

To: Public Affairs & Communications Committee, Taxation WG

## EC launches consultations on OECD tax rules and the fight against shell entities

On 23 December, the European Commission (EC) launched the following consultations in the field of taxation:

- A [consultation](#) on the transposition of the OECD agreement to the EU, on the minimum level of taxation for large multinational groups:
  - The proposal follows closely the international agreement and sets out how the principles of the 15% effective tax rate – agreed by 137 countries – will be applied in practice within the EU.
  - It includes a common set of rules on how to calculate this effective tax rate, so that it is properly and consistently applied across the EU.
- A [consultation](#) on the EC proposal for the fight against the use of shell entities and arrangements for tax purposes:
  - The proposal should ensure that entities in the EU that have no, or minimal economic activity are unable to benefit from any tax advantages and do not place any financial burden on taxpayers.
  - This will also protect the level playing field for the vast majority of European businesses, who are key to the EU's recovery
  - Will ensure that ordinary taxpayers do not suffer additional financial burden due to those that try to avoid paying their fair share.

### Latest developments

On 20 December, the OECD published its Pillar 2 model rules (for more information, see [FLASH-21-222](#)).

### Next steps

- **Both consultations will run until 22 February.**
- The secretariat will follow-up with members in due course after examination of the proposals and after receiving members' views and comments on the OECD Pillar Two Model Rules and the EC proposal for Directive on the implementation of Pillar Two (see [ECO-TAX-21-102](#)).

### For more info

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