

By PwC Deutschland | 27 December 2017

Tax & Legal Newsflash - 21 December 2017

ECJ: German Anti-Treaty-Shopping Rule infringes EU law.

On 20 December 2017 the European Court of Justice (ECJ) issued its decision on two cases referred to it by the Cologne Tax Court on the compatibility of the anti-abuse rule in Section 50d Income Tax Act (ITA) with EU law. According to Section 50d (3) ITA certain intermediary foreign companies are not entitled to a (full or partial) refund of German withholding tax; without a preceding oral hearing the ECJ took the view that the section was incompatible with both the Parent-Subsidiary Directive and the freedom of establishment.

NewsFlash ECJ §50d III EStG

Keywords

anti-treaty shopping rule