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Answer given by Mr Hoekstra
on behalf of the European Commission
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As EU law stands at present, direct taxation falls within the competence of Member States. The Member States have considerable autonomy in the negotiation, conclusion, application and termination of bilateral treaties on the prevention of double taxation. The Commission has no competence to intervene in the area of treaties on the prevention of double taxation since these matters concern *inter alia* arranging the taxing rights and bilateral relations between two Member States. Moreover, EU law does not preclude double taxation of the same income by several Member States.

Bilateral treaties on the prevention of double taxation usually provide for a mutual agreement procedure. According to such provisions, residents of the contracting States can submit cases of double taxation to the competent authorities, which will endeavour to resolve them by mutual agreement. Article 24 of the Double Taxation Treaty between Ireland and France contains such a provision.

In addition, and as an alternative means to solve tax disputes, taxpayers can take recourse to Directive (EU) 2017/1852. This Directive has been transposed by all EU Member States, including Ireland and France. It lays down rules for a mechanism to resolve disputes between Member States when those disputes arise from the interpretation and application of bilateral treaties on the prevention of double taxation. Member States are obliged to resolve the disputes in a concrete timeframe as provided by the Directive.