Patent & IP Box

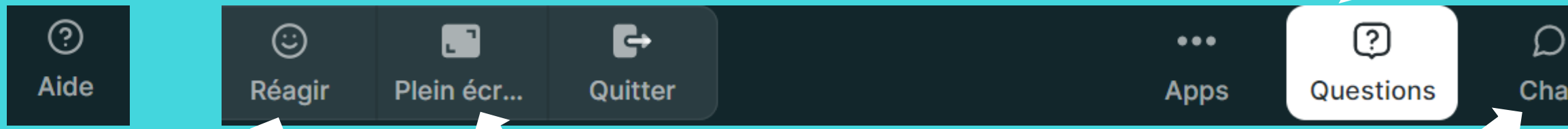
Quelques recommandations

- Vous êtes nombreux pour ce webinaire, voici quelques recommandations.
- L'onglet « chat » est réservé aux éventuels problèmes techniques que vous pourriez rencontrer.
- L'onglet « questions » vous permet de poser vos questions. Nous y répondrons après les présentations réalisées.

Désactiver le son des notifications

Cliquez ici si vous rencontrez des soucis techniques (sons, audio ou autres)

Onglet exclusivement destiné aux questions de fond. Ces questions seront traitées à la fin dans la mesure du possible



Réagir avec des emoji

Passer en mode plein écran

Onglet exclusivement réservé aux messages instantanés (questions sur l'accès au replay, difficultés avec le webinaire) ou nous saluer

IP Box

Since the 70s, OECD countries have struggle **to support national companies to protect their inventions and industrial secrets** to take the full benefit of this exclusive revenue. So was born the **Patent Box** (that taxes its name from the “box” to tick on the application form), a tax incentive settled to boost patent by leveraging the revenue generated.

After uncountable attempts, questionable in their efficiency, those schemes have found a new breath by extending the scope to other components of industrial property, including software licensing, becoming therefore the **IP box, for Intellectual Property Box**.

If France has been quite late in operating this switch from Patent to IP Box, it is now **done since 2019**, with a wide scheme ranging from pure patents to software revenue through Plant Variety Certificates. And if the application process remains complex, it is however highly efficient for leveraging revenues out of digital.

AGENDA

- History and overview of IP Box schemes
- Principles of IP Box (revenue and nexus ratio)
- Main models and Heatmap of Global Schemes
- Focus on France, Belgium, Italy, Poland & Québec
- Q&A

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numeum

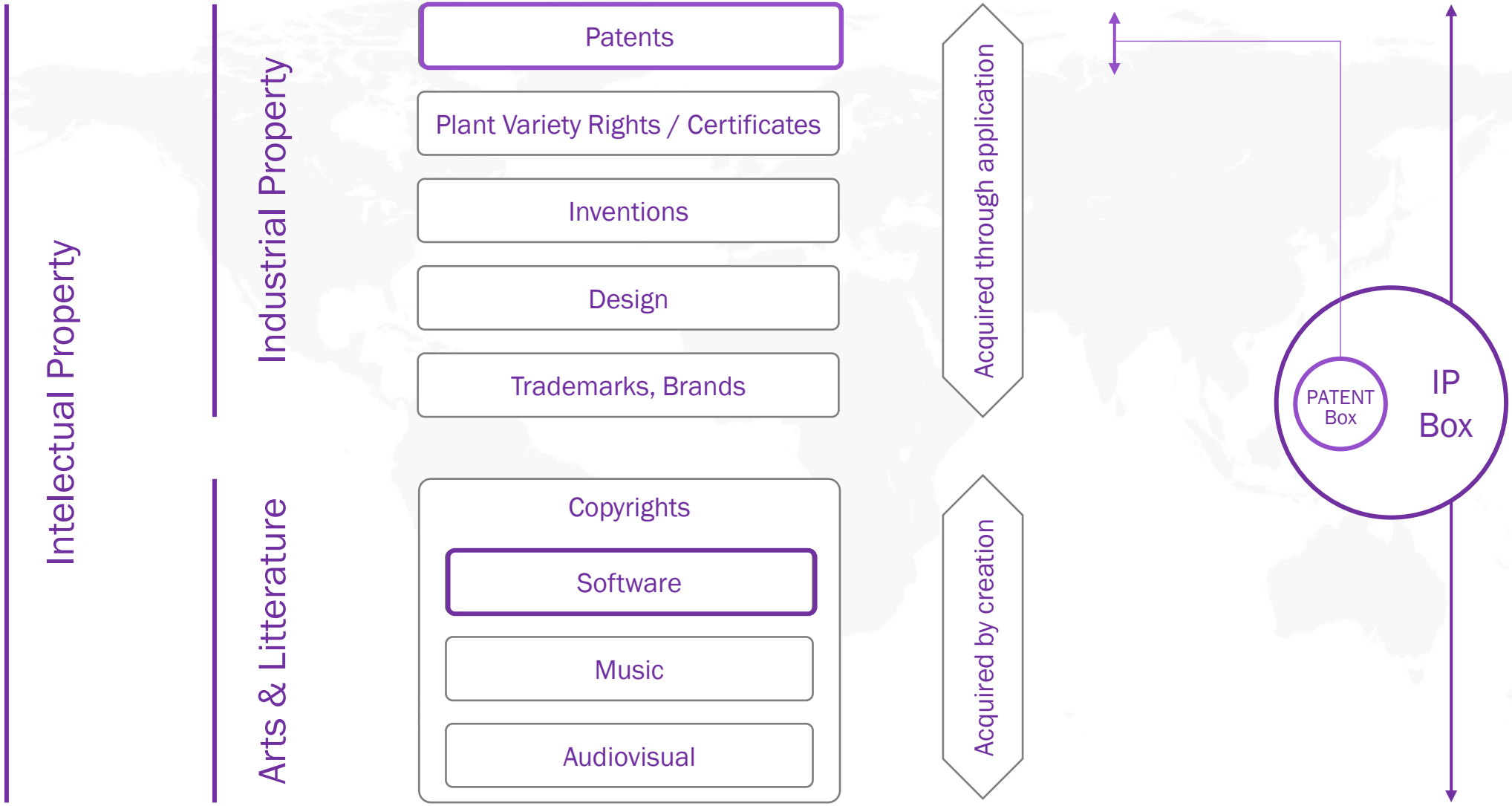
Patent fillings

WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

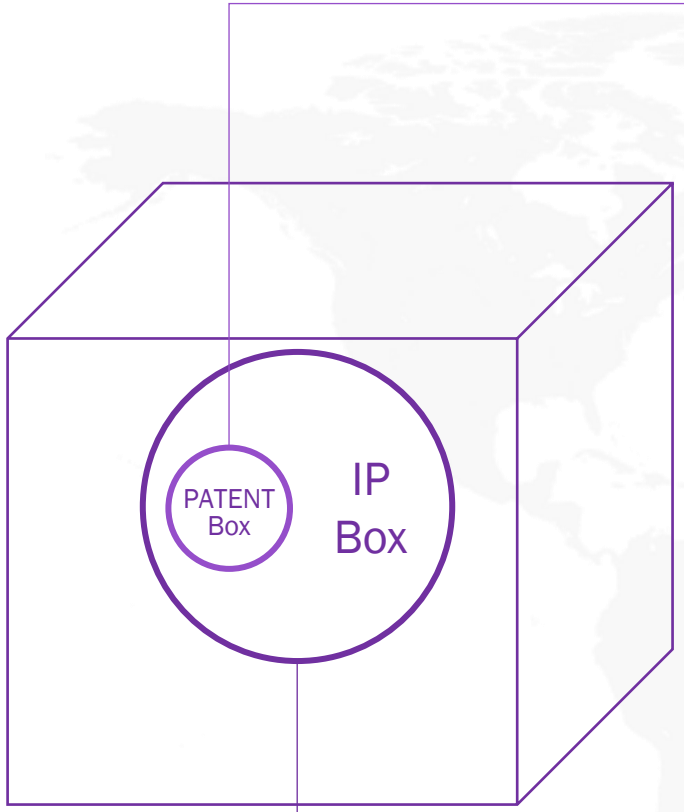
youtube.com/@wipo/videos

youtube.com/watch?v=7RdGhhEgMi0

The basics to understand IP, Patent Box and IP Box



The Box



REVENU QUÉBEC

Marche à suivre
Avis aux utilisateurs

CO-737.18.CI (2022-09)
1 de 5

Effacer

Déduction relative à la commercialisation d'innovations au Québec

1 Renseignements sur la société

01a Numéro d'entreprise du Québec (NEQ)

01b Numéro d'identification

Dossier IC 0001

02 Nom de la société

05 Date de clôture de l'exercice A A A A M M J J

2 Renseignements sur l'actif de propriété intellectuelle admissible

Cochez la case correspondant au type d'actif de propriété intellectuelle admissible pour lequel la société demande la déduction.

06 ☐ Invention protégée

06a ☐ Variété végétale protégée

06b ☐ Logiciel protégé

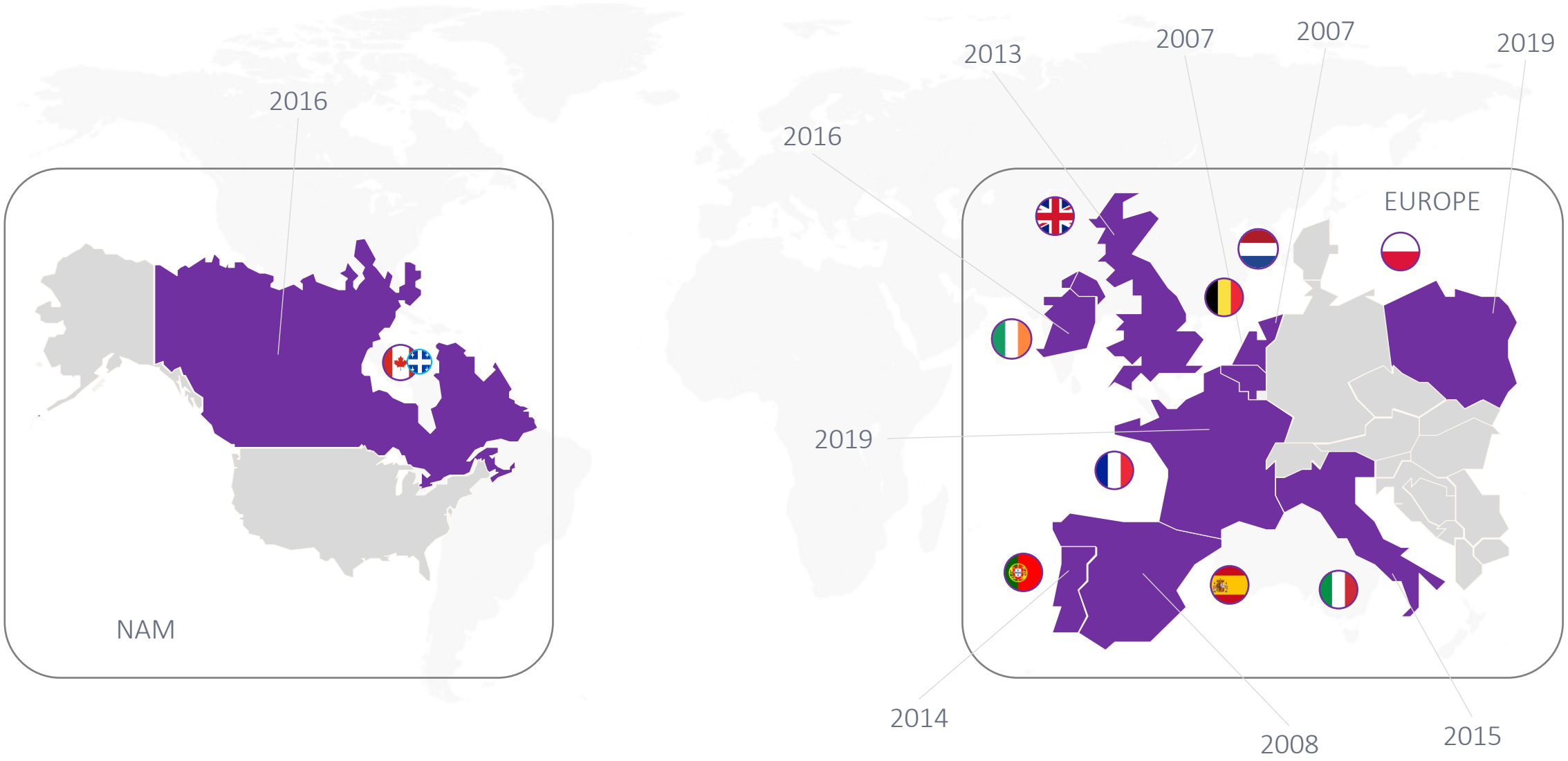
Inscrivez l'un des numéros suivants :

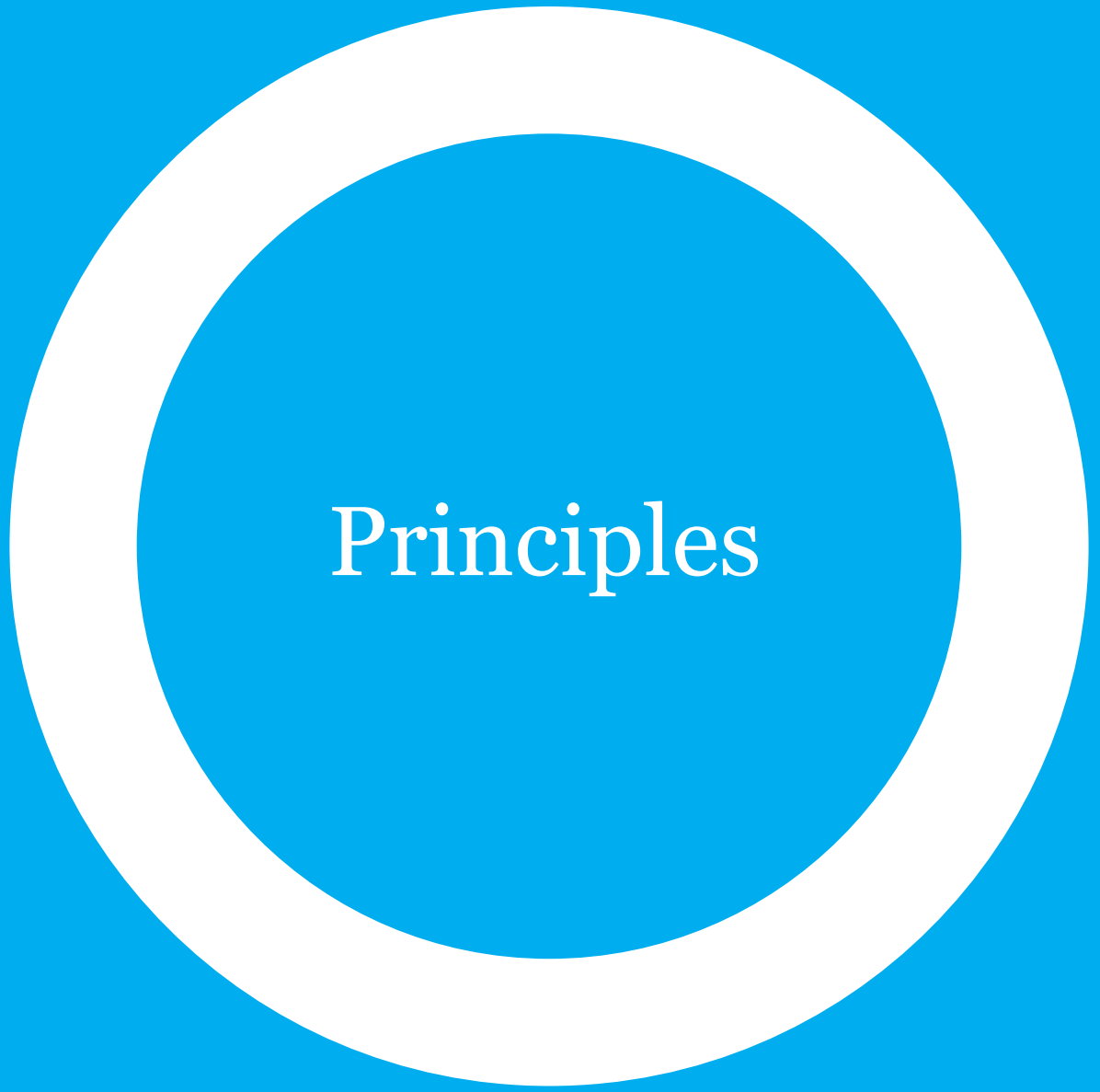
- si vous avez coché la case 06, le numéro d'identification du brevet, s'il y a lieu;
- si vous avez coché la case 06a, le numéro d'enregistrement de la variété végétale protégée;
- si vous avez coché la case 06b, le numéro d'enregistrement du droit d'auteur, s'il y a lieu.

07

Décrivez l'actif de propriété intellectuelle admissible.

History of IP Box regimes





Principles

Jumping into IP Box

Industrial Property

- Patents
- Plant Variety Rights / Certificates
- Inventions
- Design
- Trademarks, Brands

Arts & Litterature

- Copyrights
- **Software**
- Music
- Audiovisual

Intangible Asset(s)

- Income
- R&D
- Taxes

Jumping into IP Box

Industrial Property

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Intangible Asset(s)

IP revenue

- Direct (selling, licensing)
- Indirect (embedded in products)

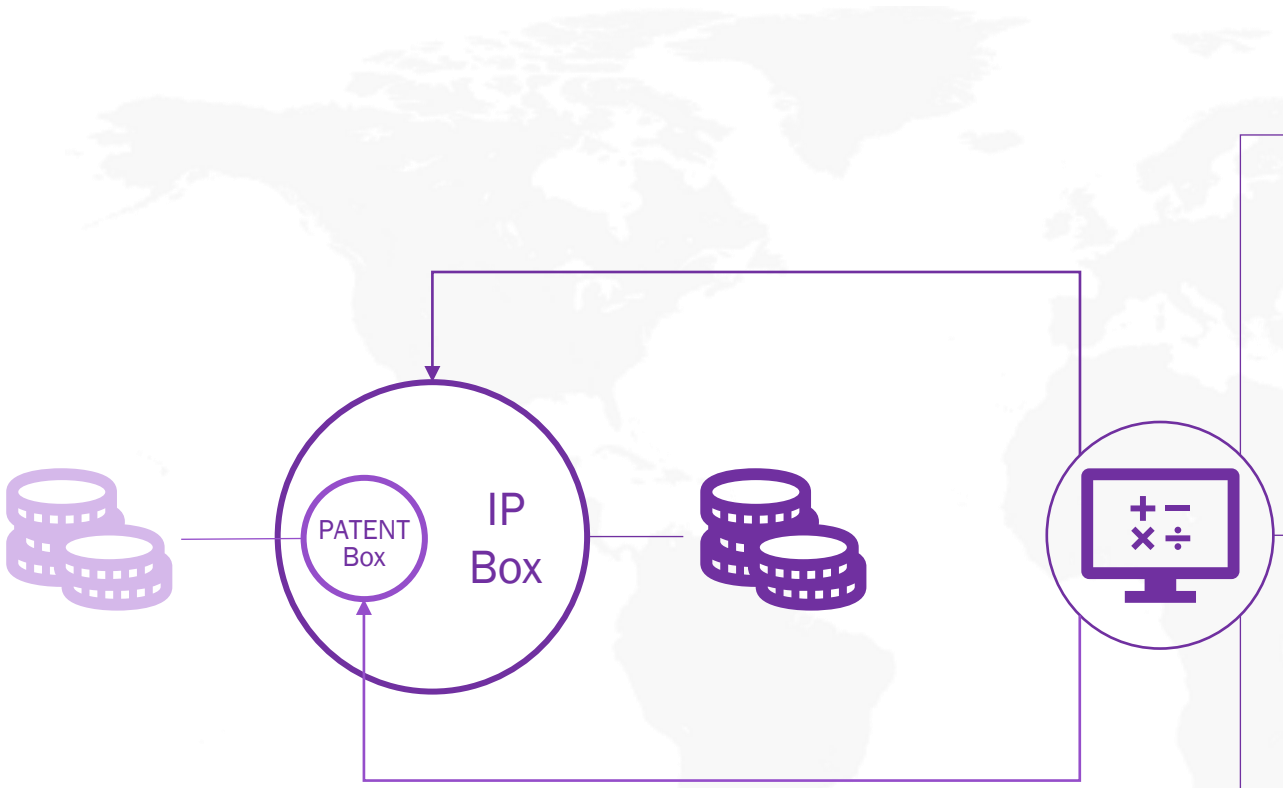
R&D expenses

- In-house R&D
- Intra-group / Intra Tax-group R&D
- Subcontracted R&D
- Intra-group / Extra Tax-group R&D
- IP Aquisition

Taxable revenue

- Tax rate
- Tax liability

Jumping into IP Box



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Taxable revenue

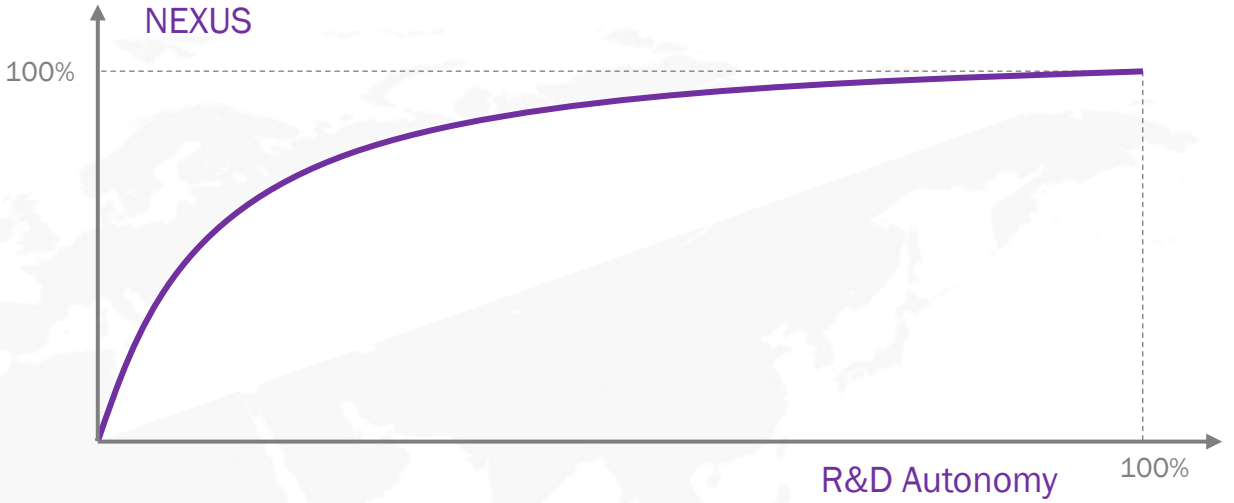
- Tax rate
- Tax liability

The models of IP Box

The Nexus Ratio

R&D expenses

- In-house R&D
- Intra-group / Intra Tax-group R&D
- Subcontracted R&D
- Intra-group / Extra Tax-group R&D
- IP Aquisition



- In-house R&D
- Intra-group / Intra Tax-group R&D
- Subcontracted R&D

X 1,x %

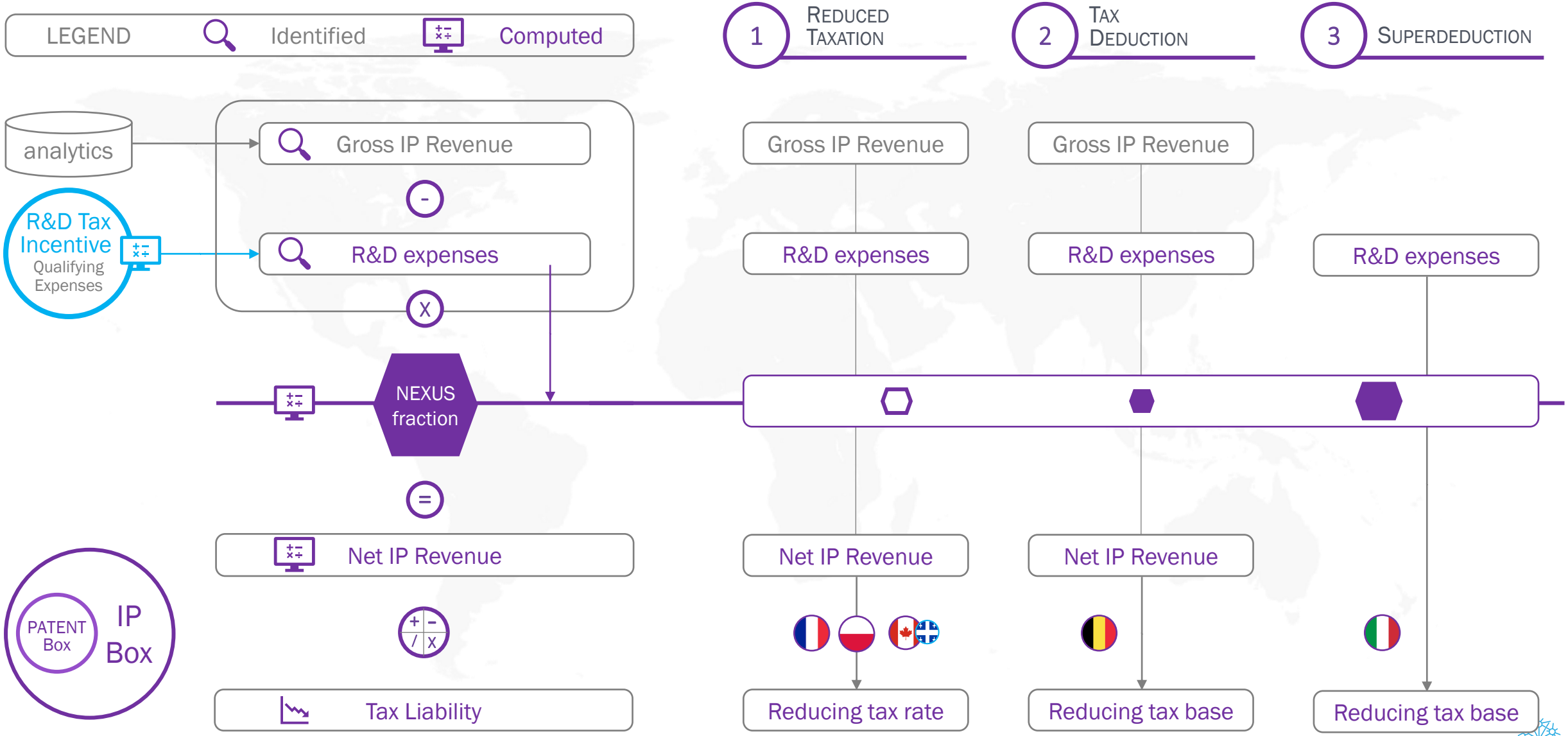
NEXUS fraction

- In-house R&D
- Intra-group / Intra Tax-group R&D
- Subcontracted R&D

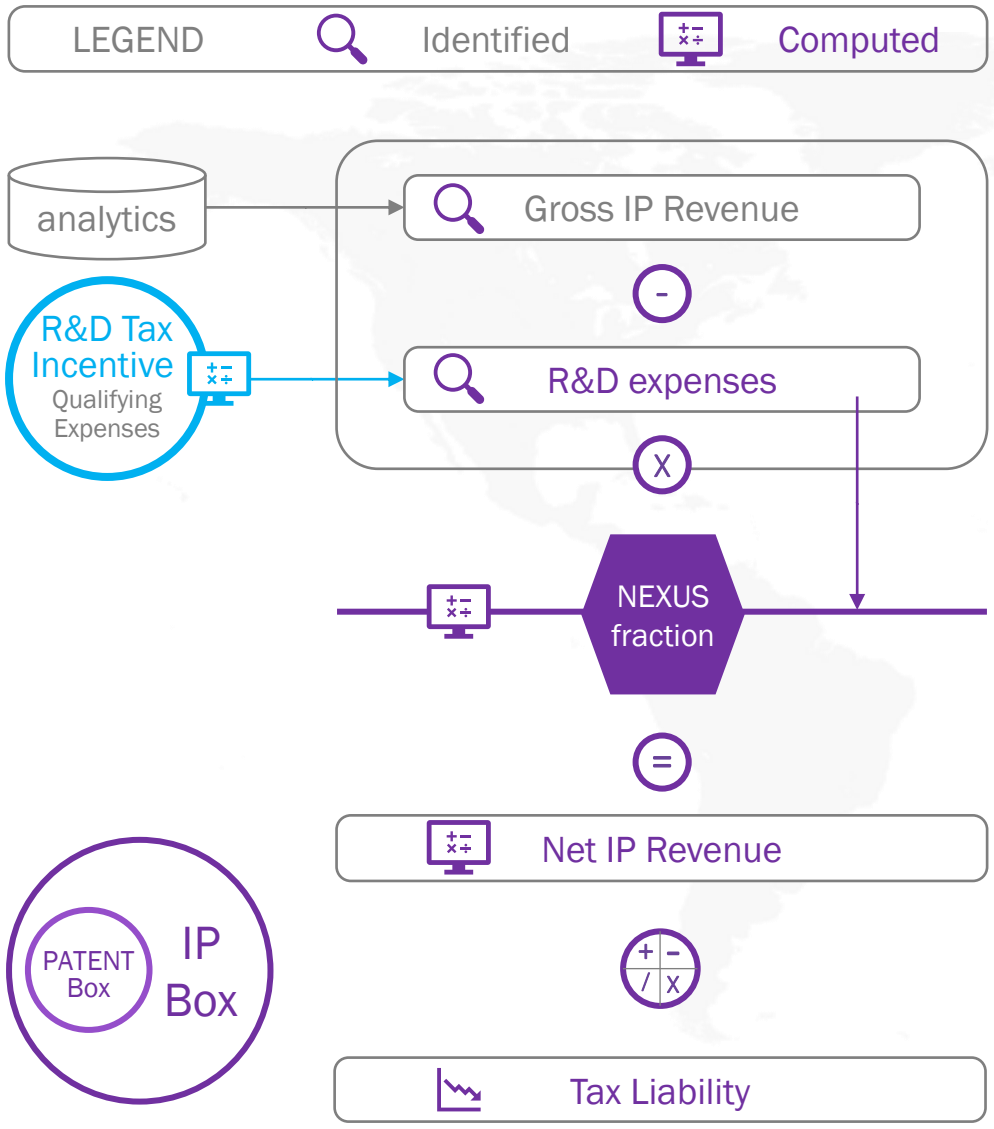
\+

- IP Aquisition
- Intra-group / Extra Tax-group R&D

Computing IP figures



Computing IP figures



1 Reduced Taxation

Gross revenue
100 Taxed 25%
= 25 CIT

Net revenue
(100 – 50 R&D)
x 80% nexus = 40
Taxed 15%

25% x 60
15% x 40

21 vs 25

2 Tax Deduction

Gross revenue
100 Taxed 25%
= 25 CIT

Net revenue
(100 – 50 R&D)
x 80% nexus = 40
deductible

25% x (100 – 40)

15 vs 25

3 Superdeduction

Gross revenue
100 Taxed 25%
= 25 CIT

Deductible expenses
(50 R&D) x 200%
nexus = 100
deductible

25% x (100 – 100)

0 vs 25

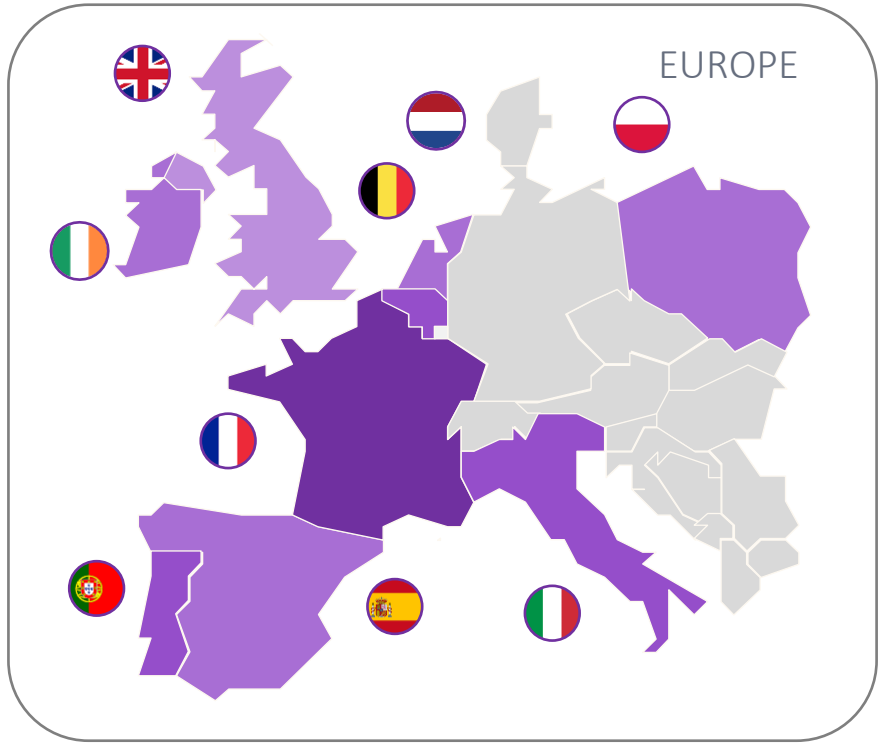
Heat map

IP Box

LEGEND

Focus IP Box
Performance Heatmap

PERFORMANCE SCALE
HIGH
GOOD
AVERAGE
LIMITED
LOW



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Focus on

numeum

A universal process

IP Box

Intangible assets

- Copyrighted or original software ✓
- Industrial Patents ✓
- Orphan Drugs ✓
- Supplement Protection Certificates ✓
- Plant variety Certificate ✓
- Data/market exclusivity (granted by a public body) ✓

GENERATING

Intelectual property revenue

- ✓ Transfert fees
- ✓ Concession fees
- ✓ Subconcessions fees
- ✓ Licensing
- ✓ Capital gains
- ✓ Income embedded in services and products

1. Identification of the intangible assets
2. Identification of the related expenses
3. Calculation of the net income
4. Calculation of the NEXUS ratio
5. Calculation of the savings
6. Justificative documentation

Benchmarking 5 countries

1	IP or patent or both ?	PATENT + IP	PATENT + IP	PATENT + IP	PATENT + IP	PATENT + IP
2	Is there a Nexus (saying its name or hiding) ?	NEXUS		NEXUS		NEXUS
3	Cash back or carry forward if no positive Tax liability ? *Can I back-claim ?*	✗ ✓	✗ ✓	✗ ✓	✗ ✓	✗ ✓
4	Does the software need to be certified ?	✗	✗	✗	✗	✗
5	Type and generosity	Tax deduction **85%** @25% CIT	Reduced tax 11,5% ➔ **2%**	Reduced tax 25 ➔ **10%**	Superdeduction **210%** @27,5% CIT	Reduced tax 19% ➔ **5%**

Q&A

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