



EUROPEAN COMMISSION

*Brussels, 6.7.2017
C(2017) 4411 final*

Dear President,

The Commission would like to thank the Assemblée nationale for its Opinion on the Commission's proposals for Directives on a Common Consolidated Corporate Tax Base (CCCTB) {COM(2016) 683 final} and on a Common Corporate Tax Base (CCTB) {COM(2016) 685 final}.

One of the Commission's political priorities is to make taxation fairer and more effective in the European Union, as set out in the June 2015 Action Plan for Fair and Efficient Corporate Taxation in the European Union. Over the past two years, the Commission has advanced an ambitious agenda to achieve this, in particular through the fight against tax evasion and avoidance. For the longer term, a more holistic reform of corporate taxation in the European Union is needed, including the right balance between fairer taxation and a predictable, growth-friendly tax environment for businesses.

With the Common (Consolidated) Corporate Tax Base, companies would have a single rulebook for calculating their taxable profits throughout the European Union. With its proposals of 25 October 2016, the Commission intends to bolster the pro-business elements of the previous proposal to help cross-border companies cut costs, red tape and to support innovation. Together with the proposal to reinforce existing anti-abuse rules, these measures will create a simple and pro-business tax environment. Corporate tax rates would not be covered by the Common (Consolidated) Corporate Tax Base, as these remain an area of national sovereignty.

The Commission welcomes the Assemblée nationale's broad support for the aims of the proposals and is pleased that it shares the view that consolidation is required at the level of the European Union in order to best achieve them.

*Mr François DE RUGY
President of the Assemblée nationale
Palais Bourbon
126, rue de l'Université
F – 75007 PARIS*

Concerning the limited mandatory scope of the proposals, the Commission takes note of the Assemblée nationale's suggestion for further analysing the possibility of a mandatory implementation for all companies. In line with the principle of proportionality, the Commission limited the mandatory scope to those taxpayers that are most likely to have the ability to engage in aggressive tax planning. The chosen threshold of EUR 750 million captures the vast majority of large companies while limiting the risk of increasing compliance costs by including smaller companies and purely domestic groups that are less likely to be able to engage in aggressive tax planning. The threshold is also coherent with the approach taken in other Union and international initiatives to counter tax avoidance.

Regarding the super-deduction for research and development, the Commission recognises the point that the rules should be sufficiently flexible to meet the different Member States' interests and remains open to discuss ways for addressing this issue.

Finally, the Commission takes note of the Assemblée nationale's suggestion for further monitoring the impact of the implementation of the Allowance for growth and investment and the depreciation criteria.

Discussions in the Council concerning the proposals are now underway and the Commission remains hopeful that an agreement will be reached soon. The Commission has taken good note of the Assemblée nationale's Opinion and will take it into account in the ongoing legislative negotiations.

The Commission hopes that these clarifications address the issues raised by the Assemblée nationale and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Pierre Moscovici
Member of the Commission*