

# CFE's Tax Top 5

## KEY TAX NEWS OF THE WEEK

BRUSSELS | 5 NOVEMBER 2019



## EU Ministers to Discuss VAT-Related Directives

The EU finance ministers sitting at Council level (ECOFIN) will discuss this Friday 8 November three VAT related files and may reach an agreement on the [two legislative proposals](#) concerning transmission and exchange of VAT-relevant payment data. In addition, a [Directive](#) amending the VAT system as regards the special scheme for small enterprises (SMEs) will be debated.

According to Council discussions, Member states are likely to adopt the proposal on the Directive on the common system of VAT as regards requirements for payment service providers, which adds certain elements and general obligations for payment service providers. Following the 23 October 2019 meeting of the Working Party on Tax Questions, a compromise text was presented at the COREPER meeting of 30 October 2019, with no objections raised by EU Member states. If adopted, these two legislative acts will become effective on 1 January 2024.

As far as the VAT special schemes for SMEs are concerned, the Commission proposals seek to revise existing VAT rules on exemption for SMEs, due to the fact that SMEs at present face disproportionate VAT compliance costs, which as a result distorts competition on both domestic and EU markets.

EU Member states continue to disagree over the annual turnover thresholds for the SMEs VAT exemption. Finland's EU presidency compromise suggested a national threshold of €85 000 and an EU threshold of €100 000, coinciding with the European Commission proposals.

Ahead of the ECOFIN meeting, the Council services noted that a number of Member states "insisted that these thresholds should not be higher, and the Presidency reflected this in the attached compromise text." The 30 October 2019 COREPER meeting saw some Member states indicating a preference for thresholds of 100 000 and 115 000 EUR, respectively. As a result it is not yet clear whether the EU ministers will support the compromise text of the Finish presidency on Friday.

EU finance ministers are also expected to discuss climate financing and digital taxation.

## EU: North Macedonia Compliant With EU's Tax Good Governance Standards



The EU's Code of Conduct Group (Business Taxation) concluded on 24 October 2019 that North Macedonia has fulfilled the tax good governance criteria set out by the EU and as a result would be removed entirely from the Annex II jurisdictions. The General Secretariat of the Council of the EU [recommends](#) Annex II delisting in a note to the EU Member states for ECOFIN Council approval on 8 November.

As noted by the EU, North Macedonia has ratified the OECD Multilateral Convention on Mutual Administrative Assistance ("MAC") as amended, and the parliamentary instrument of ratification was deposited on 30 September. As a result, the Multilateral Convention will enter into force on 1 January 2020. North Macedonia is an EU membership candidate country and is expected to commence EU accession talks with Brussels at the EU summit in Zagreb in May 2020.



## OECD Releases Further CbCR Implementation Guidance

As a follow-up of BEPS Action 13, the OECD /G20 Inclusive Framework on BEPS has released [updated guidance](#) on the implementation and operation of Country-by-Country Reporting (CbCR). The new guidance includes the treatment of dividends, the operation of local filing, the use of rounded amounts in Table 1 of an MNE Group's CbC report and the information that must be provided with respect to the sources of data used.



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

The CFE Tax Advisers Europe is pleased to invite you to the 12th 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.



## CFE's 60<sup>th</sup> Anniversary *Liber Amicorum* Available to Purchase

"60<sup>th</sup> Anniversary *Liber Amicorum*", a book of high-level technical and policy contributions produced for the occasion of the 60<sup>th</sup> Anniversary of CFE Tax Advisers Europe, edited by Servaas van Thiel, Piergiorgio Valente and Stella Raventós-Calvo, was [published in partnership with IBFD](#). IBFD also regularly publishes CFE's relevant opinion statements and position papers in [European Taxation](#), the official journal of CFE Tax Advisers Europe.

Renowned tax experts discuss key tax issues that challenge tax advisers, tax academics and tax officials on a daily basis. Part I looks at EU decision-making in the tax area and some of the challenges of exercising tax jurisdiction in a digital world (taxing digital business models, robot taxes, etc.). Part II discusses the legal limits, particularly in Europe, to the traditional ways in which states exercise their tax jurisdiction (e.g. the need for equal treatment, the prohibition of discriminatory exit taxes and the ECJ *Sofina* decision) and the closely related issue of taxpayer rights (under EU law and the European Convention on Human Rights). Part III reports on recent developments in the fight against tax avoidance and tax evasion (e.g. the OECD BEPS Action Plan, the European Union's external "tax good governance" policy, international exchange of information, transfer pricing documentation requirements, the ECJ Denmark decisions and the Commission's Apple decision). Part IV presents an in-depth analysis of VAT (lessons learned) and suggests new ways forward, including in respect of dispute management (cross-border rulings). Finally, Part V reflects on non-tax issues that may have implications on international taxation and finance.

With its practical approach, the book provides an interesting and insightful read for all those involved in international taxation. It is available to buy directly from CFE Tax Advisers Europe ([info@taxadviserseurope.org](mailto:info@taxadviserseurope.org)) for CFE delegates, or at the IBFD Online Library.



---

The selection of the remitted material has been prepared by  
Piergiorgio Valente/ Aleksandar Ivanovski/ Brodie McIntosh/ Filipa Correia



Twitter

[LinkedIn](#)