

Accession of Bulgaria and Romania to the Convention of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises "Arbitration Convention" and amendment to the Annex I to the Act of Accession

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The Committee on Economic and Monetary Affairs unanimously adopted the report by Mariela Velichkova **BAEVA** (ALDE, BG) amending, in the framework of the consultation procedure, the proposal for a recommendation for a Council decision concerning the accession of Bulgaria and Romania to the Convention of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises.

First of all, in the draft resolution accompanying the report, MEPs ask that the Council take into account Parliament's concerns regarding the need to minimise the tax burden on taxpayers, when deciding on the date of application of the Convention of 23 July 1990.

They are also amending the date of entry into force of the amended Convention. In fact, the Commission's proposed text suggests that the amended Arbitration Convention enters into force for Bulgaria, Romania and the Member States, according to the following schedule:

- as regards the Member States for which the Arbitration Convention is already in force: 1 January 2007,
- as regards the Member States for which the Arbitration Convention is not yet in force: on the day the Arbitration Convention enters into force for those Member States.

This schedule implies that the Decision, when and if approved, will set a retroactive date of entry into force of the Arbitration Convention. Given that concerns have been expressed about such retroactive effect, it is suggested that the date of entry into force of the Arbitration Convention is set on the day following that of the publication of this Decision in the Official Journal of the European Union.