disagree Strongly Don't Know Agree Effective Outsourcing will be Crucial to the Future Financial Performance of Financial Services Firms: 7.2 Agree Strongly Agree Disagree Disagree Strongly Don't Know 7.3 Our Company has Derived Considerable Value for Money from Outsourcing: Agree Strongly Agree Disagree Disagree Strongly Don't Know

Annex II.3: Template Questionnaire Insurance

Our Company is Planning on Outsourcing Additional Activities in the Next Three Years:

7.4

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Section 7 Section 7 VAT, Outsourcing & Shared Services (2) Agree Strongly Agree Disagree Disagree Strongly Don't Know The VAT Treatment of Financial Services in the EU25 has Frustrated Our Company's Outsourcing Ambitions: 7.5 7.6 If you agreed with the previous statement, please provide a practical example: Example of how VAT has Frustrated Outsourcing Plans Agree Strongly Disagree Disagree Strongly Don't Know Agree The Incidence of Outsourcing among Non-EU Financial Services Firms is Not Any Greater than among 7.7 EU25 Financial Services Firms: 7.8 If you disagreed with the previous statement, please provide practical examples: Example of Greater Incidence of Outsourcing among Non-EU Financial Services Firms

Section 7 VAT, Outsourcing & Shared Services (3) Yes Don't Know No 7.9 Have you attempted to use Decisions of the Court of Justice to Contend that Some or All of Your Outsourced Services Quality for Exemption from VAT? 7.10 If Yes, Please Provide Details of Outcomes: Success or Otherwise in Use of ECJ Precedent in Securing VAT Exemption for Outsourced Services Agree Strongly Agree Disagree Disagree Strongly Don't Know VAT-related Constraints on Outsourcing among EU25 Financial Services Firms will Not have any Long-7.11 Term Impact on the Global Competitiveness of the EU25 Financial Services Sector: Agree Strongly Agree Disagree Disagree Strongly Don't Know In our Company, the VAT Costs associated with Outsourcing have been the Difference between 7.12 Successful and Non-Successful Business Cases for Outsourcing:

Section 7 VAT, Outsourcing & Shared Services (4) 7.13 If you agreed with the previous statement, please provide details: 7.13.1 Nature of Activity Considered for Outsourcing: 7.13.2 One-off Costs Associated with Outsourcing (€ mn/ express as negative): 7.13.3 Annual Costs Associated with Outsourcing (€ mn/ express as negative): 7.13.4 - of which VAT (€ mn/ expressed as negative) 7.13.5 Annual Savings Associated with Outsourcing (€ mn/ express as positive): 7.13.6 * Net Business Case (10 Year NPV, including VAT costs) 7.13.7 * Net Business Case (10 Year NPV, excluding VAT costs) 7.14 Please Provide Details of the Shared Services Centres operated or used by your Company: Nature of Services Annual VAT Inclusive Costs of VAT Component of Location of Shared Year Established Provided Services Centre Shared Service (€ mn), 2005 Cost (€ mn), 2005 7.14.1

7.14.2 7.14.3 7.14.4 7.14.5

^{*} PwC will compute as Required

Section 7 VAT, Outsourcing & Shared Services (5)

Please indicate your level of Agreement with the Following Statements by Ticking () the Relevant Box:

		Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
7.15	The VAT Treatment of Shared Services within the EU25 has Not Deterred Our Company from the Development of Shared Services Centres:					
	Our Company has used VAT Group Registration to Maximum Effect to Minimise the VAT Charge on	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
7.16	Shared Services:					
7.17	If Yes, Please Indicate in which Countries:					
			Countries where V	'AT Group Registratio	n has been Used	
			_	Yes	No Don't Kno	w
7.18	Has the VAT Treatment of FS Inhibited Your Company's Desire to Establish Collaborative or Joint Venture Arra of Upgrade of IT Systems?	ingements with Third Partie	es, e.g. Development			

Annex II.3: Template Questionnaire Insurance

Section 7 VAT, Outsourcing & Shared Services (6)

7.19	If Yes, Please Elaborate:						
		Example of VAT Inhibiting Collaboration with Third Parties					
7.20	Our Company has benefited from the use of the exemption in Article 13 A.1. (f) of the Sixth EU VAT Directive to minimise the VAT charge on shared services :	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know	
7.21	If you disagreed with the previous statement, please explain why you have not benefited:						
		Reasons for Not Using Article 13.A.1 (f) Exemption					
	·	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know	
7.22	The Number of Our Company Activities provided by Shared Service Centres would be Significantly Greater if the VAT Treatment of Financial Services in the EU25 was different:						
	•	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know	
7.23	The current VAT treatment of FS within the EU does not readily lend itself to the creation of such pan- European solutions to activities such as clearing, settlements and global custody:						

Annex II.3: Template Questionnaire Insurance

Section 8 VAT and Exploitation of Single Market Opportunities (1)

8.1 Please Insert a Tick Mark (🗸) Opposite the Name(s) of the Member State(s) where Your Company is Presently Providing Services:

8.1.1	Austria	
8.1.2	Belgium	
8.1.3	Cyprus	
8.1.4	Czech Republic	
8.1.5	Denmark	
8.1.6	Estonia	
8.1.7	Finland	
8.1.8	France	
8.1.9	Germany	
8.1.10	Greece	
8.1.11	Hungary	
8.1.12	Ireland	
8.1.13	Italy	
8.1.14	Latvia	
8.1.15	Lithuania	
8.1.16	Luxembourg	
8.1.17	Malta	
8.1.18	Netherlands	
8.1.19	Poland	
8.1.20	Portugal	
8.1.21	Slovakia	
8.1.22	Slovenia	
8.1.23	Spain	
8.1.24	Sweden	
8.1.25	United Kingdom	

Section 8 VAT and Exploitation of Single Market Opportunities (2)

8.2 Please Indicate the Means by which You Are Providing Services in EU25 Member States by Ticking (🗸) the Relevant Box Below:

		Not Relevant / No Sales in this Market	Company Branch or Subsidiary	Outsourcing / Third- Party Service Provider	Remote Selling Only
8.2.1	Austria				
8.2.2	Belgium				
8.2.3	Cyprus				
8.2.4	Czech Republic				
8.2.5	Denmark				
8.2.6	Estonia				
8.2.7	Finland				
8.2.8	France				
8.2.9	Germany				
8.2.10	Greece				
8.2.11	Hungary				
8.2.12	Ireland				
8.2.13	Italy				
8.2.14	Latvia				
8.2.15	Lithuania				
8.2.16	Luxembourg				
8.2.17	Malta				
8.2.18	Netherlands				
8.2.19	Poland				
8.2.20	Portugal				
8.2.21	Slovakia				
8.2.22	Slovenia				
8.2.23	Spain				
8.2.24	Sweden				
8.2.25	United Kingdom				
	, i			Yes No	Don't Know
8.3	Have VAT-related Co from Pursuing New M	st Considerations ever Diss larket Opportunities in an El	suaded your Company U25 Member State?		
8.4	If yes, please provide	details.			
				Example of VAT Inhibit Developm	ing New Market ent

Section 8 VAT and Exploitation of Single Market Opportunities (3)

8.5	Have VAT-related Cost Considerations ever Dictated a Market Entry Strategy which May have Not Have Been Considered Optimal?	Yes	No	Don't Know
8.6	If yes, please provide details.			
		Example of VA	AT Influencing Strategy	Market Entry

ANNEX III: DETAILED STATISTICAL ANALYSIS OF CASE STUDY FINDINGS

		Agree Strongly	Agree	Disagree	Disagree Strongly		Don't Know / No Response	Total	% Agree
Question 4.1	Our Company faces Intense Competition from Firms with Significant Operations within the EU25:	18	2	1	0	1		22	91%
Question 4.2	Certain of these EU25 Competitors enjoy a Considerable VAT-related Cost Advantage Over Our Company as a Result of <i>Lower Standard Rates of VAT</i> in those Countries in which they have Operations:	0	4	10	1	5	2	22	18%
Question 4.4	Certain of these EU25 Competitors enjoy a Considerable VAT-related Cost Advantage Over Our Company as a Result of a More Favourable VAT Treatment of Financial Services in those Countries in which they have Operations:	4	8	6	0	3	1	22	55%
Question 4.9	VAT-related Costs are Not Sufficiently Large within the Greater Scheme of Costs (e.g. Local Labour Costs, Rates of Direct Taxation) to Confer Any Significant Cost Advantage on our EU25 Competitors:	0	9	5	4	1	3	22	41%
Question 4.10	Our Company Operations within the EU25 are now Structured in such a Manner as to Minimise the Scope for EU25 Competitors to enjoy VAT-related Cost Advantage in the Supply of Services:	0	5	8	4	2	3	22	23%
Question 5.1	Our Company faces Significant Competition from Firms with very limited operations within the EU25:	1	4	9	4	4		22	23%
Question 5.2	Our Competition is Dominated by Financial Services Firms with Significant Operations within the EU25:	12	5	3	0	2		22	77%

		Agree Strongly	Agree	Disagree	Disagree Strongly		Don't Know / No Response	Total	% Agree
Question 5.3	Competition from Firms with very Limited EU25 Operations has Intensified over the Past 10 Years:	6	1	7	0	8		22	32%
Question 5.4	Competition from Firms with very Limited EU25 Operations will Intensify in the Next 10 Years:	9	2	7	0	4		22	50%
Question 5.5	Our Company is typically at a Considerable Price Disadvantage to Competitor Firms with very limited Operations within the EU25:	0	3	8	2	9		22	14%
Question 5.6	This Price Disadvantage is Largely Attributable to the VAT Treatment of Financial Services in the EU25 vis-à-vis Other Jurisdictions:	1	1	9	1	10		22	9%
Question 6.1	There are considerable differences in the value of irrecoverable VAT as a % of expenditures between the EU25 Member States in which our company has operations:	5	5	1	0	6	5	22	45%
Question 6.4	Within the EU25, our company has been directly influenced by VAT Cost Considerations in making decisions regarding the country location of company operations:	2	5	10	2	0	3	22	32%
Question 6.8	Within the EU25, VAT considerations have had no direct bearing on the decisions our company has made regarding the country location of company operations:	2	7	10	1	0	2	22	41%
Question 6.9	Within the EU25, the country location of our company operations is less than optimal owing to the need to locate operations in such a way as to achieve savings in irrecoverable VAT:	2	5	10	1	0	4	22	32%

Annex III: Detailed Statistical Analysis of Case Study Findings

		Agree Strongly	Agree	Disagree	Disagree Strongly		Don't Know / No Response	Total	% Agree
Question 6.11	Within the EU25, VAT considerations have had a direct bearing on our corporate structures, e.g. establishment of branches as opposed to subsidiaries in new markets:	3	9	6	1	0	3	22	55%
Question 6.12	Within the EU25, our corporate structures are less than optimal owing to the need to structure operations in a particular manner to achieve savings in irrecoverable VAT:	3	5	10	1	0	3	22	36%
Question 6.13	Within a global context, the VAT treatment of financial services within the EU25 is considerably less favourable than that of certain Non-EU jurisdictions in which our company operates:	4	6	4	0	6	2	22	45%
Question 6.15	Within a global context, the VAT exemption on Financial Services in the EU25 has disadvantaged EU25 Member States in the attraction of investment from our company visà-vis certain Non-EU jurisdictions with a more favourable VAT treatment of Financial Services:	3	4	8	3	2	2	22	32%
Question 7.2	Effective Outsourcing will be Crucial to the Future Financial Performance of Financial Services Firms:	14	5	2	0	1	0	22	86%
Question 7.3	Our Company has Derived Considerable Value for Money from Outsourcing:	6	8	3	0	3	2	22	64%
Question 7.4	Our Company is Planning on Outsourcing Additional Activities in the Next Three Years :	10	4	4	0	3	0	22	64%
Question 7.5	The VAT Treatment of Financial Services in the EU25 has Frustrated Our Company's Outsourcing Ambitions:	8	0	7	2	2	1	22	36%

Annex III: Detailed Statistical Analysis of Case Study Findings

		Agree Strongly	Agree	Disagree	Disagree Strongly		Don't Know / No Response	Total	% Agree
Question 7.7	The Incidence of Outsourcing among Non-EU Financial Services Firms is Not Any Greater than among EU25 Financial Services Firms:	0	2	4	3	11	2	22	9%
Question 7.11	VAT-related Constraints on Outsourcing among EU25 Financial Services Firms will Not have any Long-Term Impact on the Global Competitiveness of the EU25 Financial Services Sector:	0	3	11	5	2	1	22	14%
Question 7.12	In our Company, the VAT Costs associated with Outsourcing have been the Difference between Successful and Non-Successful Business Cases for Outsourcing:	3	2	10	3	3	1	22	23%
Question 7.15	The VAT Treatment of Shared Services within the EU25 has Not Deterred Our Company from the Development of Shared Services Centres:	0	9	3	2	2	6	22	41%
Question 7.16	Our Company has used VAT group Registration to Maximum Effect to Minimise the VAT Charge on Shared Services:	9	4	2	0	2	5	22	59%
Question 7.20	Our Company has benefited from the use of the exemption in Article 13 A.1. (f) of the Sixth EU VAT Directive to minimise the VAT charge on shared services :	1	4	6	0	7	0	22	23%
Question 7.22	The Number of Our Company Activities provided by Shared Service Centres would be Significantly Greater if the VAT Treatment of Financial Services in the EU25 was different:	3	9	5	0	2	3	22	55%
Question 7.23	The current VAT treatment of FS within the EU does not readily lend itself to the creation of such pan-European solutions to activities such as clearing, settlements and global custody:	7	8	0	0	1	4	22	68%
				2					

Annex III: Detailed Statistical Analysis of Case Study Findings

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ANNEX IV: CV'S CORE TEAM

EUROPEAN CURRICULUM VITAE FORMAT



PERSONAL INFORMATION

Name Ine Lejeune

Address PricewaterhouseCoopers

Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-

Woluwe, Belgium

Telephone +32 9 268 83 00 (Mobile: + 32 475 79 45 73)

Fax +32 9 268 82 99
E-mail ine.lejeune@pwc.be

Nationality Belgian

Date of birth 4 MARCH 1961

WORK EXPERIENCE

• Dates (from – to) 1984 – To DATE

Name and address of employer
 PricewaterhouseCoopers

• Type of business or sector Tax Consultants
• Occupation or position held Partner (since 1996)

Main activities and responsibilities

Ine Lejeune leads PricewaterhouseCoopers' global VAT/GST network.

ictwork.

She has over 21 years of VAT expertise.

She is the client relationship partner for all tax and legal assignments performed for a financial services group.

She has led international projects in the FS industry focusing on indirect tax strategies, business structuring and cost reduction through outsourcing, shared service centers and joint ventures. For these assignments the clients have been both the providers of outsourcing services such as IT, telecommunication services and training as well as the banks, insurance and investment funds.

She also has advised on the consequences of setting up shared service centres for back-office services within financial services groups thereby reviewing the impact of different options i.e. when they are created within the FS group, partly outsourced or taking the format of a JV.

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Ine has led 11 assignments performed for the EU Commission, including the following:

- 'Survey of the national legislation into which the Directives instituting the fiscal regulations on VAT and Excises on 1.1.93 have been incorporated Belgium lot 2 Luxembourg lot 10' contract XXI/94/27E and co-ordination of the lots for Denmark, Portugal, Spain and Greece, for DG TAXUD (formerly DG XXI) of the European Commission
- 'Survey of the national legislation into which the Directives instituting the fiscal regulations on VAT and Excise on 1.1.93 have been incorporated – Austria and Finland', for DG TAXUD (formerly DG XXI) of the European Commission
- 'Study on the requirements imposed by the Member States, for the purposes of charging taxes, for invoices produced by electronic or other means', Tender XXI/98/CB-5010, August 1999, for DG TAXUD (formerly DG XXI) of the European Commission
- 'Study on the "Unique Place of Taxation" the future VAT system – including the impact of e-business and the links to other areas of tax legislation', Tender XXI/98/CB-5007, 1999, for DG TAXUD (formerly DG XXI) of the European Commission
- 'Preparatory technical assistance study on the evaluation of DG TAXUD's Tax and Customs programmes', Tender TAXUD/2002/PR/004, May 2002, for DG TAXUD of the European Commission
- Subcontractor to LCL Belgium for the Telepolis project sponsored by DG INFSO (formerly DG XIII), in charge of the investigations of the tax and legal issues in an electronic commerce environment and more specifically in the development of a central billing system for e-commerce
- Study on the simplification and modernization of VAT obligations which provided background material for the EU Commission's proposal (COM (2004) 728 2, Proposal for a COUNCIL DIRECTIVE laying down detailed rules for the refund of value added tax, provided for in Directive 77/388/EEC, to taxable persons not established in the territory of the country but established in another Member State)
- Study to increase the understanding of the economic effects of the VAT exemption for financial and insurance services, TAXUD/2005/AO-006

She is involved in Policy work for the OECD as:

- Co-business chair of the OECD Compliance, Information and Documentation TAG, since June 2001 – until 2004
- Co-business chair of the OECD Informal Consultation Group on the Tax electronic Audits, since 2005
- Member of a technical working group constituted by the OECD regarding the development of VAT/GST Guidelines

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PRICEWATERHOUSE COPERS @

She advises the European indirect Tax Group (EiTG), a group of indirect tax experts of MNCs who has several major companies as members.

She has been Guest Professor on indirect taxes at the Antwerp University from 1996 up to 2004.

She has published several practical guides on VAT and many articles. She published books on e-invoicing, e-archiving (2006) and the EU enlargement (2004). She is the editor of PricewaterhsouseCoopers' A Guide to VAT in the EU (2004).

Numerous speaking engagements at events organized by OECD, by PricewaterhouseCoopers, the European Commission and private organizations.

She is a recognised Tax Adviser and Member of the Belgian Institute of Accountants and Tax Advisers (Instituut van Accountants en Belastingconsulenten/Institut des Experts-Comptables et des Conseils Fiscaux (IAB/IEC)) and IFA (the International Fiscal Association).

PROFESSIONAL QUALIFICATIONS

• Dates (from – to) 1984 – 1986

• Name and type of organisation Fiscale Hogeschool, Brussels, Post-graduate providing education and training

• Principal subjects/occupational Tax matters

skills covered

• Title of qualification awarded

Degree in Tax Sciences with special price for international taxation

• Dates (from – to) 1979 – 1984

• Name and type of organisation University of Ghent (Belgium)

providing education and training
• Principal subjects/occupational
skills covered

• Title of qualification awarded Law Degree with distinction

Annex IV: CV's Core Team 355/369



PERSONAL INFORMATION

Name Frans Oomen

Address PricewaterhouseCoopers NV

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Fax +31 0 20 568 6685

E-mail <u>frans.oomen@nl.pwc.com</u>

Nationality Dutch

Date of birth 30 October 1961

WORK EXPERIENCE

Experience & Dates

- PricewaterhouseCoopers, Partner (1999) Indirect Tax/VAT October 1997 to date.
- Ernst & Young, VAT Consultant December 1993 to October 1997
- Dutch Tax Authorities, VAT inspector September 1989 to December 1993.
- Tutor at various Educational Organisations and Tax Advisors Associations – 1989 to date.

· Name and address of employer

Type of business or sector

Current position held

As above

Financial Services Sector - VAT

Partner, Dutch VAT Practice, Leader of PwC's international Financial Services VAT Specialists Network

· Main activities and responsibilities

Responsible for the Dutch Financial Services VAT practice. Lead large number of local and international VAT advisory projects for both financial institutions as for outsourcers, to reduce VAT inefficiencies. Advise small, medium and world class players in the financial services sector. Set up the PwC FS VAT specialist network in 2000. Responsible for running and developing the international FS VAT specialist network, by conducting monthly conference calls, meetings and training courses. Provides financial institutions as well as Banking and Insurance Associations and Tax Advisors Association with VAT technical training courses. Assists various sector associations in discussions with the Ministry of Finance to reach a European VAT level playing field for the financial sector. Speaker at various international Indirect Tax Conferences. Published various articles on VAT in the financial sector. Member of the Editorial Board of PwC Economic Intelligence Unit's Report on Offshoring in the financial services sector.

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PROFESSIONAL QUALIFICATIONS

Qualification & Dates

• Academic Degree Indirect Taxes, University of Leyden, The Netherlands – August 1989.

EUROPEAN CURRICULUM VITAE FORMAT



PERSONAL INFORMATION

Name John Fay

Address PricewaterhouseCoopers

Wilton Place, Dublin 2, Ireland

Telephone +353 1 704 8701

Fax +353 1 704 8740

E-mail john.fay@ie.pwc.com

Nationality Irish

Date of birth 06 JULY 1963

WORK EXPERIENCE

• Dates (from – to) May 1996 – to date

Name and address of employer
 PricewaterhouseCoopers,

• Type of business or sector Tax & Legal Services – VAT

Occupation or position held
 Partner

Main activities and responsibilities
 Head of the VAT Unit, PwC Ireland with operational/client facing

responsibility to deliver VAT advisory services across the firm's financial services clients; including banking and capital markets, insurance and investment management with over 20 years of experience in VAT.

• Dates (from – to) 1991 - 1996

Type of business or sector
 Occupation or position held
 VAT Consultant

• Main activities and responsibilities VAT advisory services – broad range of clients.

• Dates (from – to) 1981 – 1991

• Name and address of employer Office of the Revenue Commissioners, Dublin

Type of business or sector
 Occupation or position held
 Higher Tax Officer.

• Main activities and responsibilities VAT audit duties – all industry sectors.

PROFESSIONAL QUALIFICATIONS

1991 • Dates (from - to)

 Name and type of organisation providing education and training

Associate Irish Taxation Institute

· Principal subjects/occupational skills covered

All tax subjects, including corporate/income/capital taxes, and VAT.

· Title of qualification awarded

AITI

· Level in national classification

(if appropriate)

1990 • Dates (from - to)

· Name and type of organisation

providing education and training

Dublin Institute of Technology

· Principal subjects/occupational skills covered

Contract law, constitutional law, property law, Torts, company law, criminal law.

· Title of qualification awarded

Diploma in Legal Studies, Dip. LS.

· Level in national classification (if appropriate)

• Dates (from - to)

1988

· Name and type of organisation providing education and training

Associate Institute of Chartered Secretaries & Administrators, London

· Principal subjects/occupational skills covered

Accounting, law, finance, management, company secretarial practice, economics.

· Title of qualification awarded

ACIS

· Level in national classification

(if appropriate)

• Dates (from - to)

1980

· Name and type of organisation providing education and training

St. Kevin's College, CBS (second level).

· Principal subjects/occupational skills covered

English, Irish, Maths, French, Economics, History, Geography, Economic history.

· Title of qualification awarded

Leaving Certificate

· Level in national classification

(if appropriate)

ADDITIONAL INFORMATION

Previously lecturer in VAT for the Irish Taxation Institute and the Law Society of Ireland.

Contributor to Irish Taxation Institute as member of the Irish Taxation Institute (ITI) VAT Committee and as the ITI's representative on the Tax Administration Liaison Committee (TALC).

EUROPEAN CURRICULUM VITAE FORMAT



PERSONAL INFORMATION

Name Stephen Colectough

Address PricewaterhouseCoopers

Southwark Towers, 32 London Bridge Street, London

SE1 9SY, England

Telephone +44 207 212 4911

Fax +44 207 804 3911

E-mail stephen.coleclough@uk.pwc.com

Nationality British

Date of birth 6 APRIL 1962

WORK EXPERIENCE

• Dates (from – to)

Aug 1984 - Aug 1986 Articled clerk, Graham & Rosen, Solicitors, Hull

• Name and address of employer

Type of business or sector

Sep 1986 - Dec 1986 Solicitor, Graham & Rosen, Solicitors, Hull

Occupation or position held

Jan 1987 - April 1991 Solicitor, Simmons & Simmons, Corporate tax department,

London

May 1991 - May 1995 Partner, Simmons & Simmons as above

May 1995 - Dec 1996 Head of Corporate and Indirect Taxes Group,

Simmons & Simmons

Jan 1997 to date Indirect Taxes Partner Coopers & Lybrand

(PricewaterhouseCoopers

from 1 July 1998)

· Main activities and responsibilities

Stephen Coleclough joined PricewaterhouseCoopers in January 1997 where he specialises in financial services tax. Prior to that he was at Simmons & Simmons as a qualified solicitor from 1987, becoming a partner in 1991, and head of corporate tax in 1995. Although as a solicitor Stephen practised in all areas of tax law, his move to PricewaterhouseCoopers was to concentrate on VAT. However, changing markets and client demands have meant he has spent considerable time building the firm's stamp taxes practice as well as providing direct tax solutions to his clients.

Stephen advises on all aspects of financial services primarily banking and capital markets (particularly retail banking and credit cards) insurance fund management and real estate. His clients include HSBC, Barclays, Morgan Stanley, Citigroup, New Star Asset Management, Invesco, Threadneedle Asset Management, Burford, Lehmans, Warner Estates, American Express and many others.

Stephen is immediate past Chairman of the Chartered Institute of Taxation's Indirect Taxes Sub Committee. He is currently Chairman of the Technical Committee and a member of its main Council. He is also Chairman of the Conféderation Fiscale Européene Fiscal Committee the first indirect tax practitioner to be so, having been the immediate past Chairman of its Indirect Tax Committee.

He has written numerous articles and lectured on various topics at home and abroad, and as an author contributed to many journals and publications, most recently Tolleys Digests on VAT and Property and VAT and Insolvency.

Stephen has been particularly active in outsourcing work, particularly in the banking and fund management area.

PROFESSIONAL QUALIFICATIONS

- Dates (from to)
- Name and type of organisation providing education and training
- Principal subjects/occupational skills covered
 - · Title of qualification awarded
- Level in national classification (if appropriate)

King Edward VI School, Lichfield, Staffs 1980 A Levels, Maths (A) Physics (A) Chemistry (A) General Studies (A)

Sheffield University 1983 L.L.B Hons, 2:1

College of Law, Chester 1984 Law Society Final Examinations, All heads passed Willis Mills prize winner

CTA, FTII - Fellow of the Chartered Institute of Taxation

Annex IV: CV's Core Team 361/369

EUROPEAN CURRICULUM VITAE



PERSONAL INFORMATION

Name Rachael Morgan

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George's Quay, Dublin 2, Ireland

Telephone +353 1 704 8750

Fax +353 1 704 8620

E-mail <u>rachael.morgan@ie.pwc.com</u>

Nationality Irish

Date of birth 7 JANUARY 1972

WORK EXPERIENCE

Experience & Dates

- PricewaterhouseCoopers Dublin Director, July 2005 present
- PricewaterhouseCoopers Dublin Associate Director, June 2001 to June 2005
- Fitzpatrick Associates, Economic Consultants (Dublin) Senior Consultant, June 1996 to June 2001
- Name and address of employer
 - Type of business or sector
 - Current position held
- Main activities and responsibilities

As above

Public Policy/Economic Advisory Services

Director – from 1 July 2005

Rachael is engaged primarily in the provision of economic advisory services to public sector organisations in Ireland, with a particular emphasis on tax-related consultancy assignments, enterprise and the healthcare sector. Recent assignments include: a) the identification of the new FDI opportunities open to Ireland as a result of the introduction of a standard low rate of corporate tax; b) an evaluation of the extent to which a high standard rate of VAT was impeding Ireland in the attraction of eBusiness FDI; c) a cost benefit analysis of a tax incentive for the promotion of film production in Ireland; d) a review of the Artists' Exemption Scheme in Ireland, the scheme whereby all earnings from creative art forms are tax exempt in Ireland; and e) an evaluation of the case for the introduction of eProcurement to the public service in Ireland.

PROFESSIONAL QUALIFICATIONS

Qualification & Dates

- MBS Economic Policy University of Limerick, 1996.
- BA International Marketing & Languages Dublin City University, 1993

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EUROPEAN CURRICULUM VITAE FORMAT



PERSONAL INFORMATION

Name Colm Blaney

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Wilton Place, Dublin 2, Ireland

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Fax +353 1 704 8740

E-mail colm.blaney@ie.pwc.com

Nationality Irish

Date of birth 28 APRIL 1956

WORK EXPERIENCE

• Dates (from – to) September 2004 – to date

Name and address of employer
 PricewaterhouseCoopers,

• Type of business or sector Tax & Legal Services – VAT

Occupation or position held Director

Main activities and responsibilities
 Provision of VAT advisory and consultancy services to the firm's

financial services clients.

• Dates (from – to) SEPTEMBER 2000 TO SEPTEMBER 2004

Type of business or sector
 Occupation or position held
 Corporate Tax
 Senior Manager

Main activities and responsibilities
 Advisory services to financial services clients.

• Dates (from – to) 1973 - 2000

Name and address of employer
 Bank of Ireland Group

• Type of business or sector Banking

Occupation or position held
 Group Taxation Manager

Main activities and responsibilities
 Planning, compliance and advisory services across all tax heads.

PROFESSIONAL QUALIFICATIONS

• Dates (from – to) 2002

Name and type of organisation
 Institute of Bankers in Ireland

providing education and training

Annex IV: CV's Core Team 363/369

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· Principal subjects/occupational

skills covered

• Title of qualification awarded Certificate in Financial Services

· Level in national classification (if appropriate)

> 1986 • Dates (from - to)

 Name and type of organisation Associate Irish Taxation Institute

1973

providing education and training

· Principal subjects/occupational skills covered

· Title of qualification awarded AITI

· Level in national classification (if appropriate)

• Dates (from - to)

· Name and type of organisation providing education and training

· Principal subjects/occupational English, Irish, Maths, History, Geography, Chemistry, Accounting

skills covered

· Title of qualification awarded Leaving Certificate

· Level in national classification

(if appropriate)

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EUROPEAN CURRICULUM VITAE



PERSONAL INFORMATION

Name Prof. dr. Herman van Kesteren

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De Entree 201, Amsterdam, The Netherlands

Telephone +31 0 20 568 7332

Fax +31 0 20 568 6685

E-mail <u>herman.van.kesteren.VAT@nl.pwc.com</u>

Nationality Dutch

Date of birth 29 August 1961

WORK EXPERIENCE

• Experience & Dates

- University Teacher Indirect Tax Department Leiden University
 February 1986 August 2000
- Econfin Comité Brussel conferences as an indirect tax expert
 1987 1988
- Tax Advisor with Coopers & Lybrand February 1990
- Tax Advisor with BDO CampsObers 1994
- Tax Advisor with Ernst & Young November in the international VAT practice – November 1996
- Head VAT Technical Team; chairman of weekly technical meetings at Amsterdam office – November 1996
- Tax Advisor with Ernst & Young Moscow February -September 1997
- Head VAT Technical Team of VAT advice group Ernst & Young Netherlands, working in Amsterdam – June 2005
- Head VAT Technical Team of VAT advice group PricewaterhouseCoopers the Netherlands, working in Amsterdam – to date
- Professor at Tilburg University to date
- Councillor substitute Court of Justice 's-Hertogenbosch to date

• Name and address of employer

• Type of business or sector

As above Tax – VAT

Current position held

Partner - from 1 July 2005

· Main activities and responsibilities

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PROFESSIONAL QUALIFICATIONS

• Qualification & Dates January 1986 Tax Law Leiden University (graduated);

1994 Promoted dissertation 'De Fiscale rechtswil' (promoter

Prof. Ch. J. Langereis).

ADDITIONAL EXPERIENCES

Experiences

- Member Vera-steering committee Tax Law of the NIVRA
- Chairman Commission of VAT specialists of the NOB
- Teacher LLM Leiden with the International Tax Centre
- Teacher LLM Leiden for the European Law Leiden University
- Teacher LLM with the European Tax College Leuven-Tilburg
- Part of the academic EUCOTAX Network, a co-operation of 10 universities inside and outside of Europe doing research on EU Taw Law.

PUBLICATIONS

Publications

Large number of articles, notes, and books on VAT

EUROPEAN CURRICULUM VITAE



PERSONAL INFORMATION

Name Inge Stuyver

Address PricewaterhouseCoopers

Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-

Woluwe, Belgium

Telephone +32 3 259 31 81

Fax +32 3 259 31 98

E-mail inge.stuyver@pwc.be

Nationality Belgian

Date of birth 29 December 1973

WORK EXPERIENCE

• Experience & Dates Joined PricewaterhouseCoopers in 1997

• Type of business or sector

Current position held

· Main activities and responsibilities

Tax Consultancy

Senior VAT Manager

Inge Stuvyer, Senior Manager, joined the VAT practice of PricewaterhouseCoopers in September 1997 and has worked on a variety of multinational clients dealing with complex international VAT issues. Inge has particularly worked on long-time assignments supporting clients with design of an optimised VAT business model, translating this optimised VAT business model in their ERP system and set-up of their VAT compliance (being consulting on compliance). She used her project management skills during these assignments.

Inge has supported clients on the setting-up of VAT functionalities in ERP systems (including SAP). She is also assisting clients with their SOX404 requirements from a VAT point of view, being design of VAT controls and processes.

Currently, Inge works full time for the financial services industry on several VAT aspects (such as the development of VAT optimisation models for tax payers with limited VAT recovery, VAT efficient procurement and outsourcing models, cost sharing associations, VAT compliance and VAT risk management).

PRICEWATERHOUSE COOPERS 18

Inge is also the project manager on the study for the EU Commission regarding the economic effects of the VAT exemption for financial and insurance services. From a content point of view she is focusing on the existing VAT rules in all 25 Member States and outside the EU that are relevant in the financial services industry, including analysis of future solutions.

PROFESSIONAL QUALIFICATIONS

Master in Tax Law

EUROPEAN CURRICULUM VITAE



PERSONAL INFORMATION

Name Cathy Hargreaves

Address PricewaterhouseCoopers

Southwark Towers

London, United Kingdom

Telephone +44 (20) 7212 5575

Fax +44 (20) 7804 2888

E-mail <u>cathy.e.hargreaves@uk.pwc.com</u>

Nationality British

Date of birth 24 May

WORK EXPERIENCE

• Experience & Dates

April 1985 to date Employee and Indirect Taxes Partner (since May 1997), PricewaterhouseCoopers (and predecessor Firm, Coopers & Lybrand

• Name and address of employer

• Type of business or sector

Current position held

• Main activities and responsibilities

PricewaterhouseCoopers, Southwark Towers, London, United Kingdom

Tax Consultancy

Indirect Tax partner

Joined PricewaterhouseCoopers in 1985 and has specialised in VAT since joining. Specialised in Financial Services throughout this time, but has done only financial services since 1995.

Until October 2006, Cathy has been FS Industry leader for PwC in the United Kingdom, responsible for building the VAT business across all the FS sector. She has recently been appointed as leader of the International FS VAT Network for PwC.

Also, Cathy is adviser of many clients across the sector on all aspects of VAT from compliance to recovery methodologies, VAT liability issues, outsourcing and transactions advice. She has specific responsibility for providing services to the insurance sector in the United Kingdom.