Company taxation: parent companies and subsidiaries of different Member States, common system. Recast

2010/0387(CNS) - 30/11/2011 - Final act

PURPOSE: recast of Council Directive 90/435/EEC concerning the common taxation system applicable in the case of parent companies and subsidiaries of different Member States.

LEGISLATIVE ACT: Council Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.

CONTENT: the Council adopted a directive recasting rules on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.

Council Directive 90/435/EEC of 23 July 1990 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States has been substantially amended several times. Since further amendments are to be made, it should be recast in the interests of clarity.

It should be noted that the objective of this Directive is to exempt dividends and other profit distributions paid by subsidiary companies to their parent companies from withholding taxes and to eliminate double taxation of such income at the level of the parent company.

ENTRY INTO FORCE: 18/01/2012.