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Ares (2020) 7432565

Dear Honourable Member of the European Parliament,

Dear Sven,

Thank you for your letter of 4 November 2020, which provides ideas for an annual EU taxation scoreboard. As you know, the creation of a fair tax system and a level playing field in the EU is a top priority for the Commission. In this regard, I appreciate your dedication, as well as that of the subcommittee on Tax Matters (FISC), to this important issue.

I am pleased to note that your ideas build on Commission initiatives to tackle tax abuse. I agree that these initiatives can serve as a solid basis for future work in this field. I am personally committed to continuing these various work streams and our coordination with you and FISC. As a matter of fact, the ideas you mentioned in your letter can be developed in many frameworks.

In addition to the annual 'Taxation Trends Report'¹, which provides a large amount of comparable tax data at Member States' level, the Commission also publishes the annual report 'Tax policies in the European Union Survey'², which presents a wide set of indicators used by the European Commission to analyse tax policies in Member States. The analyses and data in these reports, and indeed in other reports, such as the annual VAT Gap Report³, are used extensively in the context of the European Semester, including for the analysis of tax abuse, but also more broadly by tax administrations and other relevant stakeholders.

¹ See: https://ec.europa.eu/taxation_customs/business/economic-analysis-taxation/taxation-trends-eu-union_en

² See: https://ec.europa.eu/taxation_customs/business/company-tax/tax-good-governance/european-semester/tax-policies-european-union-survey_en

³ https://ec.europa.eu/taxation_customs/sites/taxation/files/vat-gap-full-report-2020_en.pdf

MEP Mr Sven Giegold
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As you mentioned, the Commission is working on updating the analytical tool (based on the 2016 scoreboard you mentioned) to help Member States in their decision to prioritise the screening of third country jurisdictions for tax purposes. This includes an extended set of data and indicators that provide a comprehensive overview of third countries' risk factors. The Commission is also assisting the Code of Conduct Group (Business Taxation) to start a long-overdue reform to address the new ways in which unfair tax competition has evolved within the EU and beyond and determined whether this is being addressed in an effective way. Further, the fight against aggressive tax planning will remain a key priority in the 2021 European Semester cycle and within the framework of the Recovery and Resilience Facility, as set out in the relevant guidelines⁴. All Member States, especially in the recovery situation, must be able to rely on their fair share of tax revenues to implement the fiscal support needed to get through this crisis.

Additionally, thanks to the European Parliament's initiative, the Commission is finalising the procedure to establish an EU Tax Observatory. This aims to generate and gather data and high quality research in the area of tax evasion, tax avoidance and aggressive tax planning as well as raising public awareness and creating a new leading and inclusive debate forum for all stakeholders in this area.

These are important steps in the right direction.

I look forward to continue our cooperation on any initiative – and further step – that can contribute to ensuring fair taxation and well-functioning tax systems.

best holidays greetings!!

Yours sincerely,


Paolo Gentiloni

⁴ SWD(2020) 205 final