

**Question for written answer E-005872/2015
to the Commission**

Rule 130

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Subject: Discriminatory legislation in Hungary

Several laws recently adopted by the Hungarian government have a negative impact on foreign businesses in the distribution sector:

- the law on advertising, which provides for progressive tax rates to be paid on net turnover from advertising activity;
- the law on official controls, which provides for progressive taxation based on turnover to finance official controls by the Hungarian authorities.

In practice, bearing in mind the differences in the way in which Hungarian and foreign distributors are organised, these taxes will mainly apply to the latter.

Apart from distorting competition between distributors, these taxes have significant consequences, since the law on not trading at a loss obliges all companies to cease trading if they do not make a profit for two consecutive years.

Taking into account these factors and complaints received on the subject:

1. Does the Commission not consider that these laws equate to trade restrictions which are forbidden under European law?
2. What action has it taken to examine this matter closely and, if applicable, to ask Hungary to fall into line with European legislation?