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Press Release

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MEP Karas and UEAPME make joint call on upcoming Inter Governmental Conference for extension of QMV

Brussels, 24th June 2003. **Othmar Karas**, Member European Parliament and EPP spokesmen for economic and fiscal policy and UEAPME, the European SMEs employers association have made a joint appeal on the upcoming Inter Governmental Conference to grant an extension of Qualified Majority Voting (QMV) to taxation areas that affect the functioning of the internal market.

In a joint declaration, UEAPME and MEP Karas expressed their overall approval of the draft Constitution finalised last week, but regretted that it failed to make progress in tax policy issues by keeping unanimity voting as the rule for decisions. “As long as unanimity voting prevails in tax policy area, the completion of the Internal Market will remain problematic”, said MEP Karas. Therefore, Karas and the Small and Medium Sized enterprises association jointly call on the upcoming ICG to improve the possibilities of finalising the Internal Market by extending QMV to taxation issues.

Othmar Karas, an established defender of the interests of SMEs in Europe, endorsed UEAPME’s position on taxation policy that was described in the “Rome declaration on Tax Policy” which received the support of all national SME and craft representative associations in the EU. In the declaration, UEAPME sets an agenda for a fairer taxation system between SMEs and big corporations, for the diminution of tax barriers for cross border trade and for the use of tax policy as an instrument against undeclared work.

UEAPME welcomes the very positive response that Commission officials have given so far to its tax policy agenda. In this framework, UEAPME fully supports the reduced VAT experiment proposed by the Commission and calls for an indefinite continuation of the experiment, which has become an indispensable instrument in the policy measures against undeclared work in many Member States. The association pleads for a definitive solution regardless of the unclear outcome of the evaluation report on the experiment. “Due to the weak database the report gives no clear picture on the results of the experiment and therefore, it can not be used by the Finance Ministers as an argument to put an end to the project”, stated **Gerhard Huemer**, Director of Economic Affairs at UEAPME.

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