
THE EC TAX JOURNAL

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Foreword

FOREWORD

Two issues are of particular importance to the proper functioning of the internal market: monetary union and fiscal harmonisation.

Readers of this *Journal* will perhaps be more interested in the second. There are, however, links between the two, not least insofar as the perceived need for a compensation or "clearing" system between national treasuries is concerned, once VAT deduction becomes possible across frontiers in a different currency to that of the country of the buyer.

The complexity of the issues facing us in these domains is considerable. I fully appreciate the benefits that informed specialists can provide in policy development, through feedback and analysis. Outside expertise and the different perspectives it brings really can improve the quality of decisions.

My firm intention since coming to Brussels is to ensure that policy making does not take place behind closed doors, remote from those affected. The Commission must be prepared to defend its policies publicly, after first having listened carefully to the opinions of others.

There is a growing awareness of the Community's impact on the lives of people and businesses within the Union. Facilitation of trade, and improvement of the effectiveness of the customs controls which protect our society, lie at the heart of the Customs 2000 project, as described elsewhere in this issue. The European Commission more than ever see its role as one of partnership with governments, businesses and citizens.

Readers of this *Journal* will probably know that my staff are already working on the definitive VAT system that will serve to modernise existing legislation and to render the VAT system more "friendly" to businesses, while still fulfilling its basic function of tax collection. I intend, before the summer, to put forward an overall strategy as well as detailed steps and timing for the definitive regime. This will promote debate and decisions on the VAT system that we need for the twenty-first century.

When we talk about employment, competitiveness and growth, we must not forget the key role that tax structures can play. The precondition that I shall insist on for my future proposals is that they *simplify* administrative obligations, and do not create new burdens on businesses. By so doing, we can help foster a business

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environment conducive to enterprise and job creation. Fulfilling this objective, while maintaining the balance of budgetary receipts for the Member States and maintaining defences against fraud, requires the Commission to listen carefully, and act boldly.

Your readers can contribute to this process by letting opinions be known, either in the pages of this publication, or directly to myself. For my part I will undertake to consider carefully all the views expressed. No less than the future well-being of our internal market is at stake.

Mario Monti
Member of the European Commission
May 1995

From the Managing Editor

EDITORIAL

It is a pleasure to introduce the first issue of this *Journal*. I am grateful to all those who have supported its establishment and contributed papers. Mario Monti, in his foreword, draws attention to the need for debate on fiscal matters in the EC. It is to be hoped that this *Journal* will help in facilitating the debate, and papers dealing with EC issues whether relating to indirect or to direct taxation will be considered for publication.

In this issue, Richard Condon, of DG XXI, has provided a most interesting contribution on *Customs 2000*. The *Journal's* links with the Commission and its officials are very valuable and I look forward to further contributions from them. Direct tax features highly too. The article by Professor Marc Dasseuse looks at the *Bachmann* litigation from a new perspective and demonstrates that it is not just to discrimination which we should have regard in analysing domestic tax provisions. David Hinds has provided a thorough review of the regime governing foreign income dividends and international headquarters companies in the UK which should prove very useful. In addition, there are articles on the ECJ and direct taxation and contributions on the new Irish residence rules from John Hickson and Italian closed-end funds from Prof Dott Tommaso Di Tanno.

The second of the three issues to be published this year is already taking shape, although there is still time to submit papers for consideration.

Papers are invited for publication on the understanding that they contain original unpublished material not submitted to another journal and may be subject to anonymous peer review. The decision of the Managing Editor to accept or reject any paper shall be final. Style sheets are available from the publishers on request.

Articles for Issue 2 should reach the Managing Editor no later than 29th July 1995. These should be addressed to me at the address given below.

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May 1995