Company taxation: common system for mergers, divisions, transfers of assets and exchange of shares

1993/1204(CNS) - 26/07/1993 - Legislative proposal

The purpose of the proposal for a directive is to extend the scope of the 1990 'mergers' directive - which abolished certain cases of double taxation on undertakings operating in two or more Member States - to all undertakings established in the Community subject to corporation tax, in particular cooperatives or partnerships opting to be liable for corporation tax. The purpose of the second amendment is to bring the concept of holding into line with the concept of 'minimum holding' in the 'parent-subsidiary' directive. The latter directive allows Member States to grant companies with a holding below 25% the status of parent company and subsidiary, whereas the 'mergers' directive requires a holding of over 25%. In that respect, it is therefore proposed that the scope of the 'mergers' directive be brought into line with the definitions laid down in the 'parent-subsidiary' directive.