

## **The economy has been transformed – taxation needs to catch up**

Commenting on the publication today of the Commission communication on Business Taxation for the 21st Century, EuroCommerce Director General Christian Verschueren said:

*“More than quarter of a century after the Single Market was meant to have been completed, businesses still have to confront different tax regimes across the EU. These act as a major cost barrier to operating cross-border and making the single market a reality. The digital transformation of our ecosystem, and of the economy as a whole needs a tax system which matches it. That is why we want to see taxes being fair and fairly distributed, and also properly reflecting the international and digitalised market in which business operates. Hence we support EU tax policy being harmonised more internally and aligned internationally with the work of the OECD and G20 to produce a tax system which truly reflects these changes”*

Fiscal policy is a key determinant of the business climate in which companies operate. Companies need a stable and predictable fiscal regime, and we will be looking to the legislative proposals foreseen in the communication ensure tax fairness, simplicity and enforceability of tax rules reflecting the reality of the market in the 21<sup>st</sup> century.

The digital age has led to a transformation in all sectors, including retail and wholesale, and we need a tax system which catches up with those changes. The retail and wholesale sector is not only among the largest tax collectors, but also a major taxpayer in the EU, contributing some € 183 billion in labour, profit and other direct taxes annually. The COVID pandemic has hit the sector hard with many non-food stores closed for many months and facing bankruptcy. As the Commission underlined in its recent updated Industrial Strategy, the single market will be a central driver of post-COVID recovery. Reduction of tax bureaucracy and costs for small and large companies seeking to operate in the single market will be important for the long-term health of our sector and the economy as a whole.

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*EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.*