PART II—DEATH TAXES IN RESPECT OF BANK DEPOSITS OF NONRESIDENT ALIENS NOT DOING BUSINESS IN THE SUBJECT COUNTRY[1]

| Country | Tax applicable | Rates |
|---|---|---|
| France | Yes[2] | Graduated (tax will vary depending on relationship of beneficiaries to decedent). |
| Germany | No (unless resident beneficiaries) | |
| Italy | Yes | Do. |
| Japan | do | Do. |
| Spain | do | Do. |
| Switzerland | No | |
| United Kingdom | No (unless operation of account directed or withdrawals made in United Kingdom, or unless nonresident depositor physically made deposits or withdrawals in United Kingdom. | Graduated. |
| Canada[2] | Yes | 15 percent. |

[1] General source: Information obtained through CMB (through foreign branches and representative offices).
[2] Source: General reference works and/or interpretation of statutes and treaties.

THE CHASE MANHATTAN BANK,
*New York, N.Y., August 19, 1966.*

HON. PAUL H. DOUGLAS,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR DOUGLAS: The schedule forwarded to you by my letter of August 11, 1966, did not cover the tax treatment of bank deposits in the Netherlands and Belgium since we did not at that time have the necessary information.

We have now been informed that no income tax and no withholding are imposed on bank deposit interest in the Netherlands and Belgium earned by nonresident aliens and foreign corporations not doing business in those two countries. Likewise, no death taxes are imposed on such deposits.

Again permit me to express my sincere appreciation for your kind attention and that of the committee at the hearing on August 9, 1966, in connection with H.R. 13103.

Sincerely yours,

ALFRED W. BARTH, *Executive Vice President.*

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Senator WILLIAMS. Mr. Barth, you have been most cooperative this morning and I hesitate to delay you further, but could you tell us generally what residence is claimed by these so-called roving depositors?

Mr. BARTH. I could not hear you, Senator.

Senator WILLIAMS. I say, generally speaking——

Mr. BARTH. Yes.

Senator WILLIAMS. What residence is taken or claimed by these so-called roving depositors or are they just referred to generally as being scattered around among various countries?

Mr. BARTH. By far the majority of these deposits are in Western Europe, and I believe that the largest holdings are in London, England. I am speaking of dollar deposits, not sterling; London, England, has become the center of the external or Euro-dollar operations because, as I have explained to you, even during the war the Bank of England never interfered with any foreign exchange operation that involved a non-Britisher, and London has been the financial headquarters of the world for a long, long time; and, as you will notice from these gross deposits, the majority is kept in London because people still have faith in the British banks.

Senator WILLIAMS. And they are mostly British citizens then?

Mr. BARTH. British banks.