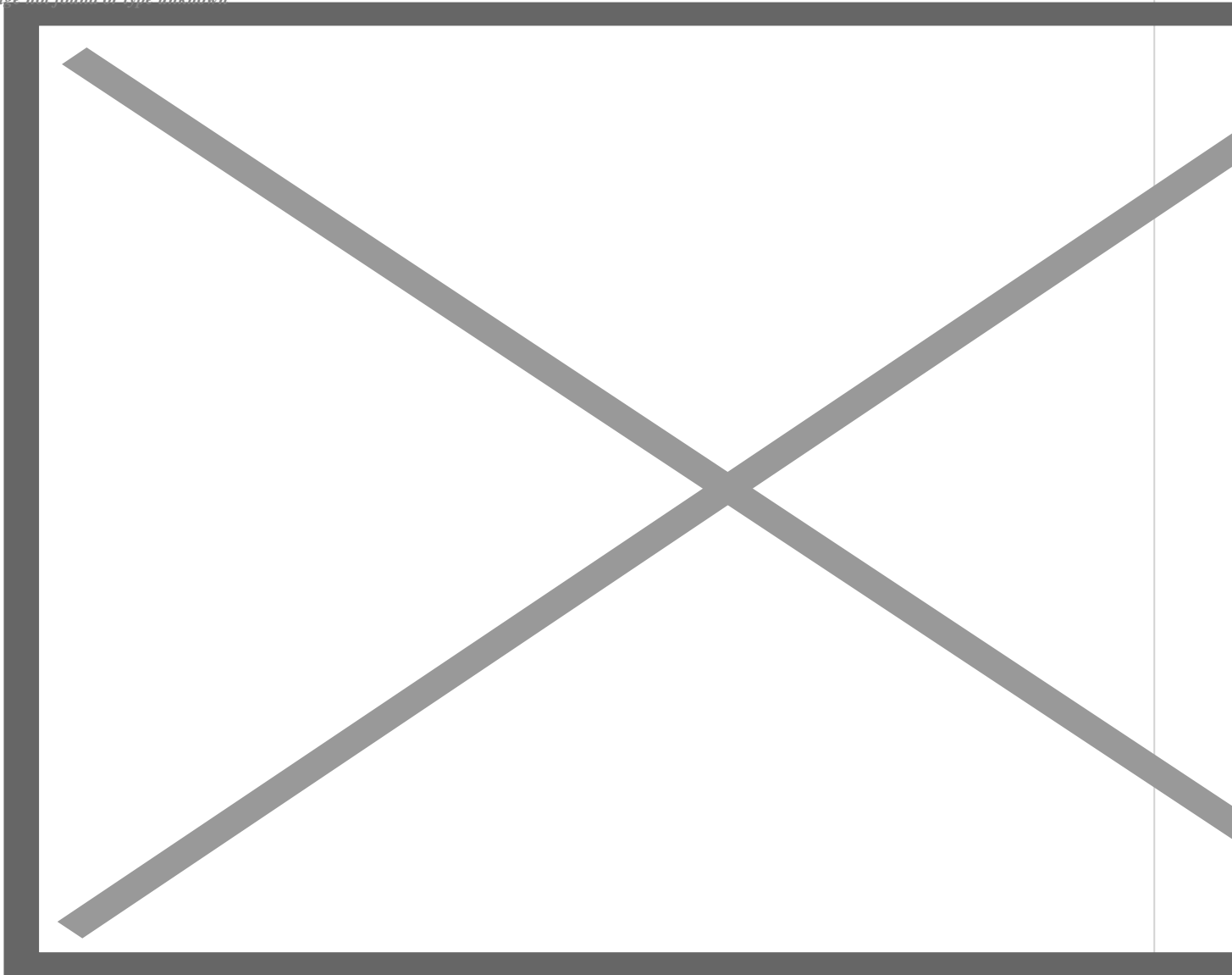


Amazon wins \$300 million EU court battle over back taxes

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A European Union court annulled a 2017 ruling by the European Commission requiring Amazon to pay \$300m in back taxes to Luxembourg

Luxembourg, May 13 (RHC)-- A European Union court on Wednesday annulled a ruling by the European Commission that a tax deal between the Luxembourg government and Amazon amounted to illegal state support.

In 2017, the European Commission ordered the United States-based online retailer to pay around 250 million euros (\$300 million) in back taxes to Luxembourg.

But judges at the General Court said the Commission did not prove “to the requisite legal standard that there was an undue reduction of the tax burden of a European subsidiary of the Amazon group.” The Commission’s decision related to Luxembourg’s tax treatment of two companies in the Amazon group – Amazon EU and Amazon Europe Holding Technologies.

Margrethe Vestager, the EU official in charge of antitrust issues, argued at the time that Amazon had unfairly profited from special low tax conditions since 2003 in tiny Luxembourg, where its European headquarters are based. As a result, almost three-quarters of Amazon’s profits in the EU were not taxed, she said.

Both Luxembourg and Amazon challenged the decision with the EU’s general court. The EU has taken aim at deals concluded between individual countries and companies used to lure foreign multinationals in search of a place to establish their EU headquarters. The practice led to EU states competing with each other and multinationals playing them off one another.

Judges at the General Court have backed the Commission in several cases, but the EU’s efforts to crack down on favourable tax deals suffered recent setbacks in cases involving Starbucks and Apple. Wednesday’s ruling can be appealed to the 27-nation bloc’s highest court, the Court of Justice.

The EU remains at odds with Amazon on other issues relating to competition. Last year, EU regulators filed antitrust charges against the e-commerce giant, accusing Amazon of using its access to data from companies that sell products on its platform to gain an unfair advantage over them.

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