

**Question for oral answer O-000015/2018
to the Council**

Rule 128

Pavel Svoboda

on behalf of the Committee on Legal Affairs

Subject: Disclosure of income tax information by certain undertakings and branches
(2016/0107(COD))

On 4 July 2017, Parliament adopted its decision on the proposal for a public country-by-country reporting directive (CBCR directive). This aims at enhancing transparency and public scrutiny on corporate income tax and at fostering corporate responsibility by imposing disclosure requirements on certain companies. The strong connection of the initiative with corporate reporting led the Commission to opt for an amendment of the Accounting Directive with Article 50(1) TFEU as the legal basis. Parliament's decision, based on the opinion of the Committee on Legal Affairs of 12 January 2017, agrees with the Commission's choice of legal basis.

With its decision, Parliament gave a mandate to start negotiations with the Council with a view to the adoption of the directive. However, the Council has not yet come up with a general approach and it appears that some Member States challenge the proposed legal basis, suggesting that the proposal relates to 'fiscal provisions' and thus should be based on Article 115 TFEU.

Under the Interinstitutional Agreement on Better Law-Making, Parliament, the Council and the Commission are obliged to exchange views if a modification of the legal basis entailing a change from the ordinary legislative procedure is envisaged.

Parliament is of the opinion that the proposal on a public CBCR directive is not aimed at the harmonisation of taxes or at improving cooperation between tax authorities, nor at creating new tax obligations. It only imposes on some enterprises the additional obligation of publishing a report on income tax information. It constitutes therefore a means of good corporate governance.

In view of the Union's international commitments and the urgent need for enhanced transparency of income tax information to foster citizens' trust in the European institutions and the Union, how does the Council justify its delay and its position regarding the legal basis of the proposal, especially given the fact that the proposal does not affect the amount of national taxes to be paid? What solution does it intend to propose? Does the Council consider this file a priority? What is the Council's plan to make progress on this important proposal so it can still be adopted during this legislative term and under the Juncker Commission?

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Deadline for reply: 28.2.2018