Company taxation: Common system applicable to parent companies and their subsidiaries

1993/1205(CNS) - 26/07/1993 - Legislative proposal

The purpose of the proposal is to extend the scope of the 1990 'parent company-subsidiary' directive - which abolished certain cases of double taxation on undertakings operating in several 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. In order to take advantage of the directive, undertakings will only have to show that they fulfil its conditions. The proposal is also intended to ensure that the double economic taxation on dividends is abolished completely when a subsidiary redistributes profits from its own subsidiary.