



EUROPEAN COMMISSION
Competition DG

State aid: General Scrutiny and Enforcement
H5-Tax Planning Practices

Dear Petitioners,

Thank you for your messages in which you indicate your refusal to purchase a new iPhone until Apple ends its tax avoidance practices.

On 30 August 2016, the European Commission adopted its final decision in the case of Apple, concluding that Ireland granted illegal and incompatible State aid to Apple. As a matter of principle, EU State aid rules require that incompatible State aid is recovered in order to remove the distortion of competition created by the aid. There are no fines under EU State aid rules and recovery does not penalise the company in question. It also does not reward the Member State that granted the aid. It simply restores equal treatment with other companies and ensures that the Member State involved receives the funds that it would have received without the granting of the State aid.

Under State aid procedures, a state aid recovery can be requested for the past ten years as of the first day of the investigation. In the case of Apple, this means that the recovery goes back to June 2003. It is for Ireland, the Member State concerned, to calculate the exact amount of aid granted, which is however verified by the Commission. In this regard, Ireland needs to inform the Commission of the method used to calculate the exact amount of aid. These discussions between the Commission and Ireland on the calculation of the aid amount are ongoing.

Furthermore, a Member State needs to ensure that the aid is recovered within four months following the date of the notification of the final decision. Finally, an appeal does not suspend the execution of a Commission decision, so a Member State is still obliged to stop the aid granted and recover the aid amount.

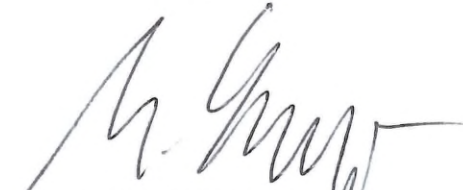
You are invited to consult the following section of DG Competition's website regularly in order to remain aware of any further developments in this case. The Commission will make a non-confidential version of the Decision available on its website at the following address in the near future:

http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_38373

I would also like to draw your attention to the Commission's wider agenda to fight aggressive tax planning and to ensure a level-playing field in the EU. Important new rules to ensure greater tax transparency – including on tax rulings – and to counter-act tax abuse have already been agreed. This work continues, for example with the proposal for a Common Corporate Tax Base (CCTB) as launched on 25 October 2016.

I would like to thank you for your support and for the attention you have given for this State aid investigation.

Yours sincerely,



Max LIENEMEYER
acting Head of Unit