

RESOLUTION OF DOUBLE TAXATION DISPUTES

This is to alert you to Council Directive (EU) 2017/1852 of 10 October 2017, which provides resolution mechanisms for disputes as to the interpretation or application of agreements and conventions that provide for the elimination of double taxation of income and/or capital within the European Union.

In the event of a double taxation dispute, the affected taxpayer will be entitled to submit a complaint initiating a mutual agreement procedure:

- Generally, the complaint is to be submitted to the competent authority of each of the Member States concerned, while a smaller business or an individual can use a simplified process and submit their complaint only in the country in which the business or person is resident.
- The Member States have a maximum of two years to agree on which one of them is entitled to collect the tax.
- In the absence of such agreement, the matter automatically goes to arbitration with an advisory commission which will issue its opinion for the Member States within 6 months.
- Having received the opinion, the competent authorities of the Member States concerned will have six months to agree on a resolution. They may make a decision that differs from the advisory commission's opinion, but if they do not reach an agreement, the opinion will be binding.

Directive 2017/1852 will apply to any complaint submitted from 1 July 2019 onwards relating to questions of dispute relating to income or capital earned in a tax year commencing on or after 1 January 2018. Member States must implement the directive into their national laws by 30 June 2019.

If this issue pertains to your business and you are interested in our assistance, please contact your WTS&SAJA consultant or our office.

Doradztwo Podatkowe WTS&SAJA Sp. z o.o.

Bałtyk Building, 13th floor
ul. Roosevelta 22
60-829 Poznań
tel. (+48) 61 643 45 50
fax. (+48) 61 643 45 51

Warsaw Office

CENTRAL Tower, 22nd floor
Al. Jerozolimskie 81
02-001 Warszawa

This Newsletter provides general information and is designed to keep you up-to-date with changes in tax law, tax rulings and interpretations, case law development and interesting commentaries.

Doradztwo Podatkowe WTS&SAJA shall not be held legally liable for any acts or omissions that follow from the contents hereof.