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***Fight against Tax Evasion in the EU***

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This is the European policy area where over the last years most progress has been achieved with rules on transparency and new rules to combat most common techniques used by tax dodgers. Soundness of available data and implementation of new rules is the main challenge now. But for many EU member states it is also the investment in tax administration, reduced largely due to many years of crisis which weakened capacities of public administration.

Let me raise three points.

First, we have to be aware that many ambitious elements of the reform of the EU tax policy still have to be put on the table. CCCTB is an example here. The two stage approach which seems to be the approach to be soon proposed by the European Commission can lead to some distortions during the interim period. There are rumors which might be a good news that the Commission might issue both proposals, of the common and of the consolidated corporate tax basis at the same time and leave the negotiations to proceed at different pace. That might be helpful in avoiding unnecessary distortions and potential abuses during the interim period. It would be comforting to hear from the Commission confirmation of this rumor.

Secondly, it is equally a good news that we have moved forward on looking at the tax law implementation from the perspective of the state aid. It sounds like a very sound and useful approach. We have to bear in mind, however, that distortions of competition through the tax policies are only a symptom of deeper underlying problems.

Thirdly, it seems obvious that tax issues must not be handled in isolation as tax policy is closely related with other policies and legislation. It has an impact on competition. In many cases there are links between tax evasion and money laundering. Panamá Papers revelations are a glaring example here. We must also bear in mind the cross border and international nature of European tax policies. When dealing with tax issues we should aim at close alignment with international standards and push our partners to align as well. This a general principle but we know as well that tax base is particularly mobile. That is why the need to avoid distortions and mismatches in legislation is arguably greater than in any other economic policy area.