Treatment of Income and Expenses Related to IP

Country	Explanation
Austria	For income from royalty payments related to self-developed IP that is covered by a registered patent, or capital gains from the sale of such self-developed IP, the tax rate is reduced by 50% for individual taxpayers.
Belgium	Taxpayers can deduct 80% of qualifying IP income from taxable income, resulting in a 6.8% maximum effective tax rate.
Brazil	An extra 20% deduction is for IP-related development expenses, but only if a patent is registered.
China	Taxpayer granted HNTE status has a reduced 15% income tax rate. For qualified income from technology transfers, the first CNY 5M is exempt from EIT, with the amount exceeding CNY 5M is taxed at 50% reduced EIT rate.
France	Income from licensing or the sale of patents or patentable technology is taxed at a reduced rate of 17%, provided the technology was owned by the French company for at least two years; the sale of the technology to related parties is excluded from the benefit of the 17% rate. For the French licensee, the royalty fee is deductible at the standard corporate income tax rate (unless the licensee does not effectively exploit the IP rights).
Greece	The income attributable to an international tax patent is tax free for the first three years of the utilization of the patent. The profits will be treated as non-taxed reserve, which will be taxed accordingly upon use.
Hungary	50% of the gross royalty from IP (up to 50% of pretax profit) may be deducted from the corporate income tax base. Gains derived from the sale/transfer of qualifying IP are tax exempt.
Italy	A patent box will provide a 50% tax exemption that will be phased-in over a three-year period: (i) a 30% exemption for FY2015; (ii) a 40% exemption for FY2016; and (iii) a 50% for FY2017. The patent box will apply to the corporate and local tax on productive activities tax bases.
Netherlands	Qualifying income (net of development costs) allocated to the innovation box is taxed at a reduced rate of 5%.
South Korea	If a SME purchases or transfers certain IP (prescribed in the tax law) from a Korean third-party resident, the SME is entitled to claim a tax credit in the amount of 7% of the purchase price. If an SME transfers or leases such IP to a Korean third-party resident, the SME is entitled to a tax exemption in the amount of 50% of the corporate income tax on capital gains resulting from the transfer, or 25% of the corporate income tax on rental income, respectively.
Spain	60% of IP related income is exempt from taxable income.
Turkey	Income earned from software development and other R&D activities in a TDZ is exempt from income and corporate tax until 31 December 2023. Wages of researchers, R&D workers and software workers in a TDZ are exempt from income tax. Income from technology services is exempt from VAT for the same period.
United Kingdom	A proportion of income generated from patents may be taxed at a reduced rate of 10% under the patent box regime effective on income earned from 1 April 2013.