

MEPs and French MPs discuss international taxation and digital levy

On Wednesday MEPs and MPs from France’s Assemblée Nationale discussed reform of international tax rules and the digital levy in the third such meeting between the EU and the national level.

Opening the proceedings, [Paul Tang](#), the chair of the EP’s subcommittee on tax matters explained the aim of the meetings: “Tax policy decisions are often made by diplomats rather than politicians. Parliaments should work together to bring political accountability into the process.”

Eric Woerth, the chair of the Assemblée Nationale’s finance committee said, “the sharing of the tax on company’s profits, among the different tax jurisdictions, is a response, at global level, to a key question - that of knowing where a profit should be taxed.” Addressing the issue of a minimum tax of profits of large companies, M Woerth said, “the effect of this reform would be significant, however certain issues still needed to be dealt with.”

To watch the full meeting, you can do so [here](#) (scroll to 10h05).

International taxation

During the discussion on the first topic of the meeting, French MPs laid out their priorities to MEPs on the ongoing OECD work aimed at reforming international tax rules. They briefed MEPs on the ongoing work in France on this and broadly welcomed the direction of travel of the talks, despite many MPs, including from the majority, saying that a minimum tax rate of 21% would have been preferable to the 15% agreed upon by the G7.

Numerous MEPs pressed the French MPs representing the majority to clearly confirm that they stood by the 21% minimum rate and that the French government would continue pushing in this direction. Clarifications were also sought by MEPs that France would not be seeking to exclude certain sectors from the scope of the minimum rate, such as that of finance.

Digital levy

During the second discussion, MEPs briefed their French counterparts on the ongoing work at EU level on reforming the tax system to better address an economy which had largely gone digital. This was necessary not only to recoup badly needed revenue in light of the COVID-19

pandemic, but also for social equity and to restore a level playing field among all businesses, MEPs said.

Discussions focussed on overcoming resistance from some member states, who, due to the need to take decisions by unanimity, have held up progress at the EU level. Despite the building positive momentum to establish a digital levy at international level, there was broad consensus during the meeting that the EU should be ready to go it alone if this is necessary.

Background

This meeting is the third of a series of planned meetings between MEPs of the EP's subcommittee on tax matters and MPs from the national parliaments. During each meeting MEPs meet with MPs from one national parliament. Previous meetings were with the [Portuguese MPs](#) and with [German MPs](#). The aim is to understand the national debate and convey the EU dimension on taxation issues.

Further information

[Subcommittee on Tax Matters](#)

[Announcement meetings between MEPs and MPs on tax issues](#)

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