

Retailers commend European Commission for swift action against discriminatory Slovak tax

Commenting today on the [European Commission announcement of an in-depth investigation into to the Slovak Retail Tax Law](#) and an injunction suspending the application of the law, EuroCommerce Director-General Christian Verschueren said:

“We commend the Commission for acting swiftly to investigate, and meanwhile suspend, the Slovak retail tax under state aid rules. This decision is a signal to Member States that they are not allowed to discriminate against foreign-owned retailers who have contributed substantially in terms of investment and commitment to their markets. It is sad that Member States are less and less committed to the single market, and are prepared to deprive consumers of more choice and better prices for short-term political gain.”

[EuroCommerce lodged a complaint against the tax in December 2018](#). The tax, which applied almost exclusively to foreign-owned companies active in the country, requires them to pay 2.5% of their net turnover, from which the Slovak government expected to raise €100 million. The EuroCommerce complaints focused on its clear view that the tax was incompatible with EU law on two counts. By exempting most Slovak-owned retail chains, the tax constituted unlawful state aid, similar to retail taxes previously proposed in Poland and Hungary, and subsequently found illegal by the Commission. Secondly, the discriminatory nature of the tax infringed the clear Treaty principle of freedom of establishment.

Last week, the Slovak parliament approved two further questionable amendments to the Slovak Food Law, obliging food operators to ensure 50% of food and agricultural products advertised is of Slovak origin, and another obliging food operators to pay any fine, even if they appeal against it. This is important as Slovak enforcement authorities often impose high fines of up to €1 million even for minor infringements that do not jeopardize consumer safety, with a focus on foreign-owned retailers.

Verschueren added:

“The retail and wholesale sector relies, like all business, on the EU single market working properly and competition law underpinning this. Where some people are questioning competition law and its relationship with business, this is a clear demonstration of how the Commission’s vigilance and application of the rules provides concrete help to businesses and above all, consumers, to benefit from EU rules.”

[EuroCommerce press release 4 February 2019](#)

-ENDS-

Contact:

Kinga Timaru-Kast - +32 2 894 64 83 - timaru@eurocommerce.eu

Neil McMillan - +32 2 737 05 99 - mcmillan@eurocommerce.eu

www.eurocommerce.eu

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.