

Newsletter 4 December 2023

Coming up in the next committee meetings:

ECON meeting, 4 December 2023, 15.30 – 18.00
Room: SPAAK (1A002)

The meeting will be webstreamed:

[See live broadcast](#)

Monday, 4 December, 15.30 - 15.45

Business in Europe: Framework for Income Taxation (BEFIT)

Consideration of draft report

The 'Business in Europe: Framework for Income Taxation' (BEFIT) proposal introduces a common set of rules for calculating the tax base of cross-border groups of companies with an annual turnover of EUR 750 million or more (BEFIT groups) across the EU and for allocating these tax bases to each member of those BEFIT groups. Smaller groups can join if they wish and prepare consolidated accounts. BEFIT aims to further coordinate and harmonise the

corporate tax framework to facilitate cross-border business and investment in the EU. The proposal will reduce the costs and complexity of administrative and tax compliance for both businesses and tax authorities and minimise the leeway for corporate tax avoidance. It also contains innovative transfer pricing rules. Additionally, it outlines the administration of the BEFIT system, including the establishment of joint BEFIT teams for each BEFIT group, comprising representatives of the tax administrations of the Member States where the BEFIT group operates. The report by the rapporteur MEP Evelyn Regner (S&D) will be presented in the ECON Committee Meeting on 4 December.



Co-Rapporteurs Evelyn REGNER (S&D)

Shadows: Eleni STAVROU (EPP), Gilles BOYER (Renew),
Kira Marie PETER-HANSEN (Greens/EFA),
Andželika Anna MOŽDŽANOWSKA (ECR), Beck GUNNAR (ID),
Manon AUBRY (The Left)

Monday, 4 December, 15.45 - 16.00

Establishing a Head Office Tax system for micro, small and medium sized enterprises, and amending Directive 2011/16/EU

Consideration of draft report



The Commission's proposal centers on creating a tax framework to support the internal market, with a specific focus on Small and Medium Enterprises (SMEs). The Head Office Tax System for SMEs is designed to simplify tax procedures and reduce compliance costs for SMEs operating across borders

through permanent establishments. Under this system, SMEs interact with only one tax administration – their Head Office's. This simplification eliminates the need to comply with multiple tax systems, offering increased tax certainty and fairness. SMEs file a single tax return with their head office tax administration, which then distributes tax revenues to each Member State where the SME has a permanent establishment. This approach reduces complexities and costs associated with multiple tax systems and administrations. The Member State of the head office applies tax rates based on the Member State(s) where the SME maintains permanent establishments. Audits, appeals and dispute resolution procedures are primarily kept domestic, respecting Member States' sovereignty in tax matters. Joint audits may be conducted with cooperation from the Member State of the head office if requested by the tax authority of the permanent establishment.

Rapporteur: Lídia PEREIRA (EPP)

Shadows: Aurore LALUCQ (S&D), Martin HLAVÁČEK (Renew),
Claude GRUFFAT (Greens/EFA), Andželika Anna MOŽDŽANOWSKA (ECR)

Monday, 9 October, 16.00 - 16.15
Transfer pricing
Consideration of draft report

This proposal is part of a package known as 'Business in Europe: Framework for Income Taxation', or 'BEFIT'. This package includes, in addition to this transfer pricing proposal, a second separate proposal which lays down a common set of rules for computing the tax base of large groups of companies in the EU.

The Organisation for Economic Cooperation and Development (OECD) set up the current international standards on cross-border transactions between related entities of a multinational group. These cross-border transactions must be priced on the same basis as transactions between third parties under comparable circumstances. This is known as "arm's length principle" and is reflected in Article 9 (Associated Enterprises) of the OECD Model Tax Convention on Income and on Capital.

The aim of this proposal on transfer pricing is to integrate key transfer pricing principles into EU law with the aim of putting forward certain common approaches for Member States.

The draft report prepared by MEP Kira Peter-Hansen (Greens) will be presented in ECON on 4 December 2023.



Rapporteur: Kira Marie PETER-HANSEN (Greens/EFA)

Shadows: Anna-Michelle ASIMAKOPOULOU (EPP), René REPASI (S&D),
Gilles BOYER (Renew), José GUSMÃO (The Left)

Monday, 4 December, 16.15 - 16.30

Faster and Safer Relief of Excess Withholding Taxes

Consideration of amendments



The Commission proposal addresses the barriers to cross-border investments created by the differences between withholding tax procedures among Member States and seeks to prevent abuses of these refund procedures, such as through cum-ex and cum-cum schemes. The proposal consists mainly of three elements: a common EU digital tax residence certificate; two fast-track procedures to complement the existing standard refund procedures (a 'relief at source' procedure and a 'quick refund' procedure); and a standardised reporting obligation for financial

intermediaries, who will be required to join a register of certified financial intermediaries and report the payment of dividends or interest to the relevant tax administration. The draft report prepared by Herbert Dorfmann (EPP) was presented in ECON on 7 November 2023. At its meeting on 4 December 2023, ECON Members will discuss the amendments that were tabled to the Commission's proposal.

Rapporteur: Herbert DORFMANN (EPP)

Shadows: Niels FUGLSANG (S&D), Martin HLAVÁČEK (Renew),
Rasmus ANDRESEN (Greens/EFA),
Andželika Anna MOŽDŽANOWSKA (ECR), José GUSMÃO (The Left)

Monday, 4 December, 16.30 - 17.30

Public Hearing with Dominique Laboureix, Chair of the Single Resolution Board (SRB)



On Monday 4 December, 16:30 – 17:30, Dominique Laboureix, the Chair of the Single Resolution Board, will make his third appearance in ECON for a public hearing.

He will present the SRB's work programme for 2024 and is expected to update the ECON Members on the strategic review that he launched at the start of his mandate. On 22 November 2023 the General Court of the European Union

issued judgments that confirm the legality of the SRB's decision not to compensate shareholders and creditors affected by the 2017 resolution of Banco Popular.

[EGOV Briefing: Public hearing with the Chair of the SRB, Dominique Laboureix, in ECON on 4 December 2023](#)

ECON VOTE: 4 December 2023, 17.30 - 18.00



The ECON Committee will vote on the following files:

Transparency and integrity of Environmental, Social and Governance (ESG) rating activities

Adoption of draft report

Vote on the decision to enter into interinstitutional negotiations

Rapporteur: Aurore LALUCQ (S&D)

Shadows: José Manuel GARCÍA MARGALLO Y MARFIL (EPP),
Billy KELLEHER (Renew), Rasmus ANDRESEN (Greens/EFA),
Dorien ROOKMAKER (ECR), Dimitrios PAPADIMOULIS (The Left)

Competition policy – annual report 2023

Adoption of draft report

Rapporteur: Stéphanie YON-COURTIN (Renew)

Shadows: Fulvio MARTUSCIELLO (EPP), Paul TANG (S&D),
Claude GRUFFAT (Greens/EFA),
Andželika Anna MOŽDŽANOWSKA (ECR),
Martin SCHIRDEWAN (The Left)

ECON: Draft Agenda 4 December 2023

Next committee meetings:

Monday 11 December 2023, 19:00 - 19:30 - Extraordinary ECON meeting

Monday 11 December 2023, 19:30 - 21:30 - BUDG-ECON joint meeting

Thursday 11 January 2024, 09:00 - 12:30



ECON is responsible for:

- the economic and monetary policies of the Union, the functioning of Economic and Monetary Union and the European monetary and financial system (including relations with the relevant institutions or organisations);
- the free movement of capital and payments (cross-border payments, single payment area, balance of payments, capital movements and borrowing and lending policy, control of movements of capital originating in third countries, measures to encourage the export of the Union's capital);
- the international monetary and financial system (including relations with financial and monetary institutions and organisations);
- rules on competition and State or public aid;
- tax provisions;
- the regulation and supervision of financial services, institutions and markets including financial reporting, auditing, accounting rules, corporate governance and other company law matters specifically concerning financial services;
- the relevant financial activities of the European Investment Bank as part of European economic governance in the euro area.

ECON is assisted by a subcommittee on tax matters (FISC), for tax-related matters and particularly the fight against tax fraud, tax evasion and tax avoidance, as well as financial transparency for taxation purposes.

Contact



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