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### **EU TAX PROPOSALS MUST ENHANCE TRANSPARENCY AND COMPETITIVENESS**

BUSINESSEUROPE shares the Commission's objectives outlined in its communication today to combat tax fraud and evasion. A clear and transparent tax system is one of the foundations for a properly functioning economy.

We particularly support the Commission's plans to focus on existing initiatives, including improving administrative co-operation between EU tax authorities, in order to reduce the costs and complexity of tax systems for both tax payers and tax administrations, and enhance the single market. There is however also a need to enhance the competitiveness of the European economy and changes in taxes could play a major role.

As the Commission notes, the current VAT system is particularly burdensome. Stakeholders groups such as the recently created EU VAT Forum can be particularly helpful in improving the workings of the tax system for all. This approach could be extended to other areas.

Greater ambition is required to remove the numerous cross-border tax obstacles in Europe that remain a barrier to allowing growth-enhancing trade across the single market. The Commission must continue to explore proposals for an optional CCCTB which can reduce compliance costs and enhance cross-border trade, whilst ensuring that all decisions on tax rates remain with national governments.

Philippe de Buck, Director-General of BUSINESSEUROPE said, *"We support initiatives to improve the clarity and transparency of tax rules in EU Member States, as part of a broader strategy to both strengthen the single market and enhancing the competitiveness of tax systems in Europe. We look forward to continuing to engage constructively with the Commission on the issues raised in today's Communication"*.

#### **NOTE TO THE EDITOR**

*BUSINESSEUROPE represents small, medium and large companies. Active in European affairs since 1958, BUSINESSEUROPE's members are 41 leading industrial and employers' federations from 35 European countries, working together to achieve growth and competitiveness in Europe. For the full list of our members, please visit our website.*

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