



WE CARE ABOUT FOOTBALL

Union des associations européennes de football

Ministry of Finance
Att. Mr Maciej H. Grabowski,
Undersecretary of State
ul. Świętorzyska 12
00-916 Warszawa
Poland

FGNC - 326/2010

DEPARTAMENT PODATKÓW DOCHODOWYCH WPŁYNĘŁO
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UEFA EURO 2012, Guarantee 11, direct taxes

Dear Mr. Grabowski,

Further to your letters of 18.06.2010 and 19.05.2009 as well as the meeting held on 29.04.2010, we would like to summarize and confirm our understanding of the common position on the open issues with respect to direct taxes in Poland as follows:

1) UEFA/UEFA Events SA

- a) Guarantee 11 fully applies to UEFA and UEFA Events SA and any income, revenues, turnover or capital of UEFA/UEFA Events SA shall not be subject to any income tax of any sort in Poland.
- b) Guarantee 11 applies to any person delegated by UEFA/UEFA Events SA to Poland with respect to the preparation, organisation and staging of the UEFA EURO 2012 and such person shall not be subject to taxes in Poland on any remuneration paid for such work (delegated persons, who at the time of their delegation to Poland by UEFA are residents in Poland and as such already subject to income tax in Poland shall not be subject to such tax exemption).

2) LOC Polska (EURO 2012 Polska Spółka z o.o.)

UEFA's position was that LOC Polska shall be understood as the Event Company of UEFA in Poland, as LOC Poland performs tasks exclusively with respect to the UEFA EURO 2012 and, hence, this company and its employees should fall under Guarantee 11. UEFA has taken note of the legal and formal arguments of the Ministry of Finance as presented in the letters of 19.05.2009 and 18.06.2010.

- a) In order to have a common understanding between the Ministry of Finance and UEFA, we confirm that UEFA accepts the position of the Ministry of Finance. Consequently,



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Guarantee 11 in general shall not apply to LOC Polska as long as LOC Polska is fully owned by a Polish entity (such as PZPN). LOC Polska and the employees of LOC Polska in Poland shall be subject to income tax in Poland.

- b) As explained at our meeting of 29.04.2010, LOC Polska is and will be fully financed by UEFA in the form of service fees, loans, grants, reimbursement of costs etc. Following Guarantee 11, UEFA shall not be taxed on any such payments, contributions, loans or grants in Poland. Considering the fact that all such payment are exclusively used by LOC Polska for the preparation, organisation and staging of the UEFA EURO 2012, LOC Polska shall not be subject to any direct or withholding taxes or other deduction of any sort in Poland on such payments received by UEFA. In same way any dividends, service fees, royalties and distributions transferred to UEFA by LOC Polska shall not be subject to direct, withholding taxes or other deduction of any sort in Poland.

3) UEFA's Commercial Partners

- a) Natural persons of UEFA's commercial partners who provide work or services connected with the preparation, organisation and staging of the UEFA EURO 2012 in Poland and who are not residents in Poland - and as such not already subject to income tax in Poland at the time of their delegation to Poland by UEFA - shall be understood as Designated Persons under Guarantee 11. They shall not be subject to any income tax of any sort in Poland.
- b) Commercial partners acting in Poland or established in Poland as legal persons shall be subject to direct taxes in Poland, regardless of their residency status. Similarly, natural persons employed by commercial partners, who reside in Poland and are subject to income tax in Poland, will not fall under Guarantee 11.

We are confident that with the above summary, the Ministry of Finance and UEFA have clarified all outstanding points and confirmed our final, common position with respect to Guarantee 11 and all issues related to direct taxes.

May we ask the Ministry of Finance to confirm such common understanding and to finalise the legislative work aimed at introducing Guarantee 11 into the Polish law.

UEFA would like to thank the Ministry of Finance for the cooperative way in which Guarantee 11 is implemented in Poland.

Yours sincerely,

U E F A

Dieter Kellenberger
Head of Corporate Legal Services