



# Guideline Tax Assessment

of Holland Quaestor members

2 May 2017

# GUIDELINE FOR DESCRIBING THE TAX ASSESSMENT OF HOLLAND QUAESTOR MEMBERS

The 2.0 certification includes ‘taxation’ as a conditional criterion, as part of the Corporate Social Responsibility (CSR) section. The General Membership Meeting of 30th January 2017 approved the development of an Holland Quaestor list of no-go countries, industries and activities. Preparing this list is a time-consuming process; the list will only be completed after the start of the second round of visits relating to the certification. For this reason, the initial preference was for requirements relating to the *description* of the trust office’s internal tax assessment framework, specified in the certification as: *“Documentation of moral, ethical and/or tax-related discussions and the decisions arising from such discussions (point M-6 of the certification criteria)”*. This concerns the assessment of tax aspects relating to services provided to clients and client entities rather than the tax methods of the trust office itself. The tax assessment framework will also form part of the risk analysis (SIRA), to which reference therefore may be made in this case. In line with these requirements, this guideline further sets out the details of what should be addressed in the description. The guideline can be incorporated into the SIRA Procedural Manual.

## PRINCIPLES

This refers to the principles applied by the trust office and the choices made in relation thereto (stating reasons), including:

- The role played by the spirit of the law. Indicate how the spirit of the law is interpreted in relation to the evaluation of the tax aspects of a structure during the client acceptance process.
- Details on what opinions of which stakeholders were incorporated into the tax policy, including multinationals, retirement funds, banks, political parties and NGOs).
- The method used to make tax-related risk assessments in the risk analyses (e.g. an internal second opinion or separate committee, an external second opinion, and the role of the management).

## SPECIFICATION OF THE TAX POLICY

This concerns the procedures and criteria the trust office uses to explain the tax policy in specific terms. The criteria must include reasons/a substantiation (e.g. the role and considerations of the business rationale).

- The types of tax optimisation which are or are not applied (e.g. double taxation, double non-taxation, zero tax in the chain, use of low tax jurisdictions, .....).
- Legal forms applied, with what purpose and based on what criteria (e.g. general partnerships, foundations, hybrid structures, general partnerships-private limited companies, and cooperatives).
- Risks weighted when determining the acceptability of tax optimisations.
- Mitigating measures applied in relation to the tax optimisations used.



Situations in which external tax advice is requested, along with the criteria a tax advisor must satisfy, (including the inclusion or exclusion of an opinion in the tax recommendation concerning the social acceptance of the recommendation). Plus the criteria based on which a tax recommendation is analysed and/or assessed by an office.

- Evaluation of the entity's tax statement for correctness and acceptability.
- The application of, and types of, anonymity-focused structures (e.g. nominee shareholders).

## **TRANSPARENCY**

- Cooperation in the transparency initiatives (TP, CbCR, CRS-FATCA).
  - Inspection/review of the tax returns and tax assessment of the Ultimate Beneficial Owner (UBO).
  - Information relating to the origin and destination of the resources.
  - Availability to third parties of the documentation of the tax policy (including clients).
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