

ANTI TAX AVOIDANCE EFFORTS HAVE TO BE GLOBAL



Due to the tax avoidance practices, European treasuries are short of billions of euro. For that reason, the European Commission proposed its Anti Tax Avoidance Package on 28th January 2016. The main goal of the initiative is to harmonise tax regulations in EU Member States in order to effectively and efficiently fight against aggressive tax practices of multinational corporations, increase transparency among the Member States and ensure fair competition for all the businesses in the EU. Whether the package will really prevent transfer of profits to tax havens and what effects it will have on multinationals residing in the Czech Republic was discussed by the representatives of EU institutions, business sector and non-governmental organizations on 31st March 2016 in European House

in Prague. The debate showed various points of view on the possible harmonisation of corporate taxes in the EU. Speakers of the debate agreed that reaching a consensus among 28 member states will be very difficult. The new package brings several positive measures into the fight against tax avoidance practices. However, in order to succeed, it will be necessary to prevent further complexification of tax administration in order not to create additional burden for companies and, on the contrary, would not decrease EU competitiveness. Equally important, nonetheless difficult will be to create level playing field for all the players and implement these measures in global context and avoid having companies on the markets that would still be able to avoid tax obligations.

MEPs CORNER



„The Anti Tax Avoidance Package is not sufficient and it is necessary to adopt other measures. Some measures are missing in the Commission's proposal which are to be considered, such as harmonisation of definition and status of permanent establishment“, says MEP Luděk Niedermayer (EPP), Member of Special Committee on Tax rulings and Other Measures Similar in Nature or Effect

CONSUMERS WILL PROFIT FROM ABOLISHED GEO-BLOCKING BUT CONTRACTUAL FREEDOM MUST BE MAINTAINED

The Digital Single Market (DSM) has a great potential to contribute to economic growth of the EU but remains still fully unexploited. For this reason, one of the Juncker's main goals is to eliminate the barriers which prevent free movement of goods and services sold online. One of the barriers to DSM is the geo-blocking which means discrimination on the ground of the geographic location that prevents consumers from their access to products available in other Member State. On 4th April in Prague, the representatives of EU institutions discussed with business and consumers representatives the advantages of abolishing the geo-blocking on the Internal market and its impact on businesses. Although the geo-blocking is a significant problem preventing the use of the full potential of DSM, some specific examples show it will be difficult to find a suitable solution which would abolish all barriers and would not limit the rights of business. The participants of

the debate agreed that the Commission's proposal should be aimed at apparent cases when the consumers are discriminated, at better transparency and law enforcement by keeping the contractual freedom of businesses and healthy level of regulation.



CEBRE was founded in 2002 by the three most important Czech business organizations - Czech Chamber of Commerce, Confederation of Industry of the Czech Republic, Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic with kind support of the Ministry of Industry and Trade via its Trade promotion agency CzechTrade.



News FLASH

> SYNERGY BETWEEN ESIF AND CLEAN SKY 2 WILL BE POSSIBLE IN THE CZECH REPUBLIC

The Czech Ministry of Industry and Trade signed a Memorandum of Understanding with Clean Sky 2 Joint Undertaking on March 29. The aim is to allow synergies between ESIF programmes implemented in the Czech Republic and Horizon 2020 and create more funding opportunities to businesses, universities and research centres from aviation sectors.

> CZECH INTERNATIONAL TRADE BREAKS RECORDS

In February 2016, the Czech international trade reached a record surplus of 22 billion CZK (0.81 billion EUR). It is a 4.5 billion CZK increase compared to February 2015. In a year-to-year comparison, exports from the Czech Republic increased by 7.3%

> NEW IMPETUS FOR CZECH-CHINESE BUSINESS

Within the framework of the visit of Chinese president Xi Jinping in the Czech Republic, several Czech companies signed export contracts with their Chinese counterparts. These should be worth 63 billion CZK (2.3 billion EUR). Apart from the car industry, these companies include representatives of banking, energy or aviation sector.

SEAL OF EXCELLENCE – A SECOND CHANCE FOR INNOVATIVE BUSINESS

High quality proposals from innovative Small and Medium-Sized Enterprises that have not been funded within Horizon 2020 SME instrument have additional chances to be funded. The action concerns, for this initial 'pilot' phase, only proposals applying for the SME instrument and in particular those evaluated above the quality threshold. Almost 6 months after the launch of the initiative called the Seal of Excellence, we can see the first results – synergies with ESIF are still uneasy in some Member States but not impossible and schemes financed by regional budgets are usually less complicated. The implementation of the Seal of Excellence was discussed at the Czech Permanent Representation to the EU on 4th April with representatives of EU institutions, businesses, Permanent representations to the EU, research centres and other stakeholders. Magda de Carli from DG RTD is sure that it is a great opportunity for businesses, but as the process has just started, the SMEs must be

patient. She stressed that the applicants have to be aware that there is no guarantee of an 'automatic' alternative funding and/or additional funding of H2020. More than 2,300 proposals submitted within SME instrument (between 45% and 84% of all proposals above the threshold) are not funded. These have by now all received the Seal of Excellence. Martina Dlabajová, Member of the European Parliament (ALDE) welcomes the initiatives as it gives a second chance to innovative business by providing them with a possibility to access alternative funding. She stressed that the schemes must be simple, efficient and transparent with a great impact on the ground and with available data. The synergies are not impossible. Targeted calls for 'seal proposals' within phase 1 are under preparation in Italy, Spain, Sweden and Norway. Adéla Hradilová of South Moravian Innovation Centre (JIC) informed that the Brno region is running an SME-I instrument which will from mid-



April allow to finance excellent projects unfunded by SME instrument (Phase 1) submitted by SMEs located in South Moravia region. The region will provide the same funding (rate of co-financing), pre-financing payments, lump sum and coaching. She stressed that the beneficiaries will be obliged to submit an application to phase 2 of the SME instrument.

EESC CORNER: PUBLIC PROCUREMENT RULES IN CONNECTION WITH THE CURRENT ASYLUM CRISIS



The European Union currently faces numerous challenges due to a sudden sharp increase in arrivals of the asylum seekers. Not least, Member States have to respond rapidly to meet the most immediate needs of asylum seekers (housing, supplies and services). European public procurement rules provide all the necessary tools to satisfy those needs under the provisions of the current Directive 2004/18/EC as well as under the newest public procurement Directive 2014/24/EU. This Communication does not create any new legislative rules. It encompasses rules covering: contracts for infrastructure (housing); contracts for supplies such as tents, containers, clothes, blankets, beds and food and contracts for services such as cleaning, health, catering and security. For contracts falling within the scope of the directive, the contracting authority can choose to award

the contract following an open or a restricted procedure. The minimum deadline to submit an offer in an open procedure is 52 days, but it can be reduced to 40 days by using electronic means. In a restricted procedure, the general deadlines are 37 days to submit a request for participation and an additional 40 days to submit a tender after selection by the contracting authority of those admitted to submit a tender. If urgency requires, the directive allows for a substantial reduction of the general deadlines using either: (a) an "accelerated restricted procedure", in which the deadlines to submit a request for participation are 15 days and to submit an offer 10 days, or (b) a "negotiated procedure without publication", which allows for awarding contracts to provide for asylum seekers' needs in the most urgent cases. The EESC welcomes the Commission's explanatory

communication – which does not contain any changes – in view of the current climate in which, as described, contracting authorities are under intense pressure to solve urgent problems arising from the refugee and asylum crisis. The EESC would stress that it is important to ensure a high degree of transparency and take extra care in documenting the procedure; to refrain from making inappropriate use of this legislative flexibility; to endeavour to opt for solutions that facilitate subsequent integration and additional support and that contracts awarded in an emergency are of short duration.



Marie Žvolská,
Member of Employers' Group
(Group I)

CEBRE CALENDAR:

- **19th April:** Debate on Services Passport (Brussels)
- **16th May:** CEBRE meeting with Czech MEPs (Prague)
- **17th May:** Debate on Services Passport (Prague)

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