

## **PRESS RELEASE**

4 February 2010

### **Luther obtains judgment at Federal Tax Court**

**Cologne, 4 February 2010 - A dispute arose between the town of Viersen and the purchaser following the sale of shares in a municipal subsidiary. The settlement which was agreed upon to resolve the matter included a reduction of the purchase price which the Federal Tax Court (*Bundesfinanzhof*) has now acknowledged as an event with retroactive effect for tax purposes. The town of Viersen was represented at the Federal Tax Court by Luther Rechtsanwaltsgesellschaft mbH.**

The settlement laid down the scope of the participation in the business profits of the affected electric power company in favour of the purchaser. Furthermore the purchase price was reduced by approximately €14m.

Through the Federal Tax Court's decision it has been acknowledged that the reduction of the purchase price by way of a settlement is an event with retroactive effect for tax purposes, as defined in Sec. 175 (1) sentence 2 no. 2 German Tax Code (*Abgabenordnung*). The decisive factor for the judges was that the settlement was based on a serious analysis of the original agreement and was actually implemented. This decision cleared the way for the applied-for capital gain tax refund.

On behalf of the town of Viersen:

Luther Rechtsanwaltsgesellschaft mbH, Cologne: Elisabeth Lepique (Partner, Lawyer, Tax Advisor), Dr. Mona Schnaittacher (Senior Associate, both Corporate M&A)

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## **Brief Profile Luther Rechtsanwaltsgesellschaft mbH**

Luther is one of the leading German commercial law firms providing comprehensive services in all the relevant fields of legal and tax consulting. The full-service law firm employs more than 320 lawyers and tax advisors and is represented at 12 German economic centres and at important investment locations and financial centres in Europe and Asia with international offices in Brussels, Budapest, Luxembourg, Istanbul, Shanghai and Singapore. Our clients include medium-sized enterprises and large corporations, as well as the public sector. Luther is also part of the PMLG international group of law firms and is the German member of Taxand, a worldwide network of independent tax firms.

Luther is a law firm with an entrepreneurial approach: our innovative awareness aspires us to provide our clients with customised legal advice that addresses individual needs and delivers the greatest possible economic benefit. Our lawyers and tax advisors have a solid understanding of interdisciplinary matters and a wealth of experience in collaborating on complex tasks.

Further information is available at: [www.luther-lawfirm.com](http://www.luther-lawfirm.com)

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