

## Special Newsletter - Constitutive Meeting



Dear reader,

**On 23 July 2024, the FISC Subcommittee held its constitutive meeting and elected its new bureau. I was honoured to be elected as the new Chair of the FISC Subcommittee alongside the new four Vice-Presidents Kira-Peter Hansen (Greens/EFA), Regina Doherty (EPP), Markus Ferber (EPP), and Matthias Ecke (S&D).**

One of our key priorities is to create a fairer and more balanced taxation system while addressing tax evasion. It is essential to ensure that all businesses, regardless of size, contribute their fair share, while promoting healthy competition and economic stability across Member States. In 2022, corporate profits in excess of EUR 932 billion were shifted to low-tax jurisdictions, posing a substantial risk to public budgets. The EU must act decisively to protect the integrity of its tax systems and maintain public trust in our financial institutions.

Another issue is the unfair tax burden. Currently, citizens and small and medium-sized enterprises (SMEs) bear disproportionately higher tax rates compared to multinational corporations. This disparity leads to unfair competition and aggressive tax avoidance across Member States. We advocate a fairer and more progressive tax system, one that ensures that everyone pays their rightful share, and that supports our public expenditure and the welfare systems.

Moreover, combating the organised tax fraud, such as VAT carousel fraud, involves recognising the close connection between tax evasion, organised crime and money laundering. Investigative experience, doctrines, analysis and studies have revealed their intimate link and contiguous profiles. Therefore, addressing tax evasion effectively also means taking on the fight against the mafia and other criminal organizations.

Finally, the Artificial Intelligence has the power to transform our global economy, labour market and tax systems. Striking the right balance between taxing labour and other income sources, financial rents, technology, capital, and assets is our greatest challenge in the near future. Our fiscal system, was able, in the last century, to collect resources to maintain our generous welfare states in Europe. The current global and technological transformation is challenging the sustainability of our model unless we provide the right solutions.

Wishing you a restful summer break, I look forward to start our work on tax matters.

**Pasquale Tridico**  
**Chair of the FISC Subcommittee**

*The newly elected bureau of the FISC Subcommittee. From left to right: Matthias Ecke (S&D, 4th Vice-Chair), Markus Ferber (EPP, 3rd Vice-Chair), Pasquale Tridico (The Left, Chair), Kira Peter-Hansen (Greens/EFA, 1st Vice-Chair), Regina Doherty (EPP, 2nd Vice-Chair)*

