



Commissioner Moscovici welcomes the adoption of measures against tax evasion and aggressive tax planning

Brussels, 27 January 2015

"With the Council's adoption of the anti-abuse clause of the Parent Subsidiary Directive today, the European Union is living up to its pledge of tackling tax evasion and aggressive tax planning. Today, we are building on the existing EU legislative framework to ensure a level-playing field for honest businesses in the EU's Single Market and we are closing down loopholes that could be exploited for aggressive tax planning. This achievement paves the way for other measures in this area. In particular, we are committed to extending the automatic exchange of information on tax rulings and we will present a legal proposal by Spring 2015," said Pierre Moscovici, European Commissioner for Economic and Financial Affairs, Taxation and Customs.

Background

On 6 December 2012 the Commission presented an [Action Plan](#) for a more effective EU response to tax evasion and avoidance. The plan set out a comprehensive set of measures to help Member States protect their tax bases and recapture billions of euros lost through these practices. The revision of the Parent Subsidiary Directive forms part of this action plan.

The [Parent-Subsidiary Directive](#) was originally conceived to prevent same-group companies, based in different Member States, from being taxed twice on the same income (avoidance of double taxation). However, certain companies have exploited provisions in the Directive and mismatches between national tax rules to avoid being taxed at all in any Member State (double non-taxation). The Commission therefore proposed to close these loopholes. The new 'de minimis' (minimum standards) anti-abuse clause will allow Member States to put in place stricter or more specific domestic provisions or double tax treaty anti-abuse provisions. A common anti-abuse rule will allow Member States to ignore artificial arrangements used for tax avoidance purposes and allow taxation to take place on the basis of real economic substance.

The anti-abuse clause was agreed on [9 December](#) 2014 and it was formally adopted today.

An earlier amendment, in July 2014 (Directive 2014/86) already addressed loopholes related to hybrid loans.

Many EU and non-EU countries have put the issue of corporate tax avoidance high on the political agenda and the G20 and the OECD have highlighted the need for action. The Commission is at the forefront of these efforts to bolster the fight against tax fraud and tax evasion. In particular, the fight against tax evasion and tax fraud ranks high on the [2015 Work programme](#) of the European Commission.

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