



ONE FIRM
WORLDWIDE®

EUROPE

Jones Day Tax Controversy & Litigation: Europe

The Trends

Tax authorities across Europe are deploying significant resources, new technology, and specialized personnel to expand tax examinations, with a clear focus on raising revenue and targeting perceived abusive or aggressive tax planning. Multinational groups remain the principal targets, but enforcement activity increasingly extends to investment funds, financial institutions, and high-net-worth individuals. While the intensity and procedural framework vary by jurisdiction, a number of common themes are driving tax disputes across the continent:

- **Beneficial Ownership and International Structures.** Tax authorities across the European Union are aggressively scrutinizing international structures and intercompany cash flows to challenge the application of double tax treaties, EU Directives, and domestic exemptions where they conclude that the recipient entity is not the beneficial owner of the relevant income.
- **Transfer Pricing.** Transfer pricing remains one of the most actively contested areas across Europe. Tax auditors frequently reprice and restructure intercompany arrangements, and multilateral transfer pricing audits are increasingly common and frequently lead to protracted settlement negotiations and follow-on litigation.
- **Permanent Establishments.** Tax authorities across Europe are launching audits to assess the existence of “hidden” permanent establishments of foreign companies, particularly where local entities or personnel provide sales support or management services on behalf of a foreign principal.

How We Can Help

Jones Day maintains a dedicated tax controversy team across our European offices. We can assist with:

- **Risk Assessment and Audit Readiness.** We review contractual documentation, transfer pricing studies, and corporate structures to perform comprehensive risk assessments, identify exposures, and develop defensive strategies before a dispute arises.
- **Tax Rulings and Advance Pricing Agreements.** We advise on and represent clients in securing advance tax rulings, advance pricing agreements, and other pre-clearance mechanisms across multiple European jurisdictions, including in contentious or pre-controversy settings.
- **Audit Defense and Settlement.** We manage audit requests, coordinate expert analyses, and negotiate resolutions with tax auditors. Where appropriate, we pursue out-of-court settlements, drawing on our experience of each authority’s settlement drivers to achieve favorable outcomes.
- **Appeals and Strategic Litigation.** When disputes cannot be resolved administratively, we litigate before national courts and the Court of Justice of the European Union. We also manage mutual agreement procedures to resolve cross-border double taxation.
- **Criminal and Penalty Defense.** We represent clients in connection with tax fraud investigations, raids, and related criminal proceedings.

Who Will Be Impacted?

Taxpayers with European operations, cross-border payments, legal personnel, investment structures, or transfer pricing positions may face potential examination. Exposures can arise across multiple jurisdictions simultaneously, making coordinated, cross-border counsel essential. Early engagement with experienced tax controversy practitioners is critical.

Key Contacts

For more information on our European tax controversy & litigation practice, please contact your principal Firm representative or one of the lawyers listed below.



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