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COMMON CONSOLIDATED CORPORATE TAX BASE TO AIM AT GLOBAL COMPETITIVENESS FOR CROSS-BORDER BUSINESS

BUSINESSEUROPE welcomes the efforts of the European Commission to address cross-border obstacles in the corporate tax field with its proposal for a Common Consolidated Corporate Tax Base.

To attract the interest and the support from the business community, the CCCTB needs to meet at least the following key conditions:

1. be optional for companies, i.e. not replace national corporate tax systems,
2. allow for the consolidation of profits and losses from the start,
3. reduce compliance costs with a “one stop-shop”, and
4. leave any decision on tax rates to national governments.

Important outstanding barriers to the Single Market relate in particular to:

1. The lack of cross-border profit and loss relief within the EU, constituting an important source of additional costs for many businesses and a hindering factor for growth and jobs.
2. Large numbers of transfer pricing disputes in Europe frequently resulting in international double taxation for extended periods, or even on a permanent basis.

The proposed directive on a Common Consolidated Corporate Tax Base could provide a lasting solution to these two problems.

CCCTB must be a competitive option for companies and enhance the attractiveness of the single market as a location for global investments.

BUSINESSEUROPE will continue to engage in a constructive dialogue with the European Commission and with Member States to ensure that the specificities of this legislation are conducive to increased economic efficiency, growth and job creation. An overall assessment of the proposed directive will be issued after a comprehensive analysis of its technical details.

Philippe de Buck, Director General of BUSINESSEUROPE said: *“Obstacles to cross-border activity in the field of corporate taxation hamper business development and the growth potential of the Single Market. The proposal to develop a Common Consolidated Corporate Tax Base could help and is welcome under the condition that it remains a competitive option for companies and excludes any form of tax rate harmonisation”.*

Note to the Editor

BUSINESSEUROPE represents small, medium and large companies. Active in European affairs since 1958, BUSINESSEUROPE's members are 40 leading industrial and employers' federations from 34 European countries, working together to achieve growth and competitiveness in Europe.

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