



Corporate tax alert Belgium

European Commission Tax Transparency Package - retroactive automatic tax ruling exchange

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As previously announced, the European Commission presented on the morning of 18 March 2015 its [Tax Transparency Package](#).

The Package's purpose is "to re-establish the link between taxation and real economic activity and to effectively tackle corporate tax avoidance".

The main measure proposed is the introduction of the automatic exchange on tax rulings, this through a revision of the Administrative Cooperation Directive.

A tax ruling is defined as "any communication or other instrument or action of similar effect, given by or on behalf of a Member State, regarding the interpretation or application of its tax laws". Only cross-border corporate tax rulings would be caught; purely domestic rulings or rulings issued to natural persons would be exempt.

Member States would be obliged to automatically exchange information on cross-border tax rulings on a quarterly basis, doing so following a standard format. Recipient Member States would be allowed to request more detailed information if deemed relevant. Member States would not be allowed to invoke commercial secrecy or public policy to reduce or refuse information disclosure.

Each year, Member States would also have to provide statistics to the Commission on the volume of information exchange on tax rulings.

The Commission would be allowed to open an infringement procedure against Member States not complying with the rules.

It is important to note that the exchange would not only apply to future rulings. Member States would also be obliged to exchange information on any cross-border ruling issued since 2005.

The Package only imposes information exchange between authorities. At this stage, the Commission is not proposing to make all tax rulings public, it will however look further into the question of whether rulings should be subject to wider publication.

Next to the ruling exchange, the Package sets out a number of other initiatives:

- Repealing the Savings Tax Directive (as the issue is now covered more comprehensively by the amended Administrative Cooperation Directive);
- Assessing the impact of possible requirements for multinationals to publicly disclose certain corporate tax information;
- Reviewing how the Code of Conduct can be improved; and
- Exploring how to better quantify the level of tax evasion and avoidance in the EU.

Contacts

If you have any questions concerning the items in this alert, please contact your usual tax consultant at our Deloitte office in Belgium

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