

Siemens AG / Former Com Group (Tax Settlement relating to 2007 Munich case)

Case ID:

ST-324

Case Cluster :

Siemens AG

Jurisdiction of Settlement:

Germany

Jurisdiction of Settlement / Enforcement Agency:

[tax authorities]

Jurisdiction of Foreign Public Official(s) :

Various

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

10/04

Other Jurisdictions of Settlement:

None

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Tax Settlement ("tatsthliche VerstUdigung")

Monetary Sanctions (Types):

Tax Settlement (tatsthliche VerstUdigung)

Total Monetary Sanctions (US\$):

\$253,446,100.00

Other Civil Monetary Sanctions (US\$):

\$253

446

100

Monetary Sanctions Returned / Ordered Returned (US\$):

\$253,446,100

Monetary Sanctions Returned / Ordered Returned (Explanation):

Taxes Owed

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2

Offenses - Alleged:

Tax violations (liability relating to payments in connection with BCAs, other sales-related agreements with third-party intermediaries and other payments relating to the former Com Group at Siemens AG)

Offenses - Settled:

Tax violations (liability relating to payments in connection with BCAs, other sales-related agreements with third-party intermediaries and other payments relating to the former Com Group at Siemens AG)

Public Procurement Contract / SOE Involved?:

Yes

Summary:

From Siemens Annual Report 2007 Incl. Consolidated Financial Statements of Siemens AG at 170-171 (30 Nov 2007): "The Company has accounted for income tax-related charges with respect to fiscal 2000-2006 and adjusted comparative amounts for fiscal 2005 and 2006 as summarized below: In October 2007, the Company reached a final settlement (tatsächliche Verständigung) with the German tax authorities regarding the deductibility for tax purposes of certain payments at the former Com Group at Siemens AG with respect to fiscal 2000-2006. Pursuant to the settlement, the Company's income tax obligation relating to payments in connection with BCAs [Business Consultant Agreements], other sales-related agreements with third-party intermediaries and other payments relating to the former Com Group at Siemens AG was determined to be €179 million. Payments of approximately €449 million were determined to be non-deductible for tax purposes. The Company also recorded interest charges of €12 million related to the tax obligations." (Source: Siemens Annual Report 2007, at 170.

Sources :

Siemens AG, Annual Report 2007, accessed at

http://www.siemens.com/annual/07/pool/download/pdf/e07_00_gb2007.pdf, replace with

http://www.siemens.com/investor/pool/en/investor_relations/financial_publications/annual_reports/2007/