



TEXTS ADOPTED

P9_TA(2019)0102

Fair taxation in a digitalised and globalised economy - BEPS 2.0

European Parliament resolution of 18 December 2019 on fair taxation in a digitalised and globalised economy: BEPS 2.0 (2019/2901(RSP))

The European Parliament,

- having regard to Articles 4 and 13 of the Treaty on European Union (TEU),
- having regard to Articles 107, 108, 113, 115 and 116 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to the OECD BEPS Action Plan of October 2015, and in particular to Action 1 thereof,
- having regard to the OECD Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalisation of the Economy of 29 May 2019,
- having regard to the OECD public consultation documents of 9 October 2019 and 8 November 2019, respectively, entitled ‘Secretariat Proposal for a “Unified Approach” under Pillar One’ and ‘Global Anti-Base Erosion Proposal (GloBE) – Pillar Two’ (both OECD Secretariat proposals),
- having regard to its TAXE committee resolution of 25 November 2015 on tax rulings and other measures similar in nature or effect¹, its TAX2 committee resolution of 6 July 2016 on tax rulings and other measures similar in nature or effect², its PANA committee recommendation of 13 December 2017 to the Council and the Commission following the inquiry into money laundering, tax avoidance and tax evasion³, and its TAX3 resolution of 26 March 2019 on financial crimes, tax evasion and tax avoidance⁴,
- having regard to its resolution of 16 December 2015 with recommendations to the Commission on bringing transparency, coordination and convergence to corporate tax policies in the Union⁵,
- having regard to the Commission’s follow-up to each of the above-mentioned European

¹ OJ C 366, 27.10.2017, p. 51.

² OJ C 101, 16.3.2018, p. 79.

³ OJ C 369, 11.10.2018, p. 132.

⁴ Texts adopted, P8_TA(2019)0240.

⁵ OJ C 399, 24.11.2017, p. 74.

- Parliament resolutions¹,
- having regard to the outcomes of the various G7, G8 and G20 summits held on international tax issues,
 - having regard to the International Monetary Fund Policy Paper ‘Corporate Taxation in the Global Economy’²,
 - having regard to the numerous revelations by investigative journalists, such as the LuxLeaks, the Panama Papers, the Paradise Papers and, more recently, the cum-ex scandals, as well as the money laundering cases involving, in particular, banks in Denmark, Estonia, Germany, Latvia, the Netherlands and the United Kingdom,
 - having regard to its study on the ‘Impact of Digitalisation on International Tax Matters: Challenges and Remedies’³,
 - having regard to the Commission studies on aggressive tax planning indicators⁴,
 - having regard to the evidence collected by the TAX3 committee during its 34 hearings with experts or exchanges of views with Commissioners and Ministers and during the missions to the United States, Latvia, the Isle of Man, Estonia and Denmark,
 - having regard to the modernised and more robust corporate tax framework introduced during this legislative term, notably the Anti-Tax Avoidance Directives (ATAD I⁵ and ATAD II⁶),
 - having regard to the Commission proposals pending adoption, in particular those on the

¹ The joint follow-up to the European Parliament (ECON) resolution with recommendations to the Commission on bringing transparency, coordination and convergence to corporate tax policies in the Union and the European Parliament (TAXE) resolution on tax rulings and other measures similar in nature or effect, adopted by the Commission on 16 March 2016, the follow-up to the European Parliament (TAX2) resolution on tax rulings and other measures similar in nature or effect, adopted by the Commission on 16 November 2016, and the follow-up to the European Parliament (PANA) non-legislative resolution of 12 December 2017 on the European Parliament draft recommendation to the Council and the Commission following the inquiry into money laundering, tax avoidance and tax evasion, adopted by the Commission in April 2018.

² Policy Paper No 19/007, International Monetary Fund, 10.3.2019.

³ Hadzhieva, E., *Impact of Digitalisation on International Tax Matters: Challenges and Remedies*, European Parliament, Directorate-General for Internal Policies, Policy Department A - Economic, Scientific and Quality of Life Policies, February 2019.

⁴ ‘Study on Structures of Aggressive Tax Planning and Indicators – Final Report’ (Taxation paper No 61, 27 January 2016), ‘The Impact of Tax Planning on Forward-Looking Effective Tax Rates’ (Taxation paper No 64, 25 October 2016) and ‘Aggressive tax planning indicators – Final Report’ (Taxation paper No 71, 7 March 2018).

⁵ Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market, OJ L 193, 19.7.2016, p. 1.

⁶ Council Directive (EU) 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries, OJ L 144, 7.6.2017, p. 1.

common (consolidated) corporate tax base (C(C)CTB)¹, the digital taxation package² and public country-by-country reporting (CBCR)³, as well as Parliament's position on these proposals,

- having regard to the resolution adopted on 1 December 1997 by the Council and the Representatives of the Governments of the Member States on a code of conduct for business taxation⁴, and to the Code of Conduct Group (Business Taxation) regular reports to the ECOFIN Council,
- having regard to the Commission communication of 21 March 2018 on new requirements against tax avoidance in EU legislation governing in particular financing and investment operations (C(2018)1756),
- having regard to the Commission's State aid investigations and decisions⁵,
- having regard to the Commission communication of 28 January 2016 on an External Strategy for Effective Taxation (COM(2016)0024), in which the Commission called for the EU to 'lead by example',
- having regard to the Council conclusions of 5 December 2017 on the EU list of non-cooperative jurisdictions for tax purposes,
- having regard to the Presidency state-of-play note of 28 October 2019 on digital taxation,
- having regard to its resolution of 8 July 2015 on tax avoidance and tax evasion as challenges for governance, social protection and development in developing countries⁶,
- 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 the mission letters and hearings of the Executive Vice-President for a Europe Fit for the Digital Age, the Executive Vice-President for an Economy that Works for People and of the Commissioner for Economic and Monetary Affairs and the

¹ Proposal of 25 October 2016 for a Council Directive on a common corporate tax base (CCTB) (COM(2016)0685), and of 25 October 2016 on a common consolidated corporate tax base (CCCTB) (COM(2016)0683).

² The package consists of the Commission communication of 21 March 2018 entitled 'Time to establish a modern, fair and efficient taxation standard for the digital economy' (COM(2018)0146), the proposal of 21 March 2018 for a Council directive laying down rules relating to the corporate taxation of a significant digital presence (COM(2018)0147), the proposal of 21 March 2018 for a Council directive on the common system of a digital services tax on revenues resulting from the provision of certain digital services (COM(2018)0148), and the Commission recommendation of 21 March 2018 relating to the corporate taxation of a significant digital presence (C(2018)1650).

³ Proposal for a directive of the European Parliament and of the Council of 12 April 2016 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches (COM(2016)0198).

⁴ OJ C 2, 6.1.1998, p. 2.

⁵ Relating to Fiat, Starbucks and the Belgian excess-profit ruling, and decisions to open State aid investigations into McDonald's, Apple and Amazon.

⁶ OJ C 265, 11.8.2017, p. 59.

Euro¹,

- having regard to the question to the Commission on fair taxation in a digitalised and globalised economy: BEPS 2.0 (O-000040/2019 – B9-0060/2019),
 - having regard to Rules 136(5) and 132(2) of its Rules of Procedure,
- A. whereas the current international corporate tax rules may be dysfunctional and may need to be updated as they date from the early 20th century and were not designed for the challenges of the digital economy, leading to countries taking unilateral measures to address these challenges;
 - B. whereas following the 2008-2009 financial crisis and a series of revelations by journalists and civil society organisations of practices of tax evasion, aggressive tax planning, tax avoidance and money laundering, the G20 countries agreed to address these issues globally at OECD level through the Base Erosion and Profit Shifting (BEPS) project, leading to the BEPS Action Plan; whereas there have been various levels of engagement and commitment in applying the OECD BEPS rules;
 - C. whereas the BEPS Action Plan succeeded in establishing a global consensus on many aspects in order to fight tax evasion, aggressive tax planning and tax avoidance; whereas, however, there was no agreement on addressing the tax challenges arising from the digitalisation of the economy, which led to a separate BEPS Action 1 – 2015 Final Report;
 - D. whereas the European Parliament, in its TAXE, TAX2, TAX3 and PANA resolutions, as well as in its common corporate tax base opinion, has repeatedly called for a reform of the international corporate tax system with a view to tackling tax evasion and tax avoidance and the challenges of taxing the digital economy, and called on the Commission and the Member States to agree on a joint European position at OECD/G20 level or to act at EU level if an international agreement is not possible;
 - E. whereas in 2018, during the ongoing negotiations to find an international agreement, the Commission put forward two proposals addressing the taxation of the digital economy; whereas the European Parliament supported these proposals, but they were not adopted in the Council owing to opposition from a small number of Member States, which prevented a unanimous agreement being reached: a short-term solution introducing a digital services tax (DST), and a long-term solution defining a significant digital presence (SDP) as a nexus for corporate taxation and which should replace the DST;
 - F. whereas, following a mandate by G20 Finance Ministers in March 2017, the OECD/G20 Inclusive Framework on BEPS (IF), working through its Task Force on the Digital Economy, delivered an interim report in March 2018 entitled ‘Tax Challenges Arising from Digitalisation’;
 - G. whereas in May 2019 the IF adopted a Programme of Work (PoW) towards reaching a consensus – which was endorsed by the G20 – with the aim of reaching an agreement

¹ Verbatim reports of the hearings of Margrethe Vestager, Executive Vice-President of the European Commission, of Valdis Dombrovskis, Executive Vice-President of the European Commission, and Paolo Gentiloni, Commissioner, available at: <https://www.europarl.europa.eu/news/en/hearings2019/commission-hearings-2019>

by the end of 2020;

- H. whereas the IF suggested grouping members' proposals to address the challenges of digitalisation under consideration into two pillars: Pillar One focuses on the allocation of taxing rights through new profit allocation and nexus rules, while Pillar Two addresses the remaining BEPS issues, introducing measures to ensure a minimum level of tax;
- I. whereas on 9 October 2019 the OECD Secretariat launched a public consultation on the basis of its proposal for a 'Unified Approach' with the aim of reaching a consensus on the three alternatives set out in Pillar One; whereas on 18 October 2019 the G20¹ welcomed the OECD Secretariat's efforts in putting forward the proposed unified approach under Pillar 1 but did not formally endorse the proposal; whereas on 8 November 2019 the OECD Secretariat launched a public consultation on the 'GloBE' proposal under Pillar Two;
- J. whereas a fair and efficient taxation system is key to addressing inequality and ensures certainty and stability, which are prerequisites for competitiveness, as well as a level playing field between companies, especially among small and medium-sized enterprises; whereas a fair and efficient taxation system is also essential for Member States to guarantee tax revenues enabling them to implement sound policies, which in turn benefits the EU as a whole through increased stability;
- K. whereas nominal corporate tax rates have decreased at EU level from an average of 32 % in 2000 to 21.7 % in 2019², which represents a decrease of 32 %; whereas this decrease may have implications for the sustainability of EU welfare states and potential spillover effects on other countries; whereas 22 of the 38 countries surveyed in the OECD Tax Policy Reforms 2018 report³ now have combined statutory corporate income tax rates equal to or below 25 %, compared with only six in 2000;
- L. whereas the Commission has issued criticisms in some country reports against shortcomings in national tax systems that facilitate aggressive tax planning, arguing that they undermine the integrity of the European single market;
- M. whereas there has been a gradual shift from tangible production to intangible assets in the value chains of multinational enterprises (MNEs), as reflected in the relative rates of growth over the last five years of royalties and licensing fee receipts (almost 5 % annually) compared with trade in goods and foreign direct investment (less than 1 % annually); whereas some MNEs pay almost no taxes in some Member States by making

¹ G20 communiqué:

https://www.mof.go.jp/english/international_policy/convention/g20/g20_191018it.htm

² Data on Taxation, Taxation Trends in the European Union, Sheet 3: Top statutory corporate income tax rates (including surcharges), 1995-2019, European Commission, 2019, available at

https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2019_statutory_rates.xlsx.

³ OECD and Selected Partner Economies, Tax Policy Reforms 2018; It is also worth noting that the EU-28 are already well below this level, with an average corporate income tax rate in 2018 of 21.9 %, down from 32 % in 2000, according to the Commission: Taxation Trends in the European Union – Data for the EU Member States, Iceland and Norway, 2018 Edition (page 36) and Taxation Trends in the European Union – Data for the EU Member States, Iceland and Norway, 2015 Edition (page 147).

use of lawful tax planning strategies, despite their significant digital presence and large revenues in those Member States;

- N. whereas a transfer of competences in the area of taxation from national to EU level would require treaty change;

Finding a consensus solution to the tax challenges arising from the digitalisation of the economy

1. Acknowledges the progress made by the BEPS Action Plan and its EU implementation through ATAD, but recognises that some challenges, in particular those linked to globalisation and digitalisation of the economy, have still not been addressed;
2. Points out that ATAD went further than the BEPS Action Plan, notably with the new EU controlled foreign company rules that enable profits parked in tax havens to be taxed in the EU country where an MNE is headquartered; notes that these types of measures limit aggressive tax planning and tax avoidance; calls on the new Commission to evaluate the Member States' implementation of ATAD, to analyse possible new ways of circumventing this directive, and to present new legislative proposals to counter such methods when necessary;
3. Recalls that the EU's proposals for a C(C)CTB also go far beyond these OECD alternatives at EU level, notably by departing from the separate entity principle; recalls Parliament's position on the C(C)CTB;
4. Considers that the EU's proposals for a C(C)CTB are beneficial for both companies and citizens as they would simplify the tax framework and help fight tax avoidance; stresses the importance of consolidation in reducing administrative burden, compliance costs and tax obstacles for cross-border companies in the EU and removing the need for complex transfer pricing arrangements; urges the Council, therefore, to adopt the two proposals swiftly;
5. Recalls that the EU has been a pioneer in efforts to address the tax challenges arising from digitalisation, notably through the C(C)CTB, DST and SDP proposals;
6. Deplores the fact that the Member States were not able to agree on a joint approach regarding the C(C)CTB, DST and SDP; notes that the OECD aims at addressing the tax challenges related to the digitalisation of the economy and at reaching a consensus-based long-term solution by the end of 2020; considers that a global solution would most efficiently tackle those challenges;
7. Notes that some Member States have established, or are considering establishing, a DST or an SDP at national level as a potential recourse solution, should both the OECD and EU negotiations be unsuccessful;
8. Welcomes the IF PoW as an important step towards an international agreement within the OECD/IF on reforming the international corporate tax system, as requested by Parliament;
9. Welcomes the participation on an equal footing of all countries involved in the IF, which brings together over 130 countries and jurisdictions to collaborate on the implementation of the OECD/G20 BEPS package and to negotiate joint solutions for tackling the remaining BEPS challenges; recalls, however, that developing countries

were involved in the BEPS process only in the later stages of of the negotiations; welcomes, therefore, the inclusiveness of the ongoing negotiations; recalls Parliament's position on the creation of an intergovernmental tax body within the framework of the UN;

10. Notes that the preliminary findings of the OECD Secretariat's impact assessment suggest that the combined effect of Pillar One and Pillar Two would lead to a significant increase in global tax revenues as well as a redistribution of taxing rights to market jurisdictions; notes in particular that Pillar Two would yield a significant increase in corporate income tax revenue globally; understands that the two pillars would not adversely affect the critical issue of the investment environment¹; calls on the Member States to insist that the OECD enlarge the scope of its impact assessments to include different versions of the proposals and an analysis of how the nexus would affect the corporate tax revenue of individual countries, and that it publish those impact assessments once they have been finalised in order to provide the necessary guidance on the proposed reforms;
11. Highlights the specificities of the single market, which provides for the free movement of goods and services, and therefore considers that any international corporate tax reform should ensure the smooth running of the single market, notably by safeguarding a level playing field for all firms, in particular for SMEs, including by ensuring that companies pay a fair share of tax where their substantive and genuine economic activity and value creation take place and that tax income is fairly distributed throughout the Member States; considers that access to the single market, which is one of the largest pools of consumers in the world and increases the EU's competitiveness, goes hand in hand with tax responsibility;
12. Draws attention to the need to keep tax competition between Member States fair and transparent, and therefore conducive to growth and employment;

Pillar One – Towards a unified approach for a fairer allocation of taxing rights

13. Welcomes the proposal by the OECD Secretariat to merge all three alternatives under consideration into Pillar One given that they share the following objectives:
 - reallocate taxing rights in favour of the user/market jurisdiction,
 - envisage a new nexus rule that would not depend on a physical presence in the user/market jurisdiction,
 - start from multinationals' global profits and depart from the separate entity principle,
 - aim for simplicity, stabilisation of the tax system and increased tax certainty in implementation;

Scope

14. Calls for no ring-fencing of the digital economy as the tax challenges that the international tax system is currently facing are not only because of the digitalisation of

¹ OECD Secretary-General Tax Report to G20 Finance Ministers and Central Bank Governors, October 2019, OECD, Paris.

the economy but are also linked to an even greater globalised economy;

15. Considers that the scope of the reform, while preventing further and unnecessary burdens being placed on SMEs, should cover all large firms that have the possibility to engage in BEPS practices by using legal tax planning schemes in several Member States and third countries; notes that the current OECD Secretariat's proposal limits the scope of this reform to highly digital or consumer-facing businesses, a concept that has not yet been clearly defined, and impacts only a limited numbers of MNEs involved in aggressive tax planning;
16. Recommends that, as a basis, operational profits should be derived from consolidated financial accounts following a feasibility analysis; acknowledges, however, the existence of temporal gaps when relying on consolidated financial accounts and invites the Member States to clarify this point during IF-level negotiations;
17. Notes that the current OECD Secretariat's proposal envisages the exclusion of specific sectors such as the extractives sector and the commodities sector and urges the Commission to include those exclusions in its impact analysis, particularly in order to ensure that the international reform respects the EU's Policy Coherence for Development initiative;
18. Urges the OECD to make a clear distinction between sectors and business sizes in its proposal;
19. Considers that the tax framework should be able to strike a balance between the different situations, notably monopoly rent and innovative high-growth companies;

New nexus

20. Welcomes the idea of developing a new nexus that goes beyond the concept of having a physical presence in a country to giving that country taxing rights; considers that the nexus should be designed in order to include all firms that interact with customers and users in that country, also by digital means;
21. Welcomes the idea of developing a country-specific revenue threshold calibrated to ensure that smaller economies also get their fair share of taxing rights; recalls, in this context, the EU proposal for an SDP;
22. Welcomes the idea that this new nexus would be a stand-alone provision that eliminates the need to revise all tax treaties;

New allocation of taxing rights

23. Welcomes the idea of developing a new allocation of taxing rights that goes beyond the arm's length principle (ALP) and that will allocate new taxation rights to market jurisdictions;
24. Considers that making a distinction between routine and non-routine profits, concepts that are not yet clearly defined and could lead to artificial distinction only, and maintaining transfer pricing rules based on the ALP for most profits allocation, will add a significant burden of complexity and uncertainty for businesses, in particular as regards OECD transfer pricing guidelines; believes that a more complete overhaul of the ALP would be appropriate; is concerned that this could add opportunities to

circumvent the newly agreed rules;

25. Calls on the Commission and the Member States to clarify how the new nexus and allocation of taxing rights can co-exist with the current transfer pricing rules as suggested by the OECD; would therefore prefer a solution that would favour fractional apportionment of global profits, based on factors representing substantive and genuine economic activity and value creation, especially sales, employees, assets and users; in that regard, recalls therefore its position on the C(C)CTB and SDP proposals, including on R&D investments;
26. Welcomes the willingness to ensure tax certainty and to limit disputes that could arise from the implementation of the new nexus and the new allocation of taxing rights; calls, therefore, for an exploration into the feasibility of a mechanism, such as a 'one-stop-shop' that would simplify the calculation and payment of tax due and reduce the administrative burden on both companies and tax authorities, while complying with national obligations of tax administrations; stresses, nevertheless, that tax certainty would be best achieved by establishing simple, clear and harmonised rules that would prevent disputes in the first place; raises concerns about the OECD Secretariat's Amount C proposal for mandatory arbitration given the existing dispute resolution mechanism at EU level¹;

Pillar Two - A Global Anti-Base Erosion Proposal (GloBE)

27. Welcomes the agreement on Pillar Two of the PoW reached² by the members of the IF 'to explore an approach that leaves jurisdictions free to determine their own tax system, including whether they have a corporate income tax and where they set their tax rates, but considers the right of other jurisdictions to apply the rules explored further below where income is taxed at an effective rate below a minimum rate'³;
28. Takes note of the G7 commitments, where 'under the second pillar, ministers agreed that a minimum level of effective taxation, such as for example the U.S. GILTI regime, would contribute to ensuring that companies pay their fair share of tax'⁴;
29. Welcomes the GloBE proposal, which aims at ensuring that a minimum level of tax is paid where value is being created and where economic activity is taking place; considers that the ultimate aim of the Pillar Two measures should be to address remaining BEPS issues while preventing damaging tax competition, notably by reducing pressures to grant unjustified tax incentives without any positive economic impact, on top of existing measures aimed at tackling tax evasion, aggressive tax planning and tax avoidance; calls on the Commission to assess and monitor the impact of this future minimum standard on a potential general statutory corporate income tax rate decrease across the EU;

¹ Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union, OJ L 265, 14.10.2017, p. 1.

² Approved by the OECD/G20 IF on BEPS at its 7th Session held from 28 to 29 May 2019.

³ Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalisation of the Economy, OECD, 2019, Paris, p. 25, paragraph 50.

⁴ G7, Chair's summary: G7 finance ministers and central bank governors' meeting, held from 17 to 18 July 2019 https://www.gouvernement.fr/sites/default/files/locale/piece-jointe/2019/07/g7_chairs_summary.pdf.

30. Invites the Member States to ensure that the GloBE proposal provides for the simplest framework that would not lead to the development of harmful tax schemes; recalls Parliament's demand for an EU listing of harmful tax measures; highlights that recourse to carve-outs and exemptions would undermine the policy intent and effectiveness of the GloBE proposal; recommends that all of the harmful tax practices contained in BEPS Action 5 are covered by the GloBE proposal;
31. Understands that the GloBE proposal would constitute a set of defensive measures such as an income inclusion rule, a switch-over rule, an undertaxed payments rule and a subject-to-tax rule; recalls, in this regard, Parliament's legislative resolution on ATAD¹;
32. Considers that the calculation of tax bases, in the framework of the GloBE proposal, should be made according to agreed international principles to avoid tax base erosion as well as harmful competition among countries that risks undermining the effectiveness of any possible decision taken on a minimum level of taxation;
33. Considers that any discussion at OECD/G20 level towards a minimum tax rate should include reflections on a definition of the base associated with that rate; considers that any minimum rate should be set at a fair and sufficient level to discourage profit shifting and prevent damaging tax competition;
34. Considers that, with respect to the income inclusion rule, a minimum level of taxation should be established for each jurisdiction where the MNEs are located in order to limit the possibilities of continuing to engage in aggressive tax planning, and therefore maintain our competitive economy;

Conclusions

35. Regrets the lack of a common approach at EU level vis-à-vis the current ongoing international negotiations; calls on each Member State and the Commission to make their positions publicly known on the OECD Secretariat's proposals for Pillar One and Pillar Two;
36. Calls on the Commission and the Member States to agree on a joint, ambitious EU position for the OECD negotiations, ensuring that the EU speaks with one voice and leads by example to ensure a fairer allocation of taxing rights and a minimum level of taxation, allowing for fairness in the international tax environment in order to tackle tax evasion, aggressive tax planning and tax avoidance;
37. Invites the Commission to provide support in developing the EU's position; invites the Commission to provide an impact assessment on revenues for every Member State for both pillars, including spill-over effects, in particular to safeguard the EU Policy Coherence for Development approach; calls on the Commission to inform the Council and Parliament of its findings;
38. Expects the Member States to share all relevant data that can be used to draft the most accurate impact assessments and relevant analysis with both the OECD and the

¹ European Parliament legislative resolution of 8 June 2016 on the proposal for a Council directive laying down rules against tax avoidance practices that directly affect the functioning of the internal market, OJ C 86, 6.3.2018, p. 176.

Commission;

39. Strongly encourages the Commission and the Member States to achieve a deal at international level which would then be transposed at EU level through relevant EU and national legislation; likewise supports the commitment of the Commission President to propose an EU solution should an international deal not be reached by the end of 2020, on the condition that this EU solution is not limited to digital businesses; understands that such a solution would strengthen the single market by establishing a minimum level of tax that would prevent unilateral measures;
40. Recalls that the ongoing international corporate tax reform is composed of two pillars of equal importance and that those two pillars are complementary; calls, therefore, on the Member States to negotiate those two pillars as a unique package of necessary reforms;
41. Calls on the Commission and the Council to prepare the legal base for incorporating the outcome of an international deal into EU law and to present a legislative proposal as soon as possible;
42. Invites the Council, with the support of the Commission, to evaluate the criteria of the EU list of non cooperative jurisdictions for tax purposes once the international rules and/or the EU's newly agreed reforms have been adopted, and to assess whether an update is necessary;
43. Calls on the Commission to explore the possibility of avoiding a legal base requiring unanimity in the Council; recalls the Commission's contribution in its communication 'Towards a more efficient and democratic decision making in EU tax policy' proposing a roadmap to qualified majority voting;
44. Highlights that an efficient and comprehensive international reform must be accompanied by transparency; welcomes the recent efforts of the Council Presidency to relaunch discussions on the EU proposal for public country-by-country reporting; deplores the fact that the Council has been unable, to this date, to agree on a general approach on this proposal; calls on the Member States to agree on a general approach as soon as possible; underlines that public country-by-country reporting would make the BEPS 2.0 reform more effective;

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45. Instructs its President to forward this resolution to the Council, the Commission, the OECD Secretariat and the governments and parliaments of the Member States.