

EN
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Answer given by Mr Hoekstra
on behalf of the European Commission
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Compliance with tax rules falls under the responsibility of the country which adopted such rules. The Commission remains fully committed to tackling cross-border tax avoidance and evasion as well as aggressive tax planning at international level. The EU has strong tools to counteract tax avoidance practices (notably the Anti-Tax Avoidance Directive¹). The Pillar Two Directive², set out rules to ensure a minimum effective level of taxation for large multinational groups in every jurisdiction where they operate; this is applicable since 31 December 2023. With regard to Luxembourg, the Commission also introduced country-specific recommendations on aggressive tax planning as of 2019. The 2025 country-specific recommendations on aggressive tax planning notably target the risks that arise from aggressive tax planning opportunities in the absence of sound defensive measures on outbound payments – especially interest and royalty payments – towards jurisdictions with zero or very low taxation.

The Commission attaches great importance to maintaining an open and constructive dialogue with the European Parliament on these critical issues.

¹ Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.

² Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union.