Question for written answer E-005321/2014
to the Commission
Rule 117
Sven Giegold (Verts/ALE)

Subject: Deferred tax assets

In November 2013 the Spanish Government took the decision to pass the Royal Decree-Law 14/2013 that amends the Law on Corporate Income Tax (RDL 4/2004 of 5 March) allowing banks to transform around 60 % of the EUR 50 billion of deferred tax assets (DTAs) into directly refundable tax credits from January 2014.

The effect of this is to convert DTAs that depend on future profitability into tax credits that do not. The result is that, under Regulation (EU) No 575/2013 (Capital Requirements Regulation), these converted DTAs are eligible as Tier 1 capital.

The Commission stated in the fifth review of the Financial Assistance Programme for the Recapitalisation of Financial Institutions in Spain that ‘the recent legislative measures on deferred tax assets should support the solvency of the banking sector under the new EU rules on capital requirements’.

We are concerned with the apparent willingness to accept forms of government support to banks that appear very much like state aid through accounting manoeuvres.

The resulting tax credits effectively represent EUR 30 billion for the Spanish Government, to be used directly to boost bank capital, and we see no economic difference between this and other forms of public capital support for banks.

We kindly ask you to inform us if such support has been assessed from the perspective of state aid and, if the Commission deems it not to be state aid, on what grounds it defends that view.