

NETHERLANDS LIMITED PARTNERSHIP

DUTCH C.V.

General

The Netherlands C.V. ("Commanditaire Vennootschap" or Limited Partnership) is suitable as a tax deferring vehicle for investments by private investors in offshore funds, liquid investments real estate, etc., or as a vehicle receiving commissions/fees from the country of residence or abroad, without involving any tax haven ("black listed") structure.

The private individual's taxes can be deferred and US inheritance taxes can be avoided by structuring the investment through a Netherlands C.V., performing investment activities on behalf of the private individual. This way, the investment in the foreign investments (e.g. in the United States, "US") can be sheltered, and taxation of the income can be deferred to the ultimate beneficial owner as long as he/she wants to.

The C.V. can invest directly in all kinds of securities. It can furthermore invest directly in real estate located in countries other than the Netherlands.

Structure

In order to establish the Netherlands Limited Partnership, a partnership agreement will have to be signed between two (or more) partners, of whom at least one will be the limited partner and one will be the general partner.

A Netherlands partnership or C.V. is considered a corporate entity under the laws of most Latin American countries, like Mexico or Venezuela, provided that the legal independence of the entity from its partners is emphasized in the set up of the partnership.

However, if well structured, a C.V. may be considered fiscally transparent in the Netherlands. Consequently, the C.V. is not taxed at the level of the C.V. but at the level of the partners.

For this purpose, the C.V. will have to be structured as a so-called "closed" C.V., of which the general partner is not a resident of the Netherlands, while the limited partner would not be considered to have a permanent establishment in the Netherlands through the activities of the general partner.

The General Partner

The general partner can either be a non-resident individual or a company established in a jurisdiction that does not appear on the blacklist of the client's country of residence. The General Partner is fully responsible for all liabilities of the C.V.

For certain types of investments, i.e. portfolio investments in securities, OMC may provide the General Partner through OMC's correspondent. All responsibilities and interests with regard to the partnership will be arranged in a management agreement and side letter. Typically, the interest of such a General Partner will be minimum, i.e. 0.01 % and will be limited in the Management Agreement to an annual fee and charges by the hours for work performed. Further, the General Partner will waive its rights to any distribution of the partnership.

The Limited Partner

The client himself can act as Limited Partner. Dutch law permits that the total amount of the capital to be contributed to the C.V. be divided in participations of a specified nominal value. If a transfer is considered, same is subject to certain (strict) conditions.

To facilitate the transfer of such participations, depositary receipts for participations may be issued to i.e. the family members of the limited partner(s).

In case the C.V. is part of an estate planning structure, the Limited Partnership can also be performed by a Trust established in a non-blacklist jurisdiction.

TAXATION & FEES

In case of a closed C.V., no Netherlands taxes would be due on the income of the C.V. as long as the C.V. is properly structured. Profits of the C.V. can immediately be reinvested.

There are no Netherlands' inheritance taxes due in the event of death of the limited partner, being an individual. In the partnership agreement it can be determined that in case of decease of the limited partner, the C.V. is either dissolved and the assets are distributed to the partners in accordance with the provisions in the Partnership Agreement, or the assets pertaining to the C.V. are being maintained for persons to be denominated in the deed (the new limited partner(s)).



OVERSEAS MANAGEMENT COMPANY

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