

Thin-Cap Limitations

Country	Debt/Equity Ratio	Interest Cover	Safe Harbour	Exceptions	Acq'n of Affiliates	Anti-Hybrid Rules
France	1.5:1	25% EBITDA	Group Average	Banks & regulated Fin. Services businesses	Yes (Charasse)	No, except for instruments
Germany	1.5:1 (may be abolished)	May introduce at 30% of EBIT	3 rd Party	Banks	Yes – unless 3 rd party debt	No, except for instruments
Ireland	None				Yes – unless 3 rd party debt	No
Netherlands	3:1		Group Average		Yes – unless 3 rd party debt	No, except for instruments
UK	Legal: TP Practical: 1:1	Legal: TP Practical: 3:1 EBITDA	Transfer Pricing			Yes - entities
US	1.5:1	50% EBITDA				Yes - entities