Annotation

Jurisdictions around the world currently compete to attract mobile capital of multinational companies by providing them the most favourable tax conditions. Some EU member states actively participate in tax competition. Over the past decade, the European Commission has successfully enacted a number of measures aimed at preventing multinational companies from implementing aggressive tax planning schemes. These measures aim to establish fair conditions for competitors on the internal market and to meet the demand of the public and of the international community for suppression of aggressive tax planning. The theoretical background of the thesis derives from the field of Law and Economics, specifically by using the concept of transaction costs and means of Economic analysis of criminality. This thesis aims to answer the question of whether the new EU legislation leaves room for the member states to continue in allowing multinational companies to optimize taxes in the ways targeted by the EU measures. The thesis consists of two case studies, which evaluate the impact of the rules on known tax optimization schemes. The first one analyses the impact of state aid proceedings on tax rulings and the second one analyses the influence of the controlled foreign company rule on harmful IP boxes. The objective of the evaluation is to identify weaknesses in the regulatory instruments that can help the member states to circumvent the goal of the EU legislation.