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Changing trends in Asia-Pacific real estate

12 May 2011



Programme

- Updates on the Singapore Fund Regimes
- Tax considerations for structuring an RMB Fund
- Updates on the MIT regime for investments into Australian Real Estate Investments
- Coffee Break
- Tax considerations for investments into Indonesia
- Singapore vs Hong Kong, as an investment holding location for investment into Indonesia, Japan, Australia and China
- Closing

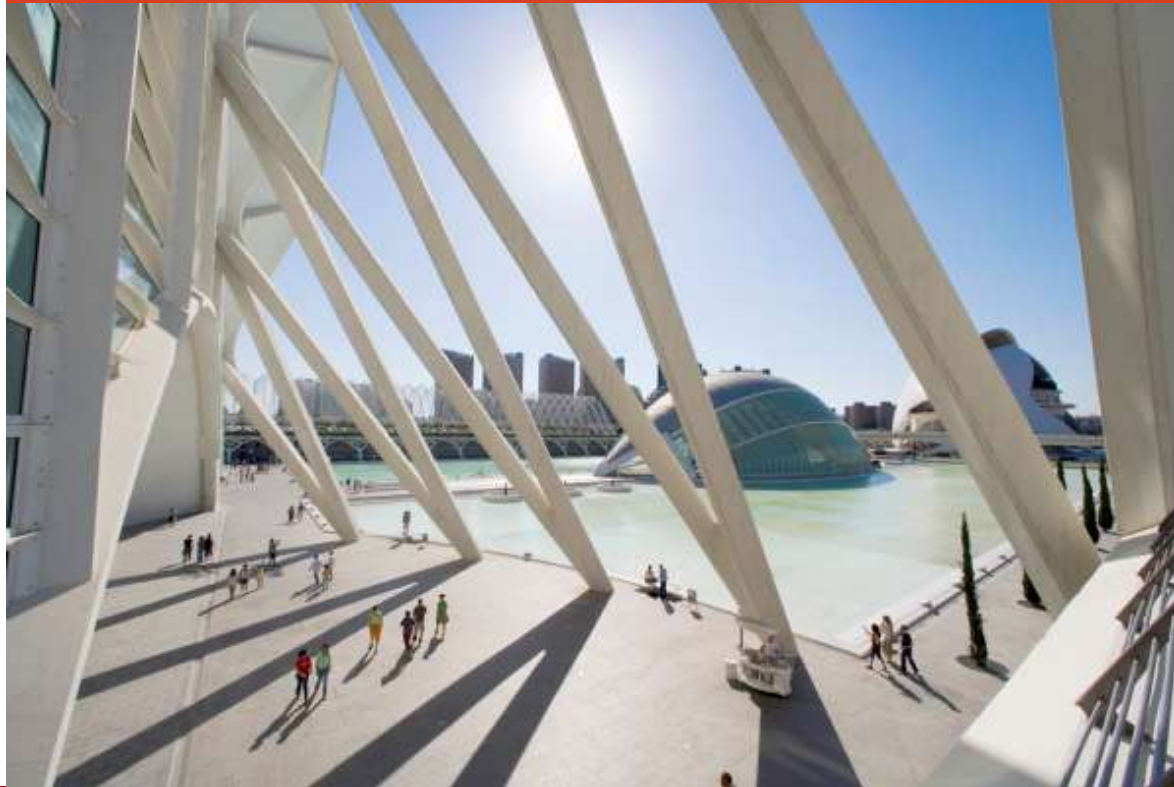
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Choo Eng Beng
Real Estate Partner
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12 May 2011



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Contacts

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Of further interest

- Real Estate Placemat
- Emerging trends in real estate 2011 (Asia-Pacific)
- Emerging trends in real estate 2011 (Europe)
- Emerging trends in real estate 2011 (US & Canada)
- Practical guide for real estate entities
- Worldwide REIT Regimes: Country Summary

Related services

- PwC Global: Real estate
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Updates on the Singapore fund regimes

Teo Wee Hwee
Tax Partner
PwC Singapore

1

Agenda

- Withholding tax exemption on interest payments made by funds
- 2010 Enhancement to the enhanced-tier fund tax incentive scheme
- Miscellaneous

*Withholding tax exemption on
interest payments made by funds*

1

Q. Is withholding tax applicable on interest paid by an offshore fund?

(A) Yes

(B) No, why do you ask?

(C) Don't know



Withholding tax exemption on interest payments made by funds

- Interest, commissions, fees or other payment in connection any loan or indebtedness borne by a permanent establishment (PE) in Singapore are subject to withholding tax
- Discretionary authority granted to a Fund Manager creates Singapore PE
- MAS issued a circular on 15 October 2010 to introduce a withholding tax exemption for interest and related payments made by relevant funds managed in Singapore by Singapore Fund Managers

Relevant Conditions and Effective Date

- Exemption is granted to funds approved under S13C, 13CA, 13R, 13X or 13Y of the Income Tax Act for the previous YA
- For offshore funds, the exemption is granted retrospectively for payments made before 15 Oct 2010. For Singapore corporate funds approved under S13R or S13X, 15 Oct 2010 or date of approval of incentive, whichever is later.
- Timing issues for newly set up funds or existing offshore funds that have recently located their discretionary management activities to Singapore - filing of undertaking with the IRAS

Other conditions

- Incurred for the purpose of the fund's trade or business ; and
- Not made with the intention of avoiding any tax in Singapore; or
- In relation to the capital structure of the fund (where capital structure refers to the amounts that are classified as equity under generally accepted accounting principles).

Eligibility

Eligible for income tax incentives		Eligible for WHT exemption on interest payments made during the FYE	
Year of Assessment 2011	Yes	31 December 2011	Yes
Year of Assessment 2012	No	31 December 2012	No
Year of Assessment 2013	Yes	31 December 2013	Yes

Action required?

Fund Profile	Action Required
Existing (second year on) non-resident funds	No action. No need to withhold.
Existing (second year on) Singapore fund	<ul style="list-style-type: none">• No WHT from 15 October 2010 onwards• WHT applicable prior to 15 October 2010.
Funds in first year of Singapore fund management	File undertaking that conditions for the fund's tax exempt status will be met at year end, or withhold tax and reclaim subsequently

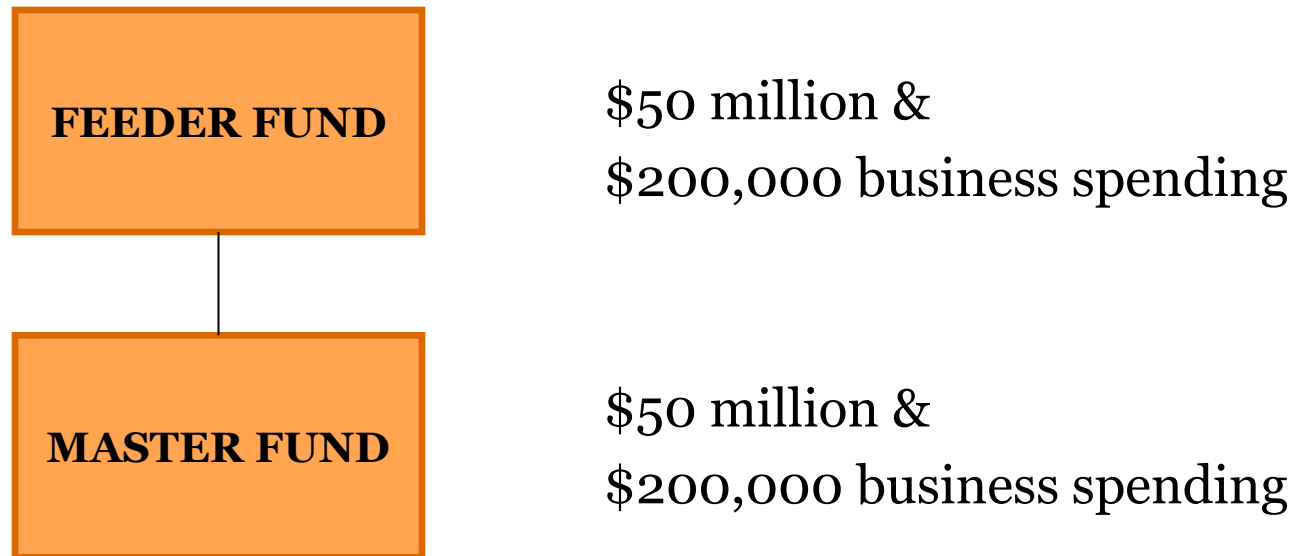
*Enhancements to Enhanced-Tier
Fund Tax Incentive Scheme*

2

Enhanced-Tier Fund Scheme

Master-Feeder fund structures

Previously



Separate applications for each fund

Enhancement 1

- Adapting the application framework to accommodate Master-Feeder Fund Structures
- Currently, Master-Feeder Funds have to file separate applications for the ETF and each meet the set of qualifying conditions
- Introduces the concept of “economic conditions” – (i) min fund size of SGD50m at point of application and (ii) min local business spending of S\$200,000
- Where the feeder funds invest solely in the master fund and the applicant confirms in writing on an annual basis that the feeder funds do not trade, the structure as a whole will only need to meet one set of economic conditions
- Where the feeder fund also trades, the master-feeder fund structure will have to collectively meet the sum of the economic commitments from each fund entity

Enhancement 1

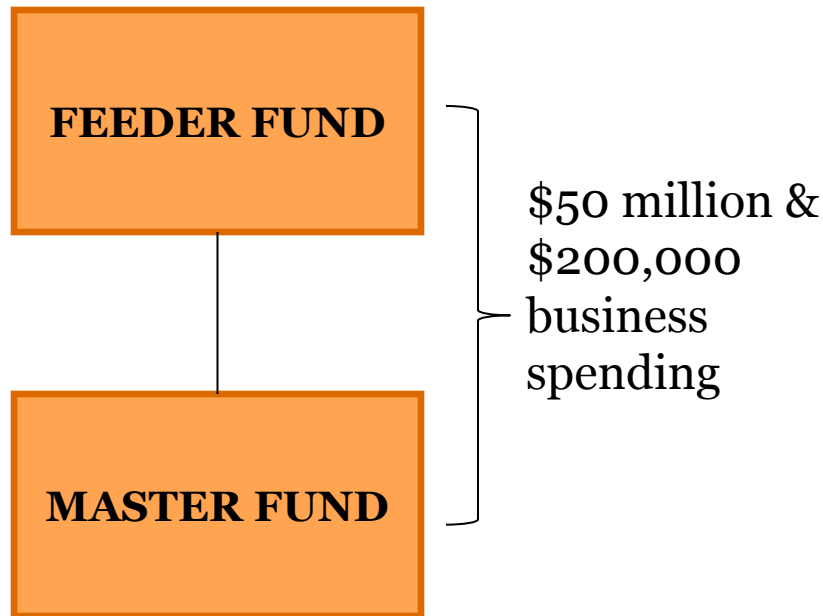
- Only one submission required
- Subsequent additions must be specifically approved by MAS
- Provides more flexibility of exit free of Singapore tax – One can exit at the Feeder Fund Level and not pay Singapore tax on exit gains – previously, exit is anticipated at the Master Fund Level

Enhanced-Tier Fund Scheme

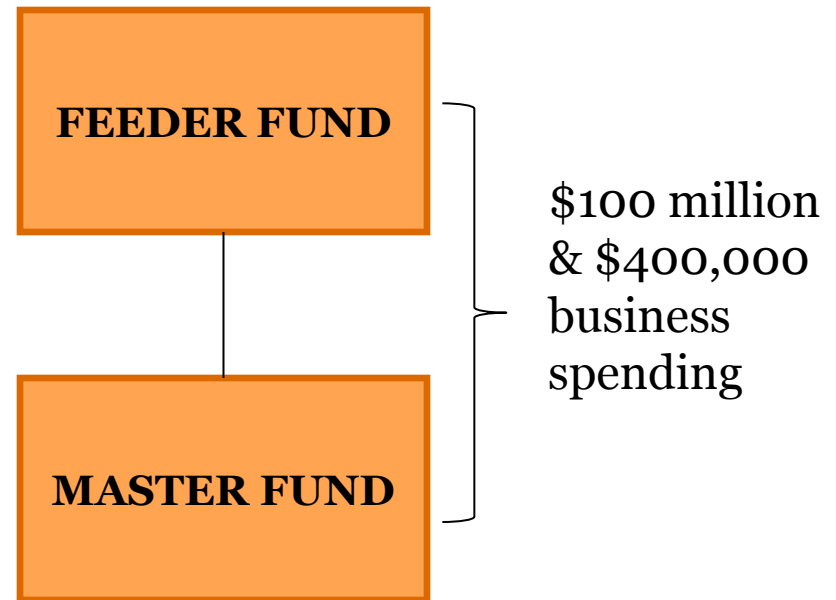
Master-Feeder fund structures - Enhancement

NOW

Non-trading feeder funds



Trading feeder funds



One application for master-feeder structure

Enhancement 2

- Recognizing the Committed Capital used by real estate and infrastructure funds
- The level of committed capital must be legally enforceable through a contract between the investor and the fund at the point of application, and the fund manager should have recourse to recover any capital committed or to take the necessary remedial action in the event the investor defaults on its commitments.
- The fund must demonstrate that a component of payments made to the fund manager is charged based on the committed capital (i.e. undrawn amounts included).
- Annual declarations required
- Update MAS when funds calls on committed capital reach SGD50m

Miscellaneous

3

Minimum local business spending

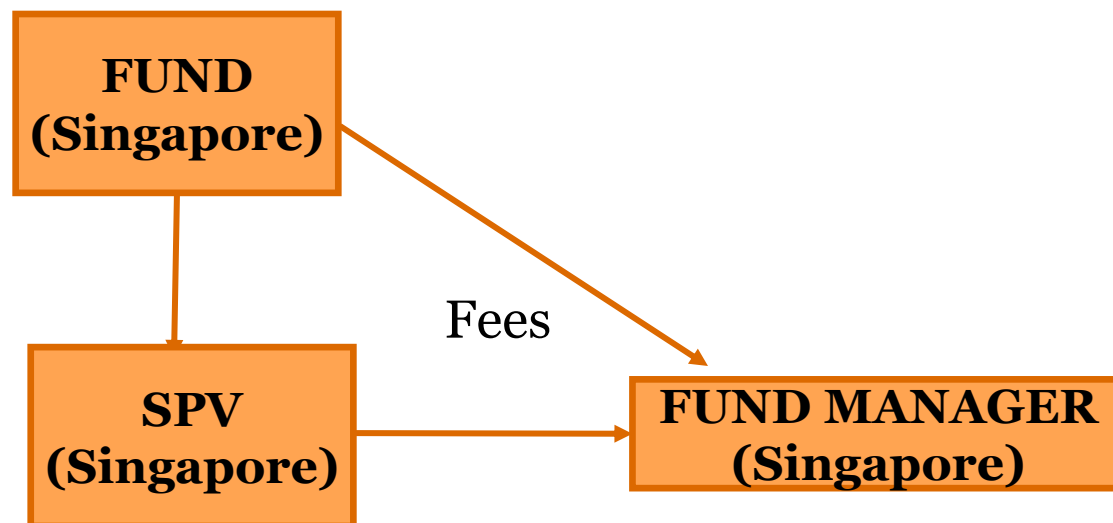
Q: If an ET fund is incorporated in October 2010, and its financial year end is 31 December 2010, will it still have to satisfy the minimum local business spending of S\$200k in the 2 months of operation?

Is this likely to be met?



Can the amount be pro-rated?

Tax exemption for SPV under Singapore fund



- Current scheme – Approval needed for Fund and SPV. Conditions to be met at all levels
- Ideal scheme – Automatic exemption to SPV subject to conditions
 - Economic criteria to be met on overall basis and not by each entity

Goods and Services Tax

- Under a remission scheme introduced during the 2009 Budget Statement, approved funds under S13C, 13G, 13R and 13X can claim back GST on “prescribed expenses” incurred from 22 Jan 2009 to 31 March 2014 based on a fixed recovery rate
- Prescribed expenses included management fees, trustee fees, fund admin fees, etc but excludes other fees charged by the fund manager. Question: Is GST incurred on performance fees claimable? Leakage could be substantial even with the remission.
- Enhancement – removes the list of prescribed expenses.
- To qualify for the GST remission, funds need to be an approved fund in the preceding year of assessment and hence, it was not clear whether an approved fund can claim back GST incurred in preceding year. IRAS clarified yes – timing issue.

Others

- MAS clarified that a business trust will not qualify for the ETF Scheme.
- Filing requirements for offshore funds that have applied for ETF Scheme are still not clear at this moment.
- IRAS is still reluctant to grant a certificate of residence to Singapore Companies owned by an approved fund.

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Tax considerations for structuring an RMB Fund

Kwok Kay So
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Recent Press Coverage re RMB Funds

REUTERS UK

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China to draw foreign investments via partnership rule
Thu Sep 3, 2009 2:50pm BST

By George Chen, Asia Private Equity Correspondent

HONG KONG (Reuters) - China plans new rules to allow foreign companies to set up local units in the form of a locally registered partnership, in a landmark move to attract investment, a draft proposal by Reuters showed on Thursday.

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Blackstone sets up new private equity fund in Pudong
By Zhou Yan (China Daily)
Updated: 2009-09-19 08:04

Private equity firm Blackstone Group LP is planning to raise 5 billion yuan for its first yuan-denominated fund that will invest in Shanghai and its neighboring areas.

Blackstone, the world's largest buyout firm, plans to set up its wholly-owned financial institution-concentrated Pudong New Area, the company said in a statement on the website on Friday, when it also signed a memorandum of understanding with the local government on the fund's creation.

TPG to Create Chinese Currency Funds
By DAVID BARBOZA
Published: August 23, 2010

SHANGHAI — TPG, one of the world's biggest private equity firms, said early Tuesday that it was teaming up with the municipal governments of two of China's biggest cities to raise nearly \$1.5 billion and create its first funds denominated entirely in Chinese currency.

By making deals with the two cities — Shanghai and Chongqing — TPG, which will be the sole manager of each fund, is in a position to be one of the biggest Other Business Firm

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SETTING UP IN CHINA

Pudong Issues Rules on Foreign Invested Equity Investment Enterprises

SHANGHAI, Aug. 14 — Pudong New Area authorities have just issued guidelines for foreign private equity companies opening in the area.

According to the circular, foreign-invested equity investment management enterprises (FIEIMEs) can establish offices in the following forms: contractual joint venture; equity joint venture; or wholly foreign-owned enterprise.

凱雷復星黑石德同獲QFLP試點

香港文匯報訊 有消息指，上海市相關監管部門正在審批第二批合格外商股權投資企業(QFLP)試點企業；另外，復星集團合資公司、黑石(百仕德; Blackstone)、德同資本三家已獲批成為首批QFLP的試點企業，此三家機構均為併購基金。消息指，未來試點企業亦不限於併購基金，還會引入更多類型的股權投資基金(PE)。

路透引述消息人士指，上海市金融辦近期舉行的QFLP座談會上透露，下一步試點工作重點將是選擇不同類型的試點企業，除大型的併購型基金外，還希望吸引主要投入科技型、創業型、就業型等成長中小企業的基金。同時希望帶動一批國內社會資本，培育一批境內的長期有限合夥人(LP)。

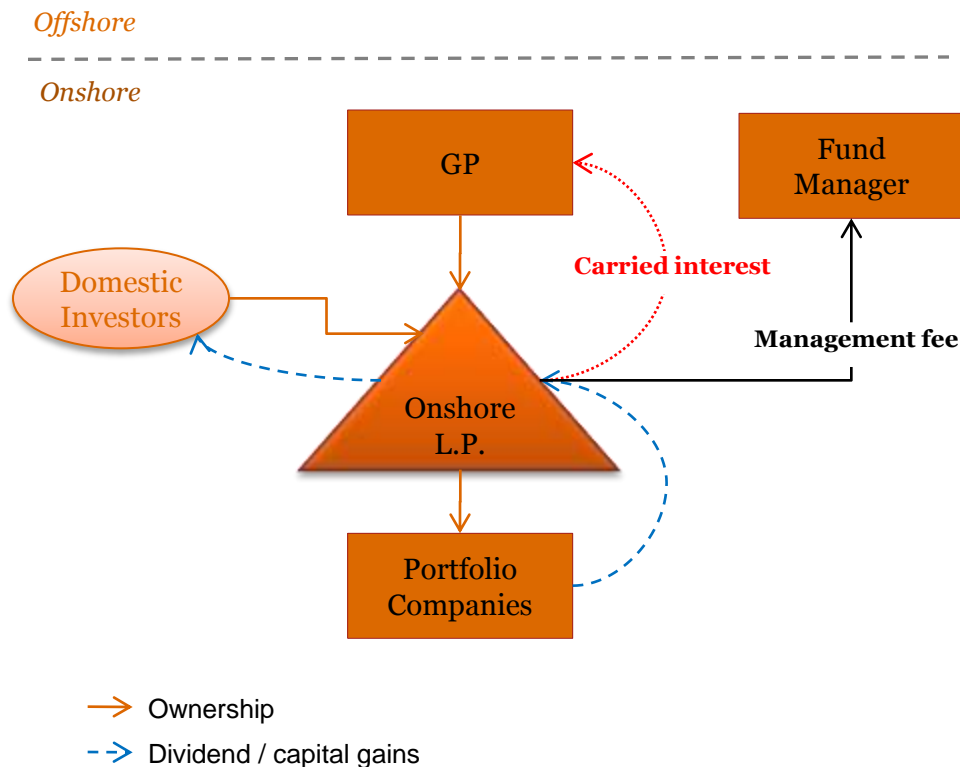
Tax and Other Incentives for Fund Management

Location	Incentives
Beijing	<ul style="list-style-type: none"> • Management company sponsoring a Fund > RMB500m - One-off subsidy of up to RMB10m - District government may offer their own subsidy based on the management company's contribution - Subsidy on self use offices: RMB1000/sqm on purchase of office building; Rental subsidy: 1st year 50%; 2nd year 30%; 3rd year 10% - Refund of 80% IIT on senior management, capped at RMB0.3m, for purchase of house, car or professional training • Rental subsidy to both the Fund and management company • Certain awards may be granted to individuals by the municipal government
Shanghai	<ul style="list-style-type: none"> • One-off subsidies depending on size of the Fund - Incorporated Fund: RMB5m for Fund > RMB500m; RMB10m for Fund > RMB1.5b; RMB15m for Fund > RMB3b - Partnership Fund: RMB5m for Fund > RMB1b; RMB10m for Fund > RMB3b; RMB15m for Fund > RMB5B • Refund of 50% CIT on income from investment in Pudong , Lujiazui and Zhangjiang • Incentive to individuals of incorporated funds and management company - IIT Refund; 40% for VP or above, 20% for Investment Manager and above - One-off subsidy of RMB0.2m for VP or above of an incorporated fund > RMB500m or management company with asset under management > RMB1B

Tax and Other Incentives for Fund Management

Location	Incentives
Tianjin	<ul style="list-style-type: none">• Financial subsidies in form of tax refund- Business Tax: full refund for 2 years; 50% refund for another 3 years- Corporate Income Tax: full refund for 2 years; 50% refund for another 3 years from the first profit making year; 60% refund on gains from Tianjin projects• Subsidy for self use offices: RMB1000/sqm, capped at RMB5m, for self constructed offices; 30% rental subsidy for first 3 years capped at RMB1m• Deed Tax exemption on acquisition of new self use building• Real Estate Tax exemption for 3 years• Incentive to individuals- IIT refund for purchase of house, car or professional trainings

Tax considerations for structuring RMB Funds



Corporate entity vs Partnership

Circular Caishui [2008] No.159 – Onshore L.P. treated as a flow through entity; taxable income is computed at partnership level then allocated to each partner and taxed at the partner level

Individual investors vs corporate

Capital gains vs dividends

Tax implications on management fee?

Tax implications on carried interest – service income or investment return?

Foreign participation in RMB Real Estate Funds?

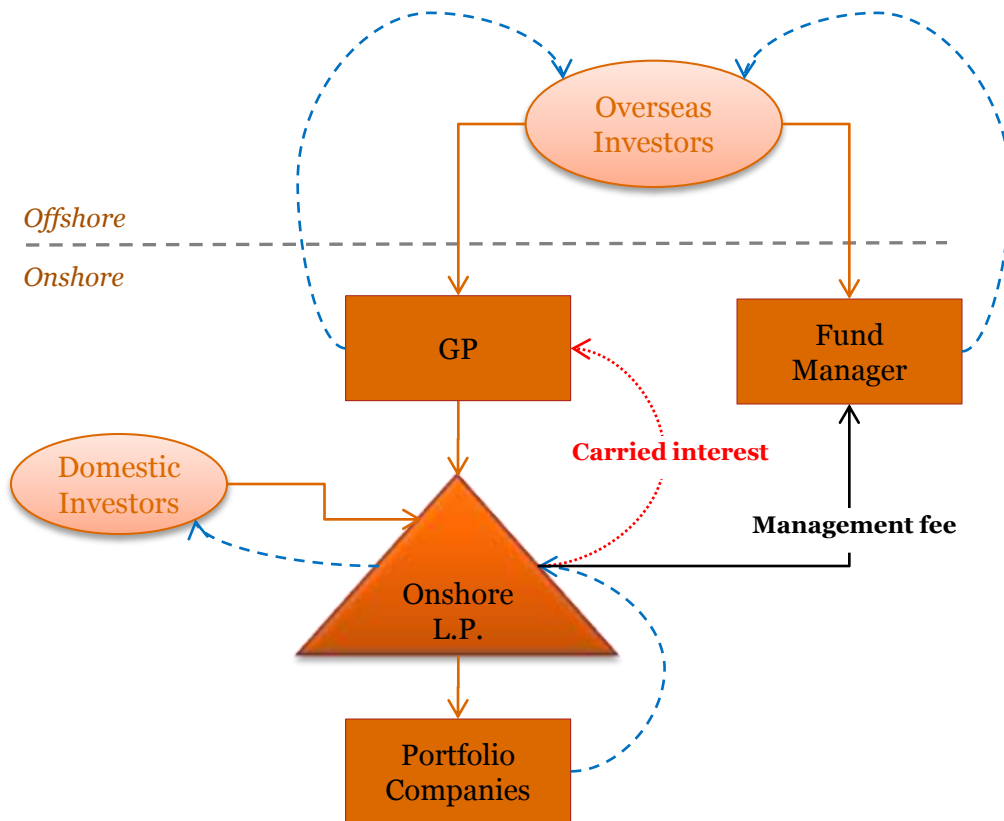
Administrative Measures for Establishment and Registration of Foreign Invested Partnership wef 1 March 2010

- Need to observe the industry policies for foreign investment – how about real estate projects...

Qualified Foreign Limited Partnership (“QFLP”) Pilot Programme in Shanghai wef 23 January 2011

- Foreign invested equity investment enterprises may be set up as a partnership (“QFLP”). Foreign invested equity investment management enterprises may be set up as a corporate entity or a partnership (“FIME”).
- QFLP is prohibited from (among other things) investing directly or indirectly in non-self-use immovable property.
- FIME may use its foreign exchange to invest in an RMB fund up to 5% of the fund raised without changing the “original attribute” of the fund...

Tax considerations for structuring RMB RE Funds



- Ownership
- > Dividend / capital gains

Tax implications on distribution to overseas investors?

GP set up as a foreign invested partnership – a tax flow through?

PE issues? DTA benefits?

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Updates on the MIT regime for investments into Australian Real Estate Investments

Manuel Makas
Tax Partner
PwC Australia

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Update on the MIT regime for investment into Australian Real Estate

General

- Income from Australian Real Property is taxable in Australia.
- Capital gains on the disposal of Australian Real Property are taxable in Australia.
- Capital gains on the disposal of an interest in entities (Australian or foreign) which are “land rich” are taxable in Australia where the investor held 10% or more of the total interest at the time of disposal or for a 12 month period in the 24 months prior to the disposal. Broadly, an entity is land rich where the gross assets of the entity are comprised 50% or more by Australian Real Property.
- Treaties generally do not protect non-residents from taxation of real estate income and capital gains on the disposal of direct or indirect interests.

Summary of tax

	EOI	Non-EOI
MIT distribution		
• Net rental income	7.5%	30.0%
• Capital gains	7.5%	30.0%
• Interest income	10.0%	10.0%
Sale of MIT units		
• Capital gain	30.0%*	30.0%*

- * Assumes capital gain is subject to tax and investor is a company.

Update on the MIT regime for investment into Australian Real Estate

MIT Requirements

Key features	Type of scheme		
	Retail registered	Wholesale registered	Wholesale unregistered
Fund is a managed investment scheme	✓	✓	✓
Relevant connection to Australia: Australian resident trustee or central control in Australia	✓	✓	✓
MIT is operated or managed by the holder of an Australian Financial Services Licence	Operated	Operated or managed	Operated or managed
Substantial proportion of investment management activities in Australia	✓	✓	✓
Widely held requirement	Listed, at least 50 members or satisfies '25/60' % rule	At least 25 wholesale members or satisfies '25/60' % rule	At least 25 wholesale members
Exclusions –not MIT if:			
A closely held trust	20 or fewer persons with 75% more participation interests	10 or fewer persons with 75% or more participation interests	10 or fewer persons with 75% or more participation interests
A foreign individual holds 10% or more of participation interests	✓	✓	✓
A trading trust	✓	✓	✓

Update on the MIT regime for investment into Australian Real Estate

Widely Held Test

Special tracing rules for qualified investors (QI) being:

- MITs
- A life insurance company registered under the Life Insurance Act 1995
- Complying Australian superannuation funds with more than 50 members (ie widely held pension funds),
- Foreign superannuation funds with more than 50 members (ie widely held pension funds)
- Foreign equivalent of a managed investment scheme that has greater than 50 members
- Foreign sovereign wealth funds that meet certain requirements
- A foreign government pension fund that meets with certain requirements

Multiply units held by QI by 50 for deemed number of investors.

Update on the MIT regime for investment into Australian Real Estate

Investment Management in Australia

Based upon the examples in the EM and submissions, we expect activities will be allocated follows:

Investment management activities	Non-investment management activities
<p>Examples from the EM:</p> <ul style="list-style-type: none">• Market analysis• Identification of potential investments/opportunities• Due diligence• Buy/Sell recommendation• Investment decision (e.g. key decisions in relation to where to invest, choice of industry sector, allocation to respective countries and industry sector)	<p>Examples from the EM:</p> <ul style="list-style-type: none">• Custodial services• Provision of accounting and legal services• Asset management (eg. property management)
<p>Examples from submissions:</p> <ul style="list-style-type: none">• Capital management (issue/redeem units, determining debt/equity funding splits)• Approval of budgets• Financing (borrowing limits, negotiation with banks, etc.)• Asset allocation• Risk management (hedging, insurance, etc)• Changes to trust deed• Investor relations• Distribution policy and implementation• Termination of trust	<p>Examples from submissions:</p> <ul style="list-style-type: none">• Tenancy (for real property)• Preparation of budgets• Accounting• Registry services• Regulatory compliance• Valuation

Update on the MIT regime for investment into Australian Real Estate

Exchange of information countries

Current list:

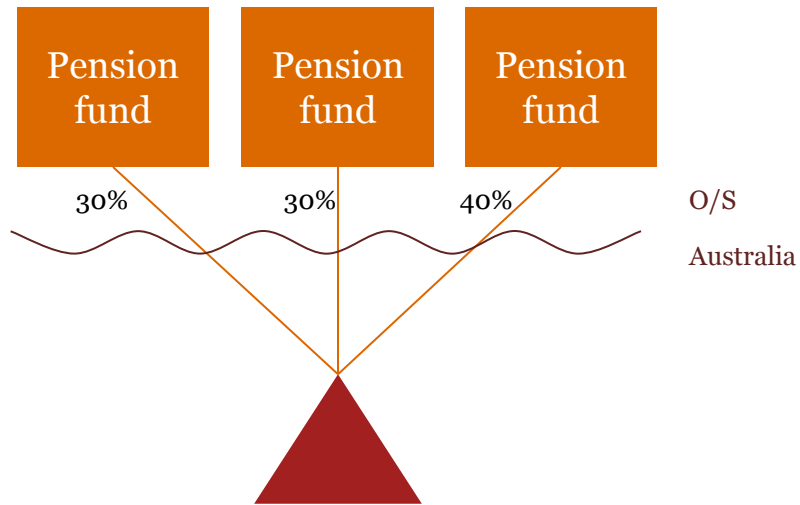
Antigua & Barbuda	Kiribati
Argentina	Malta
Bermuda	Mexico
British Virgin Islands	Netherlands
Canada	Netherlands Antilles
China	New Zealand
Czech Republic	Norway
Denmark	Papua New Guinea
Fiji	Poland
Finland	Romania
France	Russia
Gibraltar	Slovakia
Germany	South Africa
Guernsey	Spain
Hungary	Sri Lanka
India	Sweden
Indonesia	Taipei
Ireland	Thailand
Isle of Man	United Kingdom
Italy	United States
Japan	Vietnam
Jersey	

Yet to be regulated:

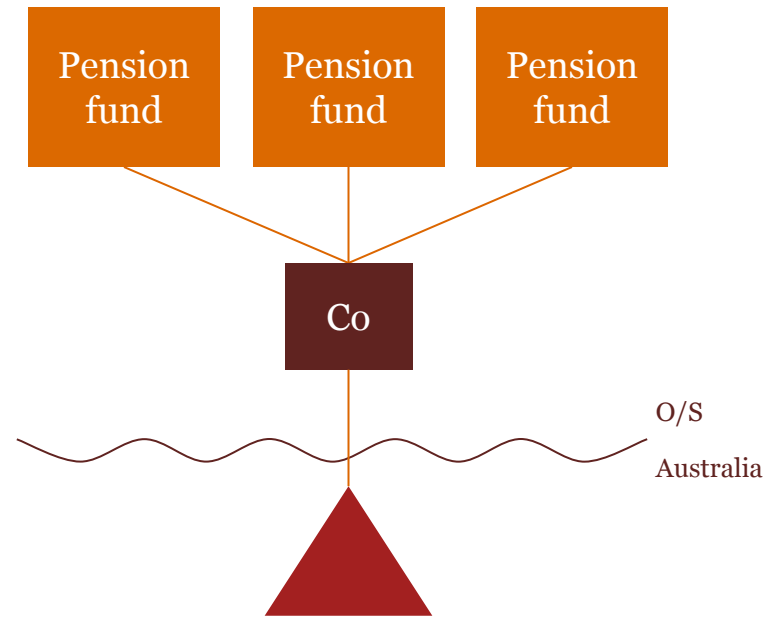
Anguilla	The Turks and Caicos Islands
Aruba	Turkey
Bahamas	Vanuatu
Belgium	
Belize	
Cayman Islands	
Chile	
Cook Islands	
Dominica	
Grenada	
Malaysia	
Marshall Islands	
Mauritius	
Monaco	
Montseaat	
Saint Kitts and Nevis	
Saint Lucia	
Saint Vincent and the Grenadines	
Samoa	
San Marino	
Singapore	

*Note that major financial or fund centres such as Luxembourg and Hong Kong are not on the current lists.

Widely held examples

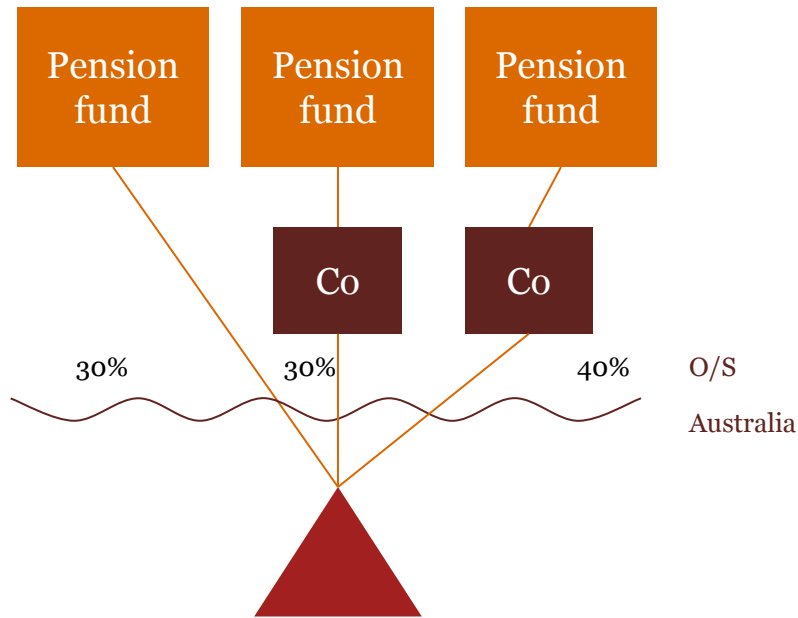


Deemed 50 members

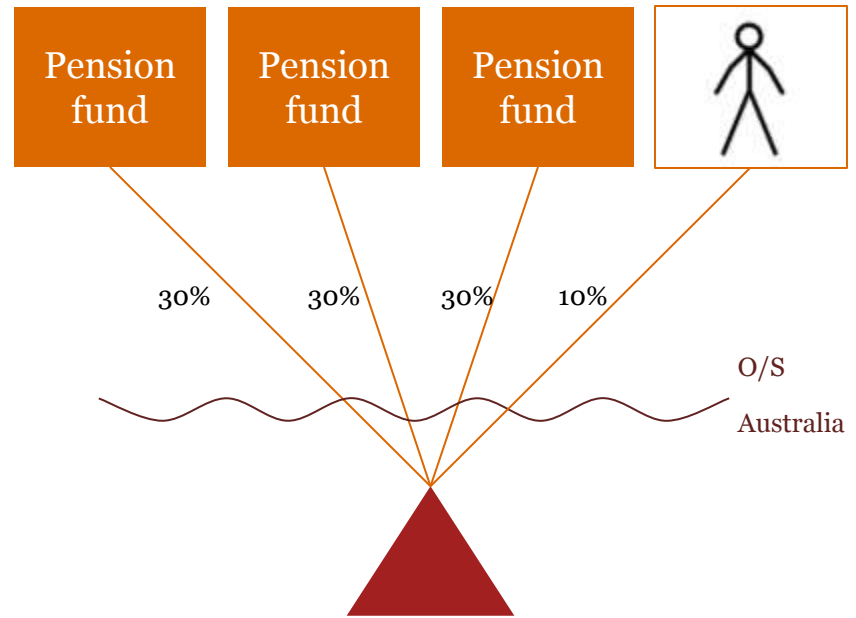


1 member only

Widely held examples

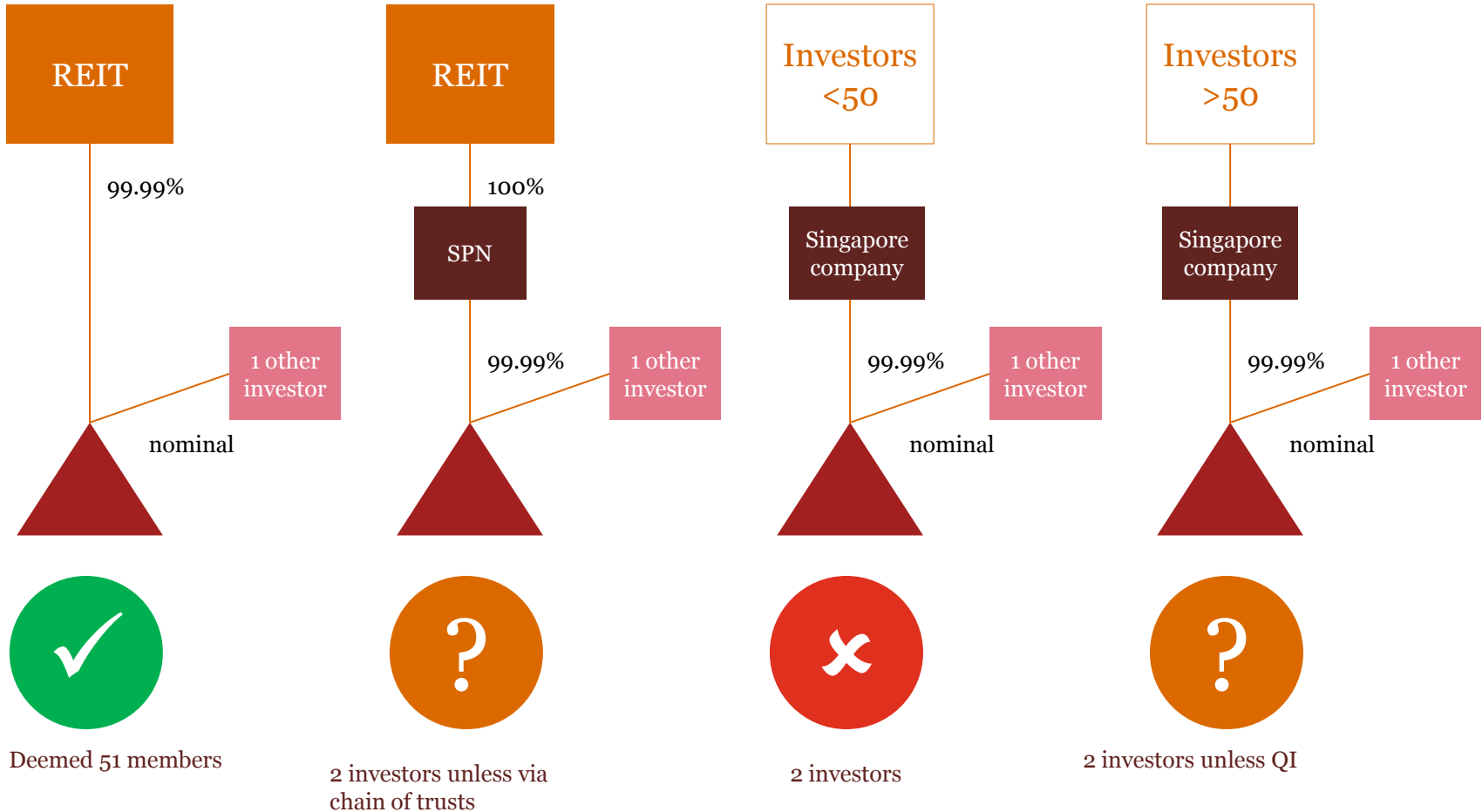


Deemed 17 members but pass 25/60 Test



Deemed 46 members but significant foreign individual unitholder

Singaporean investors



Deemed 51 members

2 investors unless via chain of trusts

2 investors

2 investors unless QI

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Changing trends in Asia-Pacific real estate

12 May 2011



Coffee break

4

Changing trends in Asia-Pacific real estate

12 May 2011



Tax considerations for investments into Indonesia

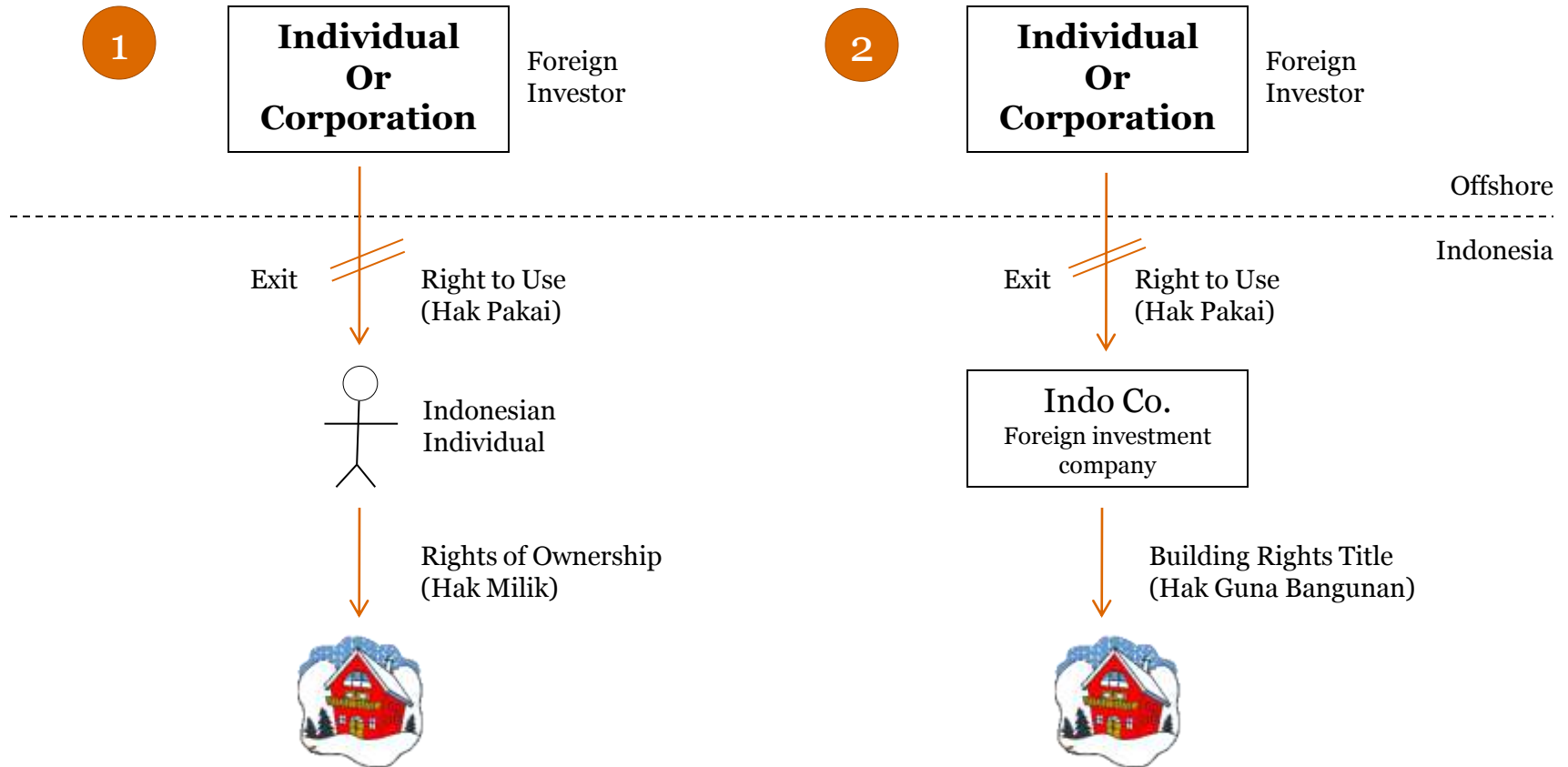
Margie Margaret
Tax Partner & Financial Services Tax Leader
PwC Indonesia

5

Legal Title

- a. The use of Indonesian individual (Structure 1) : allowed or not allowed ?
- b. Type of Land and Building Rights (L&B) to use :
 - **Hak Milik** / HM (Right of Ownership).
 - **Hak Guna Usaha** / HGU (Right to Cultivate) : right to use a state-owned land for the purpose of agriculture, in particular plantations, fishing or cattle-raising.
 - **Hak Guna Bangunan** / HGB (Building Rights Title) : right to construct and own buildings on a piece of land that someone else owns.
 - **Hak Pakai** (Right to Use Title) : right to use land for any purpose for certain period. It can be hold by foreign resident who domiciled in Indonesia or foreign legal entity with Indonesia representative.
 - **Hak Sewa** (Right to Rent)

Common Structure / Practice



Tax Considerations

- Entry : Avoid Permanent Establishment
- Dividend / Interest
- Exit

Permanent Establishment (PE)

Domestic Law	Indonesia – Singapore Tax Treaty
<p>A business form that is used by individual who does not reside in Indonesia, individual who lives in Indonesia for not more than 183 days in a period of 12 months, and entity that is not established and has no domicile in Indonesia to carry on business or conduct activity in Indonesia, that can be in the form of:</p> <ul style="list-style-type: none"> a. domicile of management; b. branch of company; c. representative office; d. office building; e. factory; f. workshop; g. warehouse; h. space for promotion and sale; i. mining and quarrying of natural resources; j. working area of natural oil and gas mining; k. fisheries, animal husbandry, agriculture, plantation, or forestry; l. construction project, installation, or assembling project; m. furnishing of services in any form by an employee or any other persons, as long as conducted more than 60 days in a period of 12 months; n. person or entity that acts as agent with dependent position; o. agent or employee of insurance company that is not established and has no domicile in Indonesia that receives insurance premium or covers risk in Indonesia; and p. computer, electronic agent, or automatic equipment that is owned, leased, or used by operator of electronic transaction to conduct business activity by internet. 	<p>A fixed place of business through which the business of the enterprise is wholly or partly carried on. This shall include especially;</p> <ul style="list-style-type: none"> a. a place of management; b. a branch; c. an office; d. a factory e. a workshop f. a farm or plantation; g. a mine, an oil or gas well, a quarry or other place of extraction of natural resources; h. a building site of construction, installation or assembly project which exists for more than 183 days; i. the furnishing of services, including consultancy services by an enterprise through an employee or other person (other than an agent of an independent status within the meaning of paragraph 7) where the activities continue within a Contracting State for a period or periods aggregating more than 90 days within a twelve-month period.

Corporate Income Tax

- Corporate Income Tax (CIT) Rate :
 - a. 25% for income more than IDR 50 billion / annum
 - b. 20% if listed at IDX provided all of the following requirement are met :
 - › Public company or listed company;
 - › Total shares held by public is minimum of 40% of the total paid-up capital;
 - › Total shares are held at least by 300 parties with each party holding stock of less than 5% of the total paid-up capital;
 - › The above conditions must prevail for at least 6 months or 183 calendar days within 1 fiscal year;
 - › The validity of Form X.H.1-6 issued by the Security Administration Bureau and the table format report containing a list of taxpayers entitling for the 5% CIT cut provided by BAPEPAM-LK.
- Final income tax of 10% for rental income and the expenses are non-deductible.

Tax Implications

Phase	Parties	Structure 1 (via individu)	Structure 2 (via shareownership)
1. Acquisition of property or capital injection	Foreign Investor (Individual / Corporation)	- 5% L&B Duty (BPHTB) from market value - Any PE risk for Hak Pakai on the property ?	No tax on capital injection
	Indonesia individual	5% L&B duty from transaction value	N/A
	Indo Co.	N/A	5% L&B duty from transaction value
	Seller (previous owner)	5% final income tax from transaction value	5% final income tax from transaction value
2. Operation (rental)	Foreign Investor (Individual / Corporation)	- 10% final tax - 10% VAT, if hotel 10% PPb1	N/A
	Indonesia individual	N/A	N/A
	Indo Co.	N/A	- 10% final tax - 10% VAT, if hotel 10% PPb1 - Non deductible expense for corporate tax
3. Exit (Sale of property or shares)	Foreign Investor (Individual / Corporation)	May be taxed but no implementation regulation yet	5% final income tax on sale of non-listed shares
	Indonesia individual	5% L&B Duty (If the HM will be transferred)	N/A
	Indo Co.	N/A	5% final income tax (if property will be sold)

Tax Treaty Relief

Tax Treaty Relief Requirement

- 1. The income recipient is not an Indonesian tax resident*
- 2. There must be no misuse of the tax treaty*

The tests that must be met by the income recipient company are as follows :

- a. the establishment of the company and the structure of the transaction have not merely been done to enjoy tax treaty benefits; and
- b. the business activities of the company are managed by its own management which has sufficient authority to carry out the transaction; and
- c. the company has sufficiently qualified employee(s); and
- d. the company has an active business; and
- e. the dividend derived from Indonesia is taxable in the company's country (albeit it may then be exempted by virtue of another provision); and
- f. the company does not use more than 50% of its income to satisfy the claims of other persons, such as interest, royalties, or other payments.

- 3. Administrative Requirements – DGT form 1*

Tax Treaty Rate

Country	Treaty Rate	
	Interest	Dividend
Singapore	10%	10% / 15%
Hong Kong*	10%	5% / 10%
USA	10%	10% / 15%
United Kingdom	10%	10% / 15%

* Estimated effective in 1 January 2012

** Indonesia has entered into tax treaty agreement with approximately 61 countries

DGT-1 Form



MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
DIRECTORATE GENERAL OF TAXES

Lampiran II
Peraturan Direktur Jenderal Pajak
Nomor PER- 61 /PUJ/2009
Tanggal 5 NOV 2009

CERTIFICATE OF DOMICILE OF NON RESIDENT FOR INDONESIA TAX WITHHOLDING (FORM – DGT 1)

Guidance:

- This form is to be completed by a person (which includes a body of person, corporate or non corporate):
- who is a resident of a country which has concluded a Double Taxation Convention (DTC) with Indonesia; and
 - who claims relief from Indonesia Income Tax in respect of the following income earned in Indonesia (dividend, interest, royalties, income from rendering services, and other income) subject to withholding tax in Indonesia.

Do not use this form for:

- a banking institution, or
- a person who claims relief from Indonesia Income Tax in respect of income arises from the transfer of bonds or stocks which traded or registered in Indonesia stock exchange and earned the income or settled the transaction through a Custodian in Indonesia, other than interest and dividend.

All particulars in the form are to be properly furnished, and the form shall be signed as completed. This form must be certified by the Competent Authority or his authorized representative in the country where the income recipient is a taxpayer resident before submitted to Indonesia withholding agent.

Please note that this submitted form must bear the original endorsement of the Competent Authority.

NAME OF THE COUNTRY OF INCOME RECIPIENT : _____ (1)

Part I INCOME RECIPIENT:		INDONESIA WITHHOLDING AGENT:	
Tax ID Number : _____ (2)	Name : _____ (3)	Tax ID Number : _____ (5)	Name : _____ (6)
Address : _____ (4)		Address : _____ (7)	

Part II: DECLARATION BY THE INCOME RECIPIENT:

I, (full name) _____ (8) hereby declare that I have examined the information provided in this form and to the best of my knowledge and belief it is true, correct, and complete. I further declare that I am this company is not an Indonesia resident taxpayer. (Please check the box accordingly)

Signature of the income recipient or individual authorized to sign for the income recipient _____ (9)
Date (mm/dd/yyyy) : ____/____/____ (10)
Capacity in which acting _____ (11)
Contact Number _____ (12)

Part III: CERTIFICATION BY COMPETENT AUTHORITY OF THE COUNTRY OF RESIDENCE:

For the purpose of tax relief concerning the types of income mentioned in Part V, it is hereby confirmed that the taxpayer mentioned in Part I is a resident in _____ (13) (name of the state) within the meaning of the Double Taxation Convention in accordance with Double Taxation Convention concluded between Indonesia and _____ (14) (name of the state of residence).

Name and Signature of the Competent Authority or its authorized representative _____ (15)
Date (mm/dd/yyyy) : ____/____/____ (17)
Office address : _____ (18)
Capacity/designation of signatory _____ (16)

This form is available and may be downloaded at this website: <http://www.pajak.go.id/>

Part IV TO BE COMPLETED IF THE INCOME RECIPIENT IS AN INDIVIDUAL

- Name of Income Recipient : _____ (19)
- Date of birth (mm/dd/yyyy) : ____/____/____ (20)
- Are you acting as an agent or a nominee? Yes No ^{*)} (21)
- Full address : _____ (22)
- Do you have permanent home in Indonesia? Yes No ^{*)} (23)
- In what country do you ordinarily reside? _____ (24)
- Have you ever been resided in Indonesia? Yes No ^{*)} If so, in what period? ____/____/____ to ____/____/____ (25)
Please provide the address _____
- Do you have any office, or other place of business in Indonesia? Yes No ^{*)} (26)
If so, please provide the address _____

Part V TO BE COMPLETED IF THE INCOME RECIPIENT IS NON INDIVIDUAL

- Country of registration/incorporation: _____ (27)
- Which country does the place of management or control reside? _____ (28)
- Address of Head Office: _____ (29)
- Address of branches, offices, or other place of business in Indonesia (if any): _____ (30)
- Nature of business (i.e. Pension Fund, Insurance, Headquarters, Financing) _____ (31)
- The company is listed in stock market and the shares are regularly traded. Yes No ^{*)}
If yes, please provide the name of the stock market: _____ (32)
- The creation of the entity and/or the transaction structure is not motivated by reasons to take advantage of benefit of the DTC. Yes No ^{*)} (33)
- The company has its own management to conduct the business and such management has an independent discretion. Yes No ^{*)} (34)
- The company employs sufficient qualified personnel. (35) Yes No ^{*)}
- The company engages in active conduct of a trade or business. (36) Yes No ^{*)}
- The earned income is subject to tax in your country. (37) Yes No ^{*)}
- No more than 50 per cent of the company's income is used to satisfy claims by other persons (i.e. interest, royalties, other fees) Yes No ^{*)} (38)

Part VI: INCOME EARNED FROM INDONESIA IN RESPECT TO WHICH RELIEF IS CLAIMED

- Dividend, Interest, or Royalties:
 - Type of income: _____ (39)
 - Amount of income liable to withholding tax under Indonesian Law: IDR _____ (40)
- Income from rendering services (including professional):
 - Type of incomes: _____ (41)
 - Amount of income liable to withholding tax under Indonesian Law: IDR _____ (42)
 - Period of engagement (mm/dd/yyyy): (43)
 - From: ____/____/____ to ____/____/____ ► From: ____/____/____ to ____/____/____
 - From: ____/____/____ to ____/____/____ ► From: ____/____/____ to ____/____/____
- Other Type of Income:
 - Type of incomes: _____ (44)
 - Amount of income liable to withholding tax under Indonesian Law: IDR _____ (45)

This form is available and may be downloaded at this website: <http://www.pajak.go.id/>

*) Please check the appropriate box

This form must be endorsed by the Competent Authorities



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*Singapore vs Hong Kong,
as an investment holding location for investment into
Indonesia, Japan, Australia and China*

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Major Treaty Summary Table

	Indonesia		Japan		China	
	Hong Kong	Singapore	Hong Kong	Singapore	Hong Kong	Singapore
Dividend	5%	10%	5% ¹	5% ²	5%	5%
Interest	10%	10%	10%	10%	7%	10%
Capital gain exemption on Landrich Co	No	No	No ³	No	No	No

Note:

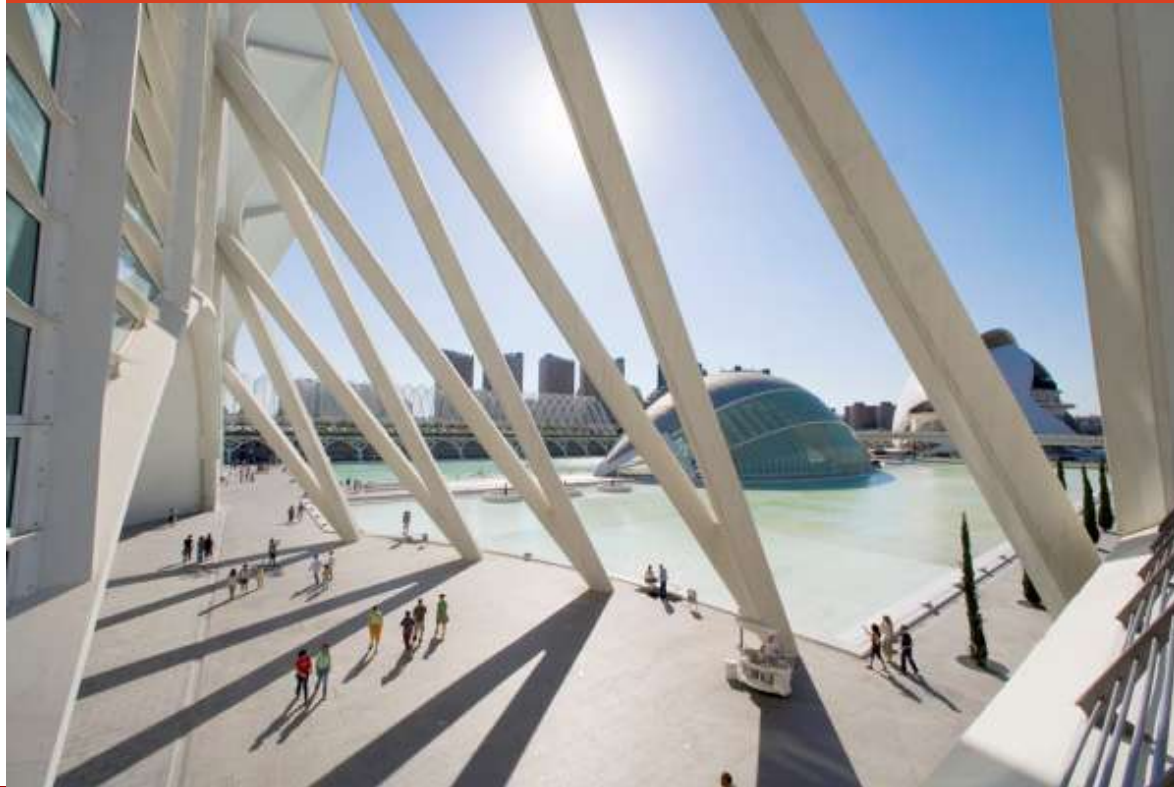
1. Minimum 10% shareholding but not applicable to TMK. Otherwise 10% rate applies.

2. Minimum 25% shareholding and is applicable to TMK. Otherwise 15% applies.

3. Capital gain exemption applies in listed REITs if shareholdings do not exceed 25%

Changing trends in Asia-Pacific real estate

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Thank you

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