Dear [Redacted]


BusinessEurope’s overall support to the Commission’s action against tax evasion and tax avoidance is strongly appreciated. UNSHELL is a priority initiative of this Commission which aims at combating tax avoidance and evasion practices through the use of shell entities, which directly affect the functioning of the internal market. It responds to a request from the European Parliament and, more generally, to the demand of several Member States, businesses and the civil society for a stronger and more coherent EU approach against tax avoidance and evasion.

BusinessEurope’s concerns about the potential administrative burden and unintended consequences on the commercial use of shell entities echo those of several other stakeholders. Let me reassure you that the Commission will strive to ensure that UNSHELL will not lead to significant additional administrative burdens. The proposed safeguards to protect legitimate businesses from the envisaged tax consequences will be used to minimise administrative burden. The filtering / gateway mechanism and effective carve-outs should ensure that the focus on the use of shell entities for tax purposes only, without impacting valid commercial entities. Even impacted entities would face relatively limited administrative tasks, as the data for reporting will be simple to retrieve and provide to tax authorities.

Finally, I would like to confirm that, as announced briefly by Commissioner Gentiloni when he presented the UNSHELL proposal last December, my services are examining initiatives to respond to the challenges linked to non-EU shell entities. As your feedback

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rightly suggests, it is important to ensure a broad level playing field against the use of shell entities both within and outside the EU.

Thank you once again for your feedback on UNSHELL. I look forward to your continuous support to the Commission’s fight against tax evasion and to BusinessEurope’s comments and suggestions aimed at ensuring that the Commission’s work achieves its aims at the least possible cost for businesses which play fairly.

Yours sincerely,

Electronically signed

Gerassimos THOMAS