Taxation: common system for interest and royalty payments made between associated companies of different Member States

2003/0331(CNS) - 07/06/2005

The Council considered a proposal extending the scope of Directive 2003/49/EC on interest and royalty payments made between associated companies. To recall, Directive 2003/49/EC seeks to avoid obstacles to cross-border trade by eliminating the taxation at source of interest and royalty payments made between associated companies of different Member States. The proposed amendment updates the list of undertakings to which the Directive applies by including the companies of the ten new Member States and also specific legal entities such as the European Company and the European Cooperative Society. The Council noted that the text of the Directive as prepared by the Presidency was acceptable to the vast majority of delegations.