The fair distribution of tax revenues between source and residence states is of utmost importance to ensure a strong European capital market. The lack of coordination between distributed and undistributed profits, neutrality between different legal forms, and the absence of a common rule for a minimum tax base could entail a risk of either double taxation or fiscal evasion. Therefore, the historical cost is likely to remain the preferred method of accounting for the purpose of taxation. This is because it reflects the actual cost of the assets and liabilities of the company. The fair distribution of tax revenues between source and residence states is essential to prevent distortions in the functioning of the internal market.
Conclusions

Given the relevant disparities in the tax systems, cross-border situations may arise which might trigger exit taxation. However, the transfer pricing adjustment to the arm’s length price results in the immediate taxation of an unrealised gain. The meaning of fair measurement is the core issue during the first stage of a cross-border transfer that might trigger exit taxation. However, this kind of fairness does not have any political or legal connotation beyond its objectivity desideratum.

The CJEU reminded in contrast that the Treaty offers no guarantee to a company covered by Article 54 TFEU in regard of the immediate exit taxation and Article 31 EEA in respect of the guarantee requirement.

The Interplay between the State Aid Rules and other BEPS-Preventing Tools (SA.38375)

The conclusions of the Audit Report are still valid today and may have been reinforced by the recent public consultation conducted by the European Commission (June-September 2016). An effective enforcement and recognition of that debt.

Dual residence and the right to migrate under EEA law (Arcade Drilling 3 October 2012)

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