

Special Committee on Tax Rulings and Other Measures Similar in Nature or
Effect (TAXE 2)

Exchange of views with EU National Parliaments on

THE ANTI-TAX AVOIDANCE PACKAGE AND OTHER EU AND
INTERNATIONAL DEVELOPMENTS: SCRUTINY AND DEMOCRATIC
CONTROL BY NATIONAL PARLIAMENTS

Monday 18 April 2016, 15.00-18.30
European Parliament, Brussels

Introductory remarks by Pieter Duisenberg, Chair of the Standing Committee on
Finance of the Dutch House of Representatives

Dear colleagues, ladies and gentlemen,

Let me start by thanking my colleague, Alain Lamassoure, for organising this meeting with national parliaments and inviting me to give some opening remarks.

During lunch we had the chance to exchange some first ideas and thoughts on the topics of today's meeting. Already it is clear to me, that this meeting has been very well timed. Not only did the European Commission publish several relevant proposals and communications the last months and weeks. There were also the reports on the Panama Papers.

So today we are discussing a very serious matter. I'm convinced that there isn't a Parliament in the European Union where the issues on taxation and recent developments are not high on the political agenda. Let me, as chairman of the Finance committee in the Dutch House of Representatives, share my

observations of the policy actions and statements by the Dutch government and subsequently the reactions of the Dutch House of Representatives:

- In its letter to Parliament dated 2 June 2015, the Dutch government has taken a clear position on the issue of tackling tax avoidance by multinational corporations in particular, while maintaining an attractive investment climate for international business.
- It is committed to cooperating closely within the OECD and EU frameworks to combat tax avoidance. It has outlined in which areas it wants to 'lead the way', namely:
 - Increasing transparency:
 - Exchange of information between tax authorities
 - Exchange of rulings between tax authorities
 - Strengthening the OECD transfer pricing guidelines
 - With developing countries:
 - To amend existing tax treaties
 - To contribute to enlarging capacity at tax authorities
- Abuse should be combated, on the multilateral level, through hard law
 - Hybrids
 - Treaty abuse
 - Preferential regimes (e.g. IP regimes)
- Finally, the Dutch government wants to strengthen and promote its policies:
 - Bilateral tax treaty network
 - 'Certainty in advance' (ruling practice)
 - Mutual agreement / arbitration
 - No withholding tax on interest and royalties
- Following the publication of the OECD BEPS-reports on October 5th 2015, the Dutch government reconfirmed its support. It has promoted the new OECD Common Reporting Standard, automatic exchange of information in order to increase transparency, as well as country-by-country reporting.

As current acting EU Presidency, the government is to seek compromises and work towards solutions for all European countries, who want to tackle this issue

while maintaining a level playing field and remaining attractive for international businesses.

The Dutch House of Representatives has taken a number of majority positions, I list 6:

1. urging the government to develop a plan “to maintain the attractiveness of the Dutch investment climate for international business, in a responsible manner”
2. The House asked to split the Anti-Tax Avoidance Package (ATAP) into two parts: an OECD part and an EU part, in line with suggestion that Germany made during the February 12th Ecofin Council meeting
3. The House requested that impact assessments of the different components of the Anti-BEPS Directive (ATAD) be made, in line with the suggestion made by Finland, Luxemburg, Belgium and others at the February 12th Ecofin Council meeting.
4. The House requested the government to strive to reach an agreement on ATAP within the Ecofin Council, during the Dutch Presidency.
5. The House reinforced the government’s efforts to promote EU-wide public country-by-country reporting.
6. The House reinforced the government’s efforts to promote the creation of an EU ‘black list’ of tax havens and to attach EU sanctions to jurisdictions on that list

Finally, a few words on the Panama papers

- The Panama Papers, notably do not relate to multinational corporations, but to considerable (private) capital and assets that have been located elsewhere. In many cases, the presumption is that transparency is lacking and that these assets are not reported to the tax authorities, in which case that would amount to tax fraud, which should be dealt with under criminal law. This a wholly different affair than promoting an attractive investment climate for international business.

Ladies, and gentlemen, dear colleagues.

To conclude I would like to express how important it is, that today we learn from each other. Going forward this international cooperation between us remains vital, since the root cause is that taxation systems do not properly connect in today's world of globalised markets for goods, services and capital. Only together we can solve this.

Thank you.