

EBIT – EUROPEAN BUSINESS INITIATIVE ON TAXATION

BACKGROUND

EBIT is a working group of European tax directors of leading multinational companies based in Europe, which was created in 2001 to respond effectively to the challenge of modernising EU direct tax policy.

Through its proactive, constructive and fact-based approach, EBIT has consolidated its reputation among key policymakers at the European level as one of the more influential contributors from the private sector to the direct tax debate in Europe.

EBIT uses a tried and tested, low-cost methodology which combines ongoing in-depth technical dialogue with a strategic campaign to raise broader political awareness in EBIT priority areas for action. In doing so, EBIT focuses in particular on key experts and officials of the European Commission, members of the EU Joint Transfer Pricing Forum, OECD and national administrations.

EBIT members include Airbus, Bombardier, Caterpillar, Corporate Express, Deutsche Post, EADS, GE, Gucci Group, HP, METRO Group, Microsoft, MTU Aero Engines, Nutreco, Oracle, Procter & Gamble, Rolls Royce, Rompetrol Group, SAB Miller, Schering Plough, SES Global, SIG Holding Ltd., Tetra Laval Group and Tupperware, and others, and it is still growing.

STRATEGIC OBJECTIVES

- Engaging in an ongoing, constructive and fact-based dialogue with the key policy- and decision-makers at European and national level
- Increasing the technical awareness and knowledge of the policy-makers
- Promoting strong business messages based on real-life experiences and best practices and ensuring that the business view is taken into account.

OBJECTIVES FOR 2005/2006

- Promoting an EU-wide approach to Cross-border loss relief
- Advocating an EU-wide common approach to Transfer Pricing
- Tracking and encouraging progress on the CCCTB
- Promoting further progress on the European Company
- Closely monitoring ECJ direct tax case law and developments
- Promoting a pan-European reduction in administrative burdens

NB: EBIT is pragmatic and seizes opportunities such as participating in formal consultation rounds where appropriate and as agreed by its Members.

BENEFITS OF EBIT MEMBERSHIP

- Having direct access to key policy-makers in Europe
- Exchanging best practice with business peers from a cross-section of industry and from across Europe
- Sharing the latest intelligence on EC policy & ECJ case law developments
- Having a more substantial impact than individual or industry interventions
- Leveraging the facilitation of PwC's European network of tax specialists

EBIT WAYS OF WORKING

EBIT's approach is a unique, very light and low-cost one, hence its new name "EBIT *LIGHT*". EBIT works through regular communication via email and the Members meet around 3 times a year for plenary discussions in Brussels with renowned guest speakers from the EC, EUJTPF and OECD. EBIT operates on a consensus basis and the Members develop common positions and issue position papers where appropriate and each contributes as a function of their availability. The Members remain at all times in full control of the project. EBIT works on the basis of an annual work programme, and its activities and output are regularly evaluated and benchmarked to ensure continued progress.

EBIT MEMBERSHIP

EBIT's annual membership fee involves:

- A fixed basic EBIT membership fee (ex ante estimate)
- The Secretariat's expenses reasonably incurred in pursuing EBIT activities (e.g. regular lunch meetings with key EU tax officials, hotel and travel expenses for guest speakers, extra coordination on position papers, etc)
- As was agreed by the Members in October 2003, a separate fee for additional activities and expertise commissioned by EBIT to the Secretariat such as drafting EBIT Position Papers (e.g. on the CCCTB), Targeting and EU Networking is budgeted on a case-by-case and real-time spent basis.

EBIT's basic operational fee for October 2006–2007 is 108.480 EURO, which is shared by all Members and paid quarterly. For indicative purposes, the basic fee per quarter is 1084,80 EURO in case there are 25 Members. A copy of the annual work programme can be obtained from the Secretariat.

SECRETARIAT – THE ROLE OF PRICEWATERHOUSECOOPERS

- Facilitating, administering and coordinating the work of the group
- Providing technical assistance and analysis, as well as EU policy and communication advice through a multidisciplinary PwC service team
- Monitoring the EU direct tax policy agenda in EBIT priority areas for action

EBIT SECRETARIAT CONTACTS

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