

Euro Tax Flash from KPMG's EU Tax Centre

European Commission: New Commissioner-designate for Taxation

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Key Summary:

On September 17, 2024, European Commission President Ursula von der Leyen, who was elected for a second mandate on July 18, 2024, [presented](#) her proposal for a new College of Commissioners for the next five years.

Under the new proposed allocation of portfolios, the Commissioner for Climate, Net Zero and Clean Growth will be responsible for Taxation, whereas the responsibility for initiatives on reducing administrative and reporting burdens in the EU will fall with the Commissioner for Economy and Productivity, Implementation and Simplification.

Proposed Commissioners are subject to confirmation by the European Parliament.



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European Commission – Commissioners-designate

Background

On July 18, 2024, European Commission President Ursula von der Leyen was elected by the European Parliament for a second mandate (2024 - 2029). Subsequently, the Council, in agreement with the President-elect, adopted a list of candidate Commissioners (one for each Member State), with each of the Commissioners-designate receiving a mission letter detailing their responsibilities within the new Commission for the next five years.

The list of candidates and their portfolios was presented to Parliament by the President-elect on September 17, 2024.

Impact on taxation

The core priorities of the new Commission are built around three pillars: prosperity, security, democracy, all underlined by an overarching commitment to competitiveness. These priorities translate into a new structure of the European Commission and a re-design of roles. There will be six Executive Vice-Presidents in charge of a portfolio on which they will be expected to work together with other Commissioners. The new EC will, however, not include Vice-Presidents, as was the case in previous mandates.

Under the new allocation of attributions, [Valdis Dombrovskis](#) (a Latvian national and previously Executive Vice-President of the EC for an Economy that Works for People and Commissioner for Trade) will have a double role as the Commissioner for Economy and Productivity, as well as for Implementation and Simplification. As part of his responsibilities in this role, Mr. Dombrovskis will be charged with ensuring that European rules and policies, which are in place to support business and protect people, are designed in the simplest, fastest and most practical way. In that regard, he will be expected to make proposals that reduce administrative and reporting burdens, in dialogue with all stakeholders and the EU institutions.

In a significant change compared to previous mandates, taxation will no longer be part of the Economy portfolio but will be the responsibility of the new Commissioner for Climate, Net Zero and Clean Growth. [Wopke Hoekstra](#) – a Dutch national and the Commissioner-designate for the Climate portfolio, will work on implementation and adaptation, climate diplomacy and decarbonization, as well as taxation. As part of the mandate given to him with regard to taxation, Mr. Hoekstra has been asked to:

- lead the work to level the energy taxation playing field and the strategic use of taxation measures to incentivize the uptake of clean technologies. If approved, the Commissioner will be expected to help conclude the negotiations on the revision of the Energy Taxation Directive and to explore how to further green the VAT system;
- identify innovative solutions for a coherent tax framework for the EU financial sector;
- continue the work on the reform of corporate taxation (including concluding the negotiations on the corporate tax package);
- ensure the European Union keeps the highest level of ambition in fighting tax fraud, tax evasion and tax avoidance;
- work with the Member States on the implementation of the global agreement on minimum taxation.

Next steps

The Commissioners-designate will now go through the confirmation hearing process, during which each of them must appear before the parliamentary committee(s) with responsibility for their portfolio, which will result in the publication of evaluation letters. The President-elect will then present the College of Commissioners and their program to the European Parliament, which will vote to elect or reject the Commission as a whole by a majority of the votes cast. If approved, the new Commission will be appointed by the European Council.

Background

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ETC Comment:

Parliamentary hearings are expected to start in the next few weeks, with the new Commission beginning its work towards the end of the year. Parliament could use these hearings to reject certain candidates and adjust specific portfolios, meaning that the new designated Commission is not yet final. Parliament can only accept or reject the Commission in its entirety and not individual Commissioners-designate.

It will be interesting to see if parliamentarians share the vision of the President-elect von der Leyen, who intends to streamline the hierarchy within the Commission, by eliminating the extra layer of Vice-Presidents and reworking the various assignments to Commissioners. Certain assignments include mixed portfolios, which means that in some instances there is no longer a one-to-one alignment of EC portfolios with EP committees. For example, it will be interesting to see how much say the EP's ECON Committee has in the vetting of Commissioner-designate Hoekstra, who has been given responsibility over taxation but whose hearing will likely be driven by the EP's Committee on the Environment, Public Health and Food Safety (ENVI) – the pairing of EP committees with Commissioner-designates has not yet been announced.

In light of the slight delay in the nomination process, in practice, the new College of Commissioners might take office later than November, meaning that adoption of the work programme might be delayed to beginning of 2025.

Should you have any queries, please do not hesitate to contact KPMG's EU Tax Centre, or, as appropriate, your local KPMG tax advisor.

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