

## Technical Meeting on Advance Tax Rulings<sup>i</sup>

Tuesday, 2 June 2015, 13:00 – 15:00  
European Parliament (Brussels), Room ASP A1G-2

Financial crisis highlights need to scrutinize Advance Tax Rulings (ATR).

The timing of today's comprehensive 'Technical Meeting and Workshop on Tax Rulings' - and the broader work done by the EP TAXE committee and the European Commission concerning tax rulings (and advanced pricing agreements) - is by no means a coincidence. It has been primarily triggered by the recent financial crisis, which put a strain on the budgets of EU Member States. Similar initiatives have been taken at a global scale and in parallel, in particular in the context of Base Erosion and Profit Shifting (BEPS) at the level of the OECD/G20.

Rulings deserve serious public and political scrutiny.

Therefore, we must be very careful not to put the mere existence of a ruling practice on a par with harmful tax competition, as rulings cannot be considered as sheer tax avoidance instruments. Admittedly, rulings can be a very effective instrument in granting special tax benefits below the radar and thus deserve serious public and political scrutiny, but at the same time they can be used to improve the investment climate by providing legal certainty to future investors within the limits of the law.

Better coordination and harmonization to be put in place.

Regretfully, there is a large grey area in between these two extremes as most tax laws are not as self-evident in their implementation, which to some provide tax planning opportunities where others see countries missing out on their fair share of tax revenue. It is within this grey area where the boundaries of the EU's rules on state aid must be found. The EU's state aid regime can deal with a number of tax avoidance issues that rulings may facilitate, but it has its limits. At the same time, it should not become a substitute, either within the EU or in a more global context, to coordinate or harmonize tax systems.

Two eminent academic speakers:

Professor Elly Van de Velde (Hasselt University, Belgium):



European Academic Tax Thesis Award of the European Association of Tax Law Professors and the European Commission (2010) for her PhD dissertation on advance tax rulings/advance pricing agreements.

Professor Raymond Lujta (Maastricht University, The Netherlands)

PhD on fiscal State Aid, and a European-wide recognized expert in fiscal state aid and harmful tax competition.



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<sup>i</sup> Organized by DG IPOL, Pol Dep A