

Third amendment to private member's Bill on conditional final settlement of dividend withholding tax

On March 12, 2021 Bart Snels, Lower House Member of Parliament for the Greens (*GroenLinks*), published the Memorandum in response to the Report and a supplementary Memorandum of Amendment with regard to his private member's Bill 'Emergency Act on the Conditional Final Settlement of Dividend Withholding Tax', which had been presented to Parliament on July 10, 2020. Mr. Snels also published an IBFD survey of which countries have exit taxes on undistributed profit reserves in the event of an imminent claims loss. For information about the private member's Bill, please refer to our memoranda of [July 13](#) and [October 12](#), 2020.

In the Memorandum in response to the Report, Mr. Snels deals extensively with questions raised by Members of Parliament. He also responds to comments on the bill made by the Confederation of Netherlands Industry and Employers (VNO/NCW), the Dutch Association of Tax Advisors (NOB) and two university tax law professors.

Mr. Snels sees no reason to withdraw his proposal or make fundamental changes to it. However, he has proposed several minor technical changes or improvements. For example, it is expressly regulated that the imposition of a conditional dividend withholding tax assessment cannot result in any type of corporate income tax deduction. The IBFD survey shows that Canada, Denmark, France and Switzerland have some type of exit tax on undistributed profit reserves.

Meijburg & Co comments

It is noteworthy that these documents were published shortly before the upcoming parliamentary elections. It is currently unclear whether the bill can count on a parliamentary majority. The fate of the proposal will depend, in particular, on the outcome of the upcoming elections and the subsequent formation of a new government.

We will, of course, keep you informed of developments.

Meijburg & Co
March 12, 2021

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