DE BRAUW
BLACKSTONE
WESTBROEK

EU combats international tax planning: the Amended Parent Subsidiary Directive

December 9, 2015

You have probably read about the OECD's comprehensive base erosion and profit shifting (or BEPS) action plan aimed at tackling undesirable international tax planning by corporates. In recent years, the EU, particularly the European Commission, has put substantial effort into accelerating BEPS-like measures in an EU context. A striking example is the amended Parent Subsidiary Directive. Originally designed to prevent economic double taxation of profits distributed within an EU corporate group, this directive is now also being deployed to counter undesirable tax planning. It does so by requiring member states to implement both a general anti-abuse provision (AAP) and a specific anti-hybrid rule in their domestic laws by 31 December 2015. The amendments raise important implementation questions that could result in domestic laws varying considerably. The Best Friends Tax Network has put together an implementation outline in respect of major EU jurisdictions, which can be found under *read more.* For more background on the BEPS project, have a look at *Musings on BEPS*, an article by the Best Friends Tax Network following the OECD's publication of the final BEPS package – comprising over 2,000 pages – in October 2015.

Download

- Some musings on BEPS
- Implementing the revised Parent Subsidiary Directive across the EU-outline