

# EP Proposes Reforms to the EU's Tax Architecture



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**News**

In a [resolution of 9 October 2025](#), the European Parliament (EP) advocated for a simple, predictable and competitive European tax system to boost competitiveness of the EU. At the same time, the fight against tax avoidance and tax evasion should be continued.

The resolution contains a number of proposals to simplify tax compliance and reduce administrative barriers in the internal market, with the aim of reducing costs, particularly for small and medium-sized enterprises. These proposals are to be incorporated into ongoing legislative work, in particular a specific Commission proposal on tax simplification, which is expected in early 2026.

Among other things, the Commission is called upon to set up a European tax data platform (EU Tax Data Hub) to improve the automatic exchange of tax information and reduce administrative burdens. MEPs also want to see tax return procedures for savings and investment accounts simplified in order to stimulate investment in EU capital markets. With regard to the increase of efforts against tax fraud and tax evasion, the MEPs stress the following:

- Improve coordinating efforts, in particular by ensuring timely information exchange and promoting a level playing field;
- Tap the potential of digitalisation and artificial intelligence for the support of VAT fraud detection;
- Reform the EU policy on harmful tax practices with the aim of reducing the complexity of tax regimes;
- Apply a risk-based and appropriate approach to fighting tax fraud and aggressive tax planning;
- Enhance collaboration between the EPPO and Eurofisc to strengthen intelligence-sharing, coordinated enforcement efforts and cross-border investigations.

The resolution also highlighted the impactful role that the European Public Prosecutor's Office (EPPO) and the European Anti-Fraud Office (OLAF) have had in identifying and investigating tax fraud and evasion. In this context, it is stressed that effective collaboration between these bodies and with the national tax authorities is needed.

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