

Simplification of Taxation and Fight Against Tax Fraud vital to driving recovery

EuroCommerce Director-General Christian Verschueren commented on today's publication of the European Commission "Action Plan to fight against tax evasion and to make taxation simple and easy":

"After 27 years of the supposedly complete single market, a more harmonised taxation system remains one of its major pieces of unfinished business. It should be the easiest thing in the world to operate a company cross-border in Europe, but, on top of other barriers, a burdensome and fragmented tax bureaucracy makes this a real headache. Many governments have recognised, in the current crisis, that easing tax obligations are vital to supporting and driving economic recovery. If this is true now, it is equally important to address these barriers and burdens on a permanent basis."

Retailers and wholesalers were hit hard by the outbreak of the COVID-19 pandemic, with many stores being closed and companies not being able to pursue their business. Many governments have provided temporary relief from bureaucratic burdens, be it through simplifying or delaying reporting obligations, or allowing digital filing. EuroCommerce has presented proposals for this to continue after the crisis, to [Make VAT and Excise Duties Greener, Fairer and Simpler](#), including facilitated VAT registration and rules on food and other donations.

The fight against tax fraud, including deliberate undervaluation of goods imported from third countries, needs to be a priority objective of EU tax policy, while avoiding overburdening honest companies with bureaucracy. With all member states having to finance support to industry and employees, stopping revenue leakage through fraud is important now more than ever. It is also vital that Member States ensure a smooth implementation of the VAT e-commerce package by 1 July 2021.

Finally, Verschueren commented on the importance and urgency of securing a global agreement on modernising corporate taxation in the digital age:

"Retailers and wholesalers across all business models strongly support efforts to find a common mechanism for corporate taxation at global level. We call on all parties to commit to complete the OECD negotiations as soon as possible. The alternative of a patchwork of national digital taxes leading to escalating trade wars and protectionism is definitely not an attractive one."

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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.