

A blast from the past

gular and precise than that of other nations.

The national characteristics of handwriting are not a constraint for a graphologist preparing a professional opinion. They are a significant indicator, and support the graphologist in reaching an opinion.

Ethics in graphology

Professional graphology findings are made for ethical purposes to support executives in top management personnel selection processes and in compatibility assessment processes for prospective business partners. Graphology opinions need to be prepared in compliance with established American and European criteria and standards in this area.

Professional graphologists are required to comply strictly with the ethical principles specified in the European Code of Ethics for the profession, established in 1992. Graphology opinions must be used in an ethical manner and for a worthwhile purpose. The graphology profession demands a high level of ethics, integrity and responsibility on the part of the graphologist.

Beyond computers

Graphology has a long and honorable history, going back to ancient China and Egypt. It is a respected and effective tool in personnel selection and compatibility assessment processes within companies. Graphology findings help highlight what added value a prospective employee or business partner can bring to the company.

An in-depth graphology analysis helps businesses arrive at well-founded conclusions in recruitment and compatibility assessment processes, while minimizing the risk of selecting inappropriate personnel. It can thus be a valuable decision-making tool for HR management. It also shows that the ancient art of handwriting continues to be relevant and revealing in our wired, digital age.

Tax regulations between the EU member states resemble solutions Poland and the US have had since 1974

A fairly long time ago, on June 3, 2003, the Council of the European Union adopted a directive (2003/49/EC) on taxation of interest and royalties, popularly known as the I+R Directive. The main goal of the directive was to eliminate withholding tax on cross-border payment of interest and royalties within groups of companies by abolishing withholding tax on royalty payments and interest payments in an EU member state.

Pursuant to the directive, interest and royalty payments shall be exempt from any taxes in a member state provided that the beneficial owner of the payment is a company or permanent establishment in another member state.

How the directive works may be best exemplified by the following situation: If a parent company based in one member state finances a subsidiary based in another member state with debt—a loan—then the interest accrued on the principal at the source (where the subsidiary is based) and payable (being transferred) to the parent company (in the other member state) shall be exempt from any taxes in the member state where the subsidiary is based, provided that the specific conditions for the tax exemption are met.

- The I+R Directive applies to companies that meet the following conditions:
- They are subject to corporate income tax in the EU.
- They are tax residents of an EU member state.
- They are in one of the corporate forms listed in the annex to the directive.

Initially the annex included only the types of companies existing in countries that were EU member states at the time the directive was

adopted. Under a directive of April 26, 2004, the list was expanded to include types of companies from the new member states which joined the EU on May 1, 2004, including Poland. The Council also gave some of the new member states grace periods permitting them not to apply the directive immediately upon EU accession. Poland has been allowed a grace period until July 1, 2013, to implement the I+R Directive.

What does the US have to do with this?

From July 1, 2013, forward, Poland will not apply withholding tax to interest or royalties payable to the companies elsewhere in the EU of the types identified in the I+R Directive, provided that the conditions set under the directive and na-



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the EU Poland has been granted a grace period to achieve full implementation of the I+R Directive, Poland has been applying such principles for many years in relation to the US. The deadline for Poland to apply the directive in relations with all other EU member states is approaching, but for nearly four decades Poland has been treating US-based companies in a more preferential way than it now treats companies from elsewhere in the EU.

The directive applies to both interest and royalties, however, while the treaty provides an exemption from withholding tax only on interest. Art. 13(1) of the treaty states the same principle with respect to royalties, but Art. 13(2), when combined with national regulations, leads to

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tional law are met.

What about the United States? Poland treats the US favorably with respect to withholding tax on interest under the October 8, 1974, tax treaty between the US and Poland. Under Art. 8(1) of the treaty, interest arising in one contracting state and paid to a resident of the other contracting state is exempt from tax by the first contracting state.

Thus, while as a member of

application of different rules to royalties payable to US residents than those applied to interest paid to US residents.

Still, as far as interest is concerned, Poland long ago provided for an exemption on withholding tax on payments to US residents. Now Poland is finally going to apply the same principle to the 26 other EU member states.