Corporate taxation: common system of taxation applicable to interest and royalty payments. Recast

2011/0314(CNS) - 12/07/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Ildikó GALL-PELCZ (EPP, HU), following a special legislative procedure (European Parliament consultation), on the proposal for a Council directive on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States (recast).

The committee suggested that the Parliament should amend its proposal as follows:

Permanent establishment: only a permanent establishment that has met its tax liabilities shall be treated as the beneficiary of a tax exemption or a tax benefit.

Associated company: for the definition of associated company, Members changed the minimum holding to 25% from 10% of capital.

Transposition: certain provisions of the directive must be transposed by 31 December 2013 rather than 1 January 2012 as the Commission had proposed.

Report: the report on economic impact of the directive should be submitted by 31 December 2015, rather than 31 December 2016.