

# The EU's issued a coherent policy on tax evasion and av...

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The EU has today issued a [new policy statement on tackling tax evasion and avoidance](#). I warmly welcome it. The press release says:

*"Around one trillion euros is lost to tax evasion and avoidance every year in the EU. Not only is this a scandalous loss of much-needed revenue, it is also a threat to fair taxation. While Member States must toughen national measures against tax evasion, unilateral solutions alone won't work. In a Single Market, within a globalised economy, national mismatches and loopholes become the play-things of those that seek to escape taxation. A strong and cohesive EU stance against tax evaders, and those that facilitate them, is therefore essential." said Algirdas Šemeta, Commissioner for Taxation.*

*With this in mind, the Commission today presented an Action Plan for a more effective EU response to tax evasion and avoidance. It sets out a comprehensive set of measures, for now and for the future, to help Member States protect their tax bases and recapture billions of euros legitimately due.*

*As an instant first delivery, the Commission also adopted two Recommendations today, to encourage Member States to take immediate and coordinated action on specific pressing problems.*

*The first Recommendation foresees a strong EU stance against tax havens, going beyond the current international measures. Using common criteria, Member States are encouraged to identify tax havens and place them on national blacklists. Specified measures to persuade these non-EU countries to apply EU governance standards are also set out.*

*The second Recommendation is on Aggressive Tax Planning. It suggests ways to address legal technicalities and loopholes which some companies exploit to avoid paying their fair share. Member States are encouraged to reinforce their Double Tax Conventions, to prevent them from resulting in no taxation at all. They should also adopt a common General Anti-Abuse Rule, under which they could ignore any artificial*

*arrangement carried out for tax avoidance purposes and tax instead on the basis of actual economic substance.*

*Other initiatives foreseen in today's Action Plan include a Taxpayers' Code, an EU Tax Identification Number, a review of the anti-abuse provisions in key EU Directives, and common guidelines to trace money flows.*

*In order to further improve the work within the EU on harmful tax competition, Member States are urged to reinvigorate the work of the EU Code of Conduct on business taxation. If solutions to remove particular mismatches are not agreed and implemented in a timely and effective way, the Commission will, where appropriate, come forward with legislative proposals for action. It is also recommended that the Code of Conduct is extended in scope to include special tax regimes for wealthy individuals.*

*Today's Action Plan will serve as a robust EU contribution to the international debate on evasion and avoidance, particularly within the OECD and G20. As such, it will support the EU's position in pushing for higher standards of tax good governance globally.*

I have little time to analyse this now but if I'd written the plan it would included tax havens, double tax agreements, a general anti-avoidance rule and a code of conduct. I think I said as much [here, earlier this year](#). Now how to get the UK to fall in line?