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Answer given by Executive Vice-President Vestager
on behalf of the European Commission
(23.4.2021)

At the end of 2017, the Commission opened a formal investigation procedure into two Dutch tax rulings, to assess if they have allowed a Dutch company within the Inter IKEA group to pay less tax giving them an unfair advantage over other companies, in breach of EU State aid rules[1]. These rulings concern the annual licence fee due by the Dutch company, the price paid by the Dutch company for the acquisition of intellectual property and the deduction of interest due on the intercompany loan used to finance that acquisition. This investigation is ongoing and the Commission cannot prejudge the outcome. As all cases are assessed on their own merits, it is not possible to draw parallels between the corporate and tax structures of IKEA and Uber. The Commission is also not aware of any tax rulings by the Netherlands confirming Uber's tax treatment.

Making sure that all companies, big and small, pay their fair share of tax remains a top priority for the Commission. In that context, the Commission actively participates in international discussions taking place in the Organisation for Economic Co-operation and Development concerning the reform of the corporate taxation framework. The combination of the measures that are under consideration should ensure fair taxation for large multinational groups by allowing jurisdictions to tax profits earned through value created in their territories and to ensure a minimum level of taxation for profits. A type of withholding tax on cross-border interest payments in specific situations is under consideration as one of many design elements in those discussions.

[1] Commission Decision of 18 December 2017 in State Aid SA.46470 (2017/C) (ex 2017/NN), Possible State aid in favour of Inter IKEA, OJC/121, 6.04.2018, p.30.