

## **Feedback on the Roadmap of the European Commission**

### **“More efficient law-making in the field of taxation:**

#### **Identification of areas for a move to qualified majority voting”**

The European Tax Adviser Federation, ETAF, is a European umbrella organisation for more than 250.000 tax professionals from France, Germany, Italy, Belgium, Romania and Hungary. ETAF thanks the Commission for the opportunity to comment on the above-mentioned roadmap.

The intention of the Commission to shift from unanimity towards qualified majority in EU tax legislation can have far-reaching consequences on the EU policy making in taxation and can therefore be considered as a politically highly sensitive area.

However, it cannot be denied that the current situation – under which any legislative tax measure requires unanimity according to the Treaties – stands in contrast to most other policy areas where the ordinary legislative procedure has increasingly been used. Tax policy is in fact one of the last remaining political areas where unanimity is obligatory.

ETAF takes the position that the arguments of the Commission should not be entirely dismissed: The unanimity principle stems from a time when the Union was smaller and unanimity therefore easier to achieve. In particular, in today’s EU, the progress in tax policy is sometimes hampered by the unanimity requirement which makes it often difficult for the Union to keep pace with rapid economic, societal and technological developments. Qualified majority voting could, for instance, help advancing the CCCTB and Digital Services Tax and at the same time, reduce the influence of certain Member States that are blocking reforms in European tax policy.

Therefore, the discussion about how we can cautiously move on to qualified majority in some selected tax areas should not be refused. At the same time however, the objections raised by several national governments – namely the concern of losing fiscal sovereignty rights – shall neither be ignored. The national power of choosing tax strategies which meet the specific economic reality and the needs of *that* Member State should be a valid reason and thus taken seriously and carefully weighed up. Moreover, tax policy is also always budgetary policy. The proposal will therefore trigger interesting discussions about the relation between the general EU interests vis-à-vis the requirements of national sovereignty.

Based on the structure of article 48 (7) TEU, it is likely that the question of a limitation in *time* of the additional transfer of sovereignty rights to the Union will arise. A national parliament might not be willing to be bound forever to its non-use of the veto, thus binding at the same time the Member State it represents. Furthermore, the political climate may change and the political will might no longer be strong enough to transfer sovereignty rights to the European Union.

Nevertheless, according to ETAF, a careful selection of tax areas to be opened for qualified majority does not necessarily mean a loss of sovereignty, but can rather constitute a prerequisite for the European Union being taken as a serious tax legislator in the world.

As a precaution, ETAF points out that a precise identification and enumeration of the concerned tax area will be essential in order to ensure the operational practicability of such a decision, to establish legal certainty and to avoid preliminary legal disputes about competences or the respective legislative procedure to be chosen.

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