



NEW RULES TO REDUCE TAX COMPLIANCE COSTS FOR CROSS-BORDER BUSINESSES

THE BUSINESS IN EUROPE: FRAMEWORK FOR INCOME TAXATION (BEFIT)

PROPOSAL WILL MAKE LIFE EASIER FOR BOTH BUSINESSES AND TAX
AUTHORITIES AND ENCOURAGE CROSS-BORDER INVESTMENT IN THE EU.



SIMPLE RULES TO CUT RED TAPE

- 1** Companies that are members of the same group will calculate their tax base in accordance with a common set of tax rules.
- 2** The tax bases of all members of the group will be aggregated into one single tax base.
- 3** Each member of the group will have a percentage of the aggregated tax base. This percentage will be based on the average of the taxable results in the previous three fiscal years.

Mandatory for groups operating in the EU with an annual combined revenue of at least € 750 million.



Saving money

The new, simpler rules could reduce tax compliance costs for businesses operating in the EU by up to 65%

Our simplification promise

The proposal simplifies tax rules and is consistent with the OECD/G20 international tax agreement on a global minimum level of taxation, and the Pillar Two Directive.



Transfer pricing

We are incorporating the OECD transfer pricing framework into EU law. This will increase tax certainty and mitigate the risk of litigation and double taxation. It will also tackle aggressive tax planning.