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REPORT

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Code of Conduct Group (Business Taxation)
	– Report to the Council
	= Endorsement

Spain's regional Navarra patent box regime (ES022)

The following rollback was agreed by the Code of Conduct Group on 15 November 2018:

a. Previous assessment:

*"There is one main concern **which deviates** from the CoC criteria and it relates to:*

*- the **scope of the Spanish/subnational Navarra IP regime** which is broader than the scope set in the Action 5 report. IP assets such as know-how, trade secrets[1] are not covered by the latter, while they fall under the ES IP regime."*

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[1] Information concerning industrial, commercial or scientific experience obtained by conducting R&D or innovation projects.

b. Rollback amendments

➤ Know-how/trade secrets (along with trademarks and other non-qualifying IP rights) are specifically excluded from the scope. Thus, the "harmful" feature would be corrected.

➤ An exhaustive list of eligible IP assets is included in the draft pending adoption:

- <u>patent</u>,

- <u>utility model</u>,

- <u>complementary protection certificates of medicines and of plant protection products</u>,

- <u>designs and models legally protected, resulting from research and development and innovation activities</u>, and

- <u>sophisticated copyrighted software resulting from research and development activities</u>.

The listed assets <u>would be</u> in line with the nexus agreement (paragraphs 34 to 36) and the Group's previous decisions, if the draft law were adopted without changes.

➤ The final legislation has been published in the official Gazette of Navarra:

• la ley Foral LEY FORAL 20/2018, de 30 de octubre 2018, de modificación de diversos impuestos: BOLETÍN Nº 216 - 8 de noviembre de 2018

http://www.navarra.es/home_es/Actualidad/BON/Boletines/2018/216/Anuncio-0/