DE BRAUW BLACKSTONE WESTBROEK

# Apple to repay up to EUR 13 billion in illegal state aid

**On 30 August, 2016, the European Commission (EC) announced its decision that Ireland must recover up to EUR 13 billion plus interest from local Apple subsidiaries. The EC holds the view that “sweetheart” tax deals between Ireland and these Apple subs are illegal under EU state aid rules. The Apple ruling and earlier rulings on fiscal state aid, coupled with legislative developments and shifting views on international tax planning, will have, and in fact already have, significant implications for many multinationals.**

**This ruling confirms the need for multinationals that benefit or benefitted from a favourable tax arrangement to carry out a careful and objective analysis of risks associated with current or past favourable tax arrangements and prepare for potential enforcement action by the EC or by domestic – e.g. source country – tax authorities. These risks are not restricted to state aid recovery and tax reassessment risks but extend to, for instance, disclosure obligations towards (prospective) investors and reputational risks. Further, there is the need to consider or reconsider the strategic approach to tax planning and formulate the criteria to be applied, taking a holistic view that not only considers compliance with (new) tax rules and tax re-assessment and recovery risks but also corporate governance, legal, regulatory, accounting and reputational aspects.**