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## CESI Position on Reforming Decision-Making for areas of EU Taxation Policy

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### Roadmap Response

#### About CESI

The European Confederation of Independent Trade Unions (CESI) is a confederation of 38 trade union organisations from 19 European countries and 4 European trade union organisations, with a total of more than 5 million individual members. Most of CESI's affiliates are employed in the fields of central, regional and local administration, security and justice, education, training and research, healthcare, postal services and telecommunications, defence and transport. CESI also represents tax administration trade unions in several Member States and is a member of the European Commission's Tax Good Governance Platform.

#### Consultation response

The European Commission work programme for 2019 includes a non-legislative initiative on a gradual transition to more efficient and democratic decision-making in EU tax policy envisaged by the EU Treaties. CESI supports the roadmap for a progressive and targeted transition to qualified majority voting (QMV) under the ordinary legislative procedure in EU taxation policy. One size does not fit all but considering how much tax elusion and tax avoidance has become more sophisticated, generating also the increase of competitive forces between Member States, there is a need to close the loopholes and find common ground in EU.

One of the key consequences of a change from unanimous voting to QMV in the Council in selected areas is that decision taking can no longer be blocked unilaterally and, often, egoistically by single Member States. Politically, thus, the lowest common denominators needed for decisions can, in theory, be raised, which means that this could pave the way for more ambitious legislation in field of taxation, leading to higher minimum standards. With the EU being a supranational integration project, QMV would help take effective European approaches and decisions in the common interest.

Moving from a special legislative (e.g. consultation) procedure to the ordinary legislative (i.e. co-decision) procedure means that the European Parliament becomes a real co-legislator on an equally powerful footing with the Member States in the Council, instead of being just consulted. In the past, the European Parliament has often shown to be more progressive and ambitious in taxation matters than many Member

States in the Council. An introduction of the ordinary legislative procedure in EU taxation policy may therefore promise more ambitious EU legislation in taxation.

In this sense, the application of QMV would in the past likely have led to a real European Union Financial Transaction Tax (EU FTT) and lead to more ambitious rules on taxation of the digital economy.

While being aware of the competences and prerogatives of the Member States in taxation policy, moving on to QMV and the ordinary legislative procedure would also respond to the need long advocated by trade unions to complement the advanced economic integration and the completion of the EU single market with a real taxation dimension which also responds to a need to achieve fair and adequate (especially corporate) taxation for more social equality.

In sum, CESI advocates a progressive, targeted transition to qualified majority voting in the Council in taxation policy.