BRIEFING

Next Generation EU (NGEU) delivery
Sectoral focus

European Parliament

Measures tackling aggressive tax planning in the national recovery and resilience plans

SUMMARY

This briefing focuses on policy measures to contain aggressive tax planning (ATP) that six Member States – Ireland, Cyprus, Luxembourg, Hungary, Malta and the Netherlands – have laid out in their individual national recovery and resilience plans, which were drawn up in order to benefit from the Next Generation EU (NGEU) recovery instrument. The countries were selected because their European Semester and 2019 and 2020 country-specific recommendations (CSRs) highlighted ATP concerns.

ATP is a harmful practice that exploits differences in countries' tax systems to reduce or avoid tax payments. It can diminish governments' revenues considerably and exacerbate inequalities and unfair competition among countries. In their NRRPs, the countries identified have listed – to varying degrees – reforms and investment to curb ATP practices, while meeting the Recovery and Resilience Facility (RRF) objectives. In most cases, the measures that must be completed by 2026 at the latest include the introduction of a withholding tax on interests, royalties and dividends. Other examples of ATP-related measures include strengthening transfer pricing rules, introducing corporate tax residency tests and enforcing citizenship-by-investment rules.

To receive RRF funding, Member States must address at least a significant subset of the CSRs and achieve the accompanying milestones and targets, including those aimed at addressing ATP. The RRF is a central part of NGEU, the EU's biggest financing instrument in support of Member States' efforts to recover from the pandemic while fostering the green and digital transitions. It is also closely linked to the European Semester, which seeks to coordinate national economic policies more effectively and follow up on how the RRF-financed measures are implemented.

IN THIS BRIEFING

- What is aggressive tax planning?
- ATP indicators
- Policy measures tackling ATP and the European Semester
- ATP-related measures in the National Recovery and Resilience Plans
- European Parliament

EPRS | European Parliamentary Research Service

Author: Marin Mileusnic
Next Generation EU Monitoring Service, Members' Research Service

PE 745.704 – March 2023

What is aggressive tax planning?

Aggressive tax planning (ATP) refers to the practice of exploiting loopholes in tax laws – that is, abiding by the letter of the law but violating its spirit – to minimise or avoid tax liability. It typically involves using complex tax structures that take advantage of differences in tax laws between countries to reduce taxable income artificially. In the EU, ATP has been a significant issue because of its potential to undermine national tax systems' fairness and effectiveness and to distort the single market. ATP is a form of tax avoidance that differs from other detrimental phenomena such as tax evasion, tax fraud or harmful tax practices. The first two, which are illegal, refer to creating arrangements that allow for hiding or ignoring the tax base (tax evasion), and to evading taxes deliberately by falsifying documents such as financial statements (tax fraud). Harmful tax practices consist of increasing tax competition in one jurisdiction with undesirable consequences on another, thereby distorting the natural allocation of resources.

The main procedures for setting up ATP structures include:

1. **Debt shifting**. This occurs through intra-company loans that affect the overall debt position of a multinational company and, when abused, artificially shift profits from a high-tax to a low-tax jurisdiction through tax-deductible interest payments.
2. **Strategic location of intellectual property rights and intangible assets**. These assets are easily moveable within multinational companies. Therefore, to reduce tax liabilities, they are relocated artificially from a high-tax jurisdiction (where, for example, research and development (R&D) activities take place) to a low-tax one (where the ownership of the patent stemming from the same R&D activity is placed).
3. **Transfer pricing**. This refers to the misuse of transfer pricing rules (i.e. the valuation for tax purposes of cross-border transactions between associated enterprises) within a multinational group to inflate the expenses of a group member in a high-tax jurisdiction artificially and thus move profits to another group member in a low-tax one.
4. **Tax treaty shopping**. Multinational enterprises take advantage of bilateral tax treaty provisions to minimise taxes and the repatriation cost of dividends.

ATP structures produce several negative economic effects. One primary impact is **reduced government revenue**. Where ATP exist, less taxes are collected, which lead governments having to struggle to provide public goods such as education, healthcare, infrastructure and other services. In its communication on business taxation for the 21st century, the European Commission noted that ATP could lead to a loss in tax revenue of between €35 and €70 billion per year in the EU. On a global scale, this amount ranges between US$100 and US$240 billion annually (equivalent to between 4 % and 10 % of global corporate income tax revenue), according to the inclusive framework on base erosion and profit shifting (BEPS). Such revenue loss can considerably worsen the public finances of countries negatively affected by ATP. In addition, having less public goods, or public goods of lesser quality, can exacerbate **inequalities** among citizens and erode **taxpayer morale** by leading some to fail on tax obligations. ATP also creates **distortions in competitiveness** marked by the lack of a level playing field between companies. Firms with more resources available and a multinational character have an advantage over purely domestic enterprises in setting up and exploiting ATP structures, and as a result, they pay less tax (around 30 % less according to a 2010 study).

ATP indicators

There are two clusters of ATP indicators: legal and economic. According to a Commission working paper, **legal indicators** can be active (directly promoting ATP), passive (indirect and indispensable for ATP to work, such as the absence of withholding taxes) or show the absence of anti-abuse tax rules (e.g. weak capitalisation rules).

This briefing puts special attention on withholding taxes, as certain Member States have committed to introducing them in their National Recovery and Resilience Plans (NRRPs) to tackle ATP (see next

sections). Withholding tax, defined as tax on income imposed at source such as on dividends, interests and royalties, prevents situations of double non-taxation. Table 1 shows which Member States did not have withholding taxes in 2021, thus allowing money flows to low-tax, non-EU jurisdictions.

Table 1 – EU countries without withholding taxes in 2021

Withholding tax	Member States that do not levy a withholding tax
Royalties	Latvia, Luxembourg, Hungary and Malta
Interests	Germany, Estonia, Cyprus, Latvia, Luxembourg, Hungary, Malta, Austria, Finland and Sweden
Dividends	Estonia, Ireland, Cyprus, Hungary and Malta

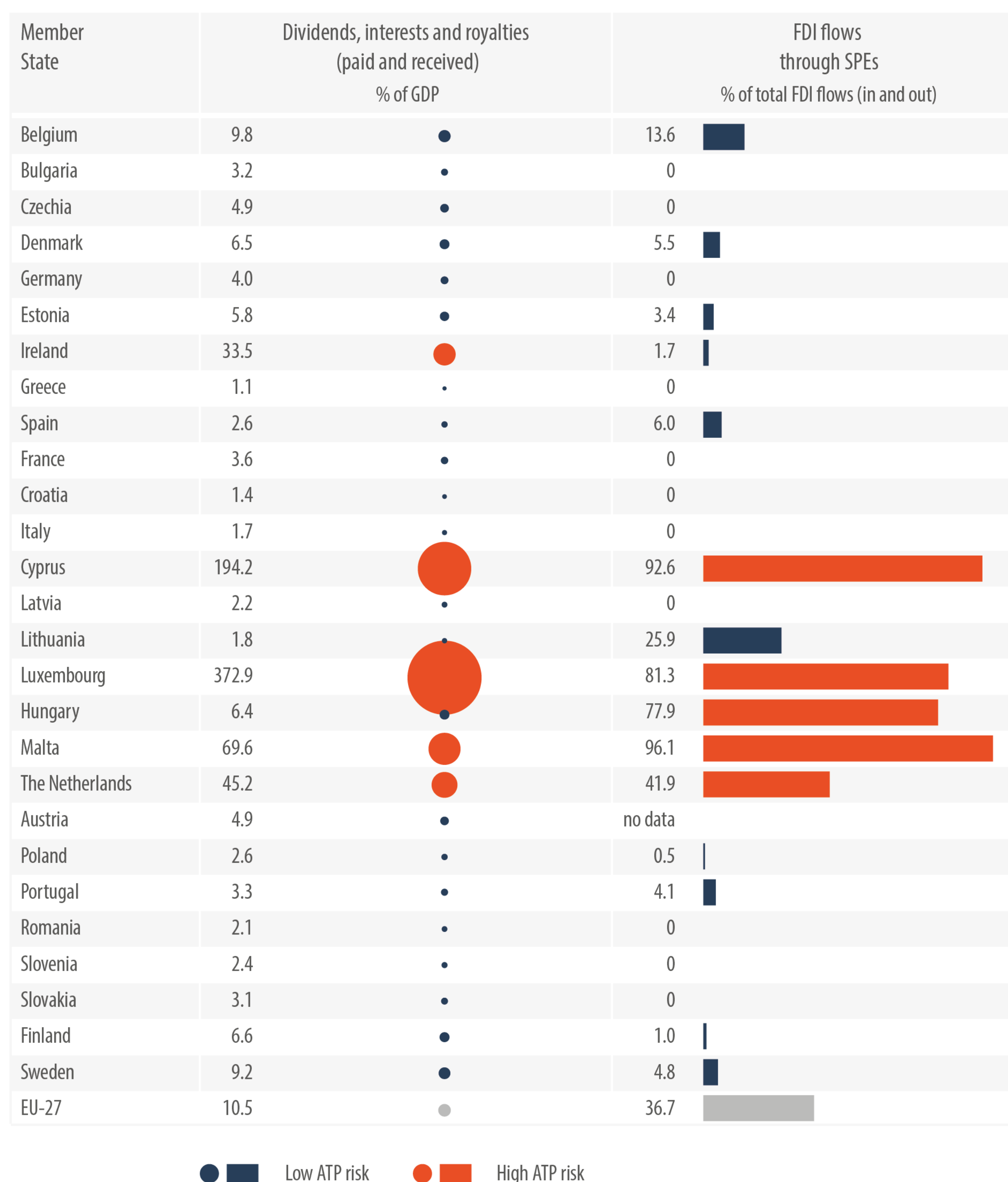
Source: EPRS based on European Commission data, 2022.

Economic indicators, on the other hand, look at substantial financial flows present in a jurisdiction. They do not directly confirm tax avoidance practice, but may suggest its presence for which further analysis is then required. These indicators include:

1. Level of **foreign direct investment** (FDI) made cross-border between related companies (as a share of gross domestic product – GDP), especially FDI through special-purpose entities (SPEs);[1]
2. Level of **dividends, interest and/or royalties** (as a share of GDP);
3. **Corporate tax revenues** (as a share of GDP) that signal a country's ability to raise significant revenues from this type of taxes;
4. **Treaty shopping indicators** that show how the use of a combination of tax treaties can minimise the cost dividend repatriation.

The former two economic indicators are widely used for reporting purposes[2] and are displayed in Figure 1 below for the year 2020. The data show that six Member States (Ireland, Cyprus, Luxembourg, Hungary, Malta and the Netherlands) show a high risk of enabling ATP structures. It is worth noting that the same six countries are among those that did not enact one or more types of withholding tax, the absence of which is a legal ATP indicator (see Table 1). ATP risk is deemed high if at least one of the economic indicators is significantly higher than its average value. Among the countries with low risk exposure in 2020, Lithuania showed an upward trend relative to the FDI indicator (which stood at 2.5 % in 2018 and at 11.7 % in 2019), while Belgium and Sweden lowered their values relative to the dividends, interests and royalties indicator (15.0 % and 10.7 % in 2019, respectively).

Figure 1 – ATP economic indicators in 2020 (or the latest available year)



Member State	Dividends, interests and royalties (paid and received) % of GDP	FDI flows through SPEs % of total FDI flows (in and out)
Belgium	9.8	13.6
Bulgaria	3.2	0
Czechia	4.9	0
Denmark	6.5	5.5
Germany	4.0	0
Estonia	5.8	3.4
Ireland	33.5	1.7
Greece	1.1	0
Spain	2.6	6.0
France	3.6	0
Croatia	1.4	0
Italy	1.7	0
Cyprus	194.2	92.6
Latvia	2.2	0
Lithuania	1.8	25.9
Luxembourg	372.9	81.3
Hungary	6.4	77.9
Malta	69.6	96.1
The Netherlands	45.2	41.9
Austria	4.9	no data
Poland	2.6	0.5
Portugal	3.3	4.1
Romania	2.1	0
Slovenia	2.4	0
Slovakia	3.1	0
Finland	6.6	1.0
Sweden	9.2	4.8
EU-27	10.5	36.7

Data source: EPRS based on European Commission data. Notes: 2018 data for Greece (both indicators) and Slovakia (FDI indicator); 2019 data for Malta (both indicators), France (FDI indicator), Italy (FDI indicator) and EU-27 (dividends, interests and royalties indicator).

Policy measures tackling ATP, and the European Semester

In recent years, various initiatives and instruments, combining both hard and soft laws, have been enacted in the EU to step up the fight against ATP.[3]

The **Anti-Tax Avoidance Directives** (ATAD 1 and ATAD 2) were enacted following the Commission's presentation of the anti-tax avoidance package in January 2016. The directives strengthened the anti-tax avoidance framework by setting out legally binding anti-abuse measures. The new provisions included interest limitation rules, controlled foreign companies rules, general

anti-abuse measures, an exit taxation rule preventing companies from avoiding tax when re-locating assets, a switchover rule preventing double non-taxation of certain income, and hybrid mismatch rules preventing double non-taxation on the back of differences in the laws of two or more tax jurisdictions.

The **Directive on Administrative Cooperation** (DAC) and its amendments additionally boosted tax transparency in the EU as tax authorities started to exchange tax information on various accounts. Particularly important (automatic) exchanges concern information on tax rulings (DAC3), country-by-country reporting (DAC4), ATP schemes by intermediaries (DAC6) and income generated by sellers on digital platforms (DAC7). In December 2022, the Commission proposed a new amendment to the directive (DAC8) to include crypto-asset and e-money transactions in the automatic exchanges. That proposal, subject to unanimity voting in the Council and consultation of the European Parliament and the European Economic and Social Committee, is currently under examination.[4]

On 15 December 2022, the Council adopted a directive on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the EU. This legislation closely follows the Organisation for Economic Co-operation and Development's international standard (**Pillar Two**) agreed between 137 countries, which defines the minimum effective tax rate of 15 % applicable across the EU to bring fairness, transparency and stability to the international corporate tax framework.

Besides the above EU directives (hard law) that help reduce ATP practices,[5] the Commission issued a recommendation to the Member States to permit possible financial support only to undertakings that do not have links to countries from the EU list of non-cooperative jurisdictions (or 'tax havens'). The Commission also delivered an action plan for fair and simple taxation, where it announced its willingness to explore the use of Article 116 of the Treaty on the Functioning of the European Union to adopt future legislative proposals by ordinary legislative procedure (co-decision of the Council and the European Parliament), thus applying qualified majority voting. Both soft laws – the recommendation and the action plan – were delivered as part of the Commission's tax package for fair and simple taxation in July 2020.

Finally, the **European Semester** is yet another soft law instrument that complements EU initiatives tackling ATP. Since the introduction of the Semester in 2010, the Council has been adopting country-specific recommendations (CSRs) annually, with the Commission assessing Member States' progress in addressing the challenges identified. In 2019 and 2020, six Member States (Ireland, Cyprus, Luxembourg, Hungary, Malta and the Netherlands) received recommendations to curb ATP practices (Table 2). The recommendations were in line with the legal and economic indicators as shown in the previous section. To benefit from (RRF) funding (see next section), and possibly to have the CSRs dropped in the subsequent Semester exercises, countries needed to address commitments to fight ATP through measures laid down in their NRRPs. However, the 2022 Semester cycle[6] reaffirmed ATP concerns in Luxembourg and Malta, and further action by the two countries will be required in the course of 2023.

Table 2 – Overview of country-specific recommendations on aggressive tax planning

Member State	Country-specific recommendations		
	2019	2020	2022
Ireland	Continue to address features of the tax system that may facilitate ATP, and focus in particular on outbound payments	Step up action to address features of the tax system that facilitate ATP, including on outbound payments	
Cyprus	Address features of the tax system that may facilitate ATP by individuals and multinationals, in particular by means of outbound payments by multinationals	Step up action to address features of the tax system that facilitate ATP by individuals and multinationals	
Luxembourg	Address features of the tax system that may facilitate ATP, in particular by means of outbound payments	Step up action to address features of the tax system that facilitate ATP, in particular by means of outbound payment.	Take action to tackle ATP effectively, including by ensuring sufficient taxation of outbound payments of interests and royalties to zero- and low-tax jurisdictions
Hungary	Continue simplifying the tax system, while strengthening it against the risk of ATP	Strengthen the tax system against the risk of ATP	
Malta	Address features of the tax system that may facilitate ATP by individuals and multinationals, in particular by means of outbound payments	Step up action to address features of the tax system that facilitate ATP by individuals and multinationals	Take action to address effectively features of the tax system that may facilitate ATP by individuals and multinationals, including by ensuring sufficient taxation of outbound payments of interests, royalties, and dividends, and amending the rules for non-domiciled companies
Netherlands	Address features of the tax system that may facilitate ATP, in particular by means of outbound payments, notably by implementing the announced measures	Take steps to fully address features of the tax system that facilitate ATP in particular on outbound payments, notably by implementing the adopted measures and ensuring its effectiveness	

Data source: European Commission.

ATP-related measures in the NRRPs

The Next Generation EU (NGEU) instrument and its flagship, the Recovery and Resilience Facility (RRF), are the largest-ever EU financing tools, created to mitigate the socio-economic fallout of the pandemic. The RRF has been linked to the European Semester in order to motivate the Member States to take the issued CSRs (all or a significant subset thereof) into account when proposing reforms and investment that would benefit from RRF resources on successful completion of corresponding milestones and targets. The relevant 2019 and 2020 recommendations highlighted ATP concerns in Ireland, Cyprus, Luxembourg, Hungary, Malta and the Netherlands (see Table 2). In their respective NRRPs, these countries have proposed measures addressing ATP to varying degrees.

Under the NRRP component dedicated to social and economic recovery and job creation, **Ireland** has introduced one reform that addresses ATP concerns. The reform comes with four milestones distributed over two planned instalments, and requires no RRF funding. The first three milestones are expected to be included in the first payment request, scheduled for the first quarter of 2023. They refer to the introduction of legislative amendments to rules on capital allowances on intangible assets (aligned with balancing charging rules and international practices), and corporate tax residency and controlled foreign companies rules.[7] An analysis of outbound payment flows and recent reforms, including a public consultation on possible policy measures linked to such flows, is also to be carried out. The last milestone refers to the introduction of a withholding tax on outbound payments (interests, royalties and dividends) directed towards the countries included in the EU list of non-cooperative jurisdictions and towards all no-tax and zero-tax jurisdictions.[8] This milestone is to be included in Ireland's third payment request, due in December 2024.

Cyprus pledged in its NRRP to step up the fight against ATP.[9] Under the dedicated component 3.5 on safeguarding fiscal and financial stability, the plan includes a reform (divided into three sub-measures with three corresponding milestones) directly addressing ATP practices in the country. The first milestone, encompassed in the country's third payment request for non-repayable support, scheduled for June 2023, refers to the introduction of a withholding tax on outbound payments of interest, dividends and royalty payments directed towards the countries listed on the EU list of non-cooperative jurisdictions only. This milestone also includes the introduction of a corporate tax residency test, which will disclose situations in which a company can be incorporated, but not resident, in Cyprus. Under the second milestone (seventh payment request for non-repayable support, due in June 2025), the application of the introduced withholding tax is to be expanded to low-tax jurisdictions.[10] The third milestone envisages possible legislative changes and additions following an independent evaluation of the previously introduced measures tackling ATP, which is programmed for the end of 2024. This milestone will be included in the final (tenth) payment request for non-repayable support, scheduled for December 2026. The envisaged reform does not require RRF resources.

A high risk of ATP has been present in **Luxembourg**; this is due to substantial financial flows in terms of both inbound and outbound payments and inward and outward FDI through SPEs (see Figure 1). To tackle its considerable ATP challenges, the country has proposed modernising its corporate taxation framework in its NRRP, under the component that promotes a transparent and fair economy. This single measure, along with its corresponding milestone, refers to the introduction of an amendment to the income tax act prohibiting deductions, for corporate income tax purposes, of interests and royalties that are paid to related undertakings established in jurisdictions included on the EU list of non-cooperative jurisdictions. The act entered into force on 1 March 2021. The milestone is linked to the country's first payment request, initially scheduled for the last quarter of 2022 but still pending submission to the Commission. However, the Commission stressed that significant ATP concerns persist, despite the reform proposed. The Council's decision to maintain the CSR on ATP in 2022 (Table 2) is also an indication that more can be done on the matter.

In its NRRP, **Hungary** pledged to address ATP challenges through three reform measures aiming to: condition companies on fiscal residence, introduce rules on outbound payments towards low- or

no-tax jurisdictions, and enact legislative amendments that strengthen transfer pricing rules. Most of the accompanying milestones are set to be included in the third instalment. These comprise, for example, conducting an expert review of the domestic anti-tax avoidance rules, and enacting legislation that establishes minimum substance requirements for corporate income tax purposes. Another important milestone embedded in that same request refers to the adoption of legislation extending the scope of non-deductibility rules to outbound royalty and interest payments in jurisdictions that are either listed on the EU list of non-cooperative jurisdictions or considered zero-tax or low-tax jurisdictions. Linked to the latter, a further milestone (planned for the seventh payment request) envisages evaluating the effectiveness of the introduced rules, and yet another milestone (planned for the eighth payment request) envisages implementing amendments to those rules based on the results from the study.

Malta committed to strengthening its institutional framework by addressing ATP practices with four reforms that had been enshrined in its NRRP. These reforms include removing tax exemptions of dividends derived from residents of non-cooperative jurisdictions; reforming transfer pricing legislation; carrying out a study on the relevance of the taxation of inbound and outbound payments (interests, royalties and dividends); and amending its citizenship-by-investment scheme. Those measures are accompanied by seven milestones and three targets, all to be fulfilled by September 2024. Malta's first payment request[11] included only one ATP-related milestone on enabling legal provisions for the introduction of transfer pricing rules. The second payment request, scheduled for June 2023, is expected to contain most ATP-related milestones, for instance: contracting a study that analyses the state of play and provides recommendations for legal measures to address the taxation of outbound and inbound payments; and entry into force of the system for spontaneous exchange of information with jurisdictions on the original residence of people who had been granted citizenship by investment. This instalment also contains a target that envisages the assignment of two investigators for the scrutiny of taxpayers in the area of tax avoidance. The third payment request, due in the second quarter of 2024, is set to contain two targets on providing training for tax practitioners, as well as the recruitment of staff in the tax administration specialising in transfer pricing. The most distant milestone relative to the enactment of a withholding tax on dividends, interests and royalties will be a part of the country's fourth instalment, scheduled for June 2025. As part of the 2022 European Semester spring package, the Council maintained a CSR on ATP for Malta (Table 2).

The **Netherlands'** recovery plan includes significant commitments to fight ATP, according to the Commission's assessment. The NRRP comes with an entire component ('Tackling aggressive tax planning and money laundering'), where five out of six reforms address ATP specifically. These measures include imposing a conditional withholding tax on interests, royalties and dividends paid to low-tax jurisdictions; introducing a law on countering mismatches in the application of the arm's length principle; preventing an exemption through a specific interest deduction limitation; limiting liquidation and cessation arrangements; and limiting loss relief. Six milestones are linked to these ATP reforms. Most of the milestones reflect the amendments to the corporate income tax act (for instance, eliminating tax exemptions on negative interests and positive currency results, and introducing the necessary conditions for tax-deductible liquidation and cessation losses) that are linked to the country's first payment request scheduled, for June 2023. The introduction of a 25 % withholding tax on interests, royalties and dividends constitutes a milestone[12] that is envisaged in the request for the second instalment, expected in December 2024. The most distant milestone, which will be included in the fourth payment request (March 2026), refers to informing the Dutch Parliament on the effects of the policy measures that have been introduced to fight ATP. For all ATP-related reforms, no RRF funding has been requested.[13]

The ATP-related measures and the accompanying milestones and targets focus on the six countries with ATP concerns as specified in the CSRs. Nevertheless, other NRRPs also envisage measures aiming to reform the respective Member States' fiscal systems. Although these reforms have a different focus, they may still help prevent ATP schemes from taking shape.

European Parliament

Eliminating aggressive tax planning practices is a priority for the European Parliament. Since 2015, it has adopted five resolutions to that effect. The two most recent are the resolution of 26 March 2019 on financial crimes, tax evasion and tax avoidance, and the resolution of 16 September 2021 on implementation of EU requirements for exchange of tax information.

On the RRF specifically, the European Parliament's involvement is vital for ensuring transparency and democratic scrutiny on the instrument's implementation. Based on the provisions of the RRF Regulation and the Interinstitutional Agreement (IIA) on cooperation on budgetary matters, Parliament scrutinises the Commission's work, relying on information provision, dialogues and reviews. Its scrutiny role over NGEU spending stems from its competences as one of the budgetary authority's arms, and from its involvement in the dialogue on the European Semester. To facilitate interinstitutional cooperation and ensure transparency and accountability in the implementation phase, Parliament takes part in interinstitutional meetings on NGEU implementation, and maintains a recovery and resilience dialogue with the Commission.

Parliament's main committees dealing with the implementation of the RRF and, more broadly, with that of the NGEU, are the Committees on Budgets (BUDG) and Economic and Monetary Affairs (ECON). ECON's subcommittee on Tax Matters (FISC) deals with tax-related matters, and particularly the fight against tax fraud, tax evasion and tax avoidance, as well as financial transparency for taxation purposes. The Committee on Budgetary Control (CONT) is responsible for scrutinising the expenditure under NGEU through the discharge procedure. Since March 2021, Parliament has had a standing working group on RRF scrutiny.

Ahead of the Commission's RRF review report, the European Parliament adopted a resolution on the RRF implementation on 23 June 2022. In it, Parliament welcomed the tax measures that had been included in some NRRPs, but regretted that none of the Member States with CSRs highlighting ATP, tax avoidance, tax evasion and money laundering had addressed these issues in their plans. At the time of the resolution, the NRRPs of Hungary and the Netherlands had not yet been endorsed, as they were both adopted in the last quarter of 2022.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

Baert P., Tax transparency rules for crypto-asset transactions (DAC8), EPRS, January 2023.

D'Alfonso A., Next Generation EU: A European instrument to counter the impact of the coronavirus pandemic, EPRS, 2020.

Economic and Budgetary Outlook for the European Union 2023, EPRS, January 2023.

National Recovery and Resilience Plans: Latest state of play, EPRS, February 2023.

ENDNOTES

[1] A special-purpose entity (SPE) is a separate legal entity created by an organisation with the aim of isolating financial risk, holding a pool of assets to act as collateral for loans, availing of favourable tax circumstances or creating liquidity.

[2] See the European Commission 2022 country reports and the European Semester factsheet on ATP.

[3] Instruments that tackle ATP but are not elaborated on in this briefing include: (i) the Parent-Subsidiary Directive addressing, for example, anti-abuse rules and a mechanism for the elimination of double taxation of dividends; (ii) the EU Code of Conduct, an intergovernmental, legally non-binding instrument that promotes fair tax competition; (iii) EU State aid rules that aid tackling ATP; (iv) the EU Tax Observatory (a follow-up to the EU pilot project on fair taxation). an independent research laboratory, which, among other things, conducts research on taxation, promotes democratic and inclusive debate on the future of taxation, and provides knowledge to the general public; (v) the Unshell proposal laying down rules to prevent the misuse of shell entities for tax purposes, including ATP; and (vi) the Enablers initiative designed to fight tax evasion and ATP by addressing the role of enablers who create these complex and non-transparent structures.

[4] For more information on DAC8, see P. Baert, Tax transparency rules for crypto-asset transactions (DAC8), EPRS, 2023.

[5] Both the ATAD and DAC largely reflect actions from the international BEPS project that addresses ATP.

[6] The 2021 European Semester cycle has been skipped so that Member States could focus on developing their NRRPs.

[7] These rules would prevent Irish incorporated companies from being stateless for tax purposes.

[8] No-tax countries do not have enacted laws defining specific tax types and the corresponding tax rates. Zero-tax countries have the relevant legislation, but the tax rates are reduced and/or set to zero percent.

[9] Cyprus abolished its residence schemes ('golden visas'), which can be used for tax evasion purposes. This action, however, has not been included in the country's NRRP.

[10] Non-deductibility in case of interest and royalty payments instead of a withholding tax might be considered. This also applies for Ireland.

[11] The Commission (and subsequently the Economic and Financial Committee) has assessed the payment request positively, and the payment was made on 8 March 2023.

[12] This milestone comes in two steps. On 1 January 2021, a withholding tax on interests and royalties was introduced. A withholding tax on dividends is expected to enter into force on 1 January 2024.

[13] The Netherlands envisages grant RRF financing only. The same applies to Ireland, Hungary and Malta.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2023.

Photo credits: © mizar_21984 / Adobe Stock.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

http://epthinktank.eu (blog)