

Strengthening of Code of Conduct for Business Taxation



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Anna Pingen

News

On 8 November 2022, the EU finance ministers [agreed on a revised code of conduct](#) (a political commitment with an intergovernmental nature) for business taxation in order to tackle harmful tax competition, tax evasion, and tax avoidance in the EU. When assessing unfair tax practices within the EU, Member States are to examine a wider range of tax measures as a result of the amendment. The EU finance ministers' agreement to strengthen the Code of Conduct on Business Taxation was welcomed by the Council.

The Czech Minister of Finance, *Zbyněk Stanjura*, said on this occasion: "We confirmed today our commitment to a fairer tax environment in the EU by reinforcing the rules we apply when tackling harmful tax practices in an evolving economy. Our experts in taxation constantly look out for harmful tax practices. Since starting its work in 1997, the code of conduct group succeeded in eliminating around 140 harmful tax practices within the EU. The code of conduct of business taxation has not been amended since 1997 and today's agreement further improves its effectiveness also in the light of the recent international tax reform."

The concept of "tax features of general application" is one of the concepts that the updated code of conduct introduces. Previously, only preferential measures (such as special regimes or exemptions from the general taxation system) were considered. Under the new regulations, tax features with a broad range of application will also be included in their scope. Such features will be regarded as harmful if they lead to double non-taxation or the double/multiple use of tax benefits.

AUTHOR

Anna Pingen 

Researcher
Max Planck Institute for the
Study of Crime, Security and
Law

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