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By PwC Deutschland | 28. Januar 2015

Parent/Subsidiary Directive tightened

The European Council (ECOFIN) has adopted an amendment to the Parent/Subsidiary Directive to exclude arrangements entered into without a business reason other than to obtain a tax advantage from its benefits.

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The European Commission has long felt that the exemption from withholding tax on inter-corporate dividends between entities in different member states with a minimum common shareholding of 10% has opened the way to abuse. It has therefore proposed, and the European Council acting through ECOFIN has now adopted, an amendment to the Parent/Subsidiary Directive to exclude those following arrangements designed to achieve a tax advantage but otherwise without a valid commercial reason from its benefits. Member states have until December 31, 2015 to adopt the amendment into their own provisions.

Schlagwörter

Parent/Subsidiary, tax advantage