

By PwC Deutschland | 10 November 2021

# Supreme Tax Court: Further landmark ruling on intra-group financing

**The Supreme Tax Court issued a further landmark ruling in the area of intra-group financing by which the court strengthens the consideration of risk premiums for subordinated and unsecured loans.**

In an earlier judgment the Supreme Tax Court has already established far-reaching principles for determining arm's length interest (ruling on case I R 4/17, published on 21 October 2021 - see our [blog post](#) and the corresponding [TP Newsflash](#)).

In addition to the question of the selection of the most appropriate TP method for setting intra-group interest rates the main issue in the most recent judgment (case I R 62/17, published on 28 October 2021) was, whether a subordinated rank of a loan resulting from the German Insolvency Code ("InsO") can have an influence on the amount of the interest rate.

More in-depth information on the most recent judgment in the case I R 62/17 to be found in our [TP Perspectives - BFH 2021 FG Köln EN \(1\)](#)

### **Keywords**

[intra-group financing](#), [subordinated loan](#), [unsecured loan](#)