

Interest Limitation Rules in the EU

Implementation of Council Directive (EU)
2016/1164 of 12 July 2016
Status as of 1 January 2026

PREFACE

Dear reader,

On 20 June 2016, the Council of the European Union adopted the EU Anti-Tax Avoidance Directive ("the ATAD") which lays down rules against tax avoidance practices that directly affect the functioning of the internal market. The ATAD was issued to ensure a coordinated approach to the OECD work on Base Erosion and Profit Shifting ("BEPS") within the European Union and establishes certain minimum standards that EU Member States must adhere to in the field of interest limitation, exit taxation, controlled foreign companies, general anti-abuse rules and hybrid mismatches.

The Interest Limitation Rule ("ILR") was required to be transposed into national law by 31 December 2018. At that time, WTS Global concluded a European WTS ILR Study examining the implementation of the ILR in the various EU Member States. For comparison purposes, the scope of that survey was extended to Norway, Switzerland and the United States. The ILR Study was conducted to provide a high-level overview of the implementation, and differences in outcome, of the ILR in the aforementioned countries.

Since then, both time and the implementation of the ILR have moved on. Accordingly, a new ILR Study has been conducted on the implementation of the ILR as of 1 January 2026. As with the 2019 study, we approached the EU Member States, as well as Norway, Switzerland, the United States, and the United Kingdom.

The input on which the ILR Study is based was provided by local tax experts from the WTS Global network. These experts regularly deal with ILR-related matters and are therefore familiar with the theoretical framework and the practical application of the rules.

The ATAD does not prohibit EU Member States from applying other rules in addition to the ILR which combat the deduction of interest expenses, although in another way. For the sake of completeness, we note that this survey solely focuses on ILR legislation that is comparable to, or in line with the ATAD proposal and does not take into account any other base-erosion measures EU Member States may have.

Should you have any questions on ILR issues, please feel free to contact one of our colleagues in the relevant country.

We would be pleased to assist you.



Gerbrand Hidding
Director at Svalner Atlas
WTS Global in The Netherlands



Vera Melsert
Consultant at Svalner Atlas
WTS Global in The Netherlands



Roemer Schimmelpenningh
Manager at Svalner Atlas
WTS Global in The Netherlands

INTRODUCTION

interest limitation rule
under ATAD



BASIC RULE

Deductible exceeding
borrowing costs:

up to **30%**
of tax-adjusted EBITDA



EBITDA ADJUSTMENTS

- Exclude tax-exempt revenues
- Addbacks for depreciation & amortization
- Carry forward of unused EBITDA



SAFE HARBOR RULE

- Allowance:

Deductible up to
EUR 3 MILLION

NET INTEREST PARTNER

BROAD DEFINITION OF INTEREST COSTS



- Comprehensive definition
of interest costs

➤ Background and objective of the ILR

According to the ATAD, multi-national groups of companies have increasingly engaged in shifting profits through the use of excessive interest payments in order to reduce their global tax liability. The ILR, as laid down in the ATAD, discourages such practices by limiting the deductibility of taxpayers' exceeding borrowing costs ("EBC").

➤ The basic rule of the ILR

Whether the tax deductibility of EBC is indeed impacted by the ILR depends on the tax-adjusted earnings before interest, tax, depreciation and amortization ("EBITDA") of the taxpayer. In this context, article 4 (1) of the ATAD prescribes that EBC may be deductible only up to 30 percent of the taxpayers EBITDA. This wording entails that 30 percent is the absolute maximum EU Member States are allowed to apply in defining the basic rule of the ILR and it leaves it at the discretion of the EU Member States to apply a lower percentage in order to protect their tax base.

As clearly stated in the ATAD, tax exempt revenues should not be available to set off tax deductible interest expenses. Article 4 (2) of the ATAD, therefore, prescribes that taxpayers have to make certain adjustments to the EBITDA (such as excluding tax exempt income and adding back tax-adjusted amounts for depreciation and amortization) in order to arrive at the tax-adjusted EBITDA. We have encountered many differences in the definition of the tax-adjusted EBITDA by the various countries. In some countries, it is allowed to transfer (unused) EBITDA capacity within the group, whereas in other countries, certain taxable income has to be excluded from the tax-adjusted EBITDA definition. The exact definition of the tax-adjusted EBITDA in the various countries goes beyond the scope of this survey considering the level of detail that comes along with defining the tax-adjusted EBITDA for all countries.

The ILR is aimed at combating interest deduction in situations only where a taxpayer is in a net 'interest' paying position. Interest income and interest expenses should, therefore, always be settled prior to the application of the ILR without making a distinction between group debt and third-party debt. Article 2 (1) of the ATAD provides a definition of which kind of costs are in scope in order to determine whether a taxpayer is a net 'interest' paying position. According to this definition, a wide variety of cost should be considered as 'interest' cost such as the finance cost element of finance lease payments, payments under profit participating loans and certain foreign exchange gains. It follows that this wide definition of 'interest' cost could result in an administrative hurdle for taxpayers in order to determine whether they are in a net 'interest' paying position for the purpose of the ILR.

➤ The safe harbor rule

In order to reduce the administrative burden of the ILR for taxpayers without a 'significant' EBC, the ATAD provides for a safe harbor rule. According to this safe harbor rule, EBC of a taxpayer should always be deductible up to a certain amount regardless of the outcome when applying the EBITDA-based rule. Article 4 (3) of the ATAD prescribes that EU Member States are allowed to introduce a safe harbor rule with a maximum of EUR 3M ("the Threshold").



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**THE FOLLOWING INTEREST LIMITATION REGULATION
WILL BE IN FORCE AS FROM 1 JANUARY 2019***

**Subjective scope of application concerning
the legal status of the taxpayer**

- 1/** Corporations resident in relevant country
- 2/** Corporations subject to limited taxation in the relevant country
- 3/** Tax transparent partnerships resident in the relevant country
- 4/** Individuals with economic activity resident in the relevant country
- 5/** Permanent establishments of corporations non-resident in the relevant country
- 6/** Permanent establishments of partnerships non-resident in the relevant country
- 7/** Permanent establishments of individuals non-resident in the relevant country

**Subjective scope of application concerning
the business purpose of the taxpayer**

- 8/** Are qualifying stand-alone entities exempt?
- 9/** Are qualifying financial undertakings exempt?
- 10/** Are qualifying real estate undertakings exempt?
- 11/** Are there other exemptions concerning the business purpose of the taxpayer?

**Objective scope of application: types of
loan agreements that are exempt**

- 12/** Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation?
- 13/** Are loans concluded in the framework of qualifying public infrastructure projects exempt?
- 14/** Are there other exemptions regarding particular kinds of loan agreements?

Threshold

- 15/** What is the amount of the threshold?
- 16/** Is the threshold meant as an allowance or as a limit ("all or nothing")?
- 17/** To what extent are exceeding borrowing costs deductible if the threshold is exceeded?
- 18/** Is the EBITDA calculated on a commercial or tax basis?

Group Aspects

- 19/** Are taxpayers allowed to rely on a group-equity rule?
- 20/** Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule?

**Objective scope of application: types of
loan agreements that are exempt**

- 21/** With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group?
- 22/** Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company?
- 23/** Are there other group aspects?

**Utilization of non-deductible interest expenses
and non-used interest capacity**

- 24/** Can exceeding borrowing cost be carried forward?
- 25/** Can exceeding borrowing cost be carried back?
- 26/** Can unused interest capacity be carried forward?
- 27/** Can unused interest capacity be carried back?

LEGISLATION

- 1/** Is there a regulation in line with ATAD in force as from 1 January 2025?
- 2/** Current status of ATAD conform legislation
- 3/** Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)?

*THE INTEREST LIMITATION RULE OF ATAD HAD TO BE IN FORCE AS FROM 1 JANUARY 2019. THIS MATRIX FOCUSES ON THE STATUS OF THE LAW ON 1 JANUARY 2025 AND DOES NOT INCLUDE ANY UPDATES AFTER OR THE STATUS OF THE LAW BEFORE THAT DATE.

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ NO
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 27/ Can unused interest capacity be carried back? ↗ NO

AUSTRIA



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



contact

Oliver Karte
oliver.karte@icon.at

ICON Wirtschaftstreuhand GmbH
icon.at

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ NO
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ YES

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ YES
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ YES*
- 23/ Are there other group aspects? ↗ YES

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

BELGIUM



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ YES
 - ↗ *It is argued in literature that the rule might not be in line with the EU fundamental freedoms.*
 - ↗ *Furthermore, it is also argued that it is inconsistent (given the ad hoc consolidation principle) that a Belgian group does not have the possibility to offset the net borrowing revenues of a group company against the net borrowing costs of other group companies.*

*AD HOC CONSOLIDATION (A.O. ELIMINATION OF (BELGIAN) INTRA-GROUP INTEREST FOR THE CALCULATION OF NET BORROWING COST, ELIMINATION OF (BELGIAN) INTRA-GROUP COSTS AND REVENUES FOR THE CALCULATION OF THE (TAX) EBITDA. THE NET BORROWING REVENUES OF A GROUP COMPANY CANNOT BE OFFSET TO THE NET BORROWING COSTS OF OTHER GROUP COMPANIES.

contact

Ivo vande Velde
Ivo.VandeVelde@tiberghien.com

Tiberghien
tiberghien.com

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES
- 4/ Individuals with economic activity resident in the relevant country ↗ YES
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ YES

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

BULGARIA



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



contact

Veselina Petkova
veselina.petkova@delchev-lawfirm.com

Delchev & Partners Law Firm
delchev-lawfirm.com

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, FOR 3 YEARS
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

CROATIA



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



contact

Nika Miloloža
nika.miloloza@tpprime.hr

TP Prime Group
tpprime.hr

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ NO
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ NO
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ YES
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, FOR 5 YEARS
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, FOR 5 YEARS
- 27/ Can unused interest capacity be carried back? ↗ NO

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

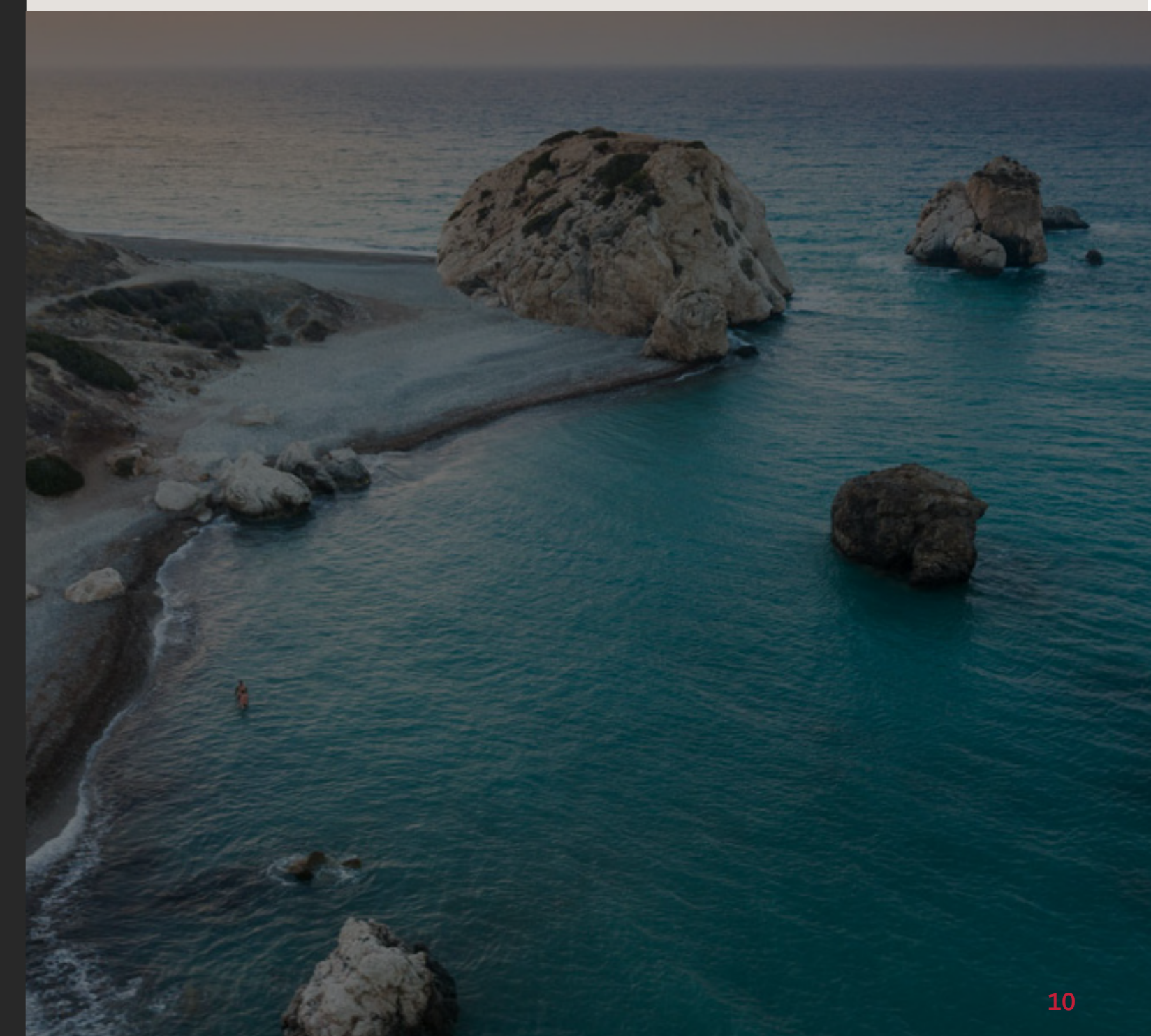
CYPRUS



contact

Nicolas Kypreos
nicolas.kypreos@wtscyprus.com

WTS Cyprus
wtscyprus.com



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ CZK 80 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

CZECH REPUBLIC



contact

Jana Alfery
jana.alferya@alferypartner.com

WTS Alfery s.r.o.
alferypartner.com



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ YES, LIFE INSURANCE COMPANY

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 2.8 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ YES

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ YES
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 27/ Can unused interest capacity be carried back? ↗ NO

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

DENMARK



contact

Bent Ramkov
bra@hortendahl.dk

HortenDahl
dahlaw.dk



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ YES

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ YES

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

ESTONIA



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



contact

Kaido Künnapas
kaido.kunnapas@sorainen.com

Sorainen Law Firm
sorainen.com

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ YES
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ YES
 - ↗ *The interest expenses related to the financing of public infrastructure projects and infrastructure communities are exempt*

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 0,5 MILLION / EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 25% OF THE TAXPAYER'S EBITD
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ YES

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

FINLAND



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ N/A

contact

Mikael Kontro
mikael.kontro@svalneratlas.com

Svalner Atlas | Advisors
svalneratlas.com



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES
- 4/ Individuals with economic activity resident in the relevant country ↗ YES
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ YES

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ NO
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ LIMIT
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, FOR 5 YEARS
- 27/ Can unused interest capacity be carried back? ↗ NO

GERMANY



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ YES
 - ↗ *It is argued in literature that the rule constitutes a restriction of the freedom of establishment and free movement of capital with respect to the fiscal unity as the rule may produce more favorable outcomes in purely domestic fiscal unity situations.*

contact

Christian Schiessl
Christian.Schiessl@wts.de

WTS GmbH
wts.com/de



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES
- 4/ Individuals with economic activity resident in the relevant country ↗ YES
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ YES

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES, UNDER CERTAIN CONDITIONS
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ N/A
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

GREECE



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

contact

Dimitris Petkovits
dpetkovits@accountingsolutions.gr

Accounting Solutions
accountingsolutions.gr

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ N/A
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
unless the activity is performed via a so called 'individual firm'
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ YES
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ HUF 939,81 MILLION
(APPROX. EUR 2,35 MILLION)
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, FOR 5 YEARS
- 27/ Can unused interest capacity be carried back? ↗ NO

HUNGARY



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



contact

Zoltan Lambert
zoltan.lambert@wtsklient.hu

WTS Klient Business Advisory Ltd.
wtsklient.hu

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ YES
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ YES, HOLDING ENTITIES OF FINANCIAL UNDERTAKINGS

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ YES
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ N/A
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ YES
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, FOR 5 YEARS
- 27/ Can unused interest capacity be carried back? ↗ NO

ITALY



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
 - ↗ *Recent Parliament delegation to the Government to make amendments.*
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ YES
 - ↗ *It is under discussion the introduction of an interest expenses' threshold that would remain deductible (safe harbour rule), pursuant to Article 4, Paragraph 3 of the Directive, in order to make the regime consistent with those adopted by some other EU Member States.*



contact

Giovanni Rolle
giovanni.rolle@ra-wts.it

WTS R&A Studio Tributario
ra-wts.it

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES*
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ YES
 - ↗ Certain loans from credit institutions, the State Treasury, development banks, certain international financial institutions, public debt securities are exempt.

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30 % OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ COMMERCIAL

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ NO
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

LATVIA



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

*SECTION 10, PARAGRAPH 7 OF THE CORPORATE INCOME TAX LAW PROVIDES THAT THE INTEREST LIMITATION RULE DOES NOT APPLY TO LATVIAN CREDIT INSTITUTIONS AND PERMANENT ESTABLISHMENTS OF CREDIT INSTITUTIONS RESIDENT IN OTHER EU MEMBER STATE OR THE EEA REGISTERED IN LATVIA.

contact

Janis Taukacs
janis.taukacs@sorainen.com

Sorainen
sorainen.com

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ N/A
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ YES
Subject to additional conditions

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

LITHUANIA



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



contact

Saulė Dagilytė
Saulė.Dagilyte@sorainen.com

Sorainen
sorainen.com

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ YES
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, FOR 5 YEARS
- 27/ Can unused interest capacity be carried back? ↗ NO

LUXEMBOURG



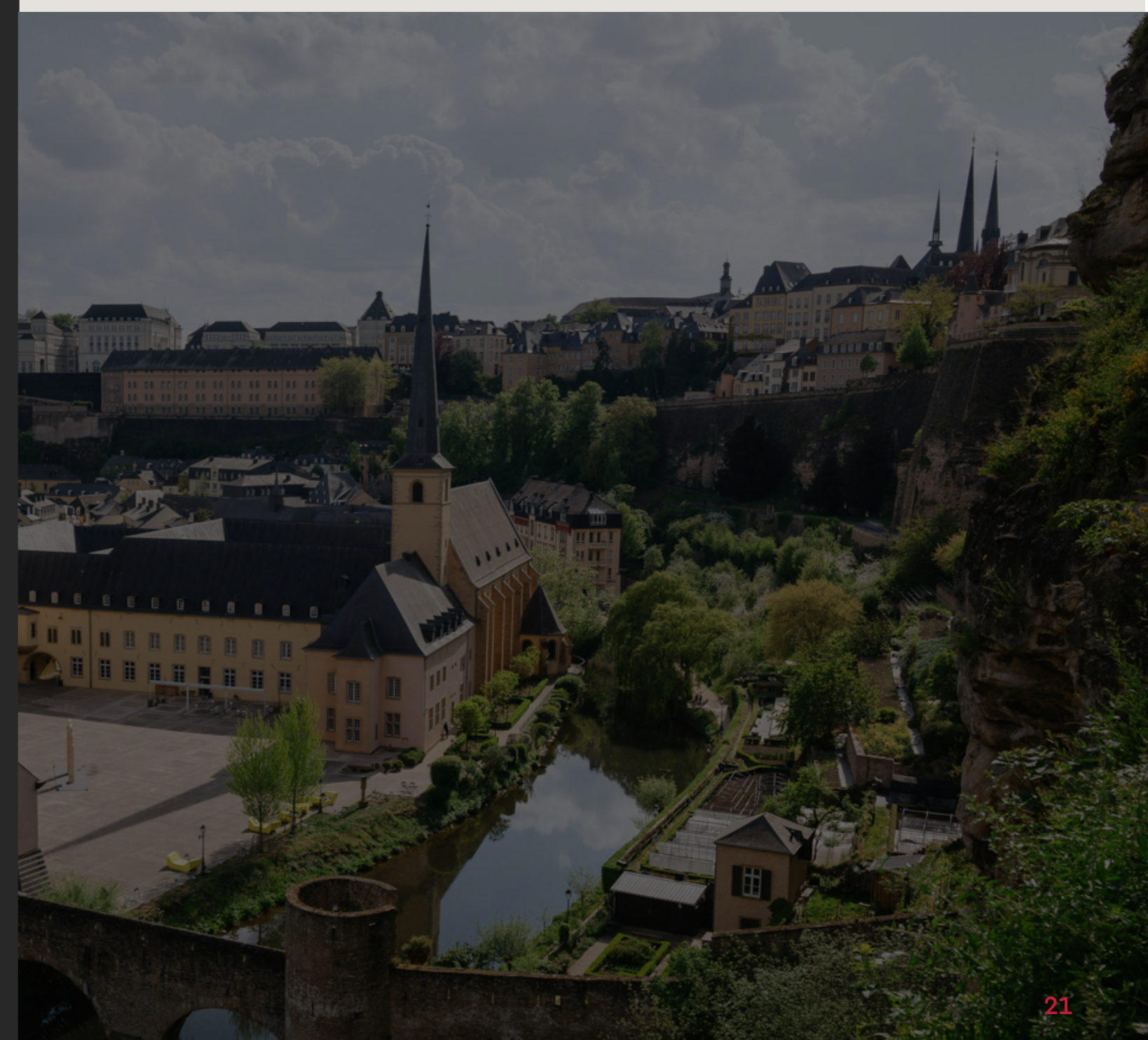
contact

Michiel Boeren
Michiel.Boeren@tiberghien.com

Tiberghien Luxembourg
tiberghien.com

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ NO
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO
↗ Entities active in the petroleum, shipping and energy business.

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 1 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 24.5 % OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO*
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

NETHERLANDS



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ YES
↗ It is argued in literature that the rule constitutes a restriction of the freedom of establishment with respect to the fiscal unity as the rule may produce more favorable outcomes in purely domestic fiscal unity situations.

*UNUSED INTEREST CAPACITY CAN ONLY BE TRANSFERRED IN THE SPECIFIC CASE WHERE A GROUP COMPANY CEASES TO BE PART OF A FISCAL UNITY FOR CORPORATE INCOME TAX PURPOSES.

contact

Roemer Schimmelpenningh
Roemer.schimmelpenningh@svalneratlas.com

Svalner Atlas | Advisors
svalneratlas.com

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ YES
↗ Entities active in the petroleum, shipping and energy business.

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ NOK 25 MILLION AND NOK 5 MILLION*
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ LIMIT
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 25% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ YES
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, FOR 10 YEARS
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

NORWAY



*NOK 25 MILLION IS APPLICABLE THRESHOLD WHEN THE ENTITY IS A MEMBER OF A CONSOLIDATED GROUP FOR FINANCIAL ACCOUNTING PURPOSES. THE THRESHOLD APPLIES FOR THE NORWEGIAN PART OF THE GROUP. NOK 5 MILLION IS APPLICABLE THRESHOLD FOR ENTITY NOT PART OF A CONSOLIDATED GROUP FOR FINANCIAL ACCOUNTING PURPOSES.

contact

Ulf Sørdal
uso@sands.no

SANDS
sands.no/en/

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ NO
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ NO
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ YES
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ PLN 3 MILLION OR 30% OF THE TAXPAYER'S EBITDA*
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, FOR 5 YEARS
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

POLAND



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

*THE PROVISIONS ON DEBT FINANCING COSTS (THRESHOLDS) DO NOT APPLY IN THE FOLLOWING SITUATIONS: THE LENDER IS A BANK OR CREDIT UNION BASED IN AN EU COUNTRY OR AN EEA COUNTRY, THE DEBT FINANCING IS GRANTED FOR THE ACQUISITION OR SUBSCRIPTION OF SHARES OR ALL RIGHTS AND OBLIGATIONS IN ENTITIES NOT RELATED TO THE TAXPAYER.

contact

Ewelina Buczkowska
ewelina.buczkowska@wtssaja.pl

WTS & SAJA
wtssaja.pl

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ YES

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 1 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, FOR 5 YEARS
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, FOR 5 YEARS
- 27/ Can unused interest capacity be carried back? ↗ NO

PORTUGAL



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



contact

Francisco Cabral Matos
fcm@vda.pt

Vieira de Almeida
vda.pt

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ YES
- 9/ Are qualifying financial undertakings exempt? ↗ NO
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 1 MILLION
↗ EUR 0.5 million for loans with related parties for financing of items other than assets
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

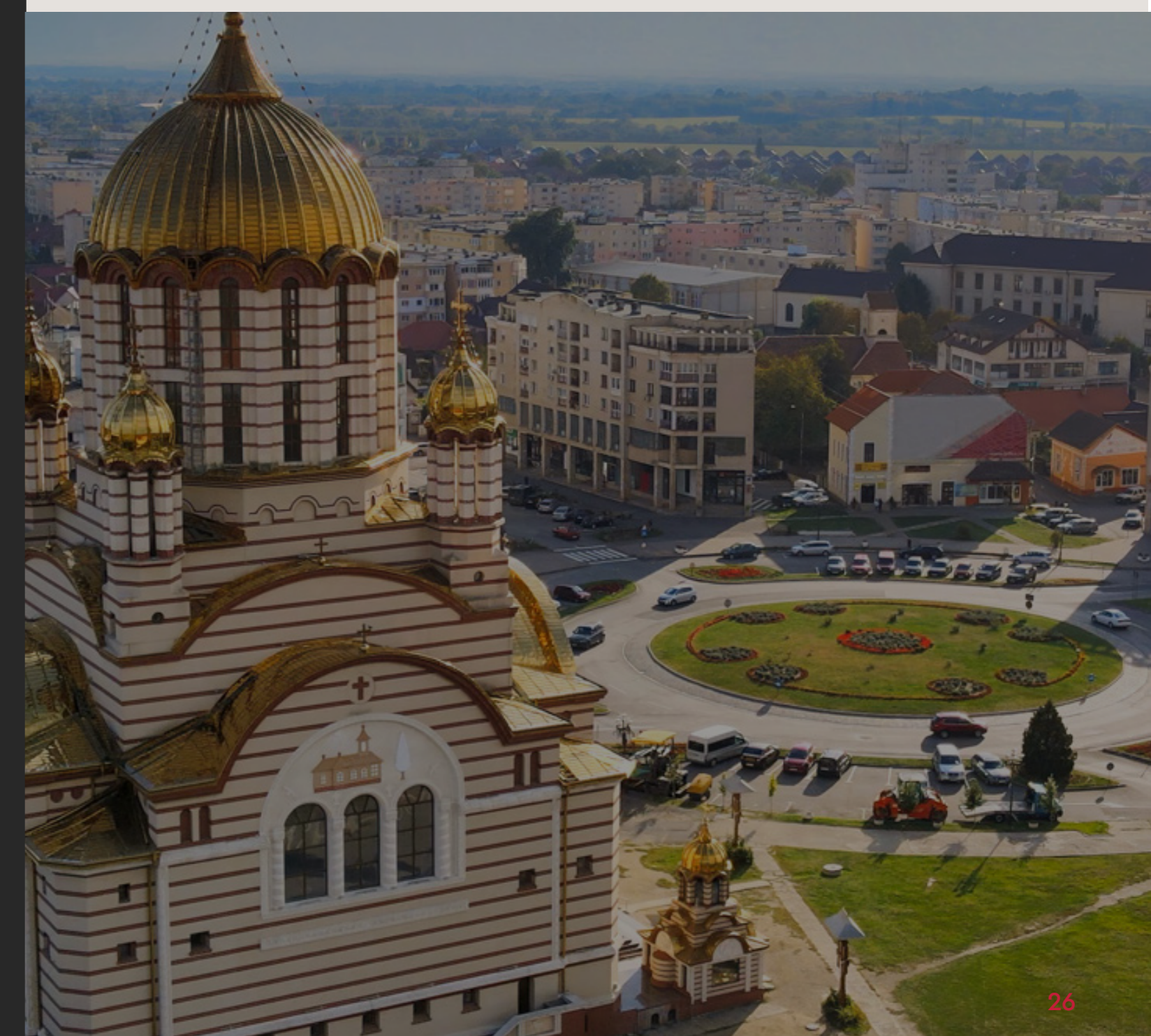
Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

ROMANIA



contact

Florin Gherghel
Florin.Gherghel@ensight.ro

Ensign Finance
ensight.ro

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ NO
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ LIMIT
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF TAXPAYER'S TAX EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, FOR 5 YEARS
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

SLOVAKIA



contact

Jana Kogler
jana.kogler@mandat.sk

MANDAT CONSULTING
mandat.sk



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ YES
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ YES
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 3 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ N/A
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ NO
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

SLOVENIA



contact

Mateja Babič
mateja.babic@wts-tax.si

WTS TAX
wts-tax.si

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ YES

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
 - 9/ Are qualifying financial undertakings exempt? ↗ YES
 - 10/ Are qualifying real estate undertakings exempt? ↗ NO
 - 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ YES
- ↗ *Interest limitation rule not applicable in the year of liquidation, unless the liquidation is part of a restructuring transaction*

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 1 MILLION
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ YES, FOR 5 YEARS
- 27/ Can unused interest capacity be carried back? ↗ NO

SPAIN



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO



contact

Marina Esquerrà
marinaesquerra@arcoabogados.es

ARCO
arcoabogados.es

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES*
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ NO
- 10/ Are qualifying real estate undertakings exempt? ↗ NO
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ NO
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ EUR 0,5 MILLION
(note the new proposal though, change to EUR 2,5 million)
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYER'S EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ NO
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ YES**
- 23/ Are there other group aspects? ↗ NO

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, FOR 6 YEARS
But is proposed to change to unlimited time
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

SWEDEN



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ YES
 - ↗ *It is proposed that threshold for the simplification rule increases from SEK 5 million to SEK 25 million, removing the time limit for carrying forward unused negative net interest, calculating the deduction capacity at the group level, and aligning the rules with the EU's freedom of establishment. No official Governmental bill presented yet (still preparation phase).*

*NOT APPLICABLE TO THE EXTENT THAT THE PARTNERSHIP IS HELD, DIRECTLY OR THROUGH ANOTHER PARTNERSHIP, BY INDIVIDUALS.

**NET INTEREST INCOME MAY BE USED TO OFFSET AGAINST A GROUP ENTITY'S NET INTEREST COST.

contact

Nathalie Katz
nathalie.katz@svalneratlas.com

Svalner Atlas | Advisors
svalneratlas.com

Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ N/A
- 2/ Corporations subject to limited taxation in the relevant country ↗ N/A
- 3/ Tax transparent partnerships resident in the relevant country ↗ N/A
- 4/ Individuals with economic activity resident in the relevant country ↗ N/A
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ N/A
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ N/A
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ N/A

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ N/A
- 9/ Are qualifying financial undertakings exempt? ↗ N/A
- 10/ Are qualifying real estate undertakings exempt? ↗ N/A
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ N/A

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ N/A
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ N/A
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ N/A

Threshold

- 15/ What is the amount of the threshold? ↗ N/A
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ N/A
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ N/A
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ N/A

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ N/A
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ N/A

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ N/A
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ N/A
- 23/ Are there other group aspects? ↗ N/A

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ N/A
- 25/ Can exceeding borrowing cost be carried back? ↗ N/A
- 26/ Can unused interest capacity be carried forward? ↗ N/A
- 27/ Can unused interest capacity be carried back? ↗ N/A

Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ N/A
- 2/ Current status of ATAD conform legislation ↗ N/A
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ N/A

SWITZERLAND



contact

Amanda Heinz
a.heinz@wengervieli.ch

Wenger & Vieli
wengervieli.ch/



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ NO
- 4/ Individuals with economic activity resident in the relevant country ↗ NO
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ NO

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ NO
- 10/ Are qualifying real estate undertakings exempt? ↗ YES
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 15/ What is the amount of the threshold? ↗ £2M
- 16/ Is the threshold meant as an allowance or as a limit ("all or nothing")? ↗ ALLOWANCE
- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ 30% OF THE TAXPAYERS TAX EBITDA
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ YES

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ YES*

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ FOR 5 YEARS
- 27/ Can unused interest capacity be carried back? ↗ NO

UK



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD conform legislation **LEGISLATION ENACTED**
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

*THE INTEREST RESTRICTION IS CALCULATED ON A CONSOLIDATED GROUP BASIS BUT THE RESTRICTION IS THEN ALLOCATED AT COMPANY LEVEL (RESTRICTION ALLOCATION LIMITED TO THE NET TAX INTEREST)

contact

Jeff Soar
Jeffrey.Soar@wts.com

WTS UK
wts.co.uk



Subjective scope of application concerning the legal status of the taxpayer

- 1/ Corporations resident in relevant country ↗ YES
- 2/ Corporations subject to limited taxation in the relevant country ↗ YES
- 3/ Tax transparent partnerships resident in the relevant country ↗ YES
- 4/ Individuals with economic activity resident in the relevant country ↗ YES
- 5/ Permanent establishments of corporations non-resident in the relevant country ↗ YES
- 6/ Permanent establishments of partnerships non-resident in the relevant country ↗ YES
- 7/ Permanent establishments of individuals non-resident in the relevant country ↗ YES

Subjective scope of application concerning the business purpose of the taxpayer

- 8/ Are qualifying stand-alone entities exempt? ↗ NO
- 9/ Are qualifying financial undertakings exempt? ↗ NO
- 10/ Are qualifying real estate undertakings exempt? ↗ YES
- 11/ Are there other exemptions concerning the business purpose of the taxpayer? ↗ YES
 - ↗ *Small businesses with less than USD 25 million (USD 31 million inflation – adjusted threshold for 2025) in annual gross receipts, electing real property business or farming business, certain utilities, taxpayers incurring floor plan financing interest*

Objective scope of application: types of loan agreements that are exempt

- 12/ Are there grandfathering rules in force for certain loan arrangements which were already existing before the implementation of the regulation? ↗ NO
- 13/ Are loans concluded in the framework of qualifying public infrastructure projects exempt? ↗ YES
- 14/ Are there other exemptions regarding particular kinds of loan agreements? ↗ NO

Threshold

- 17/ To what extent are exceeding borrowing costs deductible if the threshold is exceeded? ↗ UP TO 30% OF THE TAXPAYER'S TAX EBITDA for tax years beginning after Dec 31, 2024
- 18/ Is the EBITDA calculated on a commercial or tax basis? ↗ TAX BASIS

Group aspects

- 19/ Are taxpayers allowed to rely on a group-equity rule? ↗ NO
- 20/ Are taxpayers allowed to rely on an earnings-based worldwide group-ratio-rule? ↗ NO

Objective scope of application: types of loan agreements that are exempt

- 21/ With regard to tax groups; is the interest limitation rule to be applied at the level of the (consolidated) group? ↗ YES
- 22/ Is either an amount of exceeding borrowing cost or an unused interest capacity transferrable to another group company? ↗ NO
- 23/ Are there other group aspects? ↗ YES*

Utilization of non-deductible interest expenses and non-used interest capacity

- 24/ Can exceeding borrowing cost be carried forward? ↗ YES, WITHOUT LIMITATION IN TIME
- 25/ Can exceeding borrowing cost be carried back? ↗ NO
- 26/ Can unused interest capacity be carried forward? ↗ NO
- 27/ Can unused interest capacity be carried back? ↗ NO

USA



Status of the legislation

- 1/ Is there a regulation in line with ATAD in force as from 1 January 2026? ↗ YES
- 2/ Current status of ATAD confrom legislation LEGISLATION ENACTED
- 3/ Are there currently any ongoing legal proceedings or discussions (e.g. is it EU-proof)? ↗ NO

* NOTE THAT FOR TAX YEARS BEGINNING AFTER DEC. 31, 2025, A U.S. SHAREHOLDER WILL NO LONGER BE ALLOWED TO INCREASE ITS ATI BY A PORTION OF CFC INCOME INCLUSIONS UNDER SECTIONS 951(A), 951A(A) AND 78 (AND THE PORTION OF THE DEDUCTIONS ALLOWED BY REASON OF SUCH INCLUSIONS UNDER SECTIONS 245A(A) (BY REASON OF SECTION 964(E)(4)) AND 250(A)(1)(B)). FURTHER, FOR TAX YEARS BEGINNING AFTER DEC. 31, 2025, BUSINESS INTEREST EXPENSE EXCLUDES ANY INTEREST CAPITALIZED UNDER SECTIONS 263(G) AND 263A(F).

** AN ELECTION IS AVAILABLE WHICH ALLOWS EXCESS TAXABLE INCOME ("ETI") FROM CFCs OWNED IN THE U.S. GROUP TO BE USED TO INCREASE THE AMOUNT OF INTEREST DEDUCTIBLE IN THE U.S. THIS ETI ADD-BACK IS DISALLOWED AFTER 2025, BUT THE ELECTION STILL ALLOWS THE U.S. GROUP'S CFCs TO CALCULATE THEIR SECTION 163(J) LIMITATION ON A CONSOLIDATED GROUP BASIS.

contact

Raymond Wynman
RWynman@gtmtax.com

GTM
gtmtax.com

IMPRINT

➤ About WTS Global

With representation in over 100 countries, WTS Global has already grown to a leadership position as a global tax practice offering the full range of tax services and aspires to become the preeminent non-audit tax practice worldwide. Clients of WTS Global include multinational companies, international mid-size companies as well as private clients and family offices. The International Corporate Tax Global Service Line consists of dedicated tax experts from over 100 countries. The member firms of WTS Global are carefully selected through stringent quality reviews. They are strong local players in their home market who are united by the ambition of building a truly global practice that develops the tax leaders of the future and anticipates the new digital tax world. WTS Global effectively combines senior tax expertise from different cultures and backgrounds and offers world-class skills in advisory, inhouse, regulatory and digital, coupled with the ability to think like experienced business people in a constantly changing world.

For more information please see: wts.com/global

WTS Global P.O. Box 19201 | 3001 BE Rotterdam Netherlands
T +31 (10) 217 91 71 | F +31 (10) 217 91 70
wts.com/global | info@wts.com

The above information is intended to provide general guidance with respect to the subject matter. This general guidance should not be relied on as a basis for undertaking any transaction or business decision, but rather the advice of a qualified tax consultant should be obtained based on a taxpayer's individual circumstances. Although our articles are carefully reviewed, we accept no responsibility in the event of any inaccuracy or omission. For further information please refer to the authors.



➤ WTS GLOBAL
INTERNATIONAL
CORPORATE TAX
GSL CO-HEAD &
EUROPE REGIONAL
LEADER

WTS TAX AG

Christian Schiessl
Partner

Christian.Schiessl@wts.de
+49 89 286462403

Friedenstraße 22
81671 München, Germany

SVALNER ATLAS | ADVISORS

Ivo Kuipers
Partner

ivo.kuipers@svalneratlas.com
+31 627 034 971

Stadhouderskade 1
1054 ES Amsterdam, Netherlands

ICON WIRTSCHAFTSTREUHAND GMBH

Mag. Matthias Mitterlehner
Partner

matthias.mitterlehner@icon.at
+43 732 694126990

Stahlstraße 14
4020 Linz, Austria