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Press Release

FOR IMMEDIATE RELEASE

European Convention: UEAPME condemns Praesidium’s decision to propose unanimity voting for tax issues

Brussels, 27th May 2003. UEAPME, the European SME employers association, criticised the Convention’s praesidium decision to propose unanimity voting in tax areas to the plenary assembly on Friday and Saturday. “It is deplorable that the praesidium did not take into account the proposal of the Convention’s economic policy work group to extend the use of qualified majority voting (QMV) to tax issues” **Hans Werner Müller**, UEAPME’s secretary general, argued. “If this proposal goes through in plenary, it will be a backlash for the tax reforms that are vital for the better functioning of the Internal Market”, he concluded.

UEAPME has been a longstanding supporter of the extension of QMV in taxation areas that affect the functioning of the internal market. According to the association, the different tax systems in Europe constitute a major burden to the finalisation of the Internal Market and only a harmonisation of certain rules will improve the situation. However, past experiences have shown that the necessary reform process is not achievable with the unanimity-voting rule.

UEAPME further argues that fiscal policy plays a decisive role in the economic policy in the European Monetary Union (EMU) however; it can’t be fully implemented because it is regularly blocked by individual member states, which use their veto right as trade off means for other areas of interest. (ie. Italy and Milk quotas).

The SME association argues that the European Convention should not accept that one Member State, which is not in the EMU is able to block common decision makings inside the monetary union. Moreover, in case the Convention does not adopt the QMV rule for tax issues, the new treaty should at least give EMU Member States the opportunity to decide on tax policy issues in the framework of enhanced co-operation.

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