

6 April 2022

Feedback to the European Commission's Proposal for a Council Directive on ensuring a global minimum level of taxation for multinational groups in the Union

Invest Europe is pleased to see that the European Commission's proposal on a minimum level of taxation for large multinational groups closely follows the OECD Model Rules for Pillar Two.

When taxing companies which are part of global value chains, the global aspects must be taken into account. Diverging regimes at EU and international level can be a huge challenge for companies, and would increase the complexity and compliance burden. Therefore, an EU directive which is closely in line with the OECD agreement is key, in order to ensure certainty and consistency, and thereby make sure that it remains attractive to invest in the EU economy and EU businesses.

We are in particular happy to see that the proposed EU implementation is aligned with the OECD wording on the scope and carve outs for investment entities, which are necessary in order to preserve the tax neutrality for investment funds.

In order to maintain consensus and ensure effective implementation across the EU Member States, we would equally encourage the European Commission to ensure that any potential guidance at EU level is likewise in consistence with the OECD approach and the technical guidance published by the OECD.

Finally, we support calls for any deferral of the implementation timeline, in order to allow sufficient time for businesses to fully understand and implement the new framework.

Contact

For further information, please contact Martin Bresson (martin.bresson@investeurope.eu) at Invest Europe.

About Invest Europe

Invest Europe is the association representing Europe's private equity, venture capital and infrastructure sectors, as well as their investors.

Our members take a long-term approach to investing in privately held companies, from start-ups to established firms. They inject not only capital but dynamism, innovation and expertise. This commitment helps deliver strong and sustainable growth, resulting in healthy returns for Europe's leading pension funds and insurers, to the benefit of the millions of European citizens who depend on them.

Invest Europe aims to make a constructive contribution to policy affecting private capital investment in Europe. We provide information to the public on our members' role in the economy. Our research provides the most authoritative source of data on trends and developments in our industry.

Invest Europe is the guardian of the industry's professional standards, demanding accountability, good governance and transparency from our members.

Invest Europe is a non-profit organisation with 25 employees in Brussels, Belgium.

For more information please visit www.investeurope.eu.