

SPECIAL LEGISLATIVE PROCEDURE

Follow up to the European Parliament legislative resolution on the proposal for a Council directive on Business in Europe: Framework for Income Taxation (BEFIT)

- 1. Rapporteur:** Evelyn REGNER (S&D / AT)
- 2. References:** 2023/0321(CNS) / A10-0194/2025 / P10_TA(2025)0268
- 3. Date of adoption of the resolution:** 13 November 2025
- 4. Legal basis:** Article 115 of the Treaty on the Functioning of the European Union (TFEU).
- 5. Competent Parliamentary Committee:** Committee on Economic and Monetary Affairs (ECON)
- 6. Commission's position:** *The Commission takes note of the amendments proposed by the European Parliament, while reserving its detailed position on these while the discussion in the Council is ongoing.*

The Commission will take the amendments into consideration during further Council negotiations, focusing on the objective not to unnecessarily increase compliance and administrative burdens for companies and tax administrations while respecting current Commission proposals on the table.

The Commission welcomes the Parliament's proposals to align more closely with the Pillar 2 Directive in several respects and to ensure coherence of cross-border loss-relief with Pillar 2.

The Commission is supportive of the Parliament's proposals to enhance tax revenues and investments for policy priorities, and to have a comprehensive one-stop-shop system, technical assistance, and for companies and tax administrations, introducing a European TIN, as well as clear criteria for determining beneficial ownership.

The Commission also welcomes the Parliament's proposals for fighting profit shifting and tax avoidance, and for further modernising the EU's corporate tax environment, such as by adding a proposed concept of significant economic presence relating to the digital economy. However, the Commission wishes to note that such amendments may add administrative and compliance burdens and must therefore be carefully balanced against the need for simplification.

The Commission also acknowledges Parliament's proposals regarding a factor-based formula for allocating the BEFIT tax base, which could be a promising way forward. The Commission notes that it has carefully assessed different options to seek an appropriate formulary

apportionment, as shown in the public consultation and impact assessment that accompany the proposal and decided to start with a transition period. During the transition period, the Commission would work on a study on the possible composition and weight of selected formula factors. In this regard, Parliament proposes to also include the significant economic presence as a factor in the formula, which the Commission will take into consideration.