



Lord Jonathan Hill

Commissioner for Financial Stability,
Financial Services and Capital Markets
Union

European Commission
200, Rue de la Loi
BE - 1049 Brussels

Brussels, 9th September 2015

Ref: BUSINESSEUROPE supplementary response to the consultation on further corporate tax transparency

Dear Commissioner,

European business fully shares the European Commission's and Member States objective to fight tax fraud and evasion. Such activities create competitive distortions at the expense of the vast majority of businesses who paid nearly 2 trillion Euros of taxes in the EU in 2012.

BUSINESSEUROPE and its members are engaging actively at the international level in the OECD/G20 work on Base Erosion and Profit Shifting and at the EU level through the Commission Platform on Tax Good Governance and the Joint Transfer Pricing Forum.

As the Commission rightly notes, in its Communication on tax transparency to fight tax evasion, any proposal intending to add extra transparency requirements "needs to be calibrated carefully [...] to determine benefits, costs [...] and to look at the likely impacts in the international competitiveness dimension".

Given the potential negative impact in the international competitiveness dimension of European companies, we welcome the setting up of this consultation.

In particular, the business community fears that European companies could be harmed by an obligation to disclose additional detailed sensitive information and place European companies at a competitive disadvantage vis-a-vis third-country companies for the following reasons:

- Additional measures for the enhancement of corporate transparency have already been agreed at the international level, in the OECD Base Erosion and Profit Shifting project, where member countries have agreed on a set of rules based on the condition of confidentiality and information sharing between tax authorities;



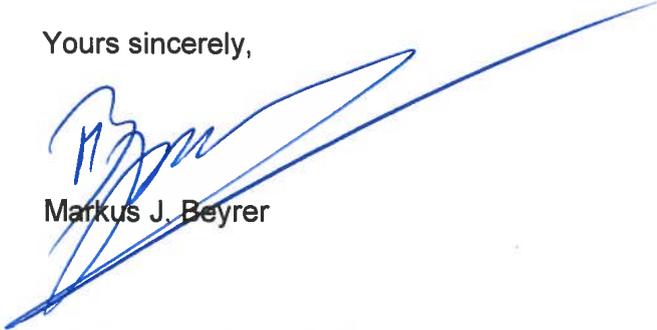
- Any additional and unilateral adoption of measures by the EU will create added risk and uncertainty for investment within the EU. It is important that any additional corporate transparency initiatives are taken and implemented at a global level;
- Country-by-country reporting should be a risk assessment tool for tax administrations to better understand the global context of a group and to improve their tax audits process. It is neither a reporting to justify a reassessment nor an instrument designed to be communicated to a wider audience.

In addition, a number of our members have expressed concerns that some questions appear to be structured to reinforce existing views, in particular that companies are distorting the market by engaging in aggressive tax planning with a sole purpose of tax avoidance and a lack of any commercial purpose.

In light of these concerns, I trust the Commission will ensure that in taking forward this issue it follows its own guidance earlier mentioned, that transparency needs to be calibrated carefully in order to prevent detrimental impacts on competitiveness and investment in EU Member States. Any further proposal needs to be accompanied by a comprehensive impact assessment.

For further information we have responded electronically to the consultation and alongside we have submitted the BUSINESSEUROPE supplementary response to the consultation, which we enclose. We remain at your disposal should you wish to discuss these matters further.

Yours sincerely,



Markus J. Beyrer

Enclosed: BUSINESSEUROPE supplementary reply to the consultation on further corporate tax transparency