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By PwC Deutschland | 27. November 2020

Fair and effective taxation: Council of the European Union adopts conclusions

EU member states want to ensure that EU tax policy remains fit for purpose and results in fair and effective taxation in the increasingly globalised and digitalised economy of the 21st century. Therefore, the European Council approved conclusions setting out its comprehensive assessment of the main tax policy issues to be addressed over the coming years, to shape the EU policy agenda in the field of taxation.

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The conclusions outline the Council's priorities and provide guidance to the Commission in different areas of EU action, including addressing the challenges of the digitalisation of the economy, enhancing administrative cooperation between member states' tax authorities and promoting tax good governance in the EU and beyond.

In the conclusions, the Council underlines that **fair and effective taxation systems** in member states are **central to the sustainable recovery of the EU** from the COVID-19 crisis, requiring tax policies that generate revenues for both national and EU budgets. Such systems can also support a smooth transition towards the policy goals of sustainable competitiveness, the European Green Deal and full use of the potential of digitalisation in a global economy.

The Council welcomes the significant progress made at the level of the **OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS)** on updating the international corporate taxation framework and confirms its continued support for this work, aimed at reaching a global consensus-based solution **at the latest by mid-2021**. It expresses the willingness of the EU and its member states to look into the possibilities for implementing the global agreement as soon as possible and recalls that **the European Council will assess the issue in March 2021**.

The Council also underlines important progress made under the Council's Code of Conduct for Business Taxation in the following areas:

- promoting tax good governance standards in the EU and beyond
- administrative cooperation on tax matters
- other tax policy issues, such as: modernisation of the EU VAT rules, excise duties, and tax compliance.

Source: **Council conclusions** on fair and effective taxation in times of recovery, on tax challenges linked to digitalisation and on tax good governance in the EU and beyond, published on 27 November 2020. - Council of the EU, **press release** dated 27 November 2020.

Schlagwörter

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