

# **Simplification and transparency: Role of simplified tax policy to encourage growth, job creation, competitiveness and cross-border business within the EU**

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# Introduction

- Sound tax system
  - Good tax administration & robust legal framework
- Complexity of new tax legislation
  - Tax evasion/avoidance, high compliance costs for businesses
- ‘Declutter’
  - Directive on Administrative Cooperation (and all its amendments)
  - Anti-Tax Avoidance Directive

# Directive on Administrative Cooperation

- DAC 6 especially problematic
  - Different interpretation/application of hallmarks, penalty regimes, legal professional privilege etc
  - Shifting of reporting obligation to taxpayers
  - Uncertainty as to how information is processed by local tax authorities
  - Disproportionate administrative cost

# Anti-Tax Avoidance Directive

- Level playing field among Member States (?)
- Fragmented implementation
- Overlap with other legislation
- One-size fits all approach re interest limitation rule
- More legislation to come?
  - Unshell
  - HOT proposal

# Research & Development

- No unified tax approach re R&D expenditure
- 2016 CCTB/CCCTB (super-deduction for R&D expenditure & AGI)
  - Nothing in BEFIT
- Interplay between innovation, tax policy and protection of Member State tax bases
  - State aid prohibition

# Future Objectives

- Coherent EU tax policy
- Simplified/streamlined compliance process
- Business-friendly environment
- European Commission Political Guidelines (2024-2029)

# Corporate Tax Reform - Productivity



# Ιδού η Ρόδος, ιδού και το πήδημα

Hic Rhodus, hic salta





**Thank you**



**Queen Mary**  
**University of London**