

SUMMARY

of the Opinion on “a Fair and Efficient Corporate Tax System in the European Union: 5 Key Areas for Action” –

COM (2015)302

The Chamber of Deputies welcomes the initiative of the European Commission aiming at reforming the rules for corporate taxation in the European Union, and in this respect G20 established as an absolute target, the combat of fiscal evasion at the level of the companies, recognizing the fact that this subject has a cross border dimension, what imposes actions at the level of the Union, also taking into consideration the sensitive points of the states regarding their fiscal sovereignty.

The Chamber of Deputies takes act of the 5 key domains of action:

Referring to **Action 1** – “*CCCTB: A holistic solution to profit shifting*”, The efforts of the European Commission to rethink a common consolidated corporate tax base (CCCTB), taking into consideration the benefits which it could bring to the companies, aiming at obtaining a real anti-evasion impact as to the payment of taxes and fees. However reserves are expressed concerning the consolidation elements in the CCCTB Directive Proposal, having in view the budgetary risks linked to the application of the distribution mechanism of the common consolidated tax base for the CCCTB group, as it may not equitably reflect the volume of the contributor’s economic activity, by using financial ratios which are not to the benefit of the respective Member State. In the case of Romania, the price of the labor force and the reduced value of the assets would represent a disadvantage, as the profit increase is easier to obtain than in the Member States where the labour and actives expenses are higher. Reserves are also expressed as to the cross-border recuperation of loss, considering that it cannot be dissociated from the measure of fiscal/fiscal group consolidation, due to the fact that the loss trans frontier recuperation, in the absence of a simultaneous development of stipulations which should settle the fiscal treatment in the case of profit achievement, can lead to economic and fiscal discrepancies and uncertainties linked to the budgetary collection from the profit taxation. Loss compensation should not be proposed unilaterally; when there are such losses they would recuperate in group and when there are profits, they would remain individually, at the level of the company;

Referring to **Action 2** “*Ensuring effective taxation where profits are generated*”- The Chamber of Deputies declares that Romania applies the stipulations of the Code of Conduct for Business Taxation issued by the OECD regarding the transfer prices. It appreciates as necessary, the adoption of the system of individual reporting for each state (country-by-country reporting/CbCR), so that, in exchange for the supplied information, to benefit from the data which will be put at the disposal of Romania, by other states, concerning the global operations of the company; it also supports the implementation of the patent box measures in accordance with the relation approach (*nexus*) agreed at the level of the Conduct Code;

Referring to **Action 3** – “*Additional measures for a better tax environment for business*”, the Chamber of Deputies considers that the multilateral convention for arbitration among the Member States could solve their disputes;

Referring to **Action 4** – “*Further progress on tax transparency*” – The Chamber of Deputies makes reference to the recommendations and remarks made during the year 2015, on the occasion of examining the Directive proposal of the modification of Council of Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation – COM(2015)135, respectively, in the Communication of the European Commission on tax transparency to fight tax evasion and avoidance COM(2015)136;

Referring to **Action 5** – “*EU tools for coordination*”- The Chamber of Deputies supports the strengthening of the activity and the role of the group for the coordination and harmonization of the fiscal systems of the Member States, in the context of the EU good ”governance” objective in fiscal matter.