
Table of Contents

Preface	xv
Chapter 0: General Report	1
<i>Daniel Sarmiento and Domingo J. Jiménez-Valladolid de L'Hotellerie-Fallois</i>	
Part One	
Litigating EU Tax Law before the Court of Justice of the European Union	
Chapter 1: Litigating EU Tax Law before the Court of Justice of the European Union: A European Commission Practitioner's Perspective	13
<i>Wim Roels</i>	
1.1. Introduction	13
1.2. The internal organization of the European Commission in matters of taxation	13
1.3. Remedies and procedures	18
1.3.1. Comparison in terms of time and costs	19
1.3.2. Result-oriented comparison	22
1.4. European Commission tax policy and remedies and procedures	24
Part Two	
EU National Courts and the Application of EU Tax Law	
Chapter 2: Some Thoughts on the Judicial Application of EU Tax Law from an Italian Perspective	31
<i>Guglielmo Maisto</i>	
2.1. Introduction	31
2.2. Italian courts and judicial application of EU tax law	31
2.3. Assessment of the Italian judiciary in the application of EU tax law	34
2.4. Selected restraints to preliminary ruling requests	36
2.5. Cooperation between Italian courts and the ECJ	40
2.5.1. The case law on the concept of withholding tax under article 5 of the Parent-Subsidiary Directive	41

Table of Contents

2.5.2. An open decision: <i>P. Ferrero e C. and General Beverage Europe BV</i> (Joined Cases C-338/08 and C-339/08)	45
2.5.3. Conclusive remarks on open decisions	47
Chapter 3: The English Courts and the Application of EU Tax Law	49
<i>Paul Farmer</i>	
3.1. UK courts and tribunals	49
3.2. The English courts and EU law	51
3.2.1. Conforming interpretation	52
3.3. English courts and the preliminary ruling procedure	54
3.3.1. Framing preliminary questions	55
3.3.2. A dialogue between judges?	55
3.4. Two practical examples	56
3.4.1. <i>Marks & Spencer</i>	56
3.4.2. The <i>FII</i> litigation	58
3.5. Concluding remarks	60
Chapter 4: EU National Courts and the Application of EU Tax Law - Finland	61
<i>Timo Viherkenttä</i>	
4.1. General remarks	61
4.2. The Finnish court system in tax matters	62
4.3. The general approach to EU law in Finnish courts	63
4.4. Some specific issues on court proceedings and EU law	65
4.5. Preliminary references	65
4.5.1. General remarks	65
4.5.2. Split opinions on preliminary reference at the KHO	67
4.5.3. Annuling an earlier decision where a reference was not made	69
4.6. Implementation of ECJ rulings	70
Chapter 5: Spanish Courts and the Application of EU Law	73
<i>Guillermo Canalejo Lasarte and Ana Isabel Ron Elizalde</i>	
5.1. Introduction to the European and Spanish legal systems	73
5.1.1. The autonomy of the EU legal system	73
5.1.2. Cooperation between EU and national law	74
5.1.3. Implementation of EU law by Spanish authorities	75

5.2. Available remedies in taxation cases	77
5.2.1. Introduction	77
5.2.2. The Spanish tax courts and EU law	78
5.2.3. Remedies	80
5.3. Significant taxation cases with a link to EU law	81
5.3.1. Introduction	81
5.3.2. Decision of the Central Administrative Tax Court (TEAC) of 28 September 2006	81
5.3.3. Decision of the Regional Administrative Tax Court of Madrid of 29 November 2011	82
5.4. Preliminary ruling procedures	83
5.4.1. General issues	83
5.4.2. Preliminary ruling procedures in Spain	85
5.4.3. Right to submit requests for preliminary references	86
5.4.4. Effects of the pre-judicial procedure	87
5.5. Member State liability for breach of Community law	88
5.5.1. Introduction	88
5.5.2. Member State liability for acts or omissions of national legislature	89
5.5.3. Liability of the judiciary for breach of Community law	90
5.6. Bibliography	91

Part Three

EU Tax Law in WTO and International Arbitration Litigation

Chapter 6: Taxation Issues under the GATT in the WTO	
Appellate Body Jurisprudence	95
<i>Giorgio Sacerdoti</i>	
6.1. Introduction	95
6.2. Tax discrimination	96
6.3. Taxation and subsidies	104
Chapter 7: A Game of Snakes and Ladders – Tax Arbitration in an International and EU Setting	109
<i>David Ramos Muñoz</i>	
7.1. Introduction	109
7.2. Tax arbitration’s lack of pedigree: Sheer snobbery or legitimate concern?	111
7.2.1. “Tax issues are not arbitrated”	112

Table of Contents

7.2.1.1.	Tax issues in commercial and investment arbitration disputes	112
7.2.1.2.	Tax issues in tax disputes	113
7.2.2.	“Tax arbitration is not arbitration”	116
7.3.	Consent and jurisdiction	122
7.3.1.	Jurisdiction/Arbitrability	122
7.3.1.1.	Jurisdiction <i>rationae personae</i>	122
7.3.1.1.1.	The state and its authorities. Issues with sovereign immunity and sub-state entities	122
7.3.1.1.2.	The private (non-)party as the catch in the game	125
7.3.1.2.	Jurisdiction <i>rationae materiae</i> , and arbitrability	126
7.3.2.	Nature of consent and two-tier proceedings	130
7.3.2.1.	Pre-dispute or post-dispute consent	130
7.3.2.2.	Two-tier proceedings	132
7.3.2.2.1.	Two-tier proceedings in commercial and investment arbitration	132
7.3.2.2.2.	Two-tier proceedings in tax arbitration, and the parties’ initiative to start proceedings	138
7.3.2.3.	Competence-competence in tax arbitration: The elephant in the room	140
7.4.	The arbitral tribunal and its constraints	147
7.4.1.	The arbitral tribunal: Appointment, challenge and removal	147
7.4.2.	Constraints on decision-making (I). General and procedural constraints	151
7.4.3.	Constraints on decision-making (II). Substantive constraints	157
7.4.3.1.	The sources of the decision (I). International (tax) arbitration and substantive law	157
7.4.3.2.	The sources of the decision (II). International (tax) arbitration and EU law	161
7.5.	Decision, finality and enforcement	167
7.5.1.	The decision. Of facts, law and baseball	167
7.5.2.	The finality of the decision and parallel proceedings	170
7.5.2.1.	Parallel proceedings, tax arbitration and the backlash for middle-of-the-road solutions	170

7.5.2.2. Parallel proceedings, procedural guarantees and tax arbitration	173
7.5.2.2.1. Limits on the reach of procedural guarantees in tax cases	173
7.5.2.2.2. Circumventing limits on (procedural) guarantees in tax cases through the (substantive) rules on the protection of property	177
7.5.2.2.3. Back to square one. Procedural guarantees and arbitration	180
7.5.3. Recognition and enforcement	184
7.6. Conclusions	187

Part Four

Non-EU National Courts and the Application of EU Tax Law

Chapter 8: The Outreach of EU Law in Direct Tax Law – A Brief Introduction	207
<i>Cécile Brokelind</i>	
8.1. Introduction	207
8.2. Geographical outreach	208
8.3. Regional integration methodological issues	211
Chapter 9: Turkish Courts and the Application of EU Tax Law	215
<i>Billur Yalrı</i>	
9.1. Relations between the European Union and Turkey: Background	215
9.2. Legal sources: The AA	217
9.2.1. The status of the AA in Turkish law	217
9.2.2. The impact of the AA in terms of taxation	218
9.2.2.1. Customs union	219
9.2.2.2. Indirect taxation: Non-discrimination and harmonization	221
9.3. Dispute resolution remedies in Turkey and their efficiency	223
9.3.1. The administrative appeal procedure	223
9.3.2. The reconciliation procedure	224
9.3.3. The tax litigation procedure: Tax courts	224
9.3.4. Efficiency of the remedies	225
9.4. The state of expertise of Turkish tax judges on EU law	227

Table of Contents

9.5. The discussion on the legal nature of Decision 1/95 of the Council of Association	228
9.6. The decisions of the SAC on the AA	231
9.6.1. Timing issues	231
9.6.2. Issues arising from concurrent decisions of the Council of Ministers	232
9.6.3. Issues arising from formal conditions	233
Chapter 10: Two Different Stories on the Application of EU Tax Law: EU Courts Acting beyond the Scope of EU Tax Law and How Latin American Countries Have Received EU Tax Case Law	235
<i>Adolfo Martín Jiménez</i>	
10.1. Introduction	235
10.2. EU courts acting in fields not Covered by EU tax law	237
10.2.1. Introduction: Defining the outer limits of the obligation of “consistent interpretation”/ obligation to disapply national tax law and the doctrine of extension of effects of EU law	237
10.2.2. The <i>Canary Islands</i> case and the external limits of the doctrine on “extension of effects”: The (non-)obligation to apply and interpret indirect tax legislation in the Canary Islands in conformity with EU VAT directives	240
10.2.3. Situations external to EU tax law, the doctrine of “extension of effects of EU law to purely internal situations” and the obligation to disapply domestic law or give “a consistent interpretation” with EU law	243
10.3. Latin American countries and EU tax law	252
10.3.1. Introduction	252
10.3.2. Use of the ECJ case law in regional integration processes	252
10.3.3. Application of EU tax Law in Latin American countries	256
10.3.3.1. Introduction	256
10.3.3.2. Application of ECJ tax case law in Argentina	256
10.3.3.3. Application of ECJ tax case law in Colombia	259
10.3.3.4. Application of ECJ tax case law in Peru	261

10.3.4. Conclusions on the impact of ECJ tax case law in Latin America	265
Chapter 11: Introducing an EU Compliant Patent Box Regime in Swiss Tax Law – A Note on the Swiss Finance Department Interim Report of 17 May 2013	
<i>Robert Danon</i>	269
11.1. Introduction	269
11.2. The selectivity of patent box regimes under EU State aid rules	271
11.3. Patent box regimes and Swiss constitutional law and harmonization principles	277
11.4. Conclusions	281
Chapter 12: Application of EU Law in National Courts in the Mutual Relations between the Netherlands and the Netherlands’ Associated Territories in the Field of Direct Taxation	
<i>Daniël S. Smit</i>	283
12.1. Introduction	283
12.2. The position of the Member States’ associated and dependent territories under EU law in the field of direct taxation	283
12.2.1. Classification of the Member States’ associated and dependent territories under the TFEU	283
12.2.2. The qualification of Member States’ associated and dependent territories in the case law of the ECJ: Third country or (part of) a Member State? A case-by-case approach	290
12.2.3. Competency of the local court of an associated and dependent territory to ask preliminary questions	291
12.3. Application of EU law in the national courts in the mutual relations between the Netherlands and the Netherlands’ associated territories in the field of direct taxation	293
12.3.1. The perspective of the Netherlands’ associated territories	293
12.3.2. The perspective of mainland Netherlands	294
12.4. Conclusion	299

Part Five
Concluding Remarks

Chapter 13: Throwing Back Some Curves – Some Comments on the Presentations and the Proceedings of the 7th GREIT International Conference, Madrid, 13 September 2012	303
<i>Peter J. Wattel</i>	
13.1. Introduction	303
13.2. Interaction between national courts and the ECJ	303
13.3. EU law in WTO law and international arbitration	307
13.4. Non-EU national courts and the application of EU tax law	310
13.5. Closing of the closing lecture	311
List of Contributors	313