



UFE RESOLUTION ON BEFIT

Business in Europe: Framework for Income Taxation

PREAMBLE

The European Commission has proposed the “Business in Europe: Framework for Income Taxation” (BEFIT) as a comprehensive reform to establish a common corporate tax base for large multinational enterprises operating within the European Union;

BEFIT represents the most significant harmonization of corporate taxation in European Union history, affecting over 15,000 multinational groups with annual turnover exceeding €750 million;

The Union of Finance Personnel in Europe (UFE) represents the interests of tax and customs professionals across Europe who will be directly responsible for implementing and administering the BEFIT framework;

The successful implementation of BEFIT requires unprecedented coordination between national tax administrations, substantial technical infrastructure development, and comprehensive professional capacity building;

The transition period from 2028 to 2035 presents both significant opportunities for enhanced European tax cooperation and substantial challenges for national tax administrations and their personnel;

The UFE Presidium, representing the collective voice of European tax and customs professionals, hereby adopts this Resolution on BEFIT to establish clear policy positions, implementation requirements, and strategic recommendations.

I. UFE POSITION STATEMENT

Fundamental Stance

The Union of Finance Personnel in Europe adopts a supportive position toward the BEFIT initiative, recognizing both its transformative potential for European tax justice and the significant implementation challenges it presents for tax administrations and their personnel.

UFE supports BEFIT as a mechanism to:

- Enhance tax justice by reducing opportunities for aggressive tax planning
- Promote fair tax competition based on real economic substance rather than artificial structures
- Strengthen European integration through harmonized corporate tax frameworks
- Improve administrative efficiency through standardized procedures and enhanced cooperation

However, UFE emphasizes that successful BEFIT implementation is contingent upon adequate resources, comprehensive support, and genuine commitment from EU institutions and Member States to address the substantial challenges facing tax administrations.

II. DETAILED ANALYSIS AND IMPACT ASSESSMENT

Implementation Timeline and Scope

BEFIT implementation follows a three-phase approach:

Legislative Phase (2025-2027):

- European Council negotiations and European Parliament approval
- Development of Member State implementation plans
- Development of technical standards

Transition Phase (2028-2035):

- Voluntary participation option
- Parallel systems operation
- build-up of technical infrastructure
- Staff training and capacity building

Full Implementation (2036+):

- Mandatory participation for all eligible companies
- Single tax base calculation
- Formula-based profit allocation
- Streamlined compliance procedures

Target Scope:

- Large multinational groups with annual turnover exceeding €750 million
- Estimated 15,000+ EU company groups affected
- Coverage across all EU Member States

Economic and Administrative Impact

Positive Impacts:

- Enhanced Tax Revenue Collection: Reduced base erosion and profit shifting opportunities, with estimated additional revenue of €50-85 billion annually across EU Member States
- Administrative Efficiency Gains: Standardized documentation, reduced compliance costs, enhanced cooperation between tax administrations
- Elimination of aggressive tax planning and fairer conditions for businesses

Implementation Challenges:

- Technical Complexity: Development of sophisticated allocation formulas, integration with existing systems, coordination across 27 jurisdictions
- Resource Requirements: Substantial IT infrastructure investments, comprehensive retraining of tax professionals
- Transition Period Management: Parallel operation of systems, potential compliance burden increases, risk of legal uncertainty

III. UFE POLICY DEMANDS AND RECOMMENDATIONS

A. Financial and Resource Requirements

1. Adequate Funding Commitment

UFE DEMANDS that the European Union and Member States commit to:

- Dedicated BEFIT Implementation Fund over the transition period 2025-2035
- Financial support for national tax administrations to cover infrastructure costs
- Funding beyond 2035 to maintain enhanced cooperation mechanisms

2. Technical Infrastructure Investment

UFE RECOMMENDS the establishment of:

- EU-wide BEFIT IT platform with interoperable national systems
- Standardized data formats and exchange protocols
- Robust cybersecurity frameworks to protect sensitive taxpayer information
- Backup and disaster recovery systems to ensure operational continuity

B. Human Resources and Professional Development

1. Comprehensive Training Programs

UFE DEMANDS the creation of:

- European BEFIT Training Academy with standardized curricula

- Mandatory certification programs for all personnel involved in BEFIT administration
- Continuous professional development opportunities throughout the transition period
- Leadership development programs for senior tax administration officials

2. Employment Security Guarantees

UFE REQUIRES explicit commitments that there will be:

- No involuntary redundancies resulting from BEFIT implementation
- Redeployment and retraining opportunities for affected personnel
- Enhanced career progression pathways in the new harmonized environment
- Fair compensation for additional responsibilities and competencies required

C. Governance and Implementation Framework

1. Democratic Oversight and Transparency

UFE DEMANDS:

- Meaningful consultation with tax administration representatives throughout the legislative process
- Regular impact assessments on administrative burden and personnel requirements
- Transparent communication about implementation timelines and requirements

2. International Coordination

UFE ADVOCATES for:

- Enhanced cooperation with the OECD on global minimum tax coordination
- Alignment with international tax standards to avoid double taxation
- Technical assistance programs for candidate and associated countries
- Regular dialogue with non-EU jurisdictions on tax cooperation

IV. IMPLEMENTATION MONITORING AND EVALUATION

Performance Indicators:

Administrative Efficiency Metrics:

- Reduction in unnecessary bureaucracy for multinational enterprises
- Cross-border dispute resolution time: Target maximum 18 months
- Better staff satisfaction with BEFIT systems
- Minimum of 99% stable and reliable IT systems

Tax Justice and Revenue Metrics:

- Increase in effective tax rates for multinational enterprises (revenue >750 bio €)
- Reduction in profit shifting indicators
- Revenue collection efficiency: Target 95% collection rate for BEFIT assessments
- Geographic distribution of taxable profits: Alignment with economic activity indicators

UFE REQUIRES:

- Annual progress reports from the European Commission on BEFIT implementation
- Biennial comprehensive reviews involving all stakeholders including UFE
- Adaptive management approaches allowing for course corrections based on experience
- Sunset clauses and review mechanisms for problematic provisions

V. CONCLUSION AND CALL TO ACTION

The BEFIT represents both a historic opportunity and a formidable challenge for European tax administration. As the collective voice of tax and customs professionals across Europe, the Union of Finance Personnel in Europe recognizes the transformative potential of BEFIT for achieving greater tax justice, reducing harmful tax competition, and strengthening European integration.

However, successful implementation is not inevitable. It requires sustained political commitment, adequate financial resources, comprehensive professional development, and genuine respect for the expertise and concerns of tax administration personnel who will make BEFIT a reality.

UFE's Balanced Approach:

UFE's support for BEFIT is conditional upon meeting the requirements outlined in this resolution. We support the principles and objectives of BEFIT while demanding the practical conditions necessary for successful implementation.

Call for Immediate Action:

UFE notes that negotiations on the BEFIT directive have lost momentum in recent months. We call for a clear acceleration of the process and a reliable roadmap to ensure timely adoption and implementation.

UFE calls upon EU Institutions, Member State Governments, Tax Administration Leaders, and Member Organizations to commit adequate resources, engage meaningfully with tax administration representatives, protect employment and working conditions, and support enhanced international cooperation.

Final Statement:

The Union of Finance Personnel in Europe stands ready to be a constructive partner in ensuring the success of BEFIT. However it requires more than technical competence and professional dedication from tax administration personnel – it requires genuine commitment from policymakers to provide the necessary resources, support, and respect for effective implementation.