



European Tax Agenda

"fair taxation is top political priority"

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State of the European Union 2018

Priority 4: A deeper and fairer Internal Market with a strengthened industrial base

"Adoption of the proposals on Fair Taxation in the digital economy; on the Common Consolidated Corporate Tax Base; and on the creation of a single EU Value Added Tax definitive regime."

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1. Taxation of digital economy

**"hottest topic on the tax agenda
both at EU and international level"**

- *digital profits are barely taxed in the EU*
- *tax rules have to keep up with the dynamic, mobile and intangible nature of digital economy*
- *two proposals for fair taxation in this field:*
 1. *interim solution: digital services tax (DST)*
 2. *long term solution for taxing digital economy, fundamentally reviewing corporate tax rules, by introducing the concept of "digital presence"*

2. Common (Consolidated) Corporate Tax Base – CCCTB

"most ambitious tax reform proposal"

- *modern tax system that is competitive and fair*
- *EU more attractive to businesses:*

- 1. removing major tax obstacles*
- 2. simplifying tax administration*
- 3. slashing compliance costs*

- *EU fairer place for all taxpayers:*

- 1. cutting key channels of tax avoidance*
- 2. bringing multinationals under a single, unified tax system*

2. Common (Consolidated) Corporate Tax Base – CCCTB

1. analysing the impact of the CCCTB proposal on Member States national tax revenues

2. finding a compromise on the Common Tax Base Directive, that works for all Member States (CCCTB is a complex, sensitive and political file)

3. Value Added Tax (VAT)

"VAT fraud is approx. EUR 50 bil./year"

- *modernize and simplify our VAT rules*
- *fundamental reform of the EU VAT system, which will cut cross-border fraud by 80%*
 - a) *Definitive VAT system for intra-EU trade*
 - *complex proposal to address weaknesses of the current VAT system for intra-EU trade*
 - b) *VAT package for SMEs*
 - c) *Wider VAT reduced rates reform*

4. Tax transparency framework

- 1. exchange of tax information between MS on tax rulings, multinationals' accounts, anti-money laundering information and advisor's tax planning schemes*
- 2. common defenses against aggressive tax planning*
 - Anti-Tax Avoidance Directive (ATAD 1&2)*

5. EU list on non-cooperative jurisdictions for tax purposes

- 1. black list (7 jurisdictions)*
- 2. grey list (66 jurisdictions)*
 - improving their tax systems and good governance standards*
- 3. reassessment by end of 2018*
- 4. agreement on the final black list in 2019*
 - coordinated sanctions at the level of MS*

State of the European Union 2018

More efficient law-making in the field of taxation:

"identification of areas for a move to qualified majority voting (February 2019)"

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Thank you!

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2018 Country-Specific Recommendations

1. Ensure compliance with the Council recommendation of ... June 2018 with a view to correcting the significant deviation from the adjustment path toward the medium-term budgetary objective. Ensure the full application of the fiscal framework. Strengthen tax compliance and collection.
2. Complete the minimum inclusion income reform. Improve the functioning of social dialogue. Ensure minimum wage setting based on objective criteria. Improve upskilling and the provision of quality mainstream education, in particular for Roma and children in rural areas. Improve access to healthcare, including through the shift to outpatient care.
3. Increase the predictability of decision-making by enforcing the systematic and effective use of regulatory impact assessment and stakeholder consultation and involvement in the design and implementation of reforms. Improve the preparation and prioritization of large infrastructure projects and accelerate their implementation, particularly in the transport, waste and waste water sectors. Improve the transparency and efficiency of public procurement. Strengthen the corporate governance of State-owned enterprises.