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For immediate release

EBF statement on EU implementation of global BEPS Action Plan

The European Banking Federation notes with interest the proposals tabled by the European Commission to bring corporate tax rules in the EU into line with global agreements in order to discourage multinational companies from shifting their profits to off-shore low-tax jurisdictions. The two proposed EU directives seek to align EU tax rules with the Base Erosion and Profit Shifting (BEPS) Action Plan¹ adopted last year by the Organization for Economic Cooperation and Development (OECD) and G20 countries.

The EU proposals lay down new corporate tax rules addressing for example interest deductibility, hybrid mismatches, controlled foreign companies and exit taxation, and contain mandatory requirements for Member States to automatically exchange information on country-by-country reporting with other Member States.

Whilst recognising the objectives of the BEPS project, the EBF is concerned that the proposed EU measures may lead to increased administrative burdens and additional compliance costs for all multinational clients. Furthermore the EBF calls on the EU to properly consider specific banking activities which need to be excluded from the limitation on interest deductibility.

For background to media - not for publication:

The EBF next Tuesday, 2 February, will hold its annual tax conference, EU developments in corporate taxation; potential implications for European banks, in Brussels. Journalists wishing to attend can register by sending an email to a.redler@ebf-fbe.eu

About the EBF:

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 4,500 banks - large and small, wholesale and retail, local and international - employing about 2.5 million people. EBF members represent banks that make available loans to the European economy in excess of €20 trillion and that securely handle more than 300 million payment transactions per day. Launched in 1960, the EBF is committed to creating a single market for financial services in the European Union and to supporting policies that foster economic growth. Website: www.ebf-fbe.eu

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¹ <http://www.oecd.org/ctp/BEPSActionPlan.pdf>