



Mr Paolo Gentiloni
Commissioner – Economy
European Commission
Rue de la Loi 200
BE – 1049 Brussels
BELGIUM

3 July 2023

Dear Commissioner,

Establishing a simpler and effective common corporate tax system in the EU is an important priority for BusinessEurope.

In this context, the planned EU corporate tax reform (BEFIT) has the potential to contribute to a competitive investment environment in the EU. We have welcomed the opportunity to participate in the public consultation and to share our perspectives with your services on how the BEFIT proposal might be designed to truly achieve a simpler and more effective corporate tax system in the EU.

Nonetheless, given the very high-level nature of the proposal presented in the Call for Evidence in October 2022, we are concerned that key stakeholders, including businesses, have not been afforded sufficient opportunity to fully scrutinize its substantive elements and its wide-ranging implications. Given the extensive systemic changes to corporate taxation that this reform promises, it is important to have in place a wide and transparent consultation mechanism where interested and impacted parties can share their input and perspectives on a proposed corporate tax reform. Comprehensive implementation guidelines should also accompany the proposal to prevent a hasty adoption process that results in increased ambiguities and uncertainties.

At a time when Europe stands at a crossroads, with investment potentially shifting to other parts of the world offering significant incentives and competitive tax reforms, particularly in the United States, BusinessEurope calls on the Commission to undertake a reform of the EU's corporate tax system that benefits all Member States with more space for public debate.

We believe it would be helpful if you were to draw on the process used in taking forward the Commission's Economic Governance proposals, whereby an initial discussion paper setting out a range of potential ways forward was followed by a wide-ranging public discussion, only after which time the Commission proposed a single proposal, with a further period of discussion before this was developed into a formal legislative proposal.



Such a process helps ensure transparency, fosters consensus among key stakeholders and should be adopted when planning major tax reforms to avoid outcomes that contradict the stated intentions and that compromise tax fairness, certainty, and consistency.

We hope you share our concerns, and we remain at your disposal should you wish to discuss any aspects of this letter in more detail.

Yours sincerely,

Markus J. Beyrer