

EN  
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Answer given by Mr Moscovici  
on behalf of the European Commission  
(22.3.2019)

In March 2018, the Commission, in its role of initiator of measures to be adopted by the Union legislator, has issued the digital package including a proposal for a directive on a Digital Services Tax (DST). The proposal aims at harmonising the taxation of some digital services in the short term to avoid that the internal market is fragmented by a proliferation of different national measures with similar purposes.

The proposal is now under discussion in the Council and requires the unanimous agreement by the Council of the 28 Member States to be adopted.

The Commission is fully aware of the limit of the unanimity rule as unanimity often cannot be achieved or leads to sub-optimal policies. In its Communication<sup>1</sup> of 15 January 2019 on a more efficient and democratic making decision process in taxation, the Commission envisages a progressive transition towards a qualified majority vote under the ordinary legislative procedure in certain areas of shared EU taxation policy, as is already the case with most other EU policy areas.

Despite the reservations expressed by some Member States about the Commission's proposal for a DST, the discussions held about this EU proposal have contributed to accelerate progress on the Organisation for Economic Co-operation and Development's agenda in the same field.

In the absence of Union secondary law, Member States are free to exercise their sovereignty in the field of taxation, provided that the rules adopted and implemented do not infringe the general freedoms guaranteed by the Treaty on the Functioning of the EU.

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<sup>1</sup> COM(2019) 8 final