By PwC Deutschland | 08. Juli 2026

Commission: Infringement procedures to align domestic tax law with Parent-Subsidiary Directive

The EU Commission calls on Germany, France and Italy to adapt its local tax legislation of dividends received from subsidiaries in other Member States to the Parent-Subsidiary Directive.

The European Commission decided to open infringement procedures by sending a letter of formal notice to **Germany**, France and Italy for failing to bring their legislation on the taxation of dividends received from subsidiaries in other Member States in line with the Parent-Subsidiary Directive.

German, French and Italian tax legislation lead to a fragmentation of common company taxation rules laid down in the Parent-Subsidiary Drective as they tax the dividends received by a parent company from subsidiaries resident in other Member States multiple times beyond what is allowed in the Directive. This has a negative bearing on competitiveness and investment for mid-sized and larger companies operating across the Single Market.

The decisions are part of the Commission's enforcement efforts to remove barriers in the single market in 11 focus areas, as announced in the Communication "*A simpler, clearer and better enforced EU Rulebook*".

The Commission is therefore sending a letter of formal notice to **Germany**, France and Italy, which now have two months to respond and address the shortcomings raised by the Commission. In the absence of a satisfactory response, the Commission may decide to issue a reasoned opinion.

Source: European Commission, **press release of 8 July 2026** (item 7).

Schlagwörter

Parent/Subsidiary Directive