

Press release – for immediate release

Anti-tax avoidance: EU member states need to align actions with OECD

- Banks broadly welcome new EU measures against corporate tax avoidance
- EU's new initiative does not yet consider consequences for banks

European banks, actively supporting international measures to fight tax evasion, broadly welcome new European Union measures against corporate tax avoidance on which finance ministers reached agreement on Monday. The European Banking Federation underlines the importance for EU Member States to aligning these measures with the international actions that are being developed in the context of the Organisation for Economic Cooperation and Development (OECD).

The EBF fully supports a coordinated and coherent EU implementation of the OECD Action Plan on Base Erosion and Profit Shifting (BEPS) which aims to tax business profits where value is created. However, the Anti-Tax Avoidance Directive (ATAD) which EU Finance Ministers have now agreed risks creating distortions because it departs from the BEPS recommendations made by the OECD.

European banks play a central role in the implementation of standards and measures that fight tax evasion and prevent double non-taxation and double taxation. The EBF is particularly concerned by the limit on interest deductibility which EU ministers adopted before the OECD has fully considered how this measure should be applied to banking groups.

The EU's anti-tax avoidance directive also does not provide proper dispute resolution mechanisms which are designed to avoid unintended consequences such as double taxation. Given that this new legislation may have an important impact on the investment climate in the EU, the EBF would support a thorough impact assessment at EU level.

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

Media contact:

Raymond Frenken, Head of Communications
+32 (0) 496 52 59 47, r.frenken@ebf.eu