

Business in Europe

The Consultative Committee of Accountancy Bodies (“CCAB”), the forum for accountancy bodies in the UK and Ireland, has published a report, which captures the opinions of business leaders in the UK and Ireland on the effectiveness of the European Union, highlighting five key areas for potential reform.

Commissioned by CCAB, the report *Business in Europe: Researching Reforms for Sustainable Growth* explores in-depth the attitudes, priorities and concerns among senior business figures, taking into account a range of economic, political, sociocultural, legal, technological and environmental considerations. David Chitty, International Accounting & Audit Director of Crowe Horwath International was interviewed for the report.

The five key areas for potential reform which emerge as priorities for business leaders interviewed for the report include:

1. Single statement of EU and national responsibilities: with calls for a charter, operating model, or single document clearly setting out certain basic principles of the EU, as well as where responsibilities are shared by

EU Members or retained by national administrations that would help address some misinformation about the remits of national governments and EU institutions;

2. Greater accountability and transparency at EU level: a perceived lack of transparency, democratic deficit and a belief that unelected officials in Brussels may not make decisions in the EU’s best interests are key concerns within the business community;

3. Closer harmonisation of reporting regimes including taxation reporting regimes: hastened by the expansion of digital services, to facilitate strong demand across common markets for services and for capital, with the suggestion that the OECD’s Base Erosion profit Shifting (BEPS) protocols could be transposed into EU legislation;

4. Portability of earned labour benefits: to facilitate free movement of labour with regards to qualifications, pension contributions, health insurance and other earned social benefits in an ageing Europe;

5. Vision for business in the EU: to further harmonise EU economic structures, including companies being

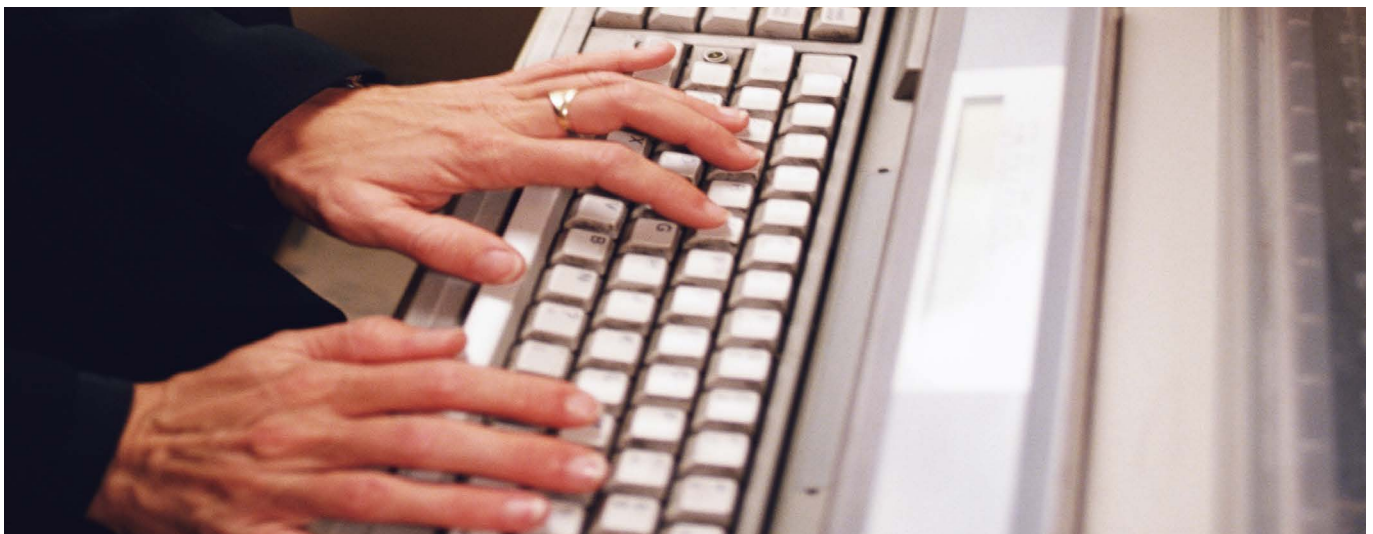
able to submit tax returns to an EU clearing house that would distribute these proportionally to the Member States in which the income was earned;

The respondents of the report also touch on Brexit (British exit from the EU), putting forward both conflicting and common opinions on the question ahead of the UK’s referendum on EU membership. While some respondents opined that UK businesses might be better placed to drive change by being in Europe, rather than trying to influence change from outside, others cited the downsides of membership. There was, however, consensus that the role of the EU is not always widely understood among businesses, and there is work to do to communicate this in the interest of balanced and informed debate in advance of the UK’s forthcoming referendum.

The full report and a summary can be downloaded [here](#) and the press release [here](#).

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