

# **Tax treatment: elimination of capital duty and other indirect taxes on the raising of capital (repeal. Directive 69/335/EEC). Recast**

2006/0253(CNS) - 12/12/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a legislative resolution based on the report drafted by Werner **LANGEN** (EPP-ED, DE), and agreed with the position taken by its competent committee. It made some amendments to the proposal for a Council directive concerning indirect taxes on the raising of capital (Recast version). These amendments mainly concerned the time periods in the proposal:

- according to the MEPs, it is appropriate that the maximum rate of capital duty applicable by those Member States who continue to charge capital duty should be reduced by 2010 (instead of 2008) and that capital duty should be abolished by 2012 at the latest (instead of 2010);
- the text now states that notwithstanding Article 5(1)(a), a Member State which, as at 1 January 2006, charged a duty on contributions of capital to capital companies, may continue to do so until 31 December 2011 (instead of 31 December 2009);
- the rate of capital duty may not in any event exceed 1%, and after 31 December 2009 (instead of 31 December 2007) it may not exceed 0.5%;
- Member States shall transpose the Directive by 31 December 2009 (instead of 31 December 2006) at the latest;
- Directive 69/355/EEC, as amended by the Directives listed in Part A of Annex II, is repealed with effect from 1 January 2010 (as opposed to 1 January 2007), without prejudice to the obligations of the Member States relating to the time-limits for transposition into national law of the Directives set out in Part B of Annex II;
- lastly, Annex I is extended to include the names of companies in Romania and Bulgaria.