

**Question for written answer E-009509/2016
to the Council**
Rule 130
Barbara Kappel (ENF)

Subject: Plans for corporation tax in the UK

As part of its preparations for leaving the European Union, the UK has announced its intention to significantly reduce corporation tax in order to remain an attractive location for businesses and investors and to mitigate potential economic distortions ahead of time.

At the moment, corporation tax stands at 20 %, but is to fall to 17 % by 2020. In other countries it is set at 30 % or even higher. Reaction to the British plans has been predominantly negative.

1. What aspects does the Council consider in its assessment of unilateral plans to reduce corporation tax in the Member States?
2. The UK pledged not to engage in harmful tax competition practices at the G20 summit, but there is no real obligation under EU law. What options does the Council have for enforcing such commitments?
3. According to the Council, what would be the threshold for a reduced corporation tax rate to be considered unfair tax competition?