Cum/Ex, Cum/Cum and Cum/Fake in Germany

Christoph Spengel, University of Mannheim

Abstract

Cum-cum transactions aim to avoid paying a dividend withholding tax in the hands of non-resident shareholders while cum-ex transactions seek to achieve multiple refunds of the dividend withholding tax being paid only once (a so-called double-dip). My estimation from a sample of 10 major economies around the world suggests that the above-mentioned schemes jointly resulted in a tax revenue loss of 150 billion euros in the period 2000-2020. This is why cum-cum, cum-ex, and related share transactions can be considered the biggest tax robbery in European history. During the seminar talk, cum-cum and cum-ex transactions will be presented together with a comprehensive legal assessment of them, including an overview of recent court cases and insights on new ways in which such schemes are still observable today.