# EU Commission consultation on the relaunch of the Common Consolidated Corporate Tax Base (CCCTB) – CIOT response

Inheritance Tax and trusts

01 March 2016

CIOT responds to the EU Commission consultation

The CIOT has responded to the EU Commission's consultation on CCCTB. We do not believe that a new common tax base, either a 3CTB (common consolidated corporate tax base) or a 2CTB (common corporate tax base without consolidation), would be an effective tool against aggressive tax planning or be attractive to business. We set out the arguments as we see them against pursuing a policy of a new common tax base, particularly at this time. Fundamentally it would represent a significant centralisation of power. We observed that the strength of the opposition already visible among some member states suggests this proposal is unlikely to be adopted, at least not across the whole of the EU. We also noted the global rejection of the concept of a common tax base and apportionment as part of the BEPS debate.

We also commented that this is not the right time to be considering changes in the direction of an EU common base given the international agreement on the BEPS outcomes, which have addressed many of the issues identified as presenting problems within the existing system. Time should be allowed for these to be implemented before considering again whether any form of common tax base in the EU is practical or desirable.

We suggested that, where appropriate, the EU Commission should follow the BEPS outcomes – for example on hybrids and interest deductions, rather than attempting to tackle this in a manner that is not compatible with this and would not lead to

common taxation with non-EU countries.

Finally, we urged to Commission to work on clarifying where state aid rules apply.

A copy of the full submission can be found here.