

ICRICT

**Independent Commission for the Reform
of International Corporate Taxation**

To: **Jean-Claude Juncker**
President of the European Commission

New York, 01 October 2018

Dear President,

As members of the Independent Commission for the Reform of International Corporate Taxation ([ICRICT](#)), we are writing to you in order to share our views concerning the EU proposal for a Common Consolidated Corporate Tax Base (CCCTB). We fully support this proposal, as we are convinced that unitary taxation of MNEs is the most efficient way of tackling tax avoidance strategies using transfer pricing.

Our independent Commission also works towards this aim: we advocate in favour of a system of unitary taxation worldwide, so that the shifting of profits outside the EU is also prevented.

We also took note of your more recent proposals for a digital taxation. While we support your efforts to adapt the taxation system to the realities of the digital economy - and in particular the necessity to revise the definition of a 'permanent establishment' -, we remain convinced that a common consolidated corporate tax base including a digital factor in order to adequately tax and apportion MNEs' profits is the best way forward. This long-term proposal is more robust and it would put the EU on a strong footing in the fight against tax avoidance.

We know how difficult it is to find an agreement among the 28 Member States on this key reform; the rule of unanimity is a huge obstacle. However, we also know that the EU Treaties offer possibilities to circumvent unanimity, for example in the case of a distortion in the conditions of competition in the internal market - as stated in Article 116 of the Treaty on the Functioning of the European Union.

In your State of the European Union on 12 September 2018, you argued that it should be possible to make decisions on taxation at EU level with a qualified majority instead of unanimity. We fully support such a stance and we deem necessary to do so for the reform towards a Common Consolidated Corporate Tax Base.

We therefore ask you to put your words into action as soon as possible. It has been almost two years now that these proposals are on the table. Without any progress on this file before the

next EU elections, the European Union risks appearing as powerless in the eyes of citizens, thereby fuelling populist discourse.

We invite you to show leadership in the fight against tax avoidance and we can assure you of our support in all your efforts towards this aim. We thank you for your attention and we remain at your disposal should you wish to discuss this important issue.

Yours sincerely,

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Joseph E. Stiglitz
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