

Corporate tax alert Belgium

Council agrees to Parent Subsidiary anti-abuse clause and extended exchange of information



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On 9 December 2014, the European Council gave its political backing to the new Parent Subsidiary Directive's [anti-abuse clause](#) and to the extended mandatory exchange of information between EU tax authorities.

Anti-abuse clause

The Council approved a new '*de minimis*' anti-abuse clause to be inserted in the Parent Subsidiary Directive. The amending directive will be adopted at a forthcoming Council meeting without further discussion and should apply as of 1 January 2016.

The new anti-abuse clause is aimed at preventing misuses of the directive and ensuring a greater consistency in its application in different member states.

The clause will require Member States to refuse the directive's benefits of an arrangement or a series of arrangements that are not "genuine" and which have been put into place for the main purpose (or one of the main purposes) of obtaining a tax advantage defeating the object or purpose of the directive. An arrangement or series of arrangements will be regarded as not "genuine" to the extent that they are not put into place for valid commercial reasons reflecting economic reality.

This anti-abuse clause is a "*de minimis*" clause as it does not preclude the application of domestic or treaty-based provisions required for the prevention of tax evasion, tax fraud or abuse.

Automatic information exchange

EU Finance Ministers also adopted a draft directive extending the scope for automatic exchange of information between tax authorities in the EU's 28 Member States. This directive brings interest, dividends, gross proceeds from the sale of financial assets and other income, as well as account balances, within the scope of information exchange.

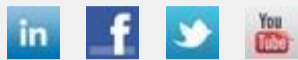
In his comments on this decision, Tax Commissioner Moscovici confirmed his commitment to extend the automatic exchange of information to tax rulings, with a proposal for directive to be presented in early 2015.

Contacts

Any questions concerning the items in this alert? Please contact your usual tax consultant at our Deloitte office in Belgium

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