

27 June 2018

**Press release of the Bridge Forum Dialogue conference ‘Evolution of tax regimes’, on 26 June 2018, by Prof. Dr. Bruno Colmant, Professor at Vlerick Management School (UCL), Solvay Business School (ULB), ICHEC and Saint-Louis Faculties and Luxembourg School of Finance**

The Bridge Forum Dialogue organized in cooperation with the Luxembourg Chamber of Commerce a conference under the title: ‘*Evolution of tax regimes*’, on 26 June 2018. The speaker was **Mr. Bruno Colmant, Professor at Vlerick Management School (UCL), Solvay Business School (ULB), ICHEC and Saint-Louis Faculties and Luxembourg School of Finance**. The event was hosted at premises of the Luxembourg Chamber of Commerce, at the Kirchberg-Plateau.

**Mr de Lhoneux, Secretary General of the Banque centrale du Luxembourg and Member of the Executive Committee of the Bridge Forum Dialogue** introduced the speaker as well as the subject matter of the conference. Mr de Lhoneux highlighted the importance of holding a conference on taxation issues, a topic which is strongly connected with recent events organized by our Association, including the conference given by President Klaus-Heiner Lehne and the conference of Mr. Mario Monti. Mr de Lhoneux noticed that the current EU proposal on a Common Consolidated Corporate Tax Base consists of a two steps approach of both harmonization and consolidation paving the way for further progress, towards the long-term objective of a fiscal and budgetary Union.

Professor Colmant, a leading expert in the field, in additional to being a renowned academic, has held senior positions both in the private as well as the public sector, having served as Head of Cabinet of a Minister of Finance. He is currently the Head of Macro Research Bank Degroof Petercam as well as a Member of the Belgian Royal Academy.

Professor Colmant started by outlining current market trends signalling, both in the EU and worldwide, on the one hand, the decrease of corporate rates since the financial crisis and, on the other hand, the increase of personal income rates. He illustrated the challenges of taxing multinational enterprises in a global market, tax competition issues as well as the various approaches to unitary taxation. Professor Colmant explained that the **Common Consolidated Corporate Tax Base (‘CCCTB’)** proposals are made in this context, against a backdrop of other corporate tax base- and anti-tax avoidance related-measures. After having examined the history and main features of the EU Commission CCCTB project, Professor Colmant observed that the current 2016 proposal pursues the achievement of a harmonized corporate tax system that favors cross-border trade and investment as well as an anti-tax avoidance objective. According to Professor Colmant, the trend towards greater sophistication in the forms and levels of harmonization is a global trend.

Professor Colmant proceeded with a presentation on the so-called ‘**notional interest deduction**’, an innovative concept he firstly introduced a few years ago in the context of his research activities. It consists in the proposed introduction of a virtual interest rate, as fiscal reduction, applied to the capital of companies, in order to ensure a more symmetric treatment between the issuance of debt instruments on the one hand, and equity financing, on the other hand. The speaker asserted that the introduction of a notional interest deduction would further allow to strengthen the financial position of companies and branches by providing incentive to increase their equity. After sharing some concrete examples from the Belgian experience, Professor Colmant illustrated peculiarities, circumstances and conditions

allowing an effective introduction of the measure discussed, which might also serve as a harmonization tool at EU or international level.

A distinguished audience of approximately 200 participants gathered for this event, including representatives from the private sector, European institutions and bodies, numerous public authorities and actors of the academic, economic and social sphere as well as students.

The presentation was followed by a stimulating questions and answers session. The speaker was given the opportunity to express his views not only on technical issues but also on more general EU and global policy aspects.

More information will be made available on the website of the Bridge Forum Dialogue a.s.b.l.: [www.forum-dialogue.lu](http://www.forum-dialogue.lu).



*Photo: from left to right:*

Mr Rudolf Strohmeier, Director General of the Publications Office of the European Union, Member of the Board of Directors of the Bridge Forum Dialogue

Pr Bruno Colmant, Professor at Vlerick Management School (UCL), Solvay Business School (ULB), ICHEC and Saint-Louis Faculties and Luxembourg School of Finance

Mr Etienne de Lhoneux, Secretary General of the Banque centrale du Luxembourg, Member of the Executive Committee of the Bridge Forum Dialogue

Mr Hugo Woestmann, Advisor, Member of the Executive Committee of the Bridge Forum Dialogue