

NEELIE KROES

MEMBER OF THE EUROPEAN COMMISSION

Brussels, - 9 JUN 2008
TK/ah - A(08)970-D(08)244

Dear Dr Lucas,

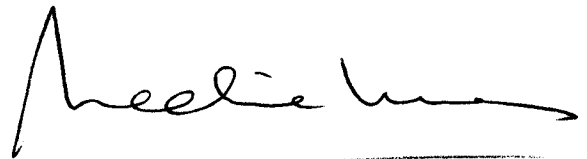
I thank you for your letter of 08.05.2008 in which you refer to complaints received by the Commission on the treatment of the derogatory tax regimes for cooperatives in France, Spain and Italy. In the letter you mean to highlight "the distinctive nature of co-operatives" and to stress the differences between co-operatives and lucrative companies. You also stress the "value and benefits of co-operatives" and the risks for the co-operative world from a Commission decision qualifying the derogatory fiscal treatment for co-operatives as State aid.

First of all I would like to confirm that my services are currently reviewing the specific tax regime applicable to retail cooperatives in Italy. As you say in your letter, the inquiry stems from complaints lodged by competitors belonging to the retail distribution and banking sectors dating back to 2006. My colleague Marianne Fischer-Boel is in charge of other cases regarding the fiscal treatment of cooperatives in the agricultural sector in Spain and France.

The assessment of those cases is still under way and the Commission has not, for the moment, adopted any decision concerning the compatibility with the State aid rules of the EC Treaty of the derogatory tax regimes for cooperatives. I cannot consequently at this stage enter into the substance of the matter more than I did so in the other letters which I addressed to the Honourable Members of the European Parliament who wrote to me in the latest weeks about the same subject.

However, I would like to reassure you on the fact that the Commission in its analysis will take account of the characteristics of the co-operative model and their positive contribution to the European model, as underlined in article 48 of the Treaty, in the Council Regulation (EC) No 1435/2003 of 22 July 2003 on the statute for a European Cooperative Society¹ and in the 2004 Commission Communication² which you quote. Nevertheless, I would like to stress that the acknowledgment of these values cannot overshadow the duty of the Commission to ensure that competition between the various companies is not distorted by the concession of disproportionate advantages to certain economic operators, which, in the long run, would not be in the interest of the Community.

Yours sincerely,



¹ OJ L 207 of 18.8.2003, p. 1.

Communication of the European Commission of 23.2.2004 on the promotion of cooperatives in the EU (COM(2004) 18 final).

Dr Caroline Lucas
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European Parliament
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