Basic information

2025/2210(INI) INI - Own-initiative procedure	Procedure completed
The EU's approach to corporate tax policy in a changing international environment **Subject** 2.70.02 Indirect taxation, VAT, excise duties 3.45.04 Company taxation	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	KOLLÁR Kinga (EPP)	13/10/2025
	Shadow rapporteur REGNER Evelyn (S&D) PIMPIE Pierre (PfE) ZĪLE Roberts (ECR) KULMUNI Katri (Renew) ANDRESEN Rasmus (Greens/EFA) SARAMO Jussi (The Left)	

European Commission

Commission DG	Commissioner
Taxation and Customs Union	HOEKSTRA Wopke

Key events

Date	Event	Reference	Summary
13/11/2025	Committee referral announced in Parliament		
10/09/2026	Vote in committee		
21/09/2026	Committee report tabled for plenary	A10-0238/2026	
06/10/2026	Decision by Parliament	T10-0327/2026	Summary
06/10/2026	Results of vote in Parliament		

Technical information	
Procedure reference	2025/2210(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/10/04292

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE781.467	22/04/2026	
Amendments tabled in committee		PE789.934	10/06/2026	
Committee report tabled for plenary, single reading		A10-0238/2026	21/09/2026	
Text adopted by Parliament, single reading		T10-0327/2026	06/10/2026	Summary

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
ANDRESEN Rasmus	Shadow rapporteur	ECON	29/05/2026	European Network on Debt and Development

The EU’s approach to corporate tax policy in a changing international environment

2025/2210(INI) - 06/10/2026 - Text adopted by Parliament, single reading

The European Parliament adopted by 364 votes to 69, with 162 abstentions, a resolution on the EU’s approach to corporate tax policy in a changing international environment.

Competitiveness in international taxation

Parliament stressed that, to attract investment and strengthen the Union's competitiveness, **the tax environment must be stable, predictable, attractive, and transparent**, while respecting the flexibility Member States have to adapt their national tax systems to national economic conditions. Due to divergences and fragmentation in corporate tax rules, EU companies face **greater complexity and higher costs** when expanding across borders or structuring their investments within the single market.

Members welcomed international efforts, such as those undertaken by the OECD, aimed at creating a level playing field by establishing a global floor for the tax obligations of multinational enterprises through a minimum effective tax rate. However, they regretted that **the implementation of Pillar Two remains incomplete globally**, with major economies such as China and India having failed to implement the reform.

Parliament is of the view that the coexistence of Pillar Two with concurrent domestic minimum tax regimes - such as the US NCTI regime and other national regimes that may qualify for safe harbour status under the juxtaposed system - leads to weakened global application and fragmentation.

The resolution notes with concern that **significant structural differences between the US NCTI regime and Pillar Two** result in different effective tax rates and reporting obligations across jurisdictions, thereby disadvantaging multinational enterprises headquartered in the EU and operating in the United States. Members therefore called on the Commission to **urgently analyse and report on the impact of this parallel system**, including potential revenue losses for Member States, and to propose solutions to address the structural imbalances created by it.

Parliament recommends that the Commission and the Member States should:

- fully deploy instruments to **combat anti-competitive tax advantages** that harm European businesses;

- develop and use EU State-aid-compliant taxation tools to attract and keep high-value-added activities within the EU;

- ensure that the implementation of Pillar Two does not penalize legitimate national tax **incentives** for innovation, research and development;

- make access to European funding instruments, research and innovation programmes and public procurement opportunities conditional on **substantive tax presence;**

- prepare an **annual report** on the differences in effective tax rates between EU and non-EU MNEs operating in the single market.

Need for simplification, transparency and clarity in EU legislation

Members noted with concern that the implementation of Pillar Two imposes a new administrative burden and significant one-off costs on corporate taxpayers in its scope.

Welcoming the OECD's efforts to introduce simplified pathways, Parliament took note of the Commission's proposal for a package of tax simplification measures, which includes measures to reduce the administrative burden on multinational enterprises covered by the Pillar Two Directive. It calls on Member States to **make rapid progress on tax simplification** by reviewing overlapping reporting and anti-avoidance measures under EU tax law and by reducing the administrative burden on companies headquartered in the Union. It stressed the need to leverage the omnibus review process in the tax field to address redundancies in current rules and to streamline and simplify the application of common rules and concepts.

Combating harmful tax practices

Members welcomed Pillar Two's contribution to reducing the number of jurisdictions applying very low effective corporate tax rates, which represents a major step towards reducing opportunities for tax avoidance. They noted, however, that the estimated revenue losses resulting from BEPS strategies employed by multinational enterprises remain substantial. The Commission is urged to play **a more ambitious role in improving the coordination of measures to combat abuse** and to intensify international cooperation to effectively address this challenge and safeguard Member States' national tax revenues. Measures to combat international tax havens must also be strengthened.

Future of international cooperation in taxation

Parliament regretted that the EU’s digital services trade balance has tilted sharply towards other jurisdictions where digital technology, artificial intelligence and cloud service providers have expanded rapidly, increasing economic power and taxable profits in a small number of multinational digital companies headquartered outside the EU. This shift may require a rethinking of the reallocation of taxing rights.

Given that unilateral measures may provoke unilateral retaliation, Members stressed that a **global solution** to digital taxation should rest on measures adopted by broad international participation and implementation, thereby lowering the risks of retaliatory measures. They encouraged the Commission, nevertheless, to continue exploring possible options in the event of insufficient progress made towards a global solution.