



Statement by Executive Vice-President Margrethe Vestager following today's Court judgment on the Apple tax State aid case in Ireland

Brussels, 15 July 2020

"Today's judgment by the General Court annuls the Commission's August 2016 decision that Ireland granted illegal State aid to Apple through selective tax breaks. We will carefully study the judgment and reflect on possible next steps.

The Commission's decision concerned two tax rulings issued by Ireland to Apple, which determined the taxable profit of two Irish Apple subsidiaries in Ireland between 1991 and 2015. As a result of the rulings, in 2011, for example, Apple's Irish subsidiary recorded European profits of US\$ 22 billion (c.a. €16 billion) but under the terms of the tax ruling only around €50 million were considered taxable in Ireland.

The Commission stands fully behind the objective that all companies should pay their fair share of tax. If Member States give certain multinational companies tax advantages not available to their rivals, this harms fair competition in the EU. It also deprives the public purse and citizens of funds for much needed investments – the need for which is even more acute during times of crisis.

In previous judgments on the tax treatment of Fiat in Luxembourg and Starbucks in the Netherlands, the General Court confirmed that, while Member States have exclusive competence in determining their laws concerning direct taxation, they must do so in respect of EU law, including State aid rules. Furthermore, the General Court also confirmed the Commission's approach to assess whether a measure is selective and whether transactions between group companies give rise to an advantage under EU State aid rules based on the so-called 'arm's length principle'.

The Commission will continue to look at aggressive tax planning measures under EU State aid rules to assess whether they result in illegal State aid. At the same time, State aid enforcement needs to go hand in hand with a change in corporate philosophies and the right legislation to address loopholes and ensure transparency. We have made a lot of progress already at national, European and global levels, and we need to continue to work together to succeed."

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