

Brussels, 2/6-2016  
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Dear Mr Charls,

Thank you for your letter of 14 April on the Commission's Anti-Tax Avoidance Package, presented on 28 January, which you sent to President Juncker, Vice Presidents Dombrovskis and Katainen, Commissioner Hill and myself. I am replying on behalf of all of us. I understand that you have also written to the Director General of TAXUD, Stephen Quest, and that he has responded to your letter.

The Anti-Tax Avoidance Directive is intended to establish a common framework of minimum standards for the internal market aimed at tackling aggressive tax planning and ensuring fair and effective corporate taxation.

The actions link strongly to the G20/OECD project on Base Erosion and Profit Shifting (BEPS), which Member States are now expected to implement. A number of Member States have already designed anti-avoidance legislation, including those implementing the solutions set out in the G20/OECD reports against BEPS. However, this means that Member States may tackle aggressive tax planning in divergent ways.

In a single market founded on the free movement of goods, persons, services and capital, uncoordinated measures against profit shifting can do more harm than good. The internal market can be hampered by aggressive tax planning, and create an unlevel playing field between businesses. The Commission holds the view that action in the form of anti-tax avoidance measures in the internal market must be taken in a clear and coherent way.

At the same time, the Commission fully agrees that EU competitiveness is important. When drafting the directive, the Commission therefore sought to find the right balance between combatting tax avoidance and protecting the competitive interests of EU companies. We believe that the directive achieves this balance and would not undermine EU competitiveness.

*Mr Philip Charls*  
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I understand from your letter that EPRA are concerned that the competitiveness of the Retail Estate Investment Trusts might be inadvertently damaged by the directive. This is certainly not the intention. As set out in Mr Quest's letter to you, the Commission understands that the REITS sector plays an important role in the economy.

The issues raised in your letter are therefore being taken into account during discussions on the draft Anti-Tax Avoidance Directive in Council. Even if the final directive does not include a specific carve out for REITS, other changes are being made to the proposal which should help address some of the concerns you raise and help preserve the competitiveness of the EU REIT industry.

Yours sincerely,



Pierre Moscovici

Copy: President Juncker, Vice-Presidents Dombrovskis and Katainen, Commissioner Hill