[Commission welcomes adoption of new rules to block tax avoidance]

The agreed rules will stop companies from escaping tax by exploiting the mismatches between Member States’ and non-EU countries’ tax systems (“hybrid mismatches”). Today’s agreement completes the Anti Tax Avoidance Directive (ATAD) which ensures that binding and robust anti-abuse measures are applied throughout the Single Market.

“Our campaign for fairer taxation in Europe continues to reap results. Today’s agreement is further proof of what the EU can achieve when we work together against common challenges. It is another victory for fair taxation and another blow against those companies that try to escape paying their fair share,” said Pierre **Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs.

Today’s agreement will ensure that companies cannot avoid taxation by abusing mismatches between countries’ tax treatment of certain income or entities, even if the mismatches involve third countries. The new rules, which were endorsed by EU ministers in February and subsequently by the European Parliament, will come into force on 1 January 2020, with a longer phasing-in period of 2022 for one provision (Art. 9a).

They build on the solid anti-avoidance safeguards initiated by the Juncker Commission and agreed at EU level. In addition to the ambitious Anti Tax Avoidance Directive, agreed in 2016, a host of new tax transparency rules have been adopted to ensure fairer and more open taxation throughout Europe.

Since January 2017, Member States have been obliged to automatically exchange information on financial accounts, as an important step against offshore tax evasion. From July this year, similar transparency rules will apply for tax rulings, while multinationals will have to provide country-by-country reports to tax authorities by the end of the year. The Council and the European Parliament are currently negotiating other important proposals to prevent tax abuse, including public country-by-country reporting, stronger Anti-Money Laundering provisions and tighter good governance rules for EU funds. A number of other substantial corporate tax reforms have also been proposed, notably the re-launch of the Common Consolidated Corporate Tax Base (CCCTB) in October 2016. Member States are also working on a common EU list of non-cooperative jurisdictions, to tackle third countries that refuse to adhere to tax good governance standards. The list should be ready by the end of the year.

In the coming weeks, the Commission will bring forward another new transparency initiative, with a proposal for intermediaries to report cross-border tax planning schemes.