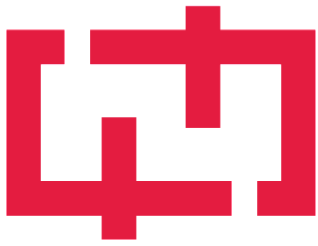


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Australian Taxation Incentives

Australia offers general incentives to encourage investment in Australia.

Some specific concessions are listed below however this is not an exhaustive list.

- deductions for certain set-up or relocation costs in establishing a regional headquarters in Australia
- accelerated depreciation on plant and equipment and other business equipment acquisitions
- building write off on income producing buildings
- franked dividends not subject to withholding tax [subject to double tax agreement]
- interest income derived by non-resident subject to only a 10% withholding tax
- profits by derived by an Australian company with an offshore branch operation may not be subject to Australian income tax
- exemption from dividend withholding tax for certain foreign source dividends
- research and development deductions to eligible Australian resident and non-resident companies
- concessionary tax rates for income derived by offshore banking units
- capital gains on the sale of shares in a foreign company held by an Australian company will be disregarded where the foreign company has an active underlying business.
- capital gains on the sale of investments in publicly listed entities maybe disregarded in certain circumstances

Investors proposing to use Australia as an intermediary in their investment strategy should seek professional advice as to the availability of taxation concessions (including those mentioned above)

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