

## Chamber levy challenged

The rules governing the funding of the Chamber of Commerce have been judged to be illegal by the Administrative Tribunal. Although an appeal is likely it appears that a firmer legal basis for these payments will have to be agreed and some have questioned whether this could lead to a review of the Chambers' role. At the moment, each business taxpayer is subject to an annual levy of between 0.2% and 0.25% of profit, sums which are collected by the Direct Tax Administration. The tribunal ruled that this levy was illegal due to the absence of a specific Grand Ducal decree to determine both the basis and rate for such contribution. The plaintiffs are Soparfi holding companies, vehicles which are used by international groups to book profits in lower tax Luxembourg. Their view appears to be that as the Chamber offers them few benefits they object to this compulsory levy. The Chamber of Commerce's budget for 2008 is 25 million euros.