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TOWARDS AN INTERNAL MARKET WITHOUT TAX OBSTACLES**UNICE WELCOMES COUNCIL'S FIRST DEBATE ON COMPANY TAXATION**

For the first time since the Commission's Communication on company taxation was released last April, on July 12 the EU countries debated solutions for the remaining tax obstacles to the efficient working of the single market. UNICE welcomes the ECOFIN Council orientation discussion as a further step towards achieving a genuine internal market for EU business.

At present, EU companies have to live with different rules applying to transfer pricing, cross-border compensation and business integration, let alone dealing with 15 tax administrations with different rules in what is supposed to be a single market. Those obstacles are a real barrier to the internationalisation of European companies in an increasingly competitive environment. EU companies are therefore missing opportunities to grow, expand, invest and create employment.

The short-term solutions to tax obstacles in transfer pricing, cross-border loss compensation and business integration identified by the Commission have full support from European business. Following the conclusions of the European Conference on Company Taxation on April 29, UNICE hopes the Commission will study in detail the consequences of the proposed long-term solution of a common consolidated tax base. The conclusions of that study could be an important factor for the success of the European Company Statute, due to become effective in 2004.

Following the Council's debate, UNICE encourages Member States to take the lead and give priority to the measures recommended by the Commission in its Communication. Seizing the opportunity to phase out tax barriers among Member States is an important step to making a reality of the challenging vision of Europe being "the most dynamic and competitive economy in the world" by 2010.

Note to the editor:

UNICE is the official voice of more than 16 million small, medium and large companies active in Europe, employing over 106 million people. Active in European affairs since 1958, UNICE's members are 34 central industrial and employers federations from 27 countries, working together to achieve growth and competitiveness in Europe.

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