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***The work of the special Committee on TAXE rulings and other measures  
similar in nature or effect***

*Statement at the EPP press conference on the report of the TAXE special committee  
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Let me start by saying why, for us, EPP, this was an important committee, important work and important report.

The work of the TAXE committee coincided with and acted as a catalyst for the European Commission's tax agenda and for the finalisation of the Action Plan of the OECD on Base Erosion and Profit Shifting. Through the work of the TAXE Committee the European Parliament had the possibility to feed into these processes. We had a number of debates with Commissioner Moscovici. We heard the Secretary General of the OECD and its director of the centre for tax policy and administration.

Our mandate was not only to detect what we believe were unacceptable irregularities, abuses of the existing systems and unfair practices leading to an unlevel playing field between MNCs and SMEs and allowing some Member States to benefit from increased tax base while others ended with less budgetary revenues because of tax base erosion. We could also learn how to build a system without unhealthy openings for what makes the tax practices unfair.

Huge mismatches between tax systems of individual Member States, often leaving loopholes for unfair tax practices, coincide with the imperatives of the single market. The challenge is to strike a better balance between the single market and national differentiation in the area of taxation.

In the field of taxation, there is a long history of discussions about harmonisation. The conclusion of this report is that a certain level of harmonisation of minimum rules and requirements, through a Common Corporate Consolidated Tax Base (CCCTB) for instance, is needed, but we are not in favour of tax rates harmonisation. The draft report mentioned a minimum and maximum tax rate but this was discarded.

The complexity of the tax system is a factor that can lead to legal uncertainties. Tax rulings are an example of this, since good rulings serve to clarify overly complex tax law. This is why tax law should be part of the better law-making effort, in order to make simpler legislation that does not need several layers of interpretation.

The European effort to generate growth has led us to embark on building a Capital Markets Union, where one of the objectives is to increase the mobility of capital. This must not lead to more tax base shifting. So we need solutions allowing for the increased business mobility to be tax-base neutral.

Allow me to say a word on country-by-country reporting and the exemption of SMEs from this requirement. SMEs do play a very important role in European economy.

They are essential for growth, employment and competitiveness. Taking the good law-making principles seriously, we do not want to make SMEs face additional administrative burden. In reforming taxation frameworks, public authorities should aim at a good balance between the need for transparency, the need to protect commercial interests, and the need to avoid increasing the administrative burden.

Another concern identified during the work of the TAXE Committee is the system for the settlement of disputes arising from double taxation. This system does not work well - neither globally nor in the European Union. It is weak. There are more than 4000 cases pending at the global level, procedures are lengthy, there are few cases finding solutions. On the global level, the OECD needs to keep working on that, and we also need to improve our system at the European level and look anew at the arbitration convention providing a framework for dispute settlement in this context.

On the CCCTB, we are waiting for the Commission's proposal. We understand that the intention is to do it through a two-stage approach, first common tax base, and then consolidation. We expressed concern that if we start with a common tax base, then the interim period before consolidation should be designed in such a way that it does not create risks for more profit shifting.