



30 November 2015

1. TAXE Committee adopts final report / possible follow-up Committee

On 25 November 2015, the European Parliament's plenary adopted the TAXE Special Committee's "*Report on tax rulings and other measures similar in nature or effect*". The report concludes the original work of the TAXE.

The lengthy report addresses a wide range of tax policy issues and tries to accommodate a wide spectrum of different views: Criticising tax advisers and other professionals for designing and implementing tax avoidance schemes, it also stresses the ambivalent position of some member states complaining about base erosion while preventing better coordination of tax systems. The report remarks that all tax planning should be within the boundaries of the law and applicable treaties and that the best response to aggressive tax planning is good legislation and international coordination.

Tax rulings are recognised as a useful tool for providing legal certainty and reducing risk; recourse to legitimate tax rulings should thus not be discouraged. The MEPs deplore the compromise on exchange of tax rulings information reached in the EU Council on 6 October, which falls short of main elements of the Commission's original proposal, such as the submission of the exchanged information to the Commission, let alone further demands by the EP: MEPs had suggested to extend the exchange to domestic rulings, with no limits to retroactivity, thus including all rulings which are still valid. Governments granting illegal state aid should be sanctioned; as MEPs point out, the obligation of recipients to pay back benefits granted illegally might even be considered a reward of member states for having taken an illegal decision.

The report encourages the EU to go further than the BEPS solutions in coordination and convergence and the avoidance of harmful tax competition. It also expresses its support for mandatory publication of country by country tax information which should also contain information on tax rulings.

As to transfer pricing, the report identifies the lack of guidance and comparable transactions as the main difficulties in the application of the arm's length principle and points at the lack of an effective dispute resolution mechanism.

The Parliament favours a mandatory CCCTB, acknowledging the introduction of firstly a CCTB, including a interim regime for temporary cross-border loss offset, as envisaged by the Commission.

On tax advisers, the report identifies a conflict of interest for tax firms that advise both private clients and governments on tax planning opportunities, and asks the European Commission to propose a code of conduct at EU level to prevent such conflicts of interest. The report is also critical towards the presence of Big Four representatives in European Commission advisory groups like the *Platform for Tax Good Governance* and the *Joint Transfer Pricing Forum*. The CFE commented on the draft report in August 2015.

On 26 November 2015, the EP's Conference of Presidents of political groups decided to set up a temporary committee to follow up on the work done by the TAXE Special Committee. The new committee will last six months. Its precise mandate will be decided on 2 December, while the group leaders have suggested that both scope and composition should be the same as for the TAXE Committee.

- Resolution adopted, 25.11.2015: [EN](#) (all EU languages)
- Press release : Extension of mandate, 26.11.2015: [EN](#)

2. Netherlands will appeal against state aid decision in Starbucks case

On 30 November 2015, media reported that the Netherlands will appeal against the European Commission's decision of 21 October 2015, ordering the country to claim back taxes worth approximately € 30 million that had been granted to the company through a tax ruling considered illegal state aid.

The selection of the remitted material has been prepared by Piergiorgio Valente / Filipa Correia / Rudolf Reibel

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