The Director
CENTRE FOR TAX POLICY AND ADMINISTRATION

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European Commissions consultation on double non-taxation cases

Dear Heinz,

I read with interest that the European Commission has launched a public consultation on double non-taxation within the EU and in relation with Third Countries.

As you know the OECD has been working in this area for several years and we have recently published the report "Hybrid Mismatch Arrangements: Tax Policy and Compliance Issues". The report describes arrangements that exploit national differences in the tax treatment of instruments, entities or transfers to deduct the same expense in several different countries, to make income "disappear" between countries or to artificially generate several tax credits for the same foreign tax.

The report contains a number of conclusions and recommendations agreed by all OECD member countries and which I hope will be of help for your work going forward. I would be more than happy to discuss how we can cooperate on these issues. If your staff has any further questions, please advise them to contact my colleagues Achim Pross (Achim.Pross@oecd.org) or Raffaele Russo (Raffaele.Russo@oecd.org) in the OECD Centre for Tax Policy and Administration.

I am sure we can discuss this issue and the broader issue of how our organisations can increase their cooperation going forward during our meeting of 22 June 2012.

Yours sincerely,

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