

**Question for written answer E-011602/2015
to the Commission**
Rule 130
Miguel Viegas (GUE/NGL)

Subject: The notion of 'group interest' and tax avoidance

The development of the notion of 'group interest' reveals the need to reconcile economic realities and legislation. In many situations, there may in fact be a fundamental contradiction between the legal independence of a controlled company and its economic dependence on a parent company or group of companies of which it is a subsidiary. So, in practice, when drawing up its strategy, a parent company might be forced to give priority to the interests of the group, even when these do not coincide entirely with the interests of its subsidiary.

According to the literature, intra-group operations that might involve group interest concern three main areas:

- sharing indirect costs within the group (such as administration, R&D and logistics);
- strategy decisions concerning expansion and investment;
- intra-group transactions concluded outside normal market conditions.

In 2012, the Commission stated its intention of recognising the notion of 'group interest', announcing that it would be proposing an initiative in this respect in 2014.

Does the Commission think that regulation of this notion of 'group interest' might conflict with all the work being done to counter tax fraud, evasion and avoidance?