

25/03/2026

Background

The European Round Table for Industry (ERT) strongly supports the European Commission's efforts to simplify EU legislation with respect to taxes. At a time of slow economic growth and intensifying global competition, the EU must place business competitiveness at the centre of its policy agenda. With the Omnibus on Taxation expected in spring 2026, the ERT sees a critical opportunity to reduce administrative burdens, simplify the tax framework, and transform taxation from a compliance challenge into a strategic asset for the European economy, while remaining aligned with the EU's objectives of fair, effective, and competitive taxation.

In a challenging economic environment around the world, tax policy must also be recognised as a geopolitical tool. Global competitors – notably the United States and China – use tax frameworks strategically to attract investment, support innovation, and strengthen industrial leadership. The EU must adopt a similar mindset, using its tax system to secure its economic relevance and support investment in the sectors of tomorrow.

Over the past decade, a multitude of new regulatory measures has significantly complicated the corporate tax landscape, limiting the advantages of the EU Single Market. Therefore, it is crucial that simplification efforts avoid creating new layers of complexity. While initiatives such as the Directive on Administrative Cooperation (DAC), Anti-Tax Avoidance Directive (ATAD) and Pillar 2 of the OECD may have been justifiable in isolation, their cumulative effect has created a stifling compliance burden for European companies operating across borders. Fragmentation, overlapping rules, divergent national interpretations, and extensive reporting obligations divert resources away from jobs, investment, and innovation. ERT therefore calls for a comprehensive review of the total compliance burden created by EU corporate tax legislation and a rebalancing towards growth and competitiveness, in line with the Draghi Report's warning against growth-inhibiting fragmentation.

Recommendations

1. **Use the introduction of Pillar 2 to eliminate inconsistencies.** The introduction of the global minimum tax ensures that companies worldwide are subject to a baseline level of taxation. This development is creating redundancies in anti-abuse regulations, leading to unnecessary duplication of compliance efforts. A purpose-driven revision of existing rules is therefore necessary. In this regard, we recommend considering the following initiatives:
 - a. The **DAC framework should be consolidated into a single, coherent text** supported by clear guidance and practical examples. In this context, ERT [welcomes](#) the Commission's call for evidence supporting an impact assessment for a DAC recast, provided it is anchored in genuine simplification and burden reduction. At a minimum, the scope of DAC6 should be drastically narrowed to focus exclusively on cross-border transactions involving non-compliant tax jurisdictions. ERT recalls that DAC6 has proven excessively burdensome, yields low-quality data and diverts resources from productive activity. In addition to the targeted technical refinements set out above, consideration should also be given to higher-level carve-outs to address the structural drivers of over-reporting under DAC. In particular, jurisdiction-based exemptions for low-risk countries with equivalent transparency standards could meaningfully reduce low-value data collection while preserving the effectiveness of administrative cooperation.

4. **European institutions should also adopt a homogeneous and simplified approach to energy taxation.** In light of the recent developments, it is essential that the European Union works towards achieving energy independence and self-sufficiency. Simplifying the tax framework in the energy sector is crucial in this context.
5. **Tax dispute resolution mechanisms should be made more transparent, efficient, and business-friendly.** Establishing a permanent arbitration body would improve legal certainty, reduce lengthy disputes, and, above all, eliminate double taxation and support cross-border investment.

In general, the Omnibus offers an opportunity for a fundamental shift from comprehensive, overlapping tax rules to targeted, risk-based evaluations of cross-border tax schemes. Such a reset of EU tax rules is necessary to reduce compliance burdens and boost competitiveness of EU businesses. For example, this could imply making use of country or activity 'white lists' and 'black lists' where additional scrutiny focuses on businesses engaging in black listed operations, rather than requiring all companies to provide huge volumes of largely benign data.

ERT is committed to supporting the Commission in delivering a simpler, more coherent, and more competitive EU tax framework. By acting on these recommendations, the Omnibus on Taxation can move beyond incremental change and become a cornerstone of Europe's growth and competitiveness strategy.

ERT strongly urges the Commission to reflect these principles as it finalises the Omnibus on Taxation and looks forward to a close dialogue to ensure the EU tax framework supports sustainable growth, investment, and innovation across the Union.