

FEDERAL REPUBLIC OF GERMANY

Capital entry.—Government approval of nonresident investment is not required in Germany. Nevertheless, licenses are required in many instances, foreigners generally being subject to the same regulations as apply to German nationals. Licenses are granted liberally if the stipulated conditions are met.

Repatriation of earnings.—Germany has no restrictions on the repatriation of capital.

Control.—Licenses are required for a foreign juristic person or corporation to do business in Germany. Licenses are obtained from the Ministry of Economics of the Land (State) in which the business is to be located.

Incentives planned by Government.—Germany does not have any planned Government incentive program for foreign investment.

ITALY

Capital entry.—Governmental approval of nonresident investment is not required by the Italians. Moreover, specific investments in so-called productive enterprises are eligible for more favorable treatment with respect to the transfer of profits, interest, dividends, or disinvested capital. Investment in machinery may also be made, and valuation assigned to such machinery is included when determination is made regarding the allowable transfer of profits or capital repatriation.

Repatriation of earnings.—For productive investments, permission is granted without any limitations of time or amount, to transfer freely all profits, interest, and dividends as well as capital disinvestment at the official market rate. For other investment, interest, dividends, and profits may be freely transferred in an amount not exceeding 8 percent of the capital invested. The repatriation of capital may not exceed the amount of the foreign currency originally imported, and any such repatriation may not take place until 2 years after the date of the investment. However, transfers of funds in excess of these limits may be made at the free market rate. In general, all transfers are conditioned on the full payment of direct taxes, both national and local.

Controls.—The limitations on foreign ownership or management of a corporation in Italy are confined to certain specific activities and industries including airlines, publishing, pharmacy operations, and the selling of stocks and the writing of life insurance policies, which are reserved to Italian interests.

Incentives planned by Government.—In order to promote the industrialization of southern Italy, a number of tax concessions are granted to foreign and domestic firms which establish operations in certain defined southern areas. These concessions include exemptions from income tax, turnover taxes, and customs duties resulting from the importation of machinery and materials employed in new installations, or for the restoration or enlargement of existing plants.

UNITED KINGDOM

Capital entry.—Government approval of nonresident investment is required by the British. If investment should be made without gaining approval, permission may not be granted for subsequent requests