

How to reform tax policies in the present context

Introductory comments

by

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Design of tax system

- Income
- Consumption
 - (Expenditure tax/Cash flow tax)
- Implications for
 - capital accumulation
 - ownership structure
 - financing structure (debt/equity)

Taxation principles

- More focus on Capital Import Neutrality (CIN) and less on Capital Export Neutrality (CEN)

Corporate income taxation

Allocation of taxation claims

- Transfer pricing disputes
- International double taxation
- Taxation in excess of net income
- Lack of consolidation
- Fragmented cross-border loss offset

Review of the VAT System?

Origin or destination principle

- VIVAT (Viable Integrated VAT - Common EU rate on B2B – national rates on final sales)
- CVAT (Compensating VAT)
- Alternatives?