

News Analysis: Portuguese Stamp Duty Under the Spotlight (Again)

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Several cases have been brought before Portuguese courts over the past few years concerning the taxation of equity-related transactions (mainly the taxation of the increase of a company's share capital) in light of Council Directive 69/335/EEC of July 17, 1969, as amended through time. The cases essentially refer to the compatibility of the domestic provisions in Portugal's Stamp Duty Code with the elimination (or reduction) of indirect taxes on the raising of capital, as foreseen in the directive.

The Portuguese cases focus on the impact of the standstill provision in article 7 of the directive and the potential violation of that article by the Portuguese legislature as a result of various amendments to the Stamp Duty Code.

A recent case, *Ascendi Beiras Litoral e Alta v. Portugal* (C-377/13), may be seen as a follow-up to previous decisions, but it entails a couple of new issues that are of considerable relevance for Portuguese companies and for their shareholders with pending litigation procedures.