



Commission prepares an Action Plan for fairer and more growth-friendly tax systems in Europe

Brussels, 27 May 2015

The College of Commissioners today held an orientation debate on measures to make corporate taxation fairer, more growth-friendly and transparent. It was agreed that a new EU approach to corporate taxation is needed to successfully address tax abuse, ensure sustainable revenues and foster a better business environment in the internal market.

Vice-President Valdis Dombrovskis, responsible for the Euro and Social Dialogue, said: *"We want corporate taxation to be fair and growth-friendly. Every company, big or small, must pay its share of tax at the place where it makes its profits. Corporate taxation is a Member State responsibility, but the EU must set a clear and renewed framework for fair and competitive corporate taxation."*

Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: *"Our current approach to corporate taxation no longer fits today's reality. We are using outdated tools and unilateral measures to respond to the challenges of a digitalised, globalised economy. For fairer taxation and less fragmentation in the Single Market, we need to fundamentally review our corporate tax framework in the EU. Big, small and medium sized companies should be able to benefit from the internal market on an equal footing."*

President Jean-Claude Juncker has made the fight against tax evasion and avoidance a top political priority of this Commission. The key objective is to ensure that companies are taxed where their profits are generated and cannot avoid paying their fair share of tax through aggressive tax planning.

An important first step was taken in March 2015 when the Commission presented a package of measures to boost [tax transparency](#) in the EU.

Today, the College agreed to take a more comprehensive approach to improve corporate taxation in the EU, also taking into account ongoing international reforms in this field. Today's orientation debate will feed into an Action Plan in June, which will include a strategy to re-launch the works on the introduction at the level of the EU of a [Common Consolidated Corporate Tax Base](#) (CCCTB), to implement measures against tax avoidance which are being developed at international level within the OECD, and to further strengthen tax transparency while taking into account the necessity to reinforce the efficiency of the tax environment for businesses in the internal market.

Background

In his July 2014 [Political Guidelines](#), President Juncker stated: *"We need more fairness in our internal market. While recognising the competence of Member States for their taxation systems, we should step up our efforts to combat tax evasion and tax fraud, so that all contribute their fair share."*

The Commission is rapidly delivering on the commitments made in its Work Programme to clamp down on tax evasion and tax avoidance, and ensure that companies pay tax where they generate profits.

On 18 March, the Commission proposed a Tax Transparency Package to create more openness and cooperation between Member States on corporate tax issues. A key element in the Package was a proposal for the automatic exchange of information on tax rulings. This proposal received unanimous political support from Finance Ministers at the Informal ECOFIN in Riga in April. Member States are now discussing it at technical level with the aim of reaching agreement by the end of the year.

In the Tax Transparency Package, the Commission also announced that it would present before the summer *"a detailed Action Plan on corporate taxation, which will set out the Commission's views on fair and efficient corporate taxation in the EU and propose a number of ideas to achieve this."*

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Press contacts

[Vanessa MOCK](#) (+32 2 295 61 94)

[Audrey AUGIER](#) (+32 2 297 16 07)

General public inquiries:

[Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)