



Sixth Plenary Session of the Large Business Forum

## The AEAT proposes a strengthening of mutual co-operation with large businesses on fiscal matters

- To date 38 companies and groups have committed to the Fiscal Best Practices Code
- In accordance with the commitment undertaken in the Forum, the Agency has already published 17 notes and reports with its criteria for applying taxes in seven different fields

**8 May 2012.** The Secretary of State for Finance, Miguel Ferre, and the director general of the State Tax Administration Agency (AEAT), Beatriz Viana, this morning attended the sixth plenary session of the Large Business Tax Forum. During her speech in the Forum session, Viana invited the company representatives attending to form a new workgroup to reinforce the co-operative relationship between the business sector present at the Forum and the tax authority.

According to Viana, the creation of this new workgroup, which would join the three already existing (rationalisation of indirect fiscal burdens, transfer pricing and Excise Duties) would enable "calm consideration" and "defining the conditions" for a new boost to the co-operative relationship between the two parties, while helping to define the basic characteristics of new information and assistance mechanisms for companies, complementing those already in place.

Viana emphasised that there are already instruments favouring the co-operative relationship, such as advance pricing agreements (APAs), which "are not being used to their full potential by large companies when in fact they provide the legal security companies demand."

"I firmly believe that in the next few months we must make progress on this subject," the director of the Agency continued, fostering the existing collaboration mechanisms to resolve companies' queries as to the tax treatment of their operations and exploring the reasons why these enquiry mechanisms are underused.

### **Progress made by the Forum**

The Forum meeting was also an opportunity to review the latest progress of the three workgroups on subjects such as simplifying electronic processing and collection procedures, and the mechanisms for evaluating transfer prices in financial and intangible operations.

At the same time, in line with the commitment made in the Forum, the Tax Agency has already published a total of 17 notes and reports with a set of criteria for the application of taxes in the sphere of the General Tax Act, collection, VAT, Corporation Tax, Personal Income Tax, Excise Duties and foreign trade. Although the published criteria are not binding, they do provide guidelines for taxpayers who want to know the criteria used by the Agency in certain complex or controversial matters.

### **Code of Best Practices**

The Tax Agency also supports greater progress in the application of the Code of Best Tax Practices, which 38 companies or groups have already subscribed (a total of 73 entities), 23 of which form part of the Forum.

Nearly two years after its approval in June 2010, the conclusions which can be drawn from the application of the Code are highly positive, as it has enabled companies' queries regarding the application of fiscal regulations to be directly known, and where possible, answered. With companies subscribing this code, the Tax Agency hopes to increase transparency and co-operation in fiscal practices. The code imposes a set of recommendations for avoiding the use of opaque fiduciary structures, intensifying collaboration in the detection of tax evasion, and improving information provided to the Board of Directors on the fiscal policies applied before approving the annual accounts and filing the Corporate Tax return.

## *What is the Large Business Forum?*

The Large Business Forum began in July 2009 as a body to encourage the co-operative relationship between the Tax Agency and a group of 27 large businesses, both to prevent and combat tax evasion, and to improve the legal security of taxpayers. Specifically, the Code of Best Practices, accessible on the Agency website ([www.agenciatributaria.es](http://www.agenciatributaria.es)), is the first of these characteristics drawn up and accepted jointly by companies and administration in the world.

The Forum is chaired by the president of the Tax Agency and Secretary of State for Finance, Miguel Ferre. Forum members from the tax authority are the director general of the Agency and the heads of its departments of Management, Audit, Collection, Customs and the Central Delegation of Large Taxpayers; the business side is represented by a member of the Board of Directors of each company forming part of the Forum, which can delegate a representative expressly appointed by the Board for these meetings.

## **Companies taking part in the Large Business Tax Forum:**

Acerinox	Endesa	Mercadona
ACS	FCC	Michelin España-Portugal
Amadeus IT Holding	Gas Natural-Fenosa	Norfin Holder
Banco Santander	Generali España	Renault España
Bankia	Iberdrola	Repsol YPF
BBVA	Iberia	Seat
Cepsa	Inditex	Siemens
Cofares	La Caixa	Telefónica
El Corte Inglés	Mapfre	Vodafone