

# Improving double taxation dispute resolution mechanisms

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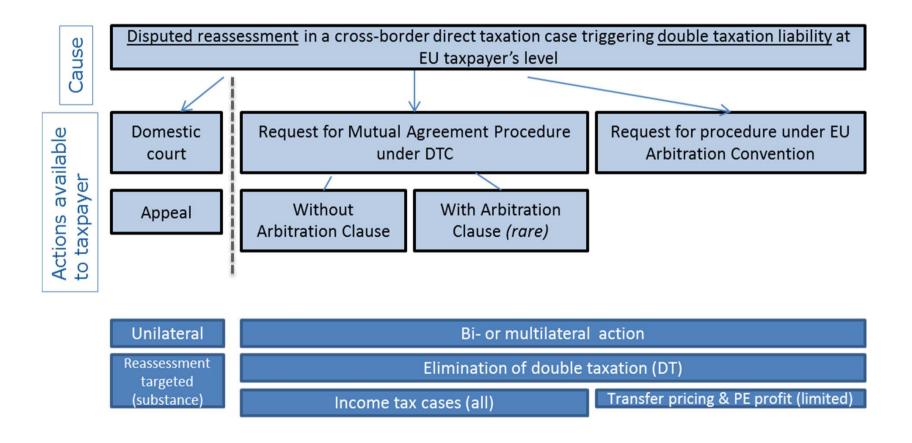
Section 3.2 of the June 2015 Action Plan for a Fair and Efficient Corporate Tax System in the European Union. recognises that

- double taxation has a negative impact on cross border investment and
- causes economic distortions and inefficiencies

Commission will propose improvements to the current mechanisms to resolve double taxation disputes in the EU, by summer 2016.



### The current mechanisms





# The problems

#### Issue:

No Double Taxation Convention and AC not applicable

Issue:

Denail of Access to the procedure. Reasons:

- Case not faling under AC/DTC
- Information regarded as not sufficient

Issue DTC: Gen no obligation to agree



**Action that** results in double taxation



**Request for MAP** under AC or DTC



**Deadline for** concluding MAP



DTC with

or AC

Arbitration



Elimination of double taxation



#### Issue:

Arbitration procedure not set in motion: Reasons not foreseen in instrument:

- Lack of Action
- · No agreement on composition
- Files not submitted to arbitrators

#### **Decision**

(independent opinon or "baseball")



**Appointment** of advisory commission

Issue: Decision of advisory commission is not implemented Reasons: statute of limitation, non agreement of local authorities



# In numbers (for the AC only)

#### **Statistics 31.12.2014:**

Bilateral cases initiated: 253

Cases completed (first phase): 105

Cases rejected: 14

Duration between request and initiation:

0-6 months: 85 % 6-12 months: 10 %

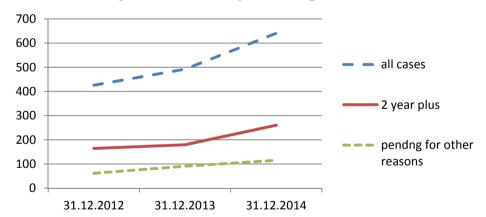
More than 12 months:5%

Open cases: 640 (100 %)

Open more than 2 years: 260 (40,5 %)

Open for reasons not foreseen in the AC: 115 (18%)

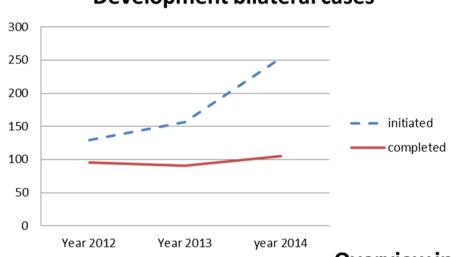
# Development bilateral cases 2 years plus and all pending cases

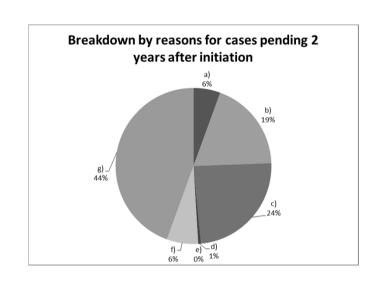




## In numbers

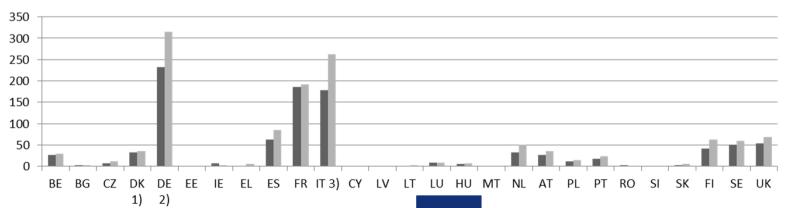
#### **Development bilateral cases**





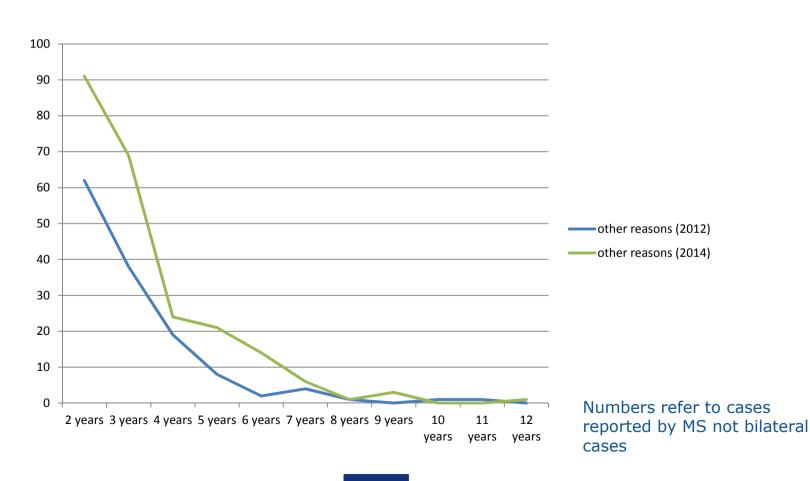
#### **Overview inventory 2014**

■ Opening2014 ■ End 2014



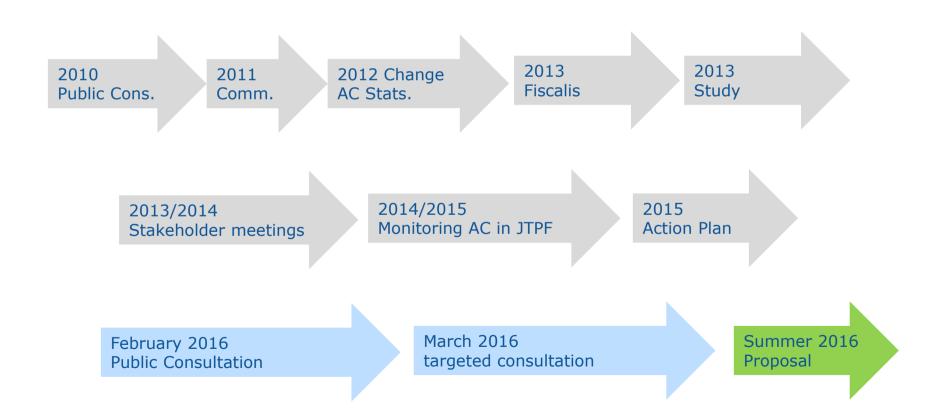


# In numbers (for the AC only)





# The consultation strategy





# **Your input**

**Public consultation:** Input on problem, objectives and options (incl. their suitability for non-business taxation)

http://ec.europa.eu/taxation customs/common/consultations/tax/
double tax dispute en.htm

Targeted data collection from JTPF and Platform: input on the size and impact of the problem of double taxation from affected stakeholders:

Link + password to be provided