PARLIAMENT OF THE CZECH REPUBLIC

Chamber of Deputies

Committee on European Affairs

Resolution No. 106

13th session on 17th September 2026

Proposal for a Council Directive amending Directives 2003/49/EC, 2009/133/EC, 2011/96/EU, (EU)2016/1164, (EU)2017/1852, (EU) 2025/50 as regards the simplification of the Union framework on direct taxation and supporting growth and competitiveness of the EU /Council Code 11141/26, COM(2026) 560/

Committee on European Affairs

1. **takes note of** document 11141/26 – COM(2026) 560 final, Proposal for a Council Directive amending Directives 2003/49/EC, 2009/133/EC, 2011/96/EU, (EU)2016/1164, (EU)2017/1852, (EU) 2025/50 as regards the simplification of the Union framework on direct taxation and supporting growth and competitiveness of the EU;

2. **agrees** with the Czech Republic's Government's Framework Position on this Proposal, including its opposition to the removal of the minimum equity participation requirement in the IRD and PSD Directives and to the harmonization of tax incentives for research and development;

3. **notes** that the parts of the Proposal concerning the extension of withholding tax exemptions in a corporate context and the introduction of a Union-wide tax incentive scheme for research and development go beyond the scope of the project to simplify tax rules, are not sufficiently supported by an assessment of the impacts on individual Member States, as also noted by the Regulatory Scrutiny Board, and do not reflect the positions of some Member States (including the Czech Republic) as expressed during the technical discussions;

4. **supports** the Government of the Czech Republic in advocating for the deletion of these sections from the Proposal, in calling for changes with significant fiscal impact to be discussed within the Working Group on tax questions under the ECOFIN Council, and in maintaining the European Commission's delegated power to adopt acts limited exclusively to updating the list of legal forms in the annexes to the directives;

5. **calls on the Government of the Czech Republic** to advocate, during Council negotiations, for the preservation of general partnerships and limited partnerships in the Czech Section of the Annex to the IRD Directive; to prepare a quantification of the Proposal's fiscal impacts on the state budget and on the budgets of local and regional governments through tax allocation; and to keep the Committee informed of the results of the negotiations on an ongoing basis;

6. **recommends** that the Government of the Czech Republic supports those parts of the Proposal that lead to genuine simplification and a reduction in the administrative burden, in particular the repeal of the rules on imported mismatches, the extension of the general anti-abuse rule, the mandatory carryover of interest to subsequent periods, the mandatory adoption of Model A for

CFC rules, and the extension of the scope of the Merger Taxation Directive to cooperatives under Czech law;

7. **emphasizes** that, although promoting competitiveness and meaningful simplification of legislation is crucial, **calls on** the European Commission to ensure that all new measures and revisions leading to the delegation of acts to the EC follow the standard legislative process, including a proper (ex-ante) impact assessment and transparent public and expert consultations;

8. **adopts a Reasoned Opinion** stating that the Proposal for a Council Directive contained in documents 11141/26 – COM(2026) 560 final – is not, in the part establishing a Union-wide regime for tax incentives for research and development, in accordance with the principle of subsidiarity under Article 5(3) of the Treaty on European Union and pursuant Article 6 of Protocol No. 2 on the application of the principles of subsidiarity and proportionality, because:

(a) the European Commission has not sufficiently demonstrated that the objectives of the proposed regulation cannot be satisfactorily achieved at the level of the Member States;

(b) the Member States already have their own systems of tax incentives for research and development that are consistent with their economic, budgetary and innovation policies;

c) the diversity of national regimes does not in itself demonstrate the existence of a barrier to the functioning of the internal market that would require harmonization at the European Union level;

d) the European Commission has not provided sufficient qualitative or quantitative indicators to demonstrate that the proposed objectives will be better achieved at the European Union level due to the scale or effects of the measures;

e) the introduction of a parallel EU regime may lead to a duplication of record-keeping obligations, an increase in the administrative burden, and an encroachment on the budgetary and fiscal autonomy of Member States;

9. **empowers** the Chairman of the Committee to forward this resolution, together with a Reasoned Opinion, without delay to the Speaker of the Chamber of Deputies for transmission to the European Parliament, the Council of the European Union, and the European Commission as part of the subsidiarity control mechanism.