



**United States Equestrian Federation, Inc.**  
*The National Governing Body for Equestrian Sport*  
**Athlete Services**

P.O. Box 83, Gladstone, NJ 07934

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Cindy Stys: cstys@usef.org Lynn Lopez: llopez@usef.org

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**FACSIMILE TRANSMITTAL SHEET**

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TO: US Competitors Who Have Applied to Compete in  
Foreign FEI Competitions

FROM: Julie Goodman, General Counsel  
Cindy Stys, Director of Athlete Services

DATE: March 1, 2005

RE: Exemption from foreign taxes

NO. OF PAGES: 9

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Dear Competitor:

As most of you may already know, the United States has entered into tax treaties with various countries that are beneficial to athletes competing on foreign soil. These treaties were established to protect competitors from double taxation and are not to be used to avoid taxation. Only the individuals who actually receive prize money may apply for the tax relief. Additionally, the countries may have a cap on the amount of prize money an individual may receive (for example, Germany has a \$20,000 cap) and still take advantage of the tax treaty.

In this memo, we are providing information on how to apply for tax relief from Germany as we are most familiar with its treaty. Should you wish to apply for tax relief from one of the other countries with which the U.S. has a tax treaty agreement (please refer to pages two and three of this memo for the complete list), we anticipate the procedure and forms being similar to those of Germany. Your accountant should be able to help you with contacting the tax authorities in these countries, or you may contact the applicable National Equestrian Federation to request the appropriate forms.

*Procedure for seeking tax exemption in Germany:*

1. Competitors should complete, sign and date the enclosed form "1. Ausfertigung".  
A sample of a completed form has been attached for your convenience.
2. Competitors should mail their completed form directly to the German Tax Authority at the following address (we suggest you keep a copy of your completed form for your records):  
Mr. Franz Herpers  
Bundesamt für Finanzen  
Friedhofstrasse 1  
53225 Bonn  
Germany

*Please do **not** mail your form to United States Equestrian Federation, Inc.*

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3. You may e-mail questions to Mr. Franz Herpers at the German Tax Authority via the following e-mail address: [Franz.Herpers@bff.bund.de](mailto:Franz.Herpers@bff.bund.de). Note, however, that his response may be in German so be prepared to find someone to translate it. Also note that sending the e-mail in German may elicit a faster response.

If you or your accountant have specific questions related to foreign tax relief, please contact Julie Goodman at 859-225-6930. General questions should be directed to Cindy Stys at 908-234-0848.

### List of Countries which have a Tax Treaty with US

<http://www.irs.gov/businesses/corporations/article/0,,id=96739,00.html>

Country	Country	Country	Country
Australia	Denmark	Indonesia	Luxembourg
Australia Protocol	Egypt	Ireland	Mexico
Austria	Estonia	Israel	Morocco
Barbados	Finland	Italy	Netherlands
Belgium	France	Jamaica	New Zealand
Canada	Germany	Japan	Norway
China	Greece	Kazakhstan	Pakistan
Cyprus	Hungary	Korea	Philippines
Czech Republic	Iceland	Latvia	Poland
Denmark	India	Lithuania	Portugal
Romania	Sweden	Ukraine	
Russia	Switzerland	Union of Soviet Socialist Republics	
Slovak Republic	Thailand	United Kingdom	
Slovenia	Trinidad	Venezuela	

Country	Country		
South Africa	Tunisia		
Spain	Turkey		

Yours sincerely,

Julie Goodman,  
General Council

Cindy Stys,  
Director of Athlete Services

cc: Athletes' Advisory Committee  
Jim Wolf  
Sherry Frank  
High Performance Directors

I. Ausfertigung

- für das Bundesamt für Finanzen -  
- for the German tax authority -

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## Application for relief (exemption or reimbursement) from German taxes deducted in accordance with § 50 a EStG on the basis of the double taxation agreement between the Federal Republic of Germany and the United States of America

Notice pursuant to Section 13 of the German Data Protection Law: The particulars to be furnished in this application are requested under Sections 149 ff. of the German Fiscal Code, Section 50 d of the Income Tax Law and Article 29 of the DTC.

→ **1. Licensor (creditor of the remuneration)**

Name:

*Last name*

Forename:

*first name*

Legal form: <sup>2</sup>

Residential address:

Domicile or seat: <sup>3</sup>

→ **2. Licensee (debtor of the remuneration)**

Name:

*name of corporation*

Forename:

Legal form:

Residential address:

Domicile or seat:

Tax office:

Tax number:

**3. Object of the license agreement**

- Enclose a copy of the contract (in German, if available), unless the Federal Finance Office has already received a copy of the contract -

**a) Assignment of rights**

**aa) Industrial property rights (including plan, models, processes and industrial experiences and knowledge)**

Type of industrial property right:

Registration of the industrial property right:

Country of registration:

Registration no.:

Priorities/Date:

Registered holder of the industrial property right:

Name:

Forename:

Legal form:

Residential address:

Domicile or seat:

Country of domicile or seat:

**bb) Copyrights (rights not covered by 3.1)**

Type of copyright:

Title of copyrighted work:

Initiator or originator of the rights (e. g. the author) <sup>4</sup>:

Name:

Forename:

Residential address:

Domicile or seat:

Country of domicile or seat:

Licensor is authorized to grant license by virtue of: <sup>5</sup>

b) Use of movable property (under a leasing or other agreement)

Type of movable property \_\_\_\_\_

c) Self-employed activity

Type of activity: \_\_\_\_\_

*athletes competing in equestrian events*

d) Other types of service(s): \_\_\_\_\_

4. Calculation of the royalties (basis of calculation):<sup>6</sup>

*prize money from competition*

5. Date from which exemption is applied for: *dates of show* to (estimated) \_\_\_\_\_

6. I / the corporation / The entity / filed the last United States income tax return for \_\_\_\_\_ with the District Director of Internal Revenue at: \_\_\_\_\_

My social security number is: \_\_\_\_\_

The corporation's employer identification number is: \_\_\_\_\_

Certification of filing a tax return (IRS Form 6166) must be submitted in proof of this.<sup>7</sup>

7. (To be completed if taxes have already been withheld at source by the licensee and paid to the German tax authorities.)

I apply for refund of the taxes withheld at source amounting to *DM* \_\_\_\_\_<sup>8</sup>

Bank account: \_\_\_\_\_ Bank code: \_\_\_\_\_ Account holder: \_\_\_\_\_

Name and address of bank: \_\_\_\_\_

8. Please send the notice concerning this application to the following authorized recipient:<sup>9</sup>

me  The licensee (debtor of the remuneration) designated at 2 above.

The following person: \_\_\_\_\_

9. Other particulars; - Limitation on benefits -<sup>10</sup>

10. I affirm

a) that the person designated at 1 above is a resident of the United States of America<sup>11</sup>;

b) that the right or property for which the royalties are paid does not form part of a permanent establishment or fixed base main tained in the Federal Republic of Germany by the person designated at 1 above.

11. I declare that I am / the corporation is / the entity is / beneficially entitled to the income derived from the specified royalties and that to the best of my knowledge and belief all particulars entered on this form are true and correct in every respect.

I undertake to notify the Bundesamt fuer Finanzen without delay if the affirmations made under 10 above should cease to apply owing to changes in the underlying facts.

12. I have read the Notes appended to this Form.

\_\_\_\_\_  
(Place)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of licensor or authorized representative)

1. Ausfertigung

- für das Bundesamt für Finanzen -  
- for the German tax authority -

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Name: \_\_\_\_\_  
Forename: \_\_\_\_\_  
Legal form: <sup>2</sup> \_\_\_\_\_  
Residential address: \_\_\_\_\_  
Domicile or seat: <sup>3</sup> \_\_\_\_\_

**2. Licensee (debtor of the remuneration)**

Name: \_\_\_\_\_  
Forename: \_\_\_\_\_  
Legal form: \_\_\_\_\_  
Residential address: \_\_\_\_\_  
Domicile or seat: \_\_\_\_\_  
Tax office: \_\_\_\_\_  
Tafx number: \_\_\_\_\_

**3. Object of the license agreement**

- Enclose a copy of the contract (in German, if available), unless the Federal Finance Office has already received a copy of the contract -

**a) Assignment of rights**

**aa) Industrial property rights (including plan, models, processes and industrial experiences and knowledge)**

Type of industrial property right: \_\_\_\_\_  
Registration of the industrial property right: \_\_\_\_\_  
Country of registration: \_\_\_\_\_  
Registration no.: \_\_\_\_\_  
Priorities/Date: \_\_\_\_\_  
Registered holder of the industrial property right:  
Name: \_\_\_\_\_  
Forename: \_\_\_\_\_  
Legal form: \_\_\_\_\_  
Residential address: \_\_\_\_\_  
Domicile or seat: \_\_\_\_\_  
Country of domicile or seat: \_\_\_\_\_

**bb) Copyrights (rights not covered by 3.1)**

Type of copyright: \_\_\_\_\_  
Title of copyrighted work: \_\_\_\_\_  
Initiator or originator of the rights (e. g. the author) <sup>4</sup>:  
Name: \_\_\_\_\_  
Forename: \_\_\_\_\_  
Residential address: \_\_\_\_\_  
Domicile or seat: \_\_\_\_\_  
Country of domicile or seat: \_\_\_\_\_

Licensor is authorized to grant license by virtue of: <sup>5</sup>

b) Use of movable property (under a leasing or other agreement)

Type of movable property \_\_\_\_\_

c) Self-employed activity

Type of activity: \_\_\_\_\_

d) Other types of service(s): \_\_\_\_\_

4. Calculation of the royalties (basis of calculation): <sup>6</sup>

5. Date from which exemption is applied for: \_\_\_\_\_ to (estimated) \_\_\_\_\_

6. I / the corporation / The entity / filed the last United States income tax return for \_\_\_\_\_ with the District Director of Internal Revenue at: \_\_\_\_\_

My social security number is: \_\_\_\_\_

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Name and address of bank: \_\_\_\_\_

8. Please send the notice concerning this application to the following authorized recipient: <sup>9</sup>

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The following person: \_\_\_\_\_

9. Other particulars; - Limitation on benefits - <sup>10</sup>

10. I affirm

a) that the person designated at 1 above is a resident of the United States of America <sup>11</sup>;

b) that the right or property for which the royalties are paid does not form part of a permanent establishment or fixed base maintained in the Federal Republic of Germany by the person designated at 1 above.

11. I declare that I am / the corporation is / the entity is / beneficially entitled to the income derived from the specified royalties and that to the best of my knowledge and belief all particulars entered on this form are true and correct in every respect.

I undertake to notify the Bundesamt fuer Finanzen without delay if the affirmations made under 10 above should cease to apply owing to changes in the underlying facts.

12. I have read the Notes appended to this Form.

\_\_\_\_\_  
(Place)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of licensor or authorized representative)

(Royalties)

1. Applications must be submitted to

Bundesamt fuer Finanzen  
53221 Bonn

2. State the precise legal form (e.g. corporation, limited liability company, partnership). If the company is a sole proprietorship, state the name and principal place of residence of the proprietor.

With regard to the entitlement of partnerships, estates and trusts to treaty benefits, reference is made to Article 4 1. b) of the DTC (cited in full in Note 11).

In the case of partnerships, give the name and address of each partner.

3. State the principal place of residence. P.O.B. and c/o addresses are not permissible.
4. Particulars need be furnished only if the licensor is not the registered holder or originator.
5. The authorization may, for instance, consist in the licensor's status as originator, in a contract of sale or a licensing agreement etc.
6. Please give the date on which you received the first royalty payment.
7. The certification of filing a tax return (IRS Form 6166) may be obtained from the authority responsible for taxing your income. Information about how and where to get such "Form 6166" is mentioned in the IRS-Publication 686.
8. Please complete only if taxes have in fact been withheld at source.
9. The applicant may decide to whom the notice and to whom the certificate of tax exemption should be sent.
10. Treaty benefits are ruled out in certain cases in accordance with Article 28 of the DTC. The Bundesamt fuer Finanzen will apply this Article where income is attributable, in accordance with the provisions of the German Fiscal Code (Abgabenordnung), to a person other than the recipient. Relevant particulars should be noted at No. 10 on the application form. The Bundesamt fuer Finanzen may reserve the right to make the granting of treaty benefits subject to subsequent verification.

Article 28 of the DTC reads as follows:

**Article 28**

**Limitation on Benefits**

1. A person that is a resident of a Contracting State and derives income from the other Contracting State shall be entitled, in that other Contracting State, to all the benefits of this Convention only if such person is:
- a) an individual;
  - b) a Contracting State, or a political subdivision or local authority thereof;
  - c) engaged in the active conduct of a trade or business in the first-mentioned Contracting State (other than the business of making or managing investments, unless these activities are banking or insurance activities carried on by a bank or insurance company), and the income derived from the other

Contracting is derived in connection with, or is incidental to, that trade or business;

- d) a company in whose principal class of shares there is substantial and regular trading on a recognized stock exchange;
- e) aa) a person, more than 50 percent of the beneficial interest in which (or in the case of a company, more than 50 percent of the number of shares of each class of whose shares? is owned, directly or indirectly, by persons entitled to benefits of this Convention under subparagraphs a), b), d) or f) or who are citizens of the United States; and
  - bb) a person, more than 50 percent of the gross income of which is not used, directly or indirectly, to meet liabilities (including liabilities for interest or royalties) to persons not entitled to benefits of this Convention under subparagraphs a), b) d), or f) or who are not citizens of the United States; or
  - f) a not-for-profit organization that, by virtue of that status, is generally exempt from income taxation in its Contracting State of residence, provided that more than half of the beneficiaries, members, or participants, if any, in such organization are persons that are entitled, under this Article, to the benefits of this Convention.
- 2. A person that is not entitled to the benefits of this Convention pursuant to the provisions of paragraph 1 may, nevertheless, be granted the benefits of the Convention if the competent authority of the State in which the income in question arises so determines.
- 3. For the purposes of paragraph 1, the term "recognized stock exchange" means:
  - a) the NASDAQ System owned by the National Association of Securities Dealers, Inc. and any stock exchange registered with the Securities and Exchange Commission as a national securities exchange for purposes of the Securities Exchange Act of 1934;
  - b) any German stock exchange on which registered dealings in shares take place;
  - c) any other stock exchange agreed upon by the competent authorities of the Contracting States.
- 4. The competent authorities of the Contracting States shall consult together with a view to developing a commonly agreed application of the provisions of this Article. The competent authorities shall, in accordance with the provisions of Article 26 (Exchange of Information and Administrative Assistance), exchange such information as is necessary for carrying out the provisions of this Article and safe-guarding, in cases envisioned therein, the application of their domestic law.

**Article 4**  
**Residence**

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation, or any other criterion of a similar nature, provided, however, that
  - a) this term does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein; and
  - b) in the case of income derived or paid by a partnership, estate, or trust, this term applies only to the extent that the income derived by such partnership, estate, or trust is subject to tax in that State as the income of a resident, either in its hands or in the hands of its partners or beneficiaries.
2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:
  - a) he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (center of vital interests);
  - b) if the State in which he has his center of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;
  - c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national; and
  - d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.
3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then the competent authorities of the Contracting States shall seek to determine through consultation the Contracting State of which the person shall be deemed to be a resident for the purposes of this Convention, and, if they are unable so to determine, such person shall not be considered to be a resident of either Contracting State for purposes of enjoying benefits under this Convention.

back to point 1