

PRESS RELEASE**EUROCHAMBRES highlights need to remove tax barriers to Commissioner Kovács**

In a meeting with Taxation and Customs Commissioner László Kovács yesterday, EUROCHAMBRES' President Christoph Leitl highlighted that taxation policy plays a vital role in enhancing European competitiveness. For Chambers the need for a fair competition of tax rates and an accelerated removal of tax barriers is of utmost importance.

Mr Leitl especially raised concerns regarding the current burden for SMEs. He said: *"SMEs suffer from disproportionate tax compliance costs – e.g. accounting, documentation, registration - and from the lengthy procedures. Furthermore, some Member States delay the reimbursement of VAT for a very long time which puts a serious cash-flow burden on small and medium enterprises. Projects such as 'Home State Taxation' and 'VAT one stop shop' are a step in the right direction, but the devil lies in the detail. Therefore, Chambers should be already involved at an early stage when such schemes are being developed."*

EUROCHAMBRES offered the Commissioner the Chambers' expertise in taxation matters. Due to their regional focus, Chambers can provide bottom-up knowledge which is crucial in this regard.

European Chambers urge the Commission and Member States to

- **support the Home State Taxation pilot project;** If SMEs have to fulfil only the requirements of the Home State - and not of all states where they have affiliates - cross border economic activities would be promoted and contribute to economic growth;
- **simplify the intra-EU VAT system;** bureaucratic procedures are time consuming and bind capital which could be re-invested for economic activities;
- **develop a 'referential' EU tax base,** which Member States could then voluntarily apply; this would constitute a benchmark for a transparent tax comparison.

In order to enhance commitment at national level Chambers already urged heads of government to implement measures that help to minimise tax payment costs for SMEs.

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