

**Andrej BABIŠ**  
*First Deputy Prime Minister and Minister of Finance*

Prague, 29 July 2015  
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Dear *PiORVO*

*Thank you very much for your letter of 2 July concerning actions towards non cooperative jurisdictions. Let me assure you that the fight against tax avoidance and tax evasion falls within my key priorities and I appreciate the Commission new Action Plan on this topic very much.*

*I agree that it is urgent to make a swift progress as we can no longer overlook the reluctance of some tax jurisdictions to sign up to a greater standard of transparency. I would like to thank you for the work the Commission has done so far and I am convinced that the work must continue.*

*I believe that our discussion should more focus on finding common EU criteria for assessment of the level of transparency in third countries. I am persuaded that such target may be more feasible than setting up a common EU list. Only once the criteria are agreed among Member States, we can extend our attention to particular third countries and take a decision whether to apply or not a common EU approach to them.*

*Solutions applicable in Member States towards non-cooperative jurisdictions should be illustrated in more nuanced way. For example the Czech Republic has not been working with any list nevertheless we have very little tolerance to the countries that are not willing to enter*

*into agreement on cooperation in tax matters. Outbound payments representing income towards states and territories where there is no legal obligation to exchange information according to generally accepted standard are subject to a substantially higher rate of the withholding tax than income paid to other states.*

*To my mind it is extremely important to work on timely solutions to tax fraud of any kind. Steps taken towards this goal should be proportionate to the overall revenues generated by different taxes. There are many countries in debt but they are not solving the problem that causes a huge loss of money. In this respect I must reiterate the importance of works on both direct and indirect tax areas. A number of EU member states are not able to collect more than 25% of their VAT receipts and this problem must not be neglected in the short-term perspective.*

*I am grateful for your effort to address these problems quickly and efficiently and I am very determined to contribute to its resolution.*

*Yours Sincerely,*



*Mr. Pierre Moscovici  
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