

JOINT DECLARATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF POLAND AND THE MINISTER OF THE ECONOMY AND FINANCE OF THE FRENCH REPUBLIC

We, the Minister of Finance of the Republic of Poland and the Minister of the Economy and Finance of the French Republic met on 22 February 2019 in Warsaw to discuss issues connected, *inter alia*, to taxation and decided to issue the following statement.

We recognize that the international economy is undergoing significant structural changes. Developments including digitalization, robotization or artificial intelligence have an unprecedented potential to boost productivity thus offering opportunities for economic growth. The benefits of rapid technological changes can support social cohesion if spread efficiently within the society. However, such developments may also contribute to increasing inequalities which can also negatively affect prospects for future economic growth. Efficient operation of our tax systems has a key role to play in ensuring that our countries take advantage of the opportunities offered by new technologies.

We also recognize that globalization leads to growing interconnectedness of our tax systems. Countries need to cooperate closely in order to ensure that new, digitalized business models are taxed in an efficient manner as well as to successfully prevent attempts to avoid taxation.

To this end we declare to continue mutual cooperation of the Governments of the Republic of Poland and the French Republic in the European and international initiatives aimed at achieving fair and efficient taxation of the digital economy. We expect the OECD to reach an agreement at the very latest by the end of 2020 on proposals aimed at tackling challenges raised by the digitalization of the economy. We consider that discussions regarding the comprehensive solution should take into account not only profit allocation and nexus rules but also, more broadly, a minimum effective level of taxation of profits made by multinational enterprises.

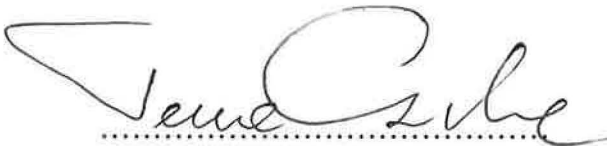
In the meantime, the European Union needs to provide for an effective and harmonized solution in case the conclusion of an international agreement takes longer than expected. Consequently, we support the adoption of a directive on a digital advertising tax according to a *de minimis* standard in March 2019.

Simultaneously, we support action at the European Union level aimed at reinforcing the fight against tax abuse and artificial structures used in the tax optimization schemes and at promoting a fair tax competition within the EU single market.

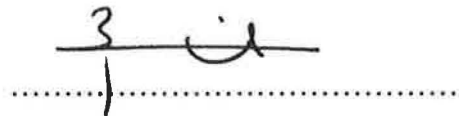
We also declare to support works at the European Union level aimed at inviting non-EU jurisdictions to respect tax good governance standards relating to tax transparency, fair taxation and anti-BEPS measures.

The experience with best practices of our tax administrations should be exchanged in order to meet these objectives.

Finally, taking into account good relations between our countries and shared interests, we intend to rapidly conclude our bilateral tax convention negotiations.



Prof. Teresa Czerwińska
Minister of Finance



Mr Bruno Le Maire
Minister of the Economy
and Finance