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## Tax Harmonisation, Chapter I

Author: Alain Lamassoure



By establishing its HQ in one State, a business can choose at its convenience – almost freely – its tax framework. It is of little importance that its activities take place elsewhere and that the link between the business, and the State in question, is limited to the location of its HQ or its intellectual property. This link, which is often purely artificial, allows it to choose how it is taxed as it so wishes, in other words how it can avoid taxation. Offshore leaks, Swiss leaks,

LuxLeaks, Panama Papers, Paradise Papers: the tax scandals succeed each other, the topography changes from time to time, but the repercussions of outrage persist. The leaders of Europe should make the most of this!

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**Front page!** :

### France-Germany: a crucial meeting



In view of the European Council on 28th and 29th June France and Germany are meeting together this week. This event is vital in the eyes of Jean-Dominique Giuliani. It is for example on vital issues like migration, security and defence, the governance of the euro zone and innovation that the continent's two main economies can help to bring the present cacophony in Europe to an end... [Read more](#)

**Foundation** :

### Conference: fight to counter fraud in the EU's customs transit system



On 20th June next the Robert Schuman Foundation is organising a conference in Brussels devoted to fraud in the customs transit system. It will provide an opportunity to continue the work from the Kellet-

Bowman report on the European transit system, twenty years after its publication. This event is being organised as part of the Hercules III programme led by the anti-fraud office (OLAF) whose main goal it is to protect the Union's financial interests... [Read more](#)

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### Schuman Report on Europe, State of the Union 2018



The "Schuman Report 2018 on the State of the Union" is available in French and English. This edition analyses the challenges that Europe faces. An exclusive interview with French President Emmanuel Macron, maps and commented statistics, offer a full panorama of the EU. You can order it on line from our site, find in digital or paper form and also in bookshops... [Read more](#)

### Commission :

#### Higher EU spending on Defence and Security



On 13th June the Commission presented the European Defence Fund that is to be provided with 13 billion € in support of cross-border investments in technologies and leading edge equipment, to increase the EU's strategic autonomy and to strengthen its ability to protect its citizens. It also suggested increasing the package allocated to the security of 10.5 billion € over the period 2021-2027 to enable the European co-funding of military security missions... [Read more](#)

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#### Tripling of budget to strengthen migration and border management



On 12th June the Commission suggested an increase in funds to strengthen the management of migration and the borders for the next budget 2021-2027, totalling 34.9 billion € against a previous 13 billion €. A new fund for the integrated management of the borders will be created and the European Border and Coast Guard Agency will be strengthened by a new permanent body of 10,000 border guards... [Read more](#)

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#### Countering hybrid threats



On 12th June the Commission presented new measures to provide better response to hybrid, chemical, biological, radiological and nuclear threats (CBRN)... [Read more](#)

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#### Guaranteeing the quality of foodstuffs



On 14th June the European Commission presented a new common methodology to compare the quality of foodstuffs through out the EU. It will help national authorities responsible for consumer protection to make tests that aim to compare the composition and characteristics of similarly labelled food products sold in the Union... [Read more](#)

#### Strengthening the European solidarity corps



For the next budget 2021-2027, the Commission put a new programme forward on 11th June for the European solidarity corps beyond 2020 with 1.26 billion € to extend its offer of placements. The consolidation of this new programme will enable 350,000 young Europeans to help communities in need through voluntary work, training sessions and professional placements... [Read more](#)

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#### DiscoverEU: 15,000 tickets available to discover the EU



From 12th to 26th June young Europeans will be able to apply to be given a ticket so that they can go on a discovery tour of Europe from July to October 2018. The DiscoverEU programme will help them understand better Europe's diversity, to take advantage of its cultural wealth, meet new people and become aware of their European identity... [Read more](#)

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#### Agreement on Energy Transition

A political agreement on the development of energy transition was adopted by the Commission's negotiators, Parliament and the Council



on 14th June. It is the second of 8 legislative proposals in the "Clean energy for all Europeans" package that is to be adopted. It advocates the creation of a legal framework targeting 32% of renewable energy in the EU by 2030... [Read more](#)



**Parliament :**

**Mark Rutte speaks to MEPs**



On 13th June the Dutch Prime Minister Mark Rutte debated the future of Europe with MEPs during the plenary session at the Parliament in Strasbourg. He mentioned the common migration policy, the joint control of the Union's external borders, collective security and the fight to counter climate change as areas on which the EU should concentrate. "The European Union must promise less and act more," he maintained... [Read more](#)



**New common safety rules for drones**



On 12th June MEPs adopted new common safety rules for drones, that are governed at present by various country-to-country regulations. With this text adopted 558 votes against 71 Parliament wants to guarantee a common level of safety and give users and manufacturers the necessary foresight to be able to develop products and services...".. [Read more](#)



**Parliament: strengthening of European cyberdefence**



In view of new hybrid threats, MEPs adopted a resolution on 13th June in which they said that it was vital to strengthen the EU's cyberdefence with a rapid intervention team and closer cooperation with NATO. Malevolent cyberattacks from Russia, China and North Korea demand strong response estimated the MEPs... [Read more](#)



**Informal agreement on the conditions of reception of asylum seekers**



Asylum seekers will have access to the Union's labour market faster, according to an informal agreement between MEPs and ministers concluded on 14th June, which provides for greater protection of minors. They also agreed on a new regulation on conditions that asylum seekers must fulfil, thereby establishing European rules on the granting of international protection as well as regarding beneficiaries rights... [Read more](#)



**Reduction in number of MEPs**



MEPs voted on 13th June for the redistribution of seats in the European Parliament that will be left empty after Brexit and in view of the upcoming European elections on 23rd-26th May 2019. With 566 votes against 94 and 31 abstentions, they adopted the principle of a reduction in the number of seats from 751 to 705 for the next legislature (2019-2024)... [Read more](#)



**Council :**

**Schengen: strengthening of the information system**



A political agreement was concluded between Parliament and the Council on 12th June on the Schengen information system. Its strengthening will help make it easier for customs authorities to identify people crossing the border and support the police forces and justice in the fight to counter terrorism... [Read more](#)



**Countering human trafficking in Libya**



On 14th June the Council adopted a UN text imposing a travel ban and an assets freeze on six traffickers and smugglers operating in Libya. These people targeted by international sanctions are deemed to be key players in the trafficking in human beings in Libya... [Read more](#)



**Diplomacy :**

## An extension of one year of European sanctions for Crimea and Sebastopol



On 18th June the EU renewed the sanctions decided against Russia for a further year on the grounds of its illegal annexation of Crimea and Sebastopol in March 2014. Sanctions notably prohibited investments in the peninsula and imports of the products from these regions to the EU. "The restrictions decided to sanction the illegal annexation of Crimea and Sebastopol by Russia have been extended until 23rd June 2019," said the Council in its press release... [Read more](#)

## Meeting of Foreign Affairs Ministers in the Normandy Format



On 11th June the Foreign Affairs Ministers of France, Germany, Russia and Ukraine met in Berlin in the "Normandy format" for the first time in 18 months to discuss the Ukrainian issue. The Russians and Ukrainians recommitted to a long-awaited ceasefire, whilst the German and French ministers welcomed the resumption of dialogue. However the protagonists did not come to agreement on the deployment of a UN mission... [Read more](#)

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## ECB :

### Decisions regarding the monetary policy and the development of the assets purchase programme



During the meeting on 14th June in Riga the ECB's Council of Governors assessed the programme made towards a sustainable adjustment of the trajectory of inflation on the euro zone. President Mario Draghi announced the end of the assets purchase programme or "Quantitative Easing" for the end of the year "if data confirmed the forecasts of mid-term inflation.".. [Read more](#)

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## Germany :

### Berlin hosts international economic organisations



The main leaders of international economic organisations met in Berlin on 11th June on the invitation of Angela Merkel. In a joint press release they advocated a strengthening of international, institutional and informal cooperation. They recommitted in support of multilateralism, security in Africa, digital change and the opening of trade... [Read more](#)

### Angela Merkel meets S. Kurz and C. Michel



German Chancellor Angela Merkel met her Austrian counterpart Sebastian Kurz to discuss migratory issues in particular. She then met Belgian Prime Minister Charles Michel... [Read more](#)

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### Angela Merkel hosts NATO's Secretary General



NATO's Secretary General Jens Stoltenberg and German Chancellor assured on 15th June that the next Alliance summit in July would "illustrate transatlantic unity" despite tension with the American President... [Read more](#)

## Spain :

### New Culture and Sports Minister



On 13th June, former Museums Director José Guirao became Spanish Culture and Sports Minister. He has replaced the writer Maxim Huerta, who resigned following revelations about past problems with the tax authorities... [Read more](#)

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## France :

### Emmanuel Macron hosts Giuseppe Conte



On 15th June French President Emmanuel Macron hosted the President of the Italian Council Giuseppe Conte in Paris. During their joint present conference both men re-iterated the cooperation between their two countries. They said they wanted to reshape the Dublin system and provide a Europe wide response to migratory issues. They said they supported the

idea of Europe having European centres in the migrants' countries of origin in a bid to regulate the flows of arrivals. They announced that a bilateral summit would be held in Rome in the autumn... [Read more](#)

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#### Greece :

##### Agreement on a new name for Macedonia



On 12th June Athens and Skopje came to agreement to settle their 25 year dispute over the name for the former Yugoslav Republic of Macedonia (FYROM). Greece rejected the term "Macedonia" since one of its own provinces bears the same name which was preventing any membership process to the Union and NATO on the part of Skopje. The agreement provides that the country will be called the "Republic of North Macedonia" or "Severna Makedonja" and that it would remove from its Constitution the text which refers to "the protection of Macedonian minorities" beyond the country's borders. The agreement still has to be validated by referendum planned for the autumn... [Read more](#)

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##### Disbursement of 1 billion € for Greece



The ESM Managing Director, Klaus Regling said he was "confident" on 15th June regarding Greece's commitment to remain on track in terms of recovery advocated by its creditors after the official end of their support at the end of August. On 14th June the mechanism approved the disbursement of a remaining 1 billion € for a previous tranche bringing the total of loans already granted up to 46.9 billion €, out of a total 86 billion € provided for in 2015... [Read more](#)

#### Poland :

##### Call for the defence of the rule of law in Poland



Three former Polish Presidents and several other high ranking leaders asked on 13th June for the European institutions to defend the rule of law in their country, which in their opinion is under threat by the policy of the conservatives in office. "On 3rd July next a law regarding the Supreme Court will enter into force, which will definitively do away with the principle of the separation of the three powers and the very essence of democratic rule of law," declared the signatories in an appeal that was published by Gazeta Wyborcza... [Read more](#)

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##### Referendum project



Polish President Andrzej Duda announced on 12th June that he wants to include two questions on the European Union in the project for a referendum that will be submitted to the Poles mid-November. The first question asks whether EU membership should be integrated into the Constitution, the second asks whether the latter should prevail over international and European law... [Read more](#)

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#### Czech Republic :

##### Social Democratic Party agreement to enter a government coalition



On 15th June the members of the Czech Social Democratic Party (CSSD) decided to join the government coalition led by Andrej Babis (ANO) through an internal referendum (58.53% votes in support). The CSSD might be given five ministries, including Foreign Affairs, which is a subject of debate with the head of State Milos Zeman. The vote of confidence is planned for 11th July... [Read more](#)

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#### UK :

##### Rejection of the Amendment in the Commons on the conclusion of Brexit negotiations



British Prime Minister Theresa May just avoided a defeat on 12th June during the assessment of her draft bill on Brexit, after the rejection of an amendment that would have given Parliament the right to veto negotiations with Brussels. MPs rejected the amendment 324 votes against 298. How the issue is not settled ... the text will be now be debated in the House of Lords... [Read more](#)

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##### Justice Minister resigns

Justice Minister Philip Lee resigned on 12th June just hours before the



launch of debate regarding the withdrawal bill in the House of Commons. He justified his choice presenting it as the only possibility to voice his criticism of the policy undertaken by the British government regarding Brexit... [Read more](#)

#### Slovenia :

**The Assembly will enter session as of 22nd June to find a majority**



On 15th June the President of the Republic of Slovenia, Borut Pahor announced that he had convened the first session of the Assembly to take place on 22nd June whilst discussions to form a government continue. Nearly all parties which won seats indicated that they would not join forces with the SDS that came out ahead in the elections. In all nearly nine parties entered the Assembly, which means that any government coalition would have to include at least three parties... [Read more](#)

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#### OECD :

**Quarterly growth figures**



On 12th June the OECD published its growth figures for the first quarter of 2018. These slowed significantly in France (down to 0.2% against 0.7%) and in the UK (to 0.1% from 0.4%) and Germany (to 0.3% from 0.6%). Growth also slowed in the US (to 0.5% from 0.7%) and in China (to 1.4% against 1.6%). Year on year the GDP growth of the G20 countries slowed slightly to 3.9% in the first quarter of 2018 (against 4% in the previous quarter)... [Read more](#)

**German economy ready for structural reform**



According to an OECD report the German economy is undergoing a robust expansion, with record-low unemployment and real wage gains underpinning domestic demand. The strong fiscal position will offer opportunities for funding structural reforms and public investment to meet future challenges... [Read more](#)

#### Eurostat :

**Employment up in comparison with 2017**



The number of people with a job increased by 0.4% in the EU and in the euro zone in the first quarter of 2018 in comparison with the previous quarter according to estimates published by Eurostat on 13th June... [Read more](#)

**Annual inflation rate up**



According to Eurostat figures published on 15th June the EU's annual inflation rate lay at 2% in May 2018, against 1.5% in April. That of the euro zone lay at 1.9% in May 2018, against 1.3% in April... [Read more](#)

#### Eurobarometer :

**Confidence and optimism up**



According to the Eurobarometer survey published on 14th June most Europeans believe that the economy is doing well and say they are optimistic about the future. Confidence in the Union is up and support to the Economic and Monetary Union is at its highest level. Moreover the European Parliament is the institution in which citizens have the most trust... [Read more](#)

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#### Culture :

**Cambellotti in Rome**

Until 11th November the museums of the Villa Torlonia are offering a monographic journey that throws light on the multidisciplinary work of Duilio Cambellotti, an artist who often features amongst the most important national and international exhibitions... [Read more](#)



### A T-Rex in Paris



Until 2nd September the Natural History Museum in Paris is devoting a leading summer event to palaeontology, presenting a unique exhibition of "A T-Rex in Paris". On this occasion the museum is hosting the skeleton of an almost complete specimen of a Tyrannosaurus Rex, on show for the first time in France... [Read more](#)

### Vienna Jazz Festival



Until 10th July the Austrian capital is hosting its main annual jazz festival which offers an extensive programme of artists... [Read more](#)

### The Fourvière Nights



The Fourvière Nights are taking place in Lyon until 28th July. This leading event in Lyonnaise cultural life is attended by some of contemporary arts most known names with around 100 theatre pieces, dance, circus acts and musical performance... [Read more](#)

### Summer Music Festival Milan



The summer music festival of Milan will be held from 19th June to 27th July. Several styles of music will be represented including electro, rock and pop... [Read more](#)

### Isle of Wight Festival



The Isle of Wight's 50th festival will be taking place from 21st to 24th June with many rock and pop concerts on the line-up... [Read more](#)

## Agenda :



18th June  
Luxembourg  
"Agriculture and Fisheries" Council



21st June  
Luxembourg  
Eurogroup



21st and 22nd June  
Luxembourg  
"Employment, Social Policy, Healthcare and Consumer" Council



22nd June  
Luxembourg  
"Economy and Finances" Council



25th June  
Luxembourg  
"Foreign Affairs" Council "Environment" Council

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