

Question for written answer E-005468/2018
to the Commission
Rule 130
Adam Szejnfeld (PPE)

Subject: Irregularities in implementing the ATAD Directive regarding the taxation of income from unrealised profits (exit tax)

Freedom to do business in the EU is often limited, especially by Member States. This situation is exacerbated by the spread of populism, nationalism and particularisms that threaten the development of the single market. Unfortunately, subsequent restrictions in this area were brought about by Council Directive (EU) 2016/1164 on counteracting tax avoidance practices (ATAD Directive).

The ATAD Directive was intended to limit the phenomenon of tax optimisation carried out by large cross-border enterprises. Unfortunately, some Member States, transposing said Directive, significantly go beyond its objectives and scope, as the regulations cover not only large companies, but also small entrepreneurs, and even citizens (natural persons). Furthermore, the obligation to immediately pay the tax on unrealised profits, which affects financial liquidity, especially of SMEs, is also doubtful.

Such solutions seem to be totally contrary to not only the freedom to provide services and the free flow of capital, but also to the freedom of establishment, that is, the foundations of the single market. They also go, especially in the case of small business and individuals, against the freedom to dispose of their own property.

In the light of the above, can the Commission say:

- 1) Does it intend to verify the desirability and accuracy of the provisions of the ATAD Directive?
- 2) How does the Commission intend to counteract the harmful over-interpretation and incorrect implementation, especially for small businesses and citizens, of the ATAD Directive by Member States?