

Euro Tax Flash
Issue 249 - May 27, 2015

Euro Tax Flash from KPMG's EU Tax Centre



European Commission holds debate on corporate tax reform to tackle tax avoidance

European Commission – Action Plan on corporate taxation – Tax evasion and avoidance – Tax transparency

On May 27, 2015 the European Commission held an orientation debate on corporation taxation as part of its agenda to tackle tax evasion and avoidance and ensure transparent and fair corporate taxation in the EU. It was jointly agreed by the College of Commissioners that a new Action Plan for corporate taxation is needed to successfully address tax abuse, ensure sustainable revenues and foster a better business environment in the internal market.

Background

The idea of a more comprehensive approach to improve corporate taxation in the EU was launched in December 2014 as part of the European Commission's [Work Programme 2015](#). It was followed in March 2015 by a 'Tax Transparency Package'. Both should be seen in the context of the Commission's concern to combat aggressive tax planning and abusive tax practices. Both are based on the idea of fairer and efficient corporate taxation, and in particular on ensuring that companies are taxed where their profits are generated.

The Tax Transparency Package included a proposal for automatic exchange of information on tax rulings, investigation into the possibilities of public disclosure of tax information by multinationals, and a review of the Code of Conduct to make it more effective in addressing harmful tax regimes (see [ETF 247](#)). The proposed Action Plan would build on these initiatives with a view to achieving fairer and more growth-friendly tax systems in Europe.

Proposed Action Plan: highlights

The Action Plan will take into account ongoing international reforms aimed at combating aggressive tax planning and will therefore include suggestions for integrating the 2014/2015 OECD/G20 BEPS actions at the EU level (also known as an 'anti-BEPS directive'). It will also aim to take account of today's digitalized and globalized economy and the challenges it presents to what Taxation Commissioner Moscovici referred to as outdated tools and unilateral measures. At any rate this will involve a relaunch of the Common Consolidated Corporate Tax Base (CCCTB) proposals as well as further strengthening of tax transparency.

Next steps

The proposed Action Plan on corporate taxation is expected to be presented by the Commission in June, 2015.

EU Tax Centre Comment

The outcome of the Commissioners' debate is noteworthy for what is not mentioned in the official press release. For example, there is no mention of the possibility of excluding consolidation from the CCCTB initiative, nor of changes to the existing transfer pricing rules, nor of the introduction of a minimum corporate tax rate in the EU. All of these have been canvassed in the international media in recent times. The open question is whether they are indeed under discussion or whether the above represents the only issues on which consensus has so far proven possible.

Robert van der Jagt

Chairman, KPMG's EU Tax Centre and
Partner, Meijburg & Co
vanderjagt.robert@kpmg.com

Barry Larking

Director EU Tax Services, KPMG's EU Tax Centre
larking.barry@kpmg.com

[Back to top](#)



[Privacy](#) | [Legal](#)

KPMG's EU Tax Centre, Laan van Langerhuize 9, 1186 DS Amstelveen, Netherlands

This newsletter is published by KPMG International Cooperative in collaboration with KPMG's EU Tax Centre.

© 2015 KPMG International Cooperative (KPMG International), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.