

# **Tax treatment: elimination of capital duty and other indirect taxes on the raising of capital (repeal. Directive 69/335/EEC). Recast**

2006/0253(CNS) - 21/11/2007

The Committee on Economic and Monetary Affairs adopted the report by Werner **LANGEN** (EPP-ED, DE) amending, under the consultation procedure, the proposal for a Council directive concerning indirect taxes on the raising of capital (Recast version).

The report unreservedly welcomes the recasting of the directive concerning indirect taxes on the raising of capital as a simplification of the existing complex Community legislation.

Nevertheless, the committee introduced a number of amendments concerning in particular the extension of the delays provided in the proposal:

- according to the MEPs, it is appropriate that the maximum rate of capital duty applicable by the Member States which continue to charge capital duty should be reduced by 2010 (instead of 2008) and that capital duty should be abolished by 2012 at the latest (instead of 2010);

- the report notes that notwithstanding Article 5(1)(a), a Member State which as at 1 January 2006 charged a duty on contributions of capital to capital companies, hereinafter "capital duty", may continue to do so until 31 December 2011 (instead of 31 December 2009);

- the rate of capital duty may not in any event exceed 1%, and after 31 December 2009 (instead of 2007) it may not exceed 0.5%;

- Member States shall transpose this Directive by 31 December 2009 (instead of 31 December 2006) at the latest;

- Directive 69/355/EEC, as amended by the Directives listed in Part A of Annex II, is repealed with effect from 1 January 2010 (as opposed to 1 January 2007), without prejudice to the obligations of the Member States relating to the time-limits for transposition into national law of the Directives set out in Part B of Annex II;

- lastly, Annex I the lists the names of companies in each of the Member States, it needs to be extended to include the names of companies in Romania and Bulgaria.