

Hartwig Löger
Federal Minister of Finance
Austrian Federal Ministry of Finance
Johannesgasse 5
1010 Vienna, Austria

Brussels, 29 November 2018

Dear Mr Löger,

The American Chamber of Commerce to the European Union (AmCham EU) understands the public and political interest in ensuring that multinational groups pay taxes in the countries where they operate and we support the overarching principle of ensuring that tax should be levied where value is created. Digitalisation poses challenges to the international tax system, which requires a detailed global investigation and discussion on whether new value creation factors exist in certain circumstances is appropriate. All businesses are digitalising and any solutions will therefore impact all businesses and consumers.

Clearly, the European Union is one of the key leaders in the global discussion regarding tax bases in the digital age. As we mentioned to you when we met you in May in Brussels, AmCham EU welcomes the EU's work as an important contribution to what, however, must be a multilateral debate that does actively seek to encourage and build the opportunities for growth that digitalisation can offer. In that regard, we are concerned that the EU is considering departing from existing agreed international principles at a time when there is commitment from 123 countries to examine solutions together.

AmCham EU recently hosted Mr Chip Harter, Deputy Assistant Secretary for International Tax Policy at the US Treasury. At the meeting Mr Harter reaffirmed the US commitment to find a global consensus at the Organisation for Economic Co-operation and Development (OECD) and stated that there is "a real need for a multilateral discussion to find a taxation model for the digitalising economy that works".

We are deeply concerned that a departure from internationally agreed principles would make investment in the EU and provision of services to citizens and businesses more costly. We therefore endorse the continuation of discussions involving the EU, the US and other important stakeholders at the OECD rather than unilateral (or regional) measures. We are particularly concerned to have heard that the latest compromise position would not bind Member States to the agreed scope that would ensure consistency across the EU. Such an agreement would eliminate the only benefit of joint-EU wide action and be harmful to the Single Market.

We remain at your disposal to discuss this further ahead of the 4 December 2018 Economic and Financial Affairs Council (ECOFIN).

Yours sincerely,



Susan Danger
CEO
AmCham EU