

Danuta Hübner
Chair of the Committee on Constitutional Affairs, European Parliament

The role of national Parliaments in the implementation of the EU and international anti-tax avoidance measures

*Speech at the TAX2 Committee interparliamentary session:
"The Anti-Tax Avoidance Package and other EU and international developments:
scrutiny and democratic control by National Parliaments"*

18 April 2016, European Parliament, Brussels

In our work on corporate taxation we have been pushed by dramatic events. But my feeling is that when we implement the three packages proposed by the European Commission and presented by Director Stephen Quest, we will go beyond addressing temporary challenges and will create a good structural framework for corporate taxation.

I would like to address two issues.

First, I would like to underline the importance of striking the right balance between the single-market-type of solutions provided at the European level and the necessary flexibility at national level.

When we look at OECD recommendations, we can see that some of them require changes to domestic law, others cross-border solutions or changes to tax treaties governed by international law.

In the EU anti-tax avoidance package we have taken an EU-wide approach to many of those recommendations while leaving more discretion to the national level on some others.

So, we will see a variety of legal instruments and policy measures which will require an unprecedented level of coordination and monitoring.

Second, let me say that tackling taxation issues require a high dose of attention being paid to democratic legitimacy, probably more than in case of other policies.

It is up to the EP at EU level and national parliaments at national level to provide democratic legitimacy for this process of change, leading us to fixing tax systems, making taxation fair, transparent and abuse-free.

To provide legitimacy at the EU and national level, we have to strengthen the political dialogue and cooperation.

But national parliaments will also be directly tasked with the concrete implementation of OECD decision and transposition of EU directives.

Therefore, a lot of responsibility lies in your hands.