Articles

PORTUGAL:
TAXATION OF BRANCHES AND SUBSIDIARIES

By Francisco de Sousa da Camara*

I. INTRODUCTION

A common question among foreign investors regards the tax effectiveness of an international group intending to conduct business in Portugal. The purpose of this article is to give an overview of the tax effectiveness of a multinational enterprise conducting business in Portugal. The question is whether the establishment of a subsidiary or branch (permanent establishment) is more favourable. There is no precise answer to this question. The answer depends primarily upon various factors, namely the activity to be engaged in, the source of the foreign investment, the other tax systems involved, as well as other non-tax factors.

This article compares these two approaches to carrying on a business in Portugal and discusses the relevant issues. The issues to be discussed are: (i) legal formalities and foreign exchanges control; (ii) limited liability; (iii) taxation of profits and distributions; (iv) tax deferral; (v) expenses between the permanent establishment and the home office; (vi) financing subsidiaries and permanent establishments; and (vii) inter-company pricing.

II. LEGAL FORMALITIES AND FOREIGN EXCHANGE CONTROL

A. *Legal formalities*

Although there are some legal formality differences between branches and subsidiaries, the intent of Portuguese law is to provide equal treatment to both forms of investment.[1]

For the time being, to incorporate a subsidiary or set up a permanent establishment in Portugal it is necessary to fulfil the requirements of the Portuguese External Trade Institute (ICEP), which amounts to a mere formality if the investor is a citizen of one of the Member States of the European Economic Community (EEC).

However, Portugal still maintains the old-fashioned method of subjecting foreign investors to the payment of high fees in order to be registered with the ICEP. These fees do not correspond to the standard services rendered by the ICEP, but the Portuguese Government and the ICEP have not yet renounced this free and easy income, despite the discrimination in favour of Portuguese investors and against foreign investors which is a clear violation of the EEC Treaty (e.g. Articles 7 and 52 of the EEC Treaty of Rome) and contrary to all the intervenients in the foreign investment process.[2]

In fact, it is not possible for the subsidiary to obtain a notarial deed of incorporation or for the branch to be registered in the commercial register without providing adequate documents to the ICEP register. However, the payment of these fees will be waived as well as the registration requirement if the foreign investor purchases shares

* Of Joao Morais Leitao & Associados, Sociedade de Advogados, Lisbon.

1. The general steps to establish (A) a permanent establishment or (B) a subsidiary are as follows:
(A) (i) Application for the name of the branch in the RNPC (Registo Nacional de Pessoas Colectivas); (ii) Previous authorization of the ICEP Department (Portuguese Foreign Trade Institute); (iii) Publication of the translation duly legalized of the company by-laws in the Portuguese Official Gazette (Diário da República) and in a local newspaper, and the decision of its board of directors to establish a permanent establishment in Portugal and appointing the legal representative to administer the affairs of the branch. The decision will also contain the capital affected to the branch (it is not subject to any minimum amount); (iv) Application for the register in the tax department; (v) Registration of the branch with the Commercial Register.
(B) (i) Application for the name of the subsidiary in the RNPC (Registo Nacional de Pessoas Colectivas); (ii) Previous authorization of the ICEP Department (Portuguese Foreign Trade Institute); (iii) Previous deposit of the capital in the Caixa Geral de Depósitos; (iv) Notarial deed of incorporation; (v) Application for the register in the tax department; (vi) Registration at the Social Security Department; (vii) Registration of the subsidiary with the Commercial Register.
Generally the following documents are required:
(A) (i) Certificate of legal existence of the company, legalized and translated into Portuguese by the Portuguese Consulate or with the Apostille of The Hague; (ii) Translation duly legalized by the Portuguese Consulate of the board of directors' decision to open a branch in Portugal stating the amount of capital affected to the branch activities and the designation of the legal representative to administrate the affairs of the branch.
(B) (i) Parent company certificate of legal existence, or shareholders' or members' identification translated into Portuguese in the Portuguese Consulate or with the Apostille of The Hague. Other documents are also necessary (e.g. shareholders, identification, fiscal numbers and civil status).
For more detailed information, see *Guides to European Taxation*, Vol. II, binder ***, Portugal, para. 89.

2. According to the ICEP's fees, payments in escudos may vary as follows:
A. from 10,000 to 100,000
B. from 100,001 to 500,000
C. from 500,001 to 500,000
D. from 2,500,001 to 25,000,000
According to the law, the application of the above Table is chosen by ICEP's department and should be determined in function of the difficulties in appreciating the previous declaration. In practice it is determined by taking into account certain different elements (e.g. amount of the investment, nationality of the investor, activity carried on, etc.).

or quotas of a Portuguese company and if the purchaser and seller are EEC nationals. In such a case, the importation of capital will not be met with any formalities, and will thus be performed through commercial banks.[3]

The Foreign Investment Code (Decree-Law 197-D/86 of 18 July) maintains a safeguard clause (Article 8) to prevent investments by non-EEC members. Therefore, it is established that "Investment projects submitted by individuals who are not resident or corporations which do not have head offices in any Members State of the European Community, *may be the object of assessment and possible negotiation* in light of their effect on the economy of the country."

To counter this, the Madeira Free Zone was established for the importation and exportation of capital, which is not subject (in principle) to any restrictions of the ICEP's department or the Bank of Portugal.[4]

III. LIMITED LIABILITY

Limited liability is very advantageous with respect to incorporating a subsidiary in Portugal because the parent company is not liable for the subsidiary's obligations beyond the limits of its capital stock participation. Conversely, in the case of a permanent establishment, the company's assets will be responsible for the permanent establishment's debts.

Presently encouragement of mergers throughout the EEC is justified for economic reasons and (EEC Directive 90/434 of 23 July) in many cases giving birth to new branches (EEC Directive 90/434 of 23 July 1990). This development aside, one should keep in mind that in some cases the disappearance of the legal personality of the incorporated companies will imply that the receiving company will assume the obligations of the former company, maintaining the same basis of the incorporated companies now as branches.

IV. TAXATION OF PROFITS AND DISTRIBUTIONS

A. *General rule*

Subsidiaries as well as permanent establishments are subject to a general tax rate of 36 percent on their taxable income. Taxable income is determined the same way for both types of investment. This rate may be increased by a non-deductible municipal surcharge of 10 percent (maximum). However, subsidiaries, being Portuguese companies, are taxed on their worldwide income while permanent establishments are only taxed on their Portuguese-source income, including capital gains.

B. *Distributions*

In general, dividends distributed by subsidiaries to foreign companies are subject (in principle) to a withholding tax rate of 25 percent[5] while the remittance of profits by permanent establishments to their home offices is made on a tax-free basis.

In addition, all dividends distributed by subsidiaries (only S.A., not limited companies) and received by residents or non- residents will be subject to a five percent inheritance and gift tax. This tax will not be applicable if the recipient is a Portuguese holding company (see below SGPS) or if a company belonging to the same group consolidates its financial statements and such statements have already been submitted and approved by the Minister of Finance.

In 1989, in order to alleviate double taxation, *Portugal implemented an imputation tax credit system* with the introduction of the new corporate income tax. Under this system, resident companies may credit 20 percent of the underlying corporation tax relating to those dividends against their corporate income tax. In 1990, this tax credit was clarified by the tax authorities (Circular 22/90 of 3 April 1990). Thus, the effective tax on the dividends received is 11.496 percent. According to the authorization given to the Government by Parliament in the Budget Law, this credit will increase in 1991 to 35 percent of the underlying corporation tax. However, permanent establishments will not be authorized to credit this amount against their tax liability.

Economic double taxation *is completely eliminated* when dividends are distributed between companies organized as a group. The group has to be approved by the Minister of Finance. Where the companies in the group are Portuguese and the parent owns at least 90 percent of the share capital of each subsidiary, indirectly or directly, the group may consolidate its financial statements.

Besides, economic double taxation *may be practically abolished*, because the tax is only applicable to five per-

3. Concerning the *sale of shares and other rights*, see Bank of Portugal Instructions Nos. Folhas I-1422.I.4/01, Folha 0-1605-II.1/01 (attached to circular, série A, No. 193 of 15 December 1988). *General foreign investment* is regulated by the instruction attached to circular, série A, No. 167 of 30 June 1987.

4. According to Article 11 of Law-Decree 165/88 of 26 June,
"[d]irect foreign investment which is intended for the installation of new companies in the Free Zone of Madeira shall enjoy the tax benefits outlined in the aforementioned articles.
Foreign companies which are registered in the Free Zone of Madeira, and also their respective shareholders and owners, shall be entitled to:
a) freely repatriate their invested capital and profits;
b) freely transfer funds connected with commercial transactions;
c) have no restrictions placed on the import of capital; and
d) enjoy the simplified administrative proceedings".
For a discussion of the tax system of the Madeira Free Zone see F.S. Camara, "Madeira Free Zone Tax Exemptions and Financial Incentives", 30 *European Taxation* (April 1990), at 87.

5. Exceptions are as follows:
The dividends withholding tax is reduced to:
(i) 20% on dividends received by resident or non-resident companies from resident corporations whose shares are in that year listed on the stock mar ket exchange;
(ii) 15% on dividends received by residents or non-resident companies from resident corporations whose shares were purchased in a privatization process during the first five years after the privatization;
(iii) 10% or 15% if a Convention to avoid double taxation is applicable. For example, *Belgium* (15%); *Denmark* (15% or 10% if a minimum percentage of 25% of the shares is held); *Germany* (15%), *Spain* (15% or 10% if a minimum percentage of 50% of shares is held); *France* (15%); *Italy* (15%); *United Kingdom* (15%); *Finland* (15% or 10% if a minimum percentage of 25% of the shares is held); *Norway* (15% or 10% if a minimum percentage of 25% of the shares is held); *Austria* (15%); *Brazil* (15%); *Switzerland* (15% or 10% if a minimum percentage of 25% of the shares is held);
(iv) see Arts. 29(5)(a) and 42 of the 1991 Budget Bill, Law 65/90 of 28 December.

cent of the dividends received without withholding tax, provided certain requirements are fulfilled. The criteria for application of the affiliation privilege[6] are as follows:

(i) the receiving corporation must have owned at least 25 percent of the shares of the paying corporation for two years or since the establishment date of the paying corporation; or

(ii) the receiving corporation is a holding company such as a SGPS (Sociedade de Gest~ao e Participaç~oes Sociais) whose purpose is to acquire and manage participations in other companies.

The regime of an SGPS is also applicable to investment banks and other kinds of non-banking financial institutions. In such cases 95 percent of the dividends paid are exempt from corporate income tax, regardless of the percentage or period of ownership in the paying corporation.

The affiliation privilege was recently amended[7] to prevent the use of a permanent establishment in obtaining the benefit, ensuring that only companies, cooperatives or public enterprises with their head offices or places of effective management in Portugal may benefit from this regime. Thus, the affiliation privilege is not applicable to permanent establishments.

At this juncture, one may question whether this regime as well as the imputation system, not being applicable to permanent establishments, would be compatible with the EEC rules under Articles 7 and 52 of the EEC Treaty insofar as it may lead to discrimination in the area of freedom of establishment. One may also ask whether it would be possible to use the same arguments raised by the EC Commission against France in 1981 and maintained during the process No. 270/83.[8] Obviously, these questions are too problematic to be thoroughly examined in this article. However, it is worthy to point out the current trends.

First, it should be remembered that permanent establishments distribute their profits free of withholding tax, while distributions made by subsidiaries give rise to a withholding tax. Second, the affiliation privilege has not been applicable to permanent establishments since December 1990. Third, permanent establishments cannot be transformed into holding companies (i.e. companies that are engaged in managing social participations in other companies). Fourth, conventions to avoid double taxation better serve the purposes of subsidiaries in Portugal by permitting internally the use of the participation privilege. They also provide at the international level a tax credit in the residence country with respect to the tax withheld in Portugal. Fifth, even without taking advantage of a convention to avoid double taxation, attention should be given to unilateral measures which have been implemented to achieve the same purpose.[9]

These problems will not disappear in 1992, despite the fact that Portugal will be obliged to limit its domestic withholding rate from 25 percent to 15 percent. For dividends paid to companies located in another EC Member State, Portugal is allowed by the Parent-subsidiary Directive to maintain the same percentage (15 percent) from 1992 to 1996 and a tax rate of 10 percent from 1997 to 1999 (Article 5(4)), while other Member States, except Germany for a certain period, are required to refrain from imposing a withholding tax on dividends flowing between Member States.

However, other questions may arise, e.g. would this transition period be an advantage for Portugal? Although the concession is granted for budget purposes, the income to be derived in this period is not significant. Moreover, the transaction period may constitute a fetter to the implementation of the single market in Portugal giving a new geographical trend to the foreign investor or stimulating the establishment of new permanent establishments. The Budget Law of 1991 allowed the Government to enact the regulation to comply with the Parent-subsidiary Directive before 1 January 1992, but it is still not known if Portugal intends to entirely take advantage of the above-mentioned transition period.

On the other hand, the Government was authorized by Parliament to grant tax incentives to Portuguese companies with investments abroad. The incentives granted are in the form of exemptions. Until 1995, only 10 percent of the income to be derived from "Portuguese" permanent establishments abroad as well as 10 percent of the dividends to be derived from "Portuguese" subsidiaries abroad (when the parent company has a participation of at least 20 percent) are subject to tax at 36 percent in Portugal.

Suggestions have been made concerning the activities to be included as well as the countries to be considered for the above-mentioned incentives. In principle, countries with which Portugal has not yet concluded a convention to avoid double taxation will be included.

Therefore, permanent establishments are not very attractive as holding companies, especially if a convention to avoid double taxation is applicable. They are useful as operational entities, while subsidiaries are preferable as holding companies, particularly if a tax convention is applicable.

V. TAX DEFERRAL

Although profits realised in Portugal by foreign permanent establishments may be taxed abroad with respect to the worldwide income principle (in the absence of a convention), withholding tax on dividends may be avoided in the source country, as well as income tax on the dividends received in the resident country.

6. IRC, Art. 45(1).
7. Law-Decree 377/90 of 30 November.
8. See Colectañea de Jurisprudencia do Tribunal das Comunidades, (1986) I, at 273.
9. In Portugal, unilateral relief measure will be established regarding investments made by Portuguese companies or Portuguese expatriates in the former Portuguese colonies in Africa (e.g. Angola, Mozambique, S. Tomé e Príncipe, Guinea and Cape Verde) according to Art. 42 of the Budget Law.
Some tax benefits are applicable to foreign investment in those countries according to the special foreign investment laws: *Angola* (see Law 13/88 of 16 July and Law-Decree 1/90 of 8 January; *Mozambique* (see Law 4/84 of 18 August); *S. Tomé e Príncipe* (Law-Decree 14 of March, 1986); *Cape Verde* (Law 49-III/89 of 13 July) and *Guinea* (Law-Decree 2/85 of 13 June; Decree 25-E/85 of 13 June and Decree 25-F/85 of 13 June).
Also the individuals' income earned abroad by Portuguese residents engaged in any activity developed through cooperation agreements may be exempt from tax in Portugal.

Generally, a subsidiary's profits are not taxed in the country where the parent company is registered, unless they are distributed as dividends or the subsidiary is a controlled foreign corporation. When a parent company decides to accumulate the subsidiary's profits rather than distribute them, this may result in a tax deferral.

Tax deferral can also be achieved in the context of stock dividends and capital gains. For example, capital gains realized by non-residents (without a permanent establishment in Portugal) on the sale of shares, quotas or any kind of securities are exempt from corporate income tax (a rate of 25 percent). Moreover, stock dividends are not taxed at the time of receipt, but when the stock is sold. Therefore, a distribution by a subsidiary to the parent company of a stock dividend may be preferable for tax purposes. Thus, for the time being it is possible to conclude that capitalized companies have a greater tax advantage.

VI. EXPENSES BETWEEN THE PERMANENT ESTABLISHMENT AND THE HOME OFFICE

According to Article 49(2) of the corporate income tax code (CIRC), permanent establishments may deduct, for tax purposes, certain management expenses. However, the purpose for these expenses should be justified and recorded consistently in the permanent establishment's annual tax returns. In addition, these expenses should be considered reasonable from the tax authorities' point of view, which often regard these charges as a way to evade capitalisation. If the expense is adjusted by the tax authorities, it may be challenged by taxpayers within 30 days after giving notice first to the Minister of Finance and then to the Supreme Administrative Court in Lisbon.

When management expenses cannot be precisely determined by branches, it will be possible to use one of the following methods in determining the amount:

(i) turnover method, calculated as follows: (branch turnover/company turnover) x general management fees;
(ii) direct charge method, calculated as follows: (direct branch costs/direct company costs) x general management fees; and
(iii) the tangible assets method, calculated as follows: (tangible branch assets value/tangible company assets value) x general management fees (see Article 49(3) of the CIRC).

VII. FINANCING SUBSIDIARIES AND BRANCHES

In Portugal, the process for and the facilities available for obtaining credit are basically the same for subsidiaries and branches, especially if the branches belong to a multinational group. However, it is necessary to stress that the Bank of Portugal, being the central bank, controls the activity of the monetary, financial and foreign exchange markets as well as supervise the activity of the loan.

In order to limit the amount of credit, all foreign capital operations have been severely restricted by the Bank of Portugal since July 1990. Generally, the Bank of Portugal does not authorize foreign loans, except if they correspond to financial institutions, or to shareholders' or quotaholders' loans or if they have been negotiated and authorized by the Bank. Even shareholder loans must fulfil some administrative requirements established by the Bank of Portugal as follows:

(i) loans cannot exceed the Bank of Portugal's debt to equity ratio which requires that at least 40 percent of the capital of a subsidiary should represent equity;
(ii) loans cannot be amortized over a period of less than two years;
(iii) a loan term may be established for a period of two to five years, but in such a case the borrower should deposit 40 percent of the funds borrowed in the Bank of Portugal without interest payments;
(iv) long-term loans (over five years) do not require any previous deposit at the Bank of Portugal and the Bank permits the payment of the Libor interest (London inter-bank offering rate) without spread.

On 27 February 1991, the Bank of Portugal enacted a new rule extending this obligation to back-to-back loans. Now, all foreign accounts deposited in Portugal (even if they belong to foreign financial institutions) are also subject to that previous deposit of 40 percent.

However, it should be emphasized that interest paid by Portuguese banks to non-resident financial institutions on loan agreements concluded between the two are exempt from corporate income tax and withholding tax.[10]

Interest is deductible from the company's profits on the condition that it constitutes a necessary business expense. For tax purposes, interest is generally considered a fiscal cost by subsidiaries or permanent establishments when they are necessary for the development of their activities. However, the tax authorities may always make some adjustments in such a case under the arm's-length principle (see Inter-company Pricing below). In principle, only Portuguese holding companies (SGPS) may borrow funds to acquire target companies and treat the interest as a fiscal cost. Consequently, leveraged buy-outs may be freely implemented by Portuguese holding companies.

Nevertheless, the tax authorities do not follow the same criteria established by the Bank of Portugal for tax purposes and until now the above-mentioned debt to equity ratio cannot be seen as a restriction. Therefore, there are no thin capitalization rules for tax purposes. The requirements of the tax authorities prevail over the rules issued by the Bank of Portugal and the advance rulings given by the tax authorities. Therefore, loopholes are available for those who are aware.[11]

Nevertheless, externally permanent establishments may benefit from the interpretation of the tax authorities. During 1990, the tax authorities issued several advance rulings allowing interest paid by permanent establishments to for-

10. According to Art. 36-A added to the Tax Incentives Statutes by Law-Decree 192/90 of 9 June.

11. The past months revealed a preference towards certain investors to use the complementary contributions (prestaç~oes acessórias) regulated in the Portuguese companies code. Using this mechanism, foreign investors have presented their previous declaration in the ICEP Department and were not subject to the previous deposit of 40%. Moreover, they may benefit from the payment of interest abroad if by-laws allow it. In the meantime, institutional struggles still remain between the Bank of Portugal and the ICEP Department.

eign banks (by interposing the home office) to be accepted as fiscal cost of the permanent establishment in Portugal. However, it will not be considered as interest for withholding tax purposes when paid abroad, because a loan agreement cannot be concluded between the permanent establishment and the home office insofar as they are not separate entities. Thus, the interest is not subject to the 20 percent withholding tax when remitted but is a tax-deductible cost for the permanent establishment.

This interpretation, however, conflicts with the position taken by the Bank of Portugal which views this possibility a back door. Truly, all interest payments abroad (e.g. interest or remittances) made by branches should have the authorization of the Bank of Portugal which could then deny the remittance.

VIII. INTER-COMPANY PRICING

Under ITC, Article 57, the use and abuse of transfer pricing agreements between companies belonging to the same group or having special connections also allow the Portuguese tax authorities to make certain adjustments to the transfer prices. This represents the Portuguese application of the arm's-length principle.

Article 57 reads as follows:

> "1. The Director-General of the Tax Administration shall make any necessary adjustments in determining taxable income whenever due to special relations between the taxpayer and another person whether or not liable to corporate tax, conditions different from those which would normally prevail between independent parties were established contributing to an accounting profit different from that which would have been made in the absence of such relations.
> 2. The provisions of the preceding paragraph shall also be observed whenever the profit, calculated in accordance with the accounts of entities having their head offices or effective places of management outside Portuguese territory, differs from that which would be calculated if it were treated as a separate and distinct entity exercising identical or similar activities in identical or similar conditions acting with total independence.
> 3. The provisions of paragraph 1 shall also be applied with respect to persons carrying on simultaneously activities liable and not liable to the general regime of corporate tax, where identical divergences between them are detected.
> 4. Where the provisions of paragraph 1 are applied in relation to a corporate taxpayer by reason of special relations with another corporate taxpayer or person liable to the tax on individuals (IRS), in determining the taxable profit of that other taxpayer there shall be made such adjustments as are necessary to reflect the effect of the adjustments made to the taxable profit of the first party."

In addition to the problems which arise from this adjustment system which contributes to double taxation, insofar as it is generally recognized that the amicable procedure provided for in bilateral conventions is very insufficient (in accordance with Article 25 of the 1977 OECD Model Convention, which had never been used until now in Portugal), the Portuguese tax authorities still create other difficulties.

Generally, the comparison between independent enterprises and related companies, as well as the results based on terms and conditions which deviate from those which unrelated third parties would have agreed upon under the same or similar conditions, has not been sufficiently established administratively or by the courts. In addition, few guidelines exist on the difference between payments for royalties and fees corresponding to know-how or technical assistance.

Moreover, in classifying such payments, the Administrative Supreme Court (ASC) has refused to classify them as a cost-contribution when the parent company or another company in the group provides intra-group research and development activities. In 1990, two important cases were decided by the ASC in Lisbon. In the first case, the Court held that the payments made by Portuguese Shell for research and development costs were "royalties" because they involved "know-how".[12]

This decision lead to an enormous controversy and was contested on the grounds that the payments only correspond to the cost- contribution of the research and development activities. These payments did not represent income and at the least they cannot be envisaged as a "payment" for those services. In addition, such payments are more closely connected with "show-how" rather than "know-how".

In the second case, involving the payment of management fees paid by M. & J. Pestana – Sociedade de Turismo da Madeira, S.A. to Sheraton Overseas Company Lda., the ASC considered the payments as payments for "know-how", thus royalties.[13]

Meanwhile, a very important case is to be decided by the ASC, which may define the difference (or certain items that may establish that difference) between payments for "know-how" and payments for "technical assistance".

When there is uncertainty as to the character of the payments, royalties will not be considered as a cost. Thus, a withholding tax will be imposed which may only be set off against the tax payable by the recipient companies.

Within the EEC, the majority of these problems may be solved if the recent proposal for a council directive on the abolition of withholding tax on royalty payments between parent companies and subsidiaries is approved and implemented by the Member States.[14] However, problems will still remain for Portuguese companies for at least seven years after the adoption of the directive because Portugal will be allowed to maintain a tax rate of 10 percent from 1993 to 1997 and a tax rate of five percent from 1998 to 1999 (Article 5).[15]

12. See Administrative Supreme Court Decision of 21 February 1990, No. 11.935.
13. Administrative Supreme Court Decision of 6 December 1989, published in A.D. 347/1373 (November 1990).
14. Com(90) 571 Final, *Official Journal of the European Communities* C 53, 28.2.1991, p. 26.
15. Concerning the two Directives of 23 July 1990 and the two new proposals see, S. van Thiel, C. Ratträ and M. Meër, "Corporate Income Taxation and the Internal Market Without Frontiers: Adoption of the Mergers and Parent-Subsidiary Directives," 30 *European Taxation* (November 1990), at 326.; B. Larking, "Harmonization of Tax Law Within The Community," 30 *European Taxation* (December 1990), at 355; Dr. R.H.A. Muray, "European Direct Tax Harmonization – Progress In 1990," 31 *European Taxation* (March 1991), at 74.; Special October 1990 issue, 10 *Intertax* (1990); and H.M. Liebman, "Recent Developments in European Corporate Taxation," February 1991 (paper presented at the International Company Lawyer Conference in Lisbon, Portugal).