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ADDENDUM TO "I/A" ITEM NOTE

from:	General Secretariat of the Council
to:	Coreper/Council
Subject:	Arbitration Convention: – Unilateral Declarations on Article 7 of the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises – Unilateral Declarations on Article 8 of the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises

UNILATERAL DECLARATIONS CONCERNING THE CONVENTION OF 23 JULY 1990 ON THE ELIMINATION OF DOUBLE TAXATION IN CONNECTION WITH THE ADJUSTMENT OF PROFITS OF ASSOCIATED ENTERPRISES

Unilateral Declarations on Article 7 of the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises:

Italy, Lithuania and Malta declare that they will apply Article 7(3).

Unilateral Declarations on Article 8 of the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises:

Declaration by Bulgaria:

The term 'serious penalties' means penalties of every kind, imposed for actions constituting administrative or tax infringements, including infringements of procedural law concerning tax assessment and tax collection, as well as for crimes against the tax system. „Serious penalties" imposed on the enterprise are also deemed to exist when penalties are imposed for offences committed against the tax system on an individual from that enterprise whose actions have influenced the amount of tax liabilities of the enterprise or the collection therewith.

Declaration by Romania:

The term "serious penalty" includes the commission of any criminal act provided by the tax evasion law or the accountancy law or the company law or the tax legislation. It also includes administrative penalties in regard to:

- refusal to submit the tax statements (declarations) or the informative statements at the request of the tax bodies;
- refusal to supply documents and records requested by the tax inspection authorities,
- failing to submit the periodical financial documents and the accounting reports or, submitting such documents or reports which include incorrect data,
- actions included in the tax record, according to the legislation in force.

Declaration by the Slovak Republic:

The term "serious penalty" means a penalty imposed according to the Criminal Code for criminal offences committed with respect to the infringement of the pertinent tax laws, Tax Administration Act or Act on Accounting.

Declaration by the Kingdom of Spain:

"Serious penalties" shall include administrative penalties for serious and very serious tax infringements, as well as sentences for offences affecting public finances.