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# Current Trends in Tax Compliance for Real Estate and Private Equity

**German tax law is in a constant state of flux; after months of coalition negotiations, the government is functioning once again, and 2018 sees another Annual Tax Act. It focusses, once again, on share deals in terms of both the land transfer tax and income tax. Key topics such as the appropriate rate of interest on shareholder loans (keywords: general group recourse), or the repayment of contributions from non-EU countries, have gained in momentum. In the area of the recognition of liquidation losses from equity investments held in private assets and losses from loans, the rulings of the German Federal Fiscal Court (BFH) show a positive trend. At the moment, there is also hope that the Federal Fiscal Court (BFH) will change its mind in the area of commercial infection. This article aims to highlight the key developments and their practical relevance.**

## Real Estate

### Shareholder loans and appropriate interest rates – the all clear regarding general group recourse?

We reported about this fundamental topic in the previous edition of FYB 2018. Since then, the rulings of two more fiscal courts have paved the way for an appeal at the Federal Fiscal Court (BFH). In its ruling dating from 07 Dec. 2016 (appeal submitted I R 4/17), Münster Fiscal Court considered the question of the methodology for determining a reasonable interest rate as an arm's length price. According to the Münster Fiscal Court, in the case in question, an external price comparison was not possible due to the insufficient comparability of the group financing company with other lenders. Accordingly, Münster Fiscal Court reached the conclusion that the conditions for applying the comparable unrelated price

method, such as the identity of the key performance relationships regarding the price to be assessed, as well as the comparative price which is to be applied as the benchmark were not fulfilled. Therefore, in the case in question, the cost-plus method was exclusively the most suitable approach, which according to Münster Fiscal Court, in the case of intra-group services, should be assigned the role of a standard method. Accordingly, the arm's length price results from the total of the pro-rata borrowing costs and equity costs, as well as the pro-rata prime costs of the financing company, plus a reasonable profit mark-up of 5%. Another important factor in this context is the request of Münster Fiscal Court for the disclosure of the refinancing costs of other group companies. The statement of the plaintiff arguing that – with reference to the lack of surrender claims – a calling in of the respective loan agreements is not possible, was not recognised by Münster Fiscal Court, which referred to the stricter cooperation obligations according to Sec. 90 of the German Fiscal Code (AO).

In another ruling by the Cologne Fiscal Court dating from 29 June 2017 (appeal submitted I R 62/17), it was determined, inter alia, that the interest rate agreed with the consortium of banks granting the loan (in the case in question, an average of 4.78%) must be the benchmark by which the interest rate for shareholder loans (in the case in question, 8% p.a.) is measured, without the failure to grant collateral or the subordination of shareholder loans justifying a risk premium when determining the interest. Regarding the benchmark standard, the Fiscal Court even described a loan granted by an external third party vendor as being irrelevant, as it would be possible that this particular interest rate (in the case in question, 10% p.a.), had been agreed in order to compensate for a lower purchase price. Last but not least, Cologne Fiscal Court even comes to the conclusion that a transfer pricing study which is compiled afterwards – i.e. on the occasion of the subsequent company tax audit – is not able to prove the arm's length nature of the interest rate if loan agreements were actually concluded with external third parties.

On the one hand, both rulings resulted in a signalling effect, but on the other hand they both received heavy criticism in specialist publications – for good reasons. As far as can be seen, the legally binding ruling by the Schleswig-Holstein Fiscal Court, which was brought about by us and which is yet to have been

made public, appears to be the only ruling in which a fiscal court – for what we consider to be evidently good reasons – has recognised the higher interest rate of the transfer price report determined according to the comparable unrelated price method to the benefit of the complainant real estate company. It now remains to be seen whether, in the two appeal cases, the Federal Fiscal Court (BFH) will share the detailed substantiation of the Schleswig-Holstein Fiscal Court and therefore the ground-breaking ruling of that Fiscal Court. It will therefore be necessary to wait a little longer for the final all clear regarding the general group recourse. Corresponding cases should remain open with reference to the aforementioned appeal cases at the Federal Fiscal Court (BFH).

## Commercial infection – news regarding the de minimis limit

According to German tax law, real estate can generally be let and managed without incurring trade tax by partnerships under a so-called mere management of private assets and by a corporation which, based on its legal form, has an unlimited trade tax liability, if it exclusively manages its own property or own property and capital assets and makes use of the so-called extended reduction of trade tax. In this context, asset management means an activity that still qualifies as the use of assets in terms benefiting from intrinsic values that are to be maintained and where the exploitation of substantial assets by reallocation is not given definite priority. A commercial enterprise exists, by contrast, if the activity is pursued with the goal of making profits, constitutes a participation in general economic transactions, and goes beyond the scope of the pure management of assets.

Furthermore, due to the blatant uncertainty of the legal requirement in terms of both the asset management (relevant to partnerships) and – in terms of the extended trade tax reduction for corporations and commercial business partnerships – the scope of and distinction between the mere management and use of own property, for many years, business structuring practices have tended to use real estate companies based in foreign countries. This is because in this case, with careful structuring and strict compliance with so-called substance requirements, no permanent establishment exists in Germany which is necessary for the levying of German trade tax. At the practical level, the hidden pitfalls, such as

those surrounding the co-letting of server room air conditioning systems, goods lifts, canteen kitchens and facilities, the operation of solar power plants or even the appointment of a concierge at an office building are, as is known, wide-ranging. Even marginal commercial income within domestic partnerships is able to qualify the overall activity as being commercial, and with a "guillotine effect" leading to a considerable trade tax bill, which also takes all of the otherwise innocuous rental income into consideration.

In this regard, a recent ruling by the Federal Fiscal Court (BFH) dating from 12 April 2018 (IV R 5/15) could prove to be ground-breaking. In this case, the Federal Fiscal Court (BFH) set a clear benchmark by stating that in the case of the (additional) attaining of negative commercial income in addition to an otherwise undisputed mere management of assets, no case of so-called commercial infection would arise, because from the perspective of the panel, it is only possible for positive commercial income to lead to an infection of the other partnerships' income, because only then was the trade tax revenue placed at risk. The question of whether the legal regulation leads to an infection in case of only marginal positive commercial income alongside income from the straightforward management of assets, was expressly left open; in this case in particular, the marginal earnings threshold of 3% of the total net sales revenues, insofar as it does not exceed EUR 24,500, postulated in the scope of freelance income according to previous legal rulings. Even though an all-clear is yet to be included in the current ruling, in current tax audit cases, a case for this can well be made, as long as the apparently commercial activities have only been transacted on a cost basis with charging-on in the scope of the service charges invoicing.

According to our practical experience, in many cases, this condition is fulfilled, but must be examined on a case-by-case basis and possibly proven with the presentation of contractual agreements. In this respect, we also await the outcome of the other pending appeal process IV R 30/16, on the question of commercial infection in the case of the participation of an otherwise asset-managing partnership in another (former) commercial business partnership, which is in liquidation following the sale of airplanes. Among others, in this case, the experts are expecting a further appraisal of the IVth panel of the Federal Fiscal Court (BFH) on the question of the marginal earnings thresholds with commercial infection.

## Share deals (part 1)

### 2018 Annual Tax Act and changes to income tax

Share deals are very popular in the field of transactions. The consequences under income tax law have so far been that if any real estate was indirectly sold in the scope of the sale of shares in a real estate corporation – which is neither domiciled nor has its place of effective management in Germany – by shareholders who are based abroad, no capital gains tax was charged in Germany. In principle, this is justified, in economic terms, by the fact that the hidden reserves existing in the real estate remain taxable in Germany, and are also taxed in the normal way in the case of a direct sale in the scope of an asset deal. To prevent tax avoidance, Germany has included in several double taxation agreements according to Art. 13 (4) of the OECD-MA, a regulation providing that the profit from the sale of shares in domestic and foreign corporations, the value of which predominantly consists, indirectly or directly, of immovable domestic assets, may also be taxed in Germany as the country of its location. However, this regulation has so far not been implemented in national German tax law, so that such real estate share deals have not been subject to income tax in Germany.

This tax loophole is currently being closed by the 2018 Annual Tax Act (which has recently been renamed to the politically eye-catching "Act to Prevent Value Added Tax Losses from Trade in Goods on the Internet and to Amend Other Tax Provisions", a headline which does, however, not properly reflect its contents). The draft law presented by the German Federal Ministry of Finance (BMF) was agreed by the cabinet of the German federal government on 1 Aug. 2018. The current plans are for the legislative proceedings to be completed by the end of the year so that the new regulations can take effect on 1 Jan. 2019.

The new law ultimately provides for the following essential amendments: according to the new regulation, profits from the sale of shares in corporations, whose registered office and place of effective management are located in a foreign country, will, in future, be considered as taxable insofar as the value of the shares is based on immovable domestic assets, directly or indirectly, by more than 50%. In this respect, it is sufficient if this condition was satisfied at any

time within 365 days before the sale, and that, at this time, the shares were attributable to the vendor according to Art. 39 of the German Fiscal Code (AO); this aims to prevent structuring based on the shifting of assets. A minimum shareholding on the part of the vendor is not required. The aforementioned real estate quota of 50% is stated on the basis of the book values with which the assets of the company should have been recognised at the appropriate point in time. This means that liabilities, particularly debts, are excluded.

A positive development is that for the application of the new act, only those changes in value that occur after 31 Dec. 2018 are considered relevant; so the fair market value existing at the expiry of 31 Dec. 2018 will be the starting point for further taxation. For practical purposes, it is advisable to obtain valuation reports by the turn of the year. Moreover, sales which took place before 1 Jan. 2019, the change in value of which is based on changes in value subsequent to 31 Dec. 2018 (earn out clauses) are to be excluded from the new regulation.

At least insofar as the economic beneficiaries are corporations, the planned regulation has no impact, since in its most recent ruling of 31 May 2017 (I R 37/15), the Federal Fiscal Court (BFH) confirmed that according to the requirements of sect. 8b of the German Corporation Tax Act (KStG), the profits earned by a foreign limited liability company from the sale of shares in a domestic corporation is completely tax free under the domestic tax law – without application of what is known as the "Schachtelstrafe" penalty (fiction of non-deductible operational expenses in total of 5% of the tax free profit from the sale). Subject to an amendment to sect. 8b of the KStG, in the further legislative proceedings, only natural persons acting as the vendors of real estate corporations appear to be affected at present; in this respect, it would be necessary to apply the partial income method, which is equivalent to a tax exemption totalling 40% of the income.

The planned change in the law is already being discussed in tax literature and has been subject to some serious criticisms, including the suggestion to cancel it due to its limited tax effect as a result of the factual exception of taxable corporations, but also due to considerable subsequent problems with industrial companies which do not just manage property but own significant real estate.

For this reason, the further developments remain to be seen. The further parliamentary proceedings, with the debates in the upper and lower houses of the German federal parliament (Bundestag and Bundesrat), is currently planned to take place from September until the end of November 2018.

In addition to this, as part of the 2018 Annual Tax Act, the legislator is also planning to suspend the welcomed ruling of the Federal Fiscal Court (BFH) regarding the debt waiver in the form of a "prevention of jurisdiction act". With its ruling from 07 Dec .2016 (I R 76/14), the Federal Fiscal Court (BFH) decided that in the case of a foreign real estate corporation with a limited tax liability due to real estate assets located in Germany, the profit from a debt waiver of a parent company also located abroad should not ultimately be considered as being rental income with a limited tax liability in Germany. In this respect, the planned new regulation may well be considered a "prevention of case-law act". Foreign real estate corporations which are already expecting such debt waivers should therefore urgently ascertain as to whether the planned debt waiver can be lawfully carried out still in the old year of 2018 and therefore prior to the application of the new regulation.

**Share Deals (part 2)**

- **RETT-blocker and planned changes to the land transfer tax**

It was not least reports in the daily newspapers about major real estate transactions which are not ultimately subject to land transfer tax that have captured the attention of the public and thus steered the attention of the world of politics to the topic of the land transfer tax in the case of share deals, i.e. the indirect sale of real estate through the sale of shares in a corporation which owns land (property company). So far, land transfer tax has not applied to such transactions, unless at least 95% of the shares were directly or indirectly consolidated in the hands of one investor. Joint venture acquisitions, together with a third party acquisition partner who acquires at least 5.1% of the shares or together with a vendor who remains in the property corporation with a shareholding of at least 5.1% have therefore mutated into transactional models which see frequent use.

In recent years, a working group for the German federal states and federal government has developed a proposed set of reforms which were discussed and agreed at the Finance Ministers' Conference of 21 June 2018. A specific draft piece of legislation is to be compiled in the short term. In this respect, a key determining factor is the planned reduction in the investment quota with share deals, from the current 95% to 90% in the future. In addition to this, the current holding periods in the case of the sale of shares in partnerships, according to which a further tax-exempt sale of the retained "minority holding" has been possible to date, is to be extended from 5 years to 10 or more years. For corporations, the implementation of a completely new requirement is planned, which will transfer the stricter new arrangements of sect. 1 (2a) of the German Land Transfer Tax Act (GrEStG) to corporations.

This planned application also poses a problem beyond the real estate sector. For industrial companies holding real estate assets and corresponding activities in the area of mergers & acquisitions which are frequently made in the form of multilevel structures, it is associated with an increased monitoring requirement with increased controlling requirements by the tax authority, and finally, higher tax compliance risks for bodies of the companies, up to and including the accusation of tax avoidance should the declaration fail to be submitted on time. A specific piece of draft legislation has not yet become available. Real estate companies which are already planning a short term exit are advised to pay close attention to further developments.

## Private Equity

### Capital losses and credit losses in private assets in the case of liquidation

From 2009, the introduction of the flat-rate withholding tax has been associated with a systemic change for private equity and debt participations held in the form of private assets. One consequence of this systemic tax change is the taxation of dividends and capital gains from interest and equity investments with a compensating tax rate of 25%; on the other hand, the deduction of income-related

expenses in favour of a savings allowance of EUR 801/EUR 1,602 with single and/or joint assessments is excluded. In private assets, "actual" losses from the sale of shares are primarily recognised. Bad debt losses in private assets and losses in shares held in corporations as private assets as a result of the liquidation of the company have been managed very restrictively by the tax authorities so far. The same also applies to the sale of equity investments at a (symbolic) purchase price – often used for structuring purposes – which does not exceed the transaction costs. All of these are scenarios which can certainly arise for private individuals who invest in private equity funds. In all of the above cases, the tax authority's argument is based on the ruling of the Federal Ministry of Finance (BMF) regarding the doubts surrounding the flat-rate withholding tax dating from 18 January 2016, last amended on 12 April 2018; in this case, in particular, notes 59, 60 and 63, which ultimately prohibit the recognition of capital losses in the cases of bad debt and insolvency, and also in the event of sale at a purchase price which does not exceed the transactional costs.

Luckily, the Federal Fiscal Court (BFH) now appears well on the way to putting a stop to this in all of the three stated cases. With the ruling of 24 Oct. 2017 (VIII R 13/15), the Federal Fiscal Court (BFH) ultimately decided that following the implementation of the flat-rate withholding tax, any default on a capital claim leads to a tax-recognisable loss in terms of the private assets; in the case in question, the loss arose due to the opening of insolvency proceedings at the lender. In systemic terms, the ruling is correct, as with the implementation of the flat-rate withholding tax, all of the changes in value in the context of the capital investments are to be recorded for tax purposes. Therefore, note 60 of the aforementioned circular of the Federal Ministry of Finance (BMF) is outdated. A further case (VIII R 32/16) addresses the question of whether a taxable sale (and not a case of misapplication) exists if, during a sale of shares, the proceeds of the sale do not exceed the transactional costs. In the oral hearing at the Federal Fiscal Court (BFH) on 12 June 2018 all five judges rejected the misapplication argument put forward by the tax office based on the opinion of the Federal Ministry of Finance (sect 42 of the German Fiscal Code) with the substantiation that a sale under third parties (in this case, to the bank) cannot in any way be considered as misapplication. In addition to this, they said that the taxpayer's capability was also reduced due to the economic loss. The court decision has been published on 19 September 2018 and following

expectations has been resolved to the benefit of the taxpayer – making note 59 of the aforementioned circular of the Federal Ministry of Finance (BMF) obsolete.

Finally, the other case pending at the Federal Fiscal Court (BFH), VIII R 34/16, is also awaited with great interest. This relates to the redemption and subsequent loss of equity shares held in private assets in the scope of an insolvency. To date, note 63 of the circular of the Federal Ministry of Finance (BMF) from 2016 states that the liquidation of a corporation should not constitute a taxable sale of shares. Before the background of the ruling of 24 Octg. 2017 and the positive result of case VIII R 32/16, the justified hope exists that the Federal Fiscal Court (BFH) will also decide in favour of the taxpayer in case VIII R 34/16 and that note 63 of the BMF circular will soon be a thing of the past. In current tax audits, the auditors have made reference to the two cases VIII R 32/16 and VIII R 34/16 and have therefore, according to the circular of the Federal Ministry of Finance (BMF), decided to the disadvantage of the taxpayer; corresponding tax assessments (also after tax audit) are therefore to be urgently kept open.

### Repayment of contributions from foreign fund vehicles (FCPR, etc.)

The repayment of contributions from foreign corporations remains a topic of interest. Investors generally assume that the subsequent restitution of equity invested in domestic and foreign corporations generally takes place on a tax-free basis. This has been taken into account in German tax law, among others, by the arrangements of sect. 27 of the KStG, which provides for the separate determination of what is known as the contributions account for tax purposes which are not paid into the nominal capital. Earnings will subsequently be tax-exempted, insofar as they are paid from the contributions account. According to sect. 27 (8) of the KStG, this regulation applies accordingly to the repayment of contributions by corporations which are based in the EU.

Another current trend in the area of private equity is also the repayment of contributions of fund vehicles in EU member states, such as the Italian “fondo chiuso” or the French or Luxembourg FCP and/or FCPR or the recent FPCI. In many cases, these have legal forms which, according to the comparison of legal types, have so far tended to qualify as a transparent partnership and were also recognised

as such for many years in tax audits. This has recently become a hot topic due to the German Investment Tax Act (InvStG), particularly sec. 19 (1), para. 2 of the InvStG 2013 and sec. 1 (3), para. 2 of the InvStG 2018. According to both regulations, special funds and comparable legal forms in foreign countries cannot be considered as partnerships. The question of whether an FCPR and/or FPCI qualifies as a legal form which is comparable to a partnership pursuant to sec. 1 (3) no. 2 of the InvStG 2018, has not yet been clarified and is generally left to what is referred to as the comparison of legal types. In consideration of the continued uncertainties regarding the qualification of the legal form as a partnership or corporation, taxpayers and their advisers have, in recent years since the relevant amendments were made to the InvStG, submitted applications for the determination of the benefits to be qualified as a (tax-exempt) repayment of contributions – by way of precaution. This approach was frequently based on the hope of joining the discussion concerning the qualification as a partnership or corporation in the course of the proceedings with the German Federal Central Tax Office and ideally clarifying this question on an amicable basis. After we received, in our practice, corresponding confirmations in this transition phase, that, for example, a specific Italian fondo chiuso is a partnership, the Federal Central Tax Office has, in recent weeks in the cases of the FCPR and FPCI, apparently decided to qualify the respective applications according to sec. 27 (8) of the KStG – in a standard letter and without materially verifiable argumentation – as a capital investment company in terms of Art. 19 of the InvStG 2013, with reference to the outcome of a comparison of legal types. A qualification as an estate in terms of sec. 2 no. 1 of the KStG is also assumed in reference to clause 3 therein, to which sec. 27 (8) clause 1 of the KStG, i.e. the tax-free repayment of contributions, cannot be applied. It can be doubted as to whether this approach by the tax authority can be reconciled with the principle of taxation according to the ability to pay and the free movement of capital guaranteed by EU law. It is ultimately probably a matter of time before the appropriate cases are heard in the fiscal courts and ultimately the BFH.

In such cases, we consult with the structuring advisers of the funds as to whether and to what extent a discussion of the legal form with the Federal Central Office Tax on the basis of the individual statutory rules appears to be appropriate and relevant. It is, at least, sensible, due to the not entirely insignificant distribution amounts under discussion in this case, which are often topped by free float div-

idends which, in the corporations involved, result not only in corporation tax of 15%, but also to the levying of additional trade taxes at a scale of approx. 17% depending on the assessment rate prevailing in the town or district of taxation. One actually imagines that legal certainty would be different in Germany.

## Tax returns according to Sec. 18 of the AStG – still unresolved problems in the practical application

Natural persons and corporations which have their place of residence, registered office or effective place of managment in Germany are subject to what is known as the unlimited tax liability, which means that in Germany they are generally liable for tax on their global income– unless a double taxation agreement applies. Profits from corporations are only subject to income tax when they are distributed to the shareholder, due to what is known as the separation principle. An exception to this principle is provided for in Sections 7 et seq. of the German Foreign Tax Act (AStG); according to which taxpayers subject to unlimited tax liability who hold shares in foreign corporations (intermediate companies) are to pay taxes on the profits of such foreign corporations, even if such profits are not distributed. The most frequent case of application in private equity practice are investments in intermediate companies which achieve what are known as intermediate revenues of a capital investment nature. From the perspective of the tax authority, these are non-functional holding vehicles whose sole purpose is to achieve interest income which is generally subject to low rates of taxation. In terms of the law, lower taxation can be seen to exist if the earnings of the foreign company are subject to an income tax of less than 25%. With regard to this tax rate, German corporations which use the extended trade tax reduction regulations since they exclusively manage real estate and/or capital assets, and are therefore subject to the German corporation tax rate of 15%, would qualify as being located in a "tax haven".

Similar scenarios are frequently to be found in private equity structures. The intermediate companies referred to above are often used in groups for the forwarding of shareholder loans within the respective fund structure. At the practical level, the challenge is to identify the appropriate "harmful intermediate companies" and to investigate their income for "harmful intermediary earnings",

particularly in multi-layered groups with a far-reaching network of companies– often caused by shareholder-related, regulatory or country-related diversification within the structure of a fund. Adding to the difficulties is that in cases of the almost exclusive attainment of intermediate income with capital investment character, the add-back sum must be declared without the application of investment thresholds or defined marginality thresholds, even if the participation of the individual German investor is less than 1% on a look through basis. The subsequent tax exemption of the actual dividends, insofar as these were previously subject to taxation of add-back income, appears to be a snag, and does not solve the considerable problem of the determination of the facts which, at the practical level, can often not be accomplished. In the case of private equity funds which are structured as a partnership, German shareholders and their tax advisers regularly find themselves in a situation in which, according to sect. 18 of the AStG, it is not the investment company which is subject to the declaration obligation, but on the contrary, the individually taxable investors, including their personal signature. This also applies if the mere purpose of the declaration is to state, that no add-back will ultimately be made. The responsibility, and therefore – in the worst case scenario according to the law – the burden of the accusation of a deliberate failure to provide the tax declaration, is therefore carried by the underlying investors. In terms of the practical application, it is evident that the necessary financial information from foreign investment companies is, in the best case scenario, only available with delays, however often incomplete or not at all, and on many occasions, only in exotic foreign languages. In addition, the efforts necessary for analysing the potentially harmful intermediate companies can, in complex fund structures, often take on proportions for which even several days or weeks of work are insufficient; in this case, the administrative cost is often in an extremely unfavourable ratio to the scale of the add-back sum which is to be ultimately determined. Occasionally by contrast, suggestions are made, according to which the non-declaration is based on the straightforward assumption that a lower taxation will not apply at the foreign intermediate companies, or by assuming that focusing on the uppermost level of participation in multi-layered fund structures is enough. As understandable as these approaches appear at the practical level for time and cost reasons, it is necessary here to issue a clear warning against imitation without reflection. On the one hand, the German Foreign Tax Act expressly provides for an elevated duty to cooperate on the part of the

taxpayer, including the disclosure of business relationships and the presentation of relevant documents and financial statements, including from foreign intermediate companies. Furthermore it applies sanctions to the insufficient or lack of fact-finding, including an estimate of add-back totals that amount to at least 20% of the average value of the shares held by the tax payer subject to unlimited tax liability – which is a fiscal approach which frequently only serves to delay the problem of an effective approach to a future date. On the other hand, in current company tax audits, it increasingly appears to be the case that company audit departments are appointing expert auditors for the topic of the AStG who are then engaged by the company auditors on a case-by-case basis.

Therefore, the only all-clear remains for fund structures to which the rules of the German Investment Tax Act apply; according to the InvStG 2018, this means, in particular, investment funds and special investment funds which do not exercise the transparency option. In all other cases, particularly, investment assets in the legal form of a partnership or comparable foreign legal forms in terms of Sec. 1 (3) of the InvStG, the highest degree of tax-related sensitivity is required, and, in case of doubt, a "pragmatic approach" in consultation with the person subject to unlimited taxation, and a detailed consideration of potential risks.

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*Thomas Jaeger is German tax advisor and partner (Private Equity & Real Estate) at LM Audit & Tax GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft in Munich. LM with three specialised partners and their teams focus on international clients in the field of Real Estate and Private Equity with services ranging from Tax Due Diligence to Tax Compliance up to the exit including support during Tax Audits and – if necessary – representation at Tax Court. In the field of Real Estate all asset classes are involved from office- and logistics buildings up to hotels, car park facilities and shopping centers, The field of Private Equity comprises drafting of financial statements and tax declarations including complex partnerships income tax declarations and CFC (AStG) declarations for German investors invested in international fund vehicles.*