



EUROPEAN COMMISSION

Brussels, 24.3.2021
C(2021) 2096 final

Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion on the Communication 'Towards a more efficient and democratic decision making in EU tax policy' {COM(2019) 8 final}.

The Commission welcomes the supportive approach of the Camera dei Deputati for a reform of the decision-making procedures in the Council on tax matters.

A gradual transition to the ordinary legislative procedure in selected tax matters, as suggested by the Commission, would be an important efficiency gain for the Union, allowing European businesses to be more competitive on the international stage and our tax systems to respond quickly to the emerging global challenges. In parallel, a move to the ordinary legislative procedure would enhance the Union's decision-making process in taxation by allowing the European Parliament to make a full contribution to shaping Union tax policy.

With its Communication adopted on 15 January 2019, the Commission intended to launch a broad political debate on the unanimity rule, which applies to all tax decisions taken at the level of the European Union.

While launching this debate has been essential in response to clear expectations by EU citizens to fight tax fraud, evasion and avoidance more efficiently, the unprecedented COVID-19 outbreak has prompted exceptional and immediate action at national and Union level to support Member States' economies and facilitate their recovery. As highlighted by the Camera dei Deputati, fair, efficient and sustainable taxation is even more important in the months and years ahead to support a swift and sustainable economic recovery and ensuring sufficient public revenue in the European Union.

In this context, the Commission has tabled in its 'Action plan for fair and simple taxation supporting the recovery' a number of initiatives that will help Member States enforce existing tax rules and improve tax compliance. Moreover, the Commission will set out its strategy for business taxation in a Communication to be adopted in the first semester of 2021.

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Besides this key action, the Commission is exploring how to make full use of the provisions of the Treaty on the Functioning of the European Union (TFEU) that allow proposals on taxation to be adopted by ordinary legislative procedure, including Article 116 TFEU, to which the Camera dei Deputati also refers in its Opinion. An initiative based on this provision addressing distortion of competition in the European Union caused by differences in tax rules of the Member States concerned, requires rigorous legal and economic conditions to be proven and political support by the majority of Member States.

The Commission looks forward to continuing the political dialogue with the Camera dei Deputati in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Paolo Gentiloni
Member of the Commission*