On 9 December 2014, the Economic and Financial Affairs Council (the Council) approved an amendment to the Parent-Subsidiary Directive (recast) (2011) (the Directive) with the aim of preventing tax avoidance and aggressive tax planning by corporate groups. The Council agreed that it would introduce a binding anti-abuse clause as a "de minimis", which allows countries to apply stricter national rules as long as they meet minimum EU requirements in the Directive.

The anti-abuse clause is aimed at preventing misuses of the Directive and to ensure a greater consistency in its application within different Member States. It requires that governments refrain from granting the benefits of the Directive to an arrangement, or a series of arrangements, that are not "genuine" and have been put in place to obtain a tax advantage, while not reflecting economic reality.

The amending Directive will be adopted at a forthcoming Council session without further discussion and the Member States will have until 31 December 2015 to transpose this amendment of the Directive by introducing an anti-abuse rule into national law.

See also

European Union-1, News 1 May 2014
European Union-1, News 25 November 2013