



BRUSSELS | **OCTOBER 2019**

## 1. GTAP Global Tax Conference & Torino-Busan Declaration

On 3 October, on the occasion of the Global Tax Advisers Platform (GTAP)'s inaugural conference in Torino, the GTAP founding bodies issued the Torino-Busan Declaration. In this document, GTAP sets out four key short-term priorities to pursue its fundamental purpose: the promotion of public interest by ensuring the fair and efficient operation of national and international tax system.

The four priorities highlighted in the Declaration are:

- Tax for Growth;
- Sustainable Tax Policies;
- Tax and Digitalisation;
- Taxpayer Rights and Certainty in a Fast-Paced World.

GTAP was formed in 2014 by CFE, AOTCA and WAUTI as a global response of tax advisers to international tax initiatives, with the aim of forging closer links among tax advisers throughout the world.

The Global Tax Advisers Platform provides the proper framework for a more dynamic, more inclusive cooperation among tax advisers, on the basis of enhanced dialogue, more effective collaboration and openness.

The Global Tax Advisers Platform's inaugural conference took place on 3 October 2019 in Torino on the topic of "*Tax & The Future*". The GTAP panelists, members of GTAP from Africa, Asia, Australia and Europe examined issues that are of interest to all tax advisers in a borderless, increasingly globalising and automated society, driven by new technologies. To that end, the expert speakers considered the evolution and future of the topics of global tax policy, corporate income tax and VAT, the global tax profession and business models and tax sustainability.

We invite you to read the [Press Release](#) for further information about the GTAP Torino-Busan Declaration.

## 2. 60<sup>th</sup> Years CFE Celebrated With Global Tax Conference & Anniversary General Assembly

Under the high patronage of the European Parliament, CFE Tax Advisers Europe celebrated its 60<sup>th</sup> Anniversary with a series of events, including General Assembly, the inaugural Global Tax Advisers Platform (GTAP) conference and technical committee meetings held over three days in Torino, Italy, hosted by the Italian member organisations of CFE - Associazione Nazionale Tributaristi Italiani (ANTI) & Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC).

CFE President Piergiorgio Valente welcomed the delegates and high-level guests, and thanked the Member organisations of CFE, the Italian host member organisations, and the delegates for their commitment and their continuous support in achieving the goals and objectives of CFE Tax Advisers Europe over the many years.

Pascal Saint-Amans, Director of the OECD Centre for Tax Policy and Administration addressed the General Assembly, highlighting the long-standing collaboration between the CFE and the OECD. Mr Saint-Amans said that CFE has been an active contributor to OECD's work since its inception in 1959 - only a few years before the publication of the 1963 OECD Model Tax Convention. Mr Saint-Amans welcomed CFE's recent contributions to OECD's public consultations and presented the upcoming OECD agenda on the taxation challenges of the digital economy.

Representing the European Commission, Bert Zuijendorp discussed the important role that stakeholders like CFE play in the taxation policy initiatives of the EU. Mr Zuijendorp also reflected on the synergy of the work undertaken by the OECD and the EU.

In a written contribution for the CFE's 60<sup>th</sup> Anniversary, Mr Valère Moutarlier, Director of Direct Taxation, European Commission said: *"CFE has been a prominent and constructive actor in the EU's tax arena for many years now. Its contributions to consultations, its submission of well-researched position papers and its membership in the Platform on Tax Good Governance are just a few of the ways in which it has brought its views and ideas to our attention. This Commission relies heavily on vocal, active and knowledgeable stakeholders for well-informed policy-making and CFE certainly meets this description. As we move forward now, towards a new mandate and a renewed agenda for taxation policy in Europe, I am sure that CFE will continue to liaise closely with the Commission and make its mark."*

The CFE Tax Advisers Europe was honoured to receive the patronage of the European Parliament of its 60<sup>th</sup> Anniversary, confirming the close links between the objectives of CFE's initiatives and the values of the European Union. In a written statement, the President of the European Parliament, Mr David Sassoli, said: *"The institution I have the honour to preside over greatly appreciates the professional and committed work of your organisation. The European Parliament very much admires the aim of your initiative, which is to present the goals of your organisation from its beginnings 60 years ago and to examine the close relationships forged with the European institutions over the years. It also highly values your activity as an important partner in the last European elections campaign."*, the European Parliament president said.

More information on CFE's Anniversary is available on the [CFE website](#).

### 3. OECD Consultation on Digital Tax – Unified Approach Under Pillar One

As announced by the Director of the OECD Centre for Tax Policy and Administration, Pascal Saint-Amans at the CFE meetings in Torino, the OECD Secretariat published the proposals concerning the taxation challenges of the digital economy. The [Secretariat proposals](#) introduced a ‘unified approach’ under Pillar One as the basis for further negotiations among the Members of the Inclusive Framework.

Under the proposed approach, new taxation rights for market jurisdictions are recognised as a matter of novelty. Conversely, under present international tax rules, zero profit could be allocated to any nexus not based on physical presence. The new rules are intended to apply to companies that derive value from consumer-interaction with users in market jurisdictions. Under the new profit allocation rules, a share of the deemed residual profits of the ‘consumer-facing’ multinational companies will be reallocated to market jurisdictions, through formulary apportionment and use of proxies such as sales.

Commenting, the OECD Secretary-General said of the new proposals: *“We’re making real progress to address the tax challenges arising from digitalisation of the economy, and to continue advancing towards a consensus-based solution to overhaul the rules-based international tax system by 2020. This plan brings us closer to our ultimate goal: ensuring all MNEs pay their fair share. Failure to reach agreement by 2020 would greatly increase the risk that countries will act unilaterally, with negative consequences on an already fragile global economy. We must not allow that to happen,”* Mr Angel Gurría said.

Stakeholders are invited to send comments on the policy, technical and administrability issues raised by the proposal before 12 November 2019, 12:00 CEST, by email to [TFDE@oecd.org](mailto:TFDE@oecd.org) in Word format. A public consultation is scheduled for 21-22 November in Paris.

### 4. UN Tax Committee Meeting: Taxation and SDGs

The [19<sup>th</sup> Session of the UN Committee](#) of Experts on International Cooperation in Tax Matters held in Geneva on 15- 18 October saw a debate on the relevance of taxation policy for the attainment of Sustainable Development Goals (SDGs), among other topics. Other

agenda items included the tax challenges of the digitalisation of the economy, update of the UN Nations Model Double Taxation Convention between Developed and Developing Countries, production of a UN Handbook on Tax Dispute Avoidance and Resolution as well as an update of the UN Transfer Pricing Manual.

Speaking on behalf of the United Nations Department of Economic and Social Affairs, Ms Caroline Lombardo, Acting Chief of the UN International Tax and Development Cooperation Branch highlighted the “important role of progressive tax systems and SDG-oriented fiscal policies: not only to raise revenue to finance sustainable development but also to reduce inequality, promote inclusive growth and protect the environment.”

As a follow-up to the UN first High-level Dialogue on Financing for Development and the Addis Ababa Action Agenda of 2015, Ms Lombardo stressed the critical role of the United Nations in international tax cooperation and shaping tax standards to ensure more inclusive process, whilst balancing such changes with greater certainty for taxpayers and governments. *“Strengthened tax administration and collection are critical and must be accompanied by further transparency on budgets and expenditures, to foster tax morale and trust in governments. Global action is needed to close loopholes and safeguard country efforts to mobilise domestic resources, including through tax cooperation that promotes favourable investment and trading climate that can generate jobs, expertise, a sense of independence, dignity and security”*, the UN official added.

## 5.Guidance on Foreign-Source Income Exemption Regimes – European Union ‘Blacklist’ Update

In the context of the EU evaluation of tax good governance standards by third countries and the list of non-cooperative jurisdictions for tax purposes performed by the Code of Conduct Group (Business Taxation), the Council of the EU published [Guidance](#) on foreign source income exemption regimes. The published EU guidelines aim to help third countries comply with EU’s tax standards, in particular those that the EU considers harmful tax practices.

According to the document, an overly broad definition of income excluded from taxation, notably foreign sourced passive income without any conditions or a nexus not complying with the PE definition contained in the OECD Model Tax Convention, shall be considered harmful practices aimed at facilitating double non-taxation. These guidelines will serve as a basis for the continued 2019 screening of third country jurisdictions.

The Council recently [endorsed](#) removal from the EU black and/ or greylist of a number of jurisdictions, including the United Arab Emirates, Albania, Costa Rica, Serbia, Switzerland, Mauritius and the Marshal Islands, establishing that those countries have implemented reforms to comply with EU tax good governance standards. Nine jurisdictions remain on the EU blacklist: American Samoa, Belize, Fiji, Guam, Oman, Samoa, Trinidad and Tobago, the US Virgin Islands and Vanuatu.

## 6. Platform for Collaboration on Tax Issues Draft Transfer Pricing Toolkit

The Platform for Collaboration on Tax, a joint initiative of the IMF, OECD, UN and World Bank Group, has issued a [draft toolkit](#) designed to help developing countries in the implementation of effective transfer pricing documentation requirements. The toolkit considers current approaches of tax administrations concerning documentation for transfer pricing analysis and policy matters that may give guidance to developing countries.

The Platform for Collaboration on Tax are seeking input on this draft of the toolkit by 8 November 2019. Particular points concerning which the Platform is seeking input include: whether the draft toolkit addresses all the relevant considerations for the design of an effective transfer pricing documentation regulatory system; whether particular approaches (e.g. penalties or compliance incentives) are especially beneficial for limited capacity developing countries, in terms of enforcement of transfer pricing documentation; whether there other transfer pricing documentation requirements not covered in this toolkit that should be considered; and what additional considerations and/or tools can be included to assist developing countries to implement effective transfer pricing documentation.

## 7. OECD BEPS Action 14 Peer Review Reports Update

In the framework of the work undertaken under BEPS Action 14 and the improvement of the tax dispute resolution mechanisms, the OECD issued the 6th round of peer review reports, assessing the efforts by countries to implement the Action 14 minimum standard as agreed to under the OECD/G20 BEPS Project.

The published reports include jurisdictions such as Argentina, Chile, Colombia, Croatia, India, Latvia, Lithuania and South Africa with over 230 targeted recommendations that will be followed up in stage 2 of the peer review process. BEPS Action 14 seeks to improve the tax-dispute resolution mechanisms via the Inclusive Framework peer-review process, which looks into the compliance with the minimum standard reviewed and monitored by peer countries.

## 8. Australian Taxation Office To Assess Airbnb Rental Income

The Australian Taxation Office has [reportedly](#) commenced with assessment of income tax of home owners who rent out their apartments via the Airbnb platform. As a result of this policy, the ATO will verify the details of taxpayers who earn an income from short-term rental platforms against the income declared on their tax returns.

A spokeswoman for ATO stated: *“Over the next 12 months, the ATO will issue letters to those taxpayers identified as using sharing economy accommodation platforms who haven’t declared the rental income they have received. The objective is to identify and educate those individuals to ensure they include the correct amount of rental income from*

*these sources in their returns and pay the appropriate tax. This will ensure there is a level playing field for all people operating accommodation services in the community.”*

## 9. GTAP: 17<sup>th</sup> AOTCA’s General Meeting & International Tax Conference on 16 – 18 October 2019 in Busan

Piergiorgio Valente, President of CFE Tax Advisers Europe and Chairman of the Global Tax Advisers Platform (GTAP) attended the [17<sup>th</sup> AOTCA’s General Meeting](#) & International Tax Conference held in Busan, South Korea, on 16 – 18 October 2019. Piergiorgio Valente represented CFE Tax Advisers Europe at the GTAP meeting held on 16 October, meeting also with the Asia Oceania Tax Consultants’ Association (AOTCA) Council and General Assembly. The meetings and event were hosted by the Korean Association of Certified Public Tax Accountants.

## 10. CFE Conference On Anti-Money Laundering: Paris – 29 November 2019

The CFE Tax Advisers Europe is pleased to invite you to the 12<sup>th</sup> European Conference on Tax Advisers’ Professional Affairs, entitled “Making Anti-Money Laundering More Effective For Tax Advisers”. This year, jointly organised by CFE and the Institut des Avocats Conseils Fiscaux (IACF), the conference will take place at the Maison de l’Artisanat in Paris, France, on Friday 29 November 2019 from 9:15 am to 4 pm.

Considering all the recent developments on the anti-money laundering front, we invited representatives of the OECD Tax & Crime Division to speak about the international approach against money laundering concerning tax evasion and tax crimes, alongside speakers from academia, practice and other international organisations. Tax practitioners from the Netherlands, France and the United Kingdom will shed light on the effect of anti-money laundering directives in practice. We expect that the speakers will examine the perceived risks posed by the tax profession in facilitating money laundering based on the EU Commission’s Supranational Risk Assessments and will also discuss the compliance with the new and existing EU Anti-Money Laundering Directives, as well as the efforts taken to address money laundering in the broader international context.

[Register now](#) to secure your place at the conference.



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