



23.2.2017

## **NATIONAL PARLIAMENT REASONED OPINION ON SUBSIDIARITY**

**Subject:** Reasoned opinion of the Swedish Parliament (Riksdag) on the proposal for a Council directive on a Common Consolidated Corporate Tax Base (CCCTB) (COM(2016)0683 – C8-0471/2016 – 2016/0336(CNS))

Under Article 6 of the Protocol (No 2) on the application of the principles of subsidiarity and proportionality, national parliaments may, within eight weeks of the date of transmission of a draft legislative act, send the Presidents of the European Parliament, the Council and the Commission a reasoned opinion stating why they consider that the draft in question does not comply with the principle of subsidiarity.

The Swedish Parliament has sent the attached reasoned opinion on the aforementioned proposal for a directive.

Under Parliament's Rules of Procedure, the Committee on Legal Affairs is responsible for compliance with the subsidiarity principle.

Official Communication from the Riksdag  
2016/17:110  
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THE SWEDISH PARLIAMENT (RIKSDAG)

The President of the European Parliament

The President of the Council of the European Union

The President of the European Commission

I hereby submit the Riksdag's reasoned opinion as shown in Annex 2 to the attached report and would inform you that the Riksdag has today approved the proposal of the Committee on Taxation for a Riksdag Decision in Report 2016/17:SkU17, Assessment in the light of the principle of subsidiarity of the Commission proposal for a Council directive on a Common Consolidated Corporate Tax Base (CCCTB).

Stockholm, 14 December 2016

Urban Ahlin

Claes Martensson

Reasoned opinion of the Swedish Parliament (Riksdag)

The Riksdag would emphasise that the fundamental principle of the Member States' sovereignty in matters of taxation must be preserved in relation to direct taxes. Each Member State has the power at national level to maintain welfare by levying taxes and using the revenue appropriately. Excessively extensive application of the rules which vest legislative powers in the Union will ultimately undermine Member States' sovereignty with regard to levying and retaining sufficient tax revenue to finance welfare.

The Commission has asserted that the proposal on a CCCTB is unlikely to be adopted in its entirety, and that it must therefore be introduced in two stages. Thus the Commission has proposed that the second stage of consolidation should be postponed until political agreement has been reached on a mandatory set of rules on a common corporate tax base, as a first stage. The Commission has consequently submitted two proposals for directives: one concerning a Common Corporate Tax Base and one concerning a Common Consolidated Corporate Tax Base (CCCTB).

This part of the package mainly contains provisions on definitive offsetting of profits and losses, and allocation of profits. The Commission, which has performed a joint subsidiarity assessment of the two proposals on a Common Corporate Tax Base and a Common Consolidated Corporate Tax Base, has stated that the proposals are intended, *inter alia*, to promote growth and investment, to facilitate cross-border trade, to bring about administrative simplification and to combat tax avoidance.

The Riksdag notes, firstly, that the fact that the objectives stated by the Commission concern the whole corporate taxation package, i.e. both of the proposals for directives which it has submitted, makes it more difficult to assess whether the purposes of the proposals can be achieved sufficiently by the Member States or whether they can better be achieved at European Union level.

Corporate taxation is closely integrated with other aspects of taxation and with Member States' political and economic conditions. The Riksdag considers that corporate taxation must be designed so as to leave scope for each individual Member State to take into account specific conditions in the structure of business. The Riksdag therefore agrees with the Government that Member States are, in the first instance, the more suitable authority to decide what form corporate taxation should take.

As regards the form to be taken by the proposed allocation key, the Riksdag observes that the outcome of the distribution of profits will depend on national circumstances in the Member State concerned and will therefore vary very widely between Member States. The Riksdag also agrees with the Government that in many respects the proposal is vaguely and imprecisely formulated and opaque and also remains unclear about various points, such as how the proposal relates to tax agreements already concluded and what impact the fact that the provisions on accounting are disconnected from the tax system would have.

For the above reasons, the Riksdag does not consider that the Commission proposal on a common consolidated corporate tax base can be regarded as compatible with the subsidiarity principle.