

## INTERVIEW WITH OLIVIER BOUTELLIS-TAFT, CEO, FEDERATION OF EUROPEAN ACCOUNTANTS

# Taxation: “Europe has to move away from scapegoat approach”

By Tanguy Verhoosel

The Federation of European Accountants, which represents 45 national institutes in 33 countries (and some 700,000 professionals), recently hosted an international conference in Brussels on the topic ‘Towards responsible taxation?’. Its CEO, Olivier Boutellis-Taft, talked to Europolitics.

**Why the question mark in the conference title ‘Towards responsible taxation?’?**

Judging from the diversity of transversal views in the taxation debate, it is justified. Everyone is asking questions, from taxation professionals to NGOs, enterprises, public authorities and so on.

**What questions?**

Should the debate encompass a moral dimension, a social responsibility element, or keep to addressing the issue from a purely legalistic angle, for example.

**What do you think?**

We have to move away from the scapegoat approach. Multinationals, among others, are being named and shamed due to the tax optimisation strategies they have developed to reduce their taxable amount. But there is not an overall approach to tax reform, whether at the level of a single country, the European Union or the international community. We have to stop looking at the different aspects of this problem through a microscope, so to speak, increasing taxes here, cutting them there, without a comprehensive overview.

**What do you criticise in the EU’s approach?**

It’s not a question of criticising: the Commission is doing what it can with



Boutellis-Taft: “We are seeing a lack of political will”

the treaties and the member states. But I regret the total lack of consistency and coordination. Very strong tax competition pits the member states one against the other. That is a fact. They are masters at inventing special provisions to give an advantage to certain sectors or to attract foreign capital. What one country decides in this context often becomes a source of problems for the others. Another consequence is that we have reached a staggering level of complexity in taxation. Some states have lost count of the number of articles in the tax code. Meanwhile, in the EU, labour is still taxed very heavily compared to other factors of production. A debate has been launched on this subject, but we’re not seeing much in the way of results...

**There are the recommendations to the states as part of the ‘European semester’, the action plan against tax fraud and evasion, and so on. Isn’t the Commission doing everything it can?**

Yes, but it is simply fitting pieces of the puzzle together with the aim of safeguarding as well as it can the homogeneity of the internal market. The legal bases on which it is empowered to act are very narrow. What is needed at Union and member state level is a joint discussion forming part of a real perspective of sustainable development and the sustainability of public finances.

**In short, a discussion that should lead to full tax harmonisation?**

As we heard at our conference, this is indeed what very many stakeholders from all different backgrounds are demanding – but not all. It is imperative that the EU states become aware that they have to start thinking in terms of wider cooperation on taxation.

**Won’t the G20 and OECD manage to impose on the EU what it is incapable of doing itself?**

It’s true that the world has changed very fast in recent years. We have seen growing awareness of the problems connected with taxation. But the progress on tax transparency or on the erosion of tax bases still has to be transformed into action.

Most importantly, I repeat, we have to turn our back on this game of blaming one another. We should build on areas of convergence and learn to work together in the general interest. I don’t want to be pessimistic, but we are seeing a lack of political will and long-term strategic vision on this subject. ■