

THEMATIC DIGEST

Supporting analyses for committees



POLICY DEPARTMENTS AND ECONOMIC GOVERNANCE SUPPORT UNIT

Country Specific Recommendations Common Consolidated Corporate Tax

Brussels, 10 October 2017

Purpose

The European Parliament's Committee on Economic and Monetary Affairs will discuss the draft reports on economic policies in the euro area, on the common corporate tax base, and on the common consolidated corporate tax base, during its meeting of 10 October 2017. Representatives of corresponding committees of national parliaments have been invited to participate in the discussions on these topics, which will be held together with the rapporteurs and shadow rapporteurs.



Inside

This publication contains supporting analyses provided by the European Parliament's Economic Governance Support Unit and Policy Departments for the Committees on Economic and Social Affairs, on Money Laundering, Tax Avoidance and Tax Evasion, on Tax Rulings, on Regional Development, on Constitutional Affairs, on Budgets, and on Budgetary Control. Scan the QR codes or click on the titles for access.

Publications

[Implementation of the Stability and Growth Pact](#) - September 2017

This document gives an overview of key developments under the preventive and corrective arms of the Stability and Growth Pact (SGP) on the basis of: the latest Council decisions and recommendations in the framework of the SGP; the latest European Commission (COM) economic forecast; and the COM Opinions on compliance of the 2017 Draft Budgetary Plans (DBPs) of euro area Member States with the SGP. The document is updated regularly.



[Structural budget balances in EU Member States](#) - September 2017

Structural budget balances play an important role in the fiscal policy frameworks of the EU both as part of the application of the Stability and Growth Pact (SGP) and in the implementation of the balanced budget rule by the contracting parties of the intergovernmental Treaty on Stability, Coordination and Governance in the EMU ("Fiscal Compact"). This document gives an overview of the concept and application of the structural balance rule(s) in the EU.



[Country Specific Recommendations 2016, 2017: A comparison and an overview of implementation](#) - September 2017

This document presents: the Country Specific Recommendations (CSRs) adopted by the Council in July 2016; the assessment of the implementation of 2016 CSRs based on the Commission Country Reports of February 2017 and on the Assessment of the 2017 Stability and Convergence Programmes of May 2017; The CSRs for 2017 adopted by the Council in July 2017; and the Council Recommendation on the economic policy of the euro area, approved in March 2017.



[The role of national fiscal bodies: state of play](#) - September 2017

This briefing provides an overview of the role played by independent national fiscal bodies in the preparations of forthcoming budgets in Member States. It looks at the extent to which the Stability or Convergence Programmes and the Draft Budgetary Plans contain information about the involvement of independent national fiscal bodies in the preparation of these programmes, and goes over the current set-up and role of these independent fiscal bodies.



[Member States with excessive macroeconomic imbalances](#) - September 2017

In February 2017, the European Commission concluded that six Member States of the EU are in a situation of excessive macroeconomic imbalances in the context of the Macroeconomic Imbalance Procedure. These countries - namely, Bulgaria, Cyprus, Croatia, France, Italy and Portugal - were experiencing macroeconomic imbalances also in 2016. This document provides an overview on the state of play of the surveillance of these six Member States.



[Implementation of the Macroeconomic Imbalance Procedure](#) - September 2017

This note presents the Member States' situation with respect to the Macroeconomic Imbalance Procedure (MIP) - a policy tool aiming to prevent and correct macroeconomic imbalances in Member States, with specific attention to those with potential spill-over effects on others. The note takes into account recent assessments and decisions by the Commission and the Council and gives an overview of relevant comments published by other institutions.



[An evolutionary approach to a genuine Economic and Monetary Union](#) - September 2017

Following the spring 2017 White Paper on the future of the EU, the Commission President proposed some further short and long-term policy initiatives to strengthen EMU governance. This briefing gives an overview of the on-going debate aimed at enhancing resilience and improving euro area governance. It proposes a reading grid for analysing the various options to enhance EMU economic governance. The annexes include an overview of Eurozone scrutiny activities of Parliament.



[Implementation of Country Specific Recommendations under the Macroeconomic Imbalance Procedure](#) - August 2017

For Member States identified by the Commission as experiencing macroeconomic imbalances, CSRs under the Macroeconomic Imbalance Procedure (MIP-CSRs) are adopted and monitored annually. This note provides an overview of some elements related to the implementation of CSRs issued under the MIP. Figures only refer to Member States experiencing macroeconomic imbalances, and are based on the implementation assessment performed by the Commission.



[Country-specific recommendations on banking issues 2011-2017](#) - July 2017

This briefing focuses on the banking recommendations addressed by the Council to individual Member States within the European Semester. It covers all recommendations targeting individual Member States' banking sectors from a financial stability perspective or in respect of the financing of their economies and access to finance. It takes stock of the recommendations since 2011, looks at the main topics addressed and gives an overview of their implementation.



[Implementation of the 2016 Country Specific Recommendations](#) - March 2017

This note gives an overview of the implementation of the 2016 Country Specific Recommendations. CSRs provide guidance to Member States on macro-economic, budgetary and structural policies, to boost economic growth and job creation while maintaining sound public finances and preventing excessive macroeconomic imbalances. Proposed by the Commission and approved by the Council, they are to be taken into account by Member States in national decision making.



[Overview of Economic and Monetary Union](#) - June 2016

This note focusses on selected policy issues as outlined in the Five Presidents' Report. It provides an overview of the main steps undertaken and of the proposals planned to make the EMU more resilient to shocks by addressing the policy and governance challenges unveiled by the financial crisis. The note complements the document "Institutions and Bodies in the Economic and Monetary Union", which provides an overview of the EMU governance framework.



[Corporate tax practices and aggressive tax planning in the EU](#) - November 2015

This paper looks into the absence of EU-coordination on aggressive tax planning and its effects. It provides background to the political debate and to the ongoing efforts to reform the tax system at an international level through the Base Erosion and Profit Shifting (BEPS) project led, and at the EU level. It describes the key features and role of the Platform for Tax Good Governance, Aggressive Tax Planning and Double Taxation, among others.



[Nominal vs. effective corporate tax rates applied by multinational enterprises](#) - October 2015

This paper provides background to developments related to the reform of the international tax system: the Base Erosion and Profit Shifting (BEPS), led by the G20 and OECD. Reform at the EU level is also underway. Amongst other things, the paper explains a number of significant aggressive tax planning techniques and mechanisms used by multinational enterprises and provides an overview of the empirical evidence on the scale of this behaviour.



[Enhancing the legitimacy of EMU governance](#) - December 2014

This study investigates ways to enhance the legitimacy of economic governance in the EMU without introducing Treaty changes. Input-oriented legitimacy can be improved by increasing parliamentary oversight and the accountability of the Eurogroup. Output-oriented legitimacy can be improved by strengthening the EMU's ability to reduce the emergence of negative externalities and mitigate their impact through market and fiscal risk-sharing mechanisms.



[International taxation and tax rulings: policy issues at challenging times](#) - May 2016

Reforming international taxation - how national tax systems interact with each other and in the EU - is a complex and difficult matter that will be the subject of discussion for years to come. The papers in this compilation deal with: public disclosure and other proposals to reduce aggressive tax planning; evaluation, confrontation and recommendations with respect to the future of tax rulings in the EU; and EU state aid law and national tax rulings.



[EU state aid law and national tax rulings](#) - October 2015

This paper sets out how tax rulings can be subject to state aid scrutiny if they lead to a beneficial tax treatment of an undertaking that is not in line with the normal application of national tax law. However, a deviation from national law is not always an indicator of selective aid. As national law is the only relevant benchmark, the state aid regime is not designed to impose particular doctrines or best practices on the tax systems of Member States.



[Building blocks for a future Cohesion Policy](#) - April 2017

This study discusses the main themes relating to post-2020 Cohesion Policy, the overall framework, current and future challenges, and the post-2020 delivery system. The challenges for economic, social and territorial cohesion remain profound. However, there are also competing pressures on the EU budget, such as keeping net payers' contributions within acceptable limits, and striking the right balance between overarching EU goals and new challenges.



[Effective corporate tax rate and digital business establishment in the corporate tax base proposals](#) - May 2017

This briefing looks at the proposed Directives on a Common Corporate Tax Base (CCTB) and a Common Consolidated Corporate Tax Base (CCCTB), which aim to, amongst other things, allow corporations to submit a single consolidated tax declaration in only one Member State. It discusses the concepts of effective corporate tax and digital business establishment, concluding that there are currently no commonly agreed or legally binding definitions of these terms.



[Synergies between the Annual Growth Survey Objectives and the EU budgets and national budgets contribution](#) - July 2017

The Annual Growth Survey (AGS) sets out priorities that aim to contribute to jobs and growth in the interrelated areas of investment, structural reforms and fiscal consolidation in the EU. This study examines synergies between the AGS objectives and EU and national budgets. It assesses the impact of the guidance provided by the AGS and country-specific recommendations on national budgets with a view to supporting policies enhancing economic growth.



[The impact of schemes revealed by the Panama Papers on the economy and finances of Member States](#) - April 2017

The study explores the roles of tax havens and offshore financial centres, their budgetary, and the economic and financial impacts in Member States. Research combines previous estimates of tax revenue loss with a microeconomic assessment based on data on companies thought to be linked to the Panama Papers. Significant impacts identified are the negative effects on Member States' budgets, with knock-on effects on economic growth and financial markets.



[Public sector reform: how the EU budget is used to encourage it](#) - August 2016

This study reviews the current budgetary instruments that directly or indirectly support public sector reforms, and analyses the coherence, EU added-value and complementarities within them. Case studies on four Member States and an analysis of current networks and award initiatives to disseminate best practices complete the study. The analysis finds a positive but modest impact of the EU budget and existing networks on reform activity.



Fact Sheets on the EU



This compilation of Fact Sheets covers economic governance, general tax policy, and direct company taxation. Reference is made to, amongst other things, the country specific recommendations (CSRs) within the European Semester, and the establishment of a common consolidated corporate tax base (CCCTB), which could eliminate certain aggressive tax planning opportunities and most of the tax obstacles affecting the economic efficiency of the single market.

[Fact Sheet compilation - October 2017](#)

Policy Departments

The policy departments provide high-level independent expertise, analysis and advice at the request of committees and other parliamentary bodies. Their expertise covers all areas of activity of Parliament. They deliver policy analysis in a wide variety of formats, feeding directly into the legislative work of committees or members' delegations. Policy departments also organise events, including workshops and expert panels, which enhance Parliament's analytical capacity and develop common approaches to current political issues.

www.europarl.europa.eu/supporting-analyses



Economic Governance Support Unit

This Unit provides information to members on the implementation of the economic governance instruments and banking supervision in the EU, particularly in the Euro Area. Their publications are also available in the Committee for Economic and Monetary Affairs' policy pages.

www.europarl.europa.eu/committees/en/econ/econ-policies.html

