



WE CARE ABOUT FOOTBALL

Union des associations européennes de football

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

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| MINISTERSTWO FINANSÓW | |
| Departament PT | |
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9.9.2010
Maciej Grabowski

Your reference

Your correspondence of

Our reference
LCOR/KLB/dav

Date
07/09/2010

UEFA EURO 2012, Guarantee 11, indirect taxes

Dear Mr. Grabowski,

Further to the letter of the Ministry of Finance of 15.05.2009 and our meeting at the Ministry of Finance at 29.04.2010, we would like to summarise and confirm our understanding of the implications of Guarantee 11 on indirect taxes (mainly VAT) in Poland as follows:

General remarks

According to Guarantee 11, UEFA and the Event Company (UEFA Events SA, which is a wholly-owned subsidiary of UEFA in Switzerland) shall not be subject to any indirect taxes, including but not limited to VAT, tax on civil law transactions and sales tax. Furthermore, the Ministry of Finance will take steps to maximise VAT or similar tax refunds for UEFA, the Event Company and other Designated Persons (including LOC Polska: EURO 2012 Polska Spółka z o.o.) and will establish expedited processes in that respect.

UEFA has understood that the Ministry of Finance has introduced or will introduce the necessary legislation to adhere to Guarantee 11 with respect to indirect taxes.

As far as VAT is concerned, UEFA has taken note, that a total VAT exemption for UEFA, the Event Company and other Designated Persons, as undertaken in Guarantee 11, is not possible in Poland due to the overruling European Union law.

Therefore, with respect to VAT, UEFA, the Event Company and other Designated Persons will be subject to VAT in Poland and the following shall apply with respect to UEFA EURO 2012:

1) VAT in General

UEFA VAT registration:

UEFA shall register for VAT in Poland to settle output VAT. UEFA Events SA shall not register for VAT in Poland. A special VAT grouping of UEFA and UEFA Events SA shall apply in Poland to settle output and input VAT.

Please take note that UEFA and UEFA Events SA do not qualify for a permanent establishment in Poland.

Fiscal Representative of UEFA

UEFA, being VAT registered in Poland and being represented in Poland by LOC Polska shall be exempt from appointing a Fiscal Representative in Poland.

Cash Register of UEFA and Invoices

To the extent possible UEFA will comply with the formal invoicing requirements of Poland. As far as UEFA sales through the Internet (tickets, hospitality packages) are concerned, UEFA shall be exempt from the use of Cash Registers for supplies to individuals in Poland together with the current exemption for "distant sales of services". For invoicing for such supplies in Poland, electronic invoices (understood as invoices produced electronically in PDF format,, for example, or other similar format without electronic signature to be sent to the recipient via email or other electronic means) or other documents (tickets, hospitality confirmation) sent by UEFA to its customers shall be accepted as invoices for VAT purposes. UEFA shall be entitled to invoice either in PLN or € or UHA.

Deferred Invoices

For some sales UEFA will issue invoices before the provision of the service (tickets to general public, hospitality packages). For others UEFA will only be able to invoice but after the tournament (tickets for National Associations). Therefore, for such sales the seven day deadline shall not apply and UEFA shall be authorised to bring forward or defer invoices for such sales and services.

Intra-community acquisitions

Goods moved temporarily into Poland from another European Union state, Switzerland or Ukraine for the purpose of the preparation and staging UEFA EURO 2012 shall not be subject to VAT in Poland.

VAT refund Ukrainian entities

Ukrainian entities shall be allowed to input VAT refunds for goods and services provided for UEFA EURO 2012 and such tax refunds shall be made within two months after the filing of the application.

Shortened Period for Tax Refund

Refunds of input VAT shall be made within four weeks after the filing the VAT return.

No VAT tax inspections shall be initiated in the period three months before and two months after the final tournament and tax inspections for VAT refunds shall be simplified and swift.

2) VAT on Tickets

As UEFA will sell the tickets for UEFA EURO 2012 directly, mainly to private individuals worldwide, UEFA's understanding is that no withholding (tax) of any kind shall be due in Poland. Tickets for matches in Poland shall be subject to 7% (8%) Polish VAT (this includes ancillary administrative costs and service fees). VAT is included into the ticket price. Tickets will be sold through the Internet and paid for by credit card or bank transfer in € or PLN for matches in Poland. VAT is included in the face value of the ticket.

Invoices and VAT Reclaim

Tickets to the general public shall serve as VAT invoices and invoices shall not be issued to general public unless a specific request is made by the customer. The amount of VAT will not appear on the ticket. UEFA shall be exempt from using cash registers. UEFA shall settle output VAT on tickets in cooperation with the Ministry of Finance of Poland. Whereas UEFA shall be entitled to reclaim input VAT, there shall be no VAT reclaim by the general public. A system of fixed exchange rates between PLN, UHA and € shall be applied throughout the ticket sales period. Such fixed rate shall mean that regardless of the currency in which the payment is made (PLN, UHA or €), or the currency in which the invoice is issued the same fixed rate of PLN/UHA and PLN/€ shall apply throughout the entire sales period as defined at the time of the ticketing launch.

"Follow my Team Tournament" (FMTT) Tickets

FMT Tournament tickets are tickets for all the matches of one given team at UEFA EURO 2012, irrespective of where the match takes place (Poland or Ukraine). FMTT tickets are sold and invoiced before the tournament and UEFA issues vouchers that can be exchanged for match tickets of each stage for which the team qualifies. FMTT tickets for the whole UEFA EURO 2012 final tournament shall be subject to VAT in the country where the team plays the three group stage matches, irrespective of in which host country the team plays subsequently.

3) Hospitality Packages

VAT Rate

Hospitality packages are only sold directly by UEFA or by an Agent appointed by UEFA to corporate clients worldwide. Hospitality Packages contain a ticket to one or a number of matches and some additional services (catering, parking, entertainment, memorabilia etc), as explained in detail at our meeting held on 29.04.2010 at the Ministry of Finance in Warsaw. As the match ticket is by far the most valuable part of the Package and, hence, the principal supply of this composite supply, one single VAT rate of 7% (8%) shall apply for Hospitality Packages (including all additional services) sold for matches in Poland.

Invoices

Each corporate client will receive an invoice for the whole package, without any breakdown of the services included, plus Polish VAT on the top of the package. A fixed exchange rate between PLN, UHA and € shall be applied throughout the packages sales period. For some sales UEFA will issue invoices before the provision of the service.

VAT Reclaims

UEFA shall be entitled to reclaim input VAT on the Hospitality Packages. As Hospitality Packages are only sold to corporate clients and such packages are used by these corporate clients for promotional and marketing purposes, such corporate clients shall be entitled to deduct/reclaim all VAT paid on the packages in Poland, irrespective of whether they are VAT registered in Poland or not.

We are convinced that the solutions discussed and summarized in this document represent an optimal and balanced result for the state of Poland and UEFA and will be much appreciated by the fans and spectators visiting Poland in 2012.

As UEFA has to register for VAT and start ticket and hospitality packages sales as soon as possible, may we ask the Ministry of Finance to finalise the legislative work aimed at introducing Guarantee 11 into Polish law as soon as possible and to confirm to UEFA the common understanding of the points raised above by 21. September 2010 at the latest. If requested by the Ministry of Finance, UEFA and LOC Polska are available for a final meeting with the Ministry of Finance on these subjects.

UEFA would like to thank the Ministry of Finance for the open and cooperative approach in these rather unusual tax issues and looks forward to hearing from you.

Yours sincerely,

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Dieter Kellenberger
Head of Corporate Legal Services