

**Question for written answer P-005395/2016
to the Commission**

Rule 130

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Subject: Patent boxes and modified nexus approach

So-called patent boxes, which exist in 12 EU Member States, allegedly promote R&D but are often perceived as facilitating tax avoidance. This is echoed by the Commission's services, as well as by the OECD and the IMF, which have been critical of patent boxes' alleged contribution to R&D promotion. In 2014, the Code of Conduct Group on business taxation found all existing patent box regimes in EU Member States to be harmful and agreed that they should be reformed on the basis of the OECD's 'modified nexus approach' (MNA). In its June 2015 Action Plan on Corporate Taxation, the Commission committed to monitoring this process, and announced legislative measures in case of non-satisfactory progress within 12 months.

As the deadline of June 2016 is now ending without all 12 Member States concerned having introduced the necessary changes to their national tax laws (with some, such as France, claiming that no changes are needed), when, and in what form, will the Commission put forward legislative proposals to ensure that Member States comply with the MNA compromise?

What further steps, on the basis of the evidence that patent boxes are an ill-suited tool for R&D promotion overall, does the Commission envisage taking in order to mitigate the negative effects of patent boxes and potentially replace them with alternative forms of R&D promotion that would apply only in the medium term?