

WRITTEN QUESTION P-3291/07
by Renato Brunetta (PPE-DE)
to the Commission

Subject: State aid granted to cooperatives in contravention of Article 87 of the EC Treaty

In the last few days the Italian dailies have published transcripts of intercepted telephone conversations, going back to 2005, between Massimo D'Alema, the current Foreign Minister, Giovanni Consorte, the chairman and managing director of Unipol, and part of the system of cooperative societies. Consorte said 'I am going to meet the cooperative leaders because they are getting worked up, but I told them that they must give me money, that encouragement is not enough'. D'Alema asked 'how much do you need?' and Consorte replied 'a few hundred million euros'.

The cooperative societies belonging to Coopitalia, the leader on the Italian large-scale retail market (with a turnover of around EUR 11 billion per year) enjoy preferential tax treatment, and Coopitalia in particular enjoys the following benefits:

- 70% of IRES (tax on company revenue) is deductible;
- the revenue allocated to compulsory reserves (legal reserve and mutual assistance funds) is fully deductible;
- 70% of the revenue allocated to voluntary reserves (provided they are indivisible) is deductible.

By means of these tax concessions the cooperatives belonging to Coopitalia pay the State significantly less (about half) tax on company revenue (IRES) than non-cooperative companies. Furthermore, they can collect money from their own shareholders/consumers by means of 'social loans' on terms more advantageous than those offered by banks (the interest being taxed at source at a rate of 12.5% compared with the 27% charged on current accounts).

The lower rate of tax applied to the cooperatives belonging to Coopitalia, combined with the substantial resources they can benefit from under the system of 'social loans' mean that every year they have access, at low cost, to sizeable sums that they are able to reinvest on the market for financial operations that have nothing to do with the mutualist and social role that used to justify this kind of tax-concession system in the past.

Can the Commission therefore say whether it can:

- open an official inquiry to verify the truth of the leaked telephone conversation;
- express a view, also as a result of an official inquiry, on the mutualist and social role of cooperatives in Italy;
- justify, in the light of Community legislation on State aids, the unlawful advantage enjoyed by Coopitalia, which has lost the mutualist and social role that used to justify the tax concession system from which it still benefits;
- express a view on the selective nature of these tax advantages, since they distort competition on the free large-scale retail market and prevent other Italian and European operators from competing?