

Sent on 6/27/2016

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Illeg.

REPUBLIC AND CANTON OF GENEVA
Finance Department
Cantonal Fiscal Administration

AFC
Fiscal Affairs Office
P.O. Box 3937
1211 Geneva 3

Mr. Alireza Rastegar
President
International Federation of Inventors'
Associations
Rue Du 31-Décembre 8
1207 Geneva

Ref./ no.: MGU/CN – DARs 016020272 and 016020271

Geneva, June 22, 2016

Concerning: **International Federation of Inventors' Associations (IFIA) -
No. 080.335.043
Tax exemptions for ICC (canton and commune taxes)
Tax exemptions for direct federal taxes (IFD)**

Sir:

By application dated February 17, 2016 and emails of February 17 and April 19, 2016, you sought exemption of canton and commune taxes on profits and capital and of direct federal taxes on profits for the organization referenced above.

We have reviewed the policies and documents for the organization, whose purpose is *“To improve the status of inventors and promote cooperation between different countries’ inventors’ associations [...]; To study national legislation and international agreements, including amendment proposals for adapting documents to the continuous evolution of the situation in the area of innovation, while continuing to respect inventors’ rights [...]; To increase awareness and understanding of individuals and public organizations of the importance and influence of inventors and inventions [...]; To establish the conditions required for successful knowledge and technology transfer in individual countries and internationally [...]; To conduct all activities required and possible to encourage and promote invention and innovation {see policies for complete purposes}”*. This purpose meets the legal requirements for a public interest organization.

Therefore, we advise that in accordance with Articles 9, paragraph 1, letter f of the law on taxation of legal persons (LIPM) and 56, letter g of the law on direct federal taxes (LIFD), **the International Federation of Inventors' Associations is exempt, effective 2015 and for an indefinite period of time**, from taxes on profits and capital as specified above, **provided that:**

- the organization does not participate in significant business activity;
- at least one member of the governing body with signing authority (individual or collective) is a Swiss national or resident;

- funds collected are used for the organization's stated purpose.

These exemptions are determined to be retroactive for the last ten years.

The exemptions are not applicable to supplementary property tax, nor to tax assessment on profits from the disposal of assets or real estate, nor to registration fees related to real estate acts or transactions conducted for valuable consideration.

As of the entry in force of the new law 9863 on January 1, 2009, the exemptions extend to supplementary property tax on real property directly used for the organization's purpose, real property succession rights of heirs, legatees and other legacies resulting from death and registration fees on gifts.

We expressly reserve the right to review the authorized exemptions at any time, particularly if the conditions therefor cease to be met. Therefore, we must be advised of all significant changes to the organization's statutory purpose or activities.

Finally, the organization is subject to the LIFD, LIPM and general law on public contributions, tax procedural law, law on succession rights and the law on registration fees. It is therefore obligated to provide our offices with an annual tax declaration, duly completed, including its financial statements.

Objections to this decision of exemption of canton and commune taxes on profits and capital as well as direct federal taxes on profits may be addressed within thirty days of their notification to the Cantonal Fiscal Administration, Fiscal affairs office, Post Office Box 3937, 1211 Geneva 3.

We trust you will find this decision in order.

Sincerely,

C. Neuenschwander
Catherine Neuenschwander
Tax Advisor

Maud Guillemínót
Maud Guillemínót
Tax Advisor

CERTIFICATE OF TRANSLATION

I, Benjamin Zadik, chief translator, hereby certify that Babble-on Inc. is competent to translate from French to English and that the preceding document is the accurate and complete translation of the originals to the best of my abilities.

Document:

Letter RE: Tax exemptions from the REPUBLIC AND CANTON OF GENEVA

By:

Benjamin Zadik

Chief Translator
Babble-on Inc.



Signature

July 26, 2016

Date



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