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*Plenary sitting*

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**B9-0339/2022**

29.6.2022

## MOTION FOR A RESOLUTION

to wind up the debate on the statements by the Council and the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on national vetoes to undermine the global tax deal  
(2022/2734(RSP))

**Luděk Niedermayer**  
on behalf of the PPE Group

**European Parliament resolution on national vetoes to undermine the global tax deal (2022/2734(RSP))**

*The European Parliament,*

- having regard to the Commission proposal for a Council directive on ensuring a global minimum level of taxation for multinational groups in the Union (COM(2021)0823), which is supported by 137 jurisdictions, including all Union Member States,
- having regard to Articles 4 and 20 of the Treaty on European Union (TEU) and Articles 115, 116 and 326 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to its resolution of 10 March 2022 with recommendations to the Commission on fair and simple taxation supporting the recovery strategy (EP follow-up to the July Commission's Action Plan and its 25 initiatives in the area of VAT, business and individual taxation)<sup>1</sup>,
- having regard to the resolutions of 6 and 7 April 2022 of the Czech Senate and of 20 June 2022 of the Hungarian Parliament and to the opinion of 30 March 2022 of the Swedish Parliament,
- having regard to its resolution of 29 April 2021 entitled 'Digital taxation: OECD negotiations, tax residency of digital companies and a possible European Digital Tax'<sup>2</sup>,
- having regard to its resolution of 4 May 2022 on the follow-up to the conclusions of the Conference on the Future of Europe<sup>3</sup>,
- having regard to the report of 9 May 2022 on the final outcome of the Conference on the Future of Europe<sup>4</sup>,
- having regard to its resolution of 19 May 2022 entitled 'The social and economic consequences for the EU of the Russian war in Ukraine – reinforcing the EU's capacity to act'<sup>5</sup>,
- having regard to its position of 19 May 2022 on the proposal for a Council directive on ensuring a global minimum level of taxation for multinational groups in the Union<sup>6</sup>,
- having regard to the outcome of the meeting of the Economic and Financial Affairs Council of 17 June 2022,

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<sup>1</sup> Texts adopted, P9\_TA(2022)0082.

<sup>2</sup> OJ C 506, 15.12.2021, p. 54.

<sup>3</sup> Texts adopted, P9\_TA(2022)0141.

<sup>4</sup> Texts adopted, P9\_TA(2022)0141.

<sup>5</sup> Texts adopted, P9\_TA(2022)0219.

<sup>6</sup> Texts adopted, P9\_TA(2022)0216.

- having regard to the Commission communication of 15 January 2019 entitled ‘Towards a more efficient and democratic decision making in EU tax policy’ (COM(2019)0008),
  - having regard to Rule 132(2) of its Rules of Procedure,
- A. whereas it is paramount to protect the tax base and fight tax avoidance and evasion while keeping taxes at levels that support the sustainable growth of the economy and the economic and social recovery of the Union and while facing ongoing challenges;
  - B. whereas the unprecedented impact and magnitude of the combination of the COVID-19 crisis, disturbance in global supply chains and the Russian aggression in Ukraine have put pressure on public finances at a time when public debt has increased to pay for the measures adopted by governments during the pandemic; whereas they have also increased the need to raise some fiscal expenditure to protect society and the economy;
  - C. whereas tax avoidance, tax fraud and tax evasion reduce government revenue and undermine the sustainability of public finances, trust in tax systems and tax fairness;
  - D. whereas the final outcome of the Conference on the Future of Europe covered proposals on fiscal and tax policies, as presented in the report thereon of 9 May 2022;
1. Welcomes the historic agreement reached at the OECD/G20 Inclusive Framework on BEPS (base erosion and profit shifting) meeting in October 2021; believes that the substantial support for the tax agreement from 137 countries, which account for over 90 % of the global economy, is a great political success, and believes that the agreement needs to be quickly and widely implemented to turn it into an economic success; welcomes the fact that 137 jurisdictions signed the political statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy introducing a global minimum corporate tax rate set at 15 %;
  2. Reminds the Member States, in this context, of their commitment to the OECD Global Deal; calls on the Member States to respect their support for the agreement and reminds them of their responsibility to enact the international deal and support its global implementation as soon as possible;
  3. Stresses that a quick and extensive implementation will be decisive for the success of the process, while the Union implementation of the agreement in the Member States’ legal systems could be a decisive moment for the decision by other countries to honour their commitments;
  4. Welcomes the Commission’s legislative proposal of 22 December 2021 (COM(2021)0823) to implement Pillar Two of the OECD/G20 Inclusive Framework on BEPS (the proposal for a Pillar Two directive); takes note that it is based on Article 115 TFEU;
  5. Acknowledges that several Member States raised objections during the Council negotiations; welcomes the Commission’s decision proposing a precise implementation of the OECD agreement with only the necessary adjustments required by the Union legal system; notes that based on this approach, the Commission has relied on the general OECD assessment and has not presented its own impact assessment;

6. Deplores the non-satisfactory outcome of the Economic and Financial Affairs Council meeting of 17 June in not finding unanimous support for the proposal for a Pillar Two directive; takes note of the change in position of one Member State to support the proposal for a Pillar Two directive at a very late stage;
7. Condemns the decision of a Member State not to support the proposal for a Pillar Two directive, citing the worsening economic situation in the Union; is of the opinion that establishing a broad tax base and reducing the space for tax evasion, tax fraud and aggressive tax planning is a policy direction that forms part of a proper reaction to current economic and fiscal challenges; calls for an assessment of costs and risks that could arise from the Union not implementing the agreement in the near future;
8. Reiterates its call on the Council to swiftly adopt the Pillar Two directive to ensure the agreement is effective by 2023; recalls that the Union needs to lead by example by encouraging other jurisdictions to implement the agreement quickly; recalls its position on the proposal for a Council directive on ensuring a global minimum level of taxation for multinational groups in the Union;
9. Stresses that the unanimous decision-making mechanism is part of the Union Treaties, which gives Member States significant power to reject some proposals, even when a strong majority supports them; reiterates the need for increased responsibility on the part of the Member States in order to achieve a viable and functioning Union that serves the needs of Union citizens, particularly with respect to using the unanimity principle to block decisions that support the nature of the Union and its objectives;
10. Calls on the Member States, regarding the blockage in the Council, to quickly overcome disagreements and approve the Pillar Two directive; calls on the Commission and the Council, nevertheless, to respect the will of the clear majority of Member States and to explore alternative options to honour the Union commitments as a back-up option;
11. Recalls that enhanced cooperation can only be used as a last resort, fulfilling the preconditions establishing that ‘the objectives of such cooperation cannot be attained within a reasonable period by the Union as a whole’ (Article 20 TEU) and that ‘[s]uch cooperation shall not undermine the internal market or economic, social and territorial cohesion [and] ... shall not constitute a barrier to or discrimination in trade between Member States, nor shall it distort competition between them’ (Article 326 TFEU);

#### ***The current decision-making process on Union tax policy***

12. Recalls that although taxation is primarily a competence of the Member States, governments must, to the greatest extent possible, exercise it in a manner that is in line with the common principles of Union law in order to ensure consistency between national frameworks, thereby allowing for fair competition and avoiding negative impacts on the overall alignment of Union taxation principles;
13. Acknowledges that unanimity is part of the Treaties for some matters and that in some cases, the Member States can use this tool; reminds the Member States, in this context, that this strong power must be counterbalanced by a very high level of responsibility and must be in line with the principle of sincere cooperation based on Article 4(3) TEU;

14. Recalls that Article 116 TFEU states that distortion of competition in the single market by Member States needs to be eliminated;

***Future decision-making on Union tax policy***

15. Underlines that the Union should be empowered with tools allowing it to take action to tackle major transnational challenges, among others in the field of taxation, as it is in best interests of the Union to promote transparent and fair conditions for competition in the global market;
16. Highlights the fact that within the Union's social market economy, adequate tax levels and simple and clear tax laws help to create jobs, improve competitiveness and contribute to combating tax evasion and tax avoidance;
17. Reiterates its call on the Commission and the Member States to ensure more harmonised and consistent tax rules and their implementation, to protect the functioning of the single market and to ensure the principle of taxing where profit is generated;

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18. Instructs its President to forward this resolution to the Council and the Commission.