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CFE President Addresses EU Finance Ministers at Informal ECOFIN Meeting in Prague

President of CFE Tax Advisers Europe, Mr Piergiorgio Valente, and CFE's Director of Tax Policy, Mr Aleksandar Ivanovski, attended an informal meeting of the ECOFIN Council in Prague, 10 September 2022, after being invited to address the Council of the European Union on potential ways to streamline EU direct tax law by way of reliance on soft law.

CFE's President expressed CFE's view that the prevailing geopolitical situation merits use of all relevant policy instruments to defend the European Union, to protect European citizens from the adverse effects of the war, and to preserve the social contract by mitigating the effects of the cost of living and energy crisis. CFE stressed that tax systems will play a key role in repairing strained public finance conditions and that initiatives aiming to promote IT solutions in tax administration, compliance and simplification, particularly to be applied to initiatives which rely on cooperation and agreements between Member states, would be welcomed by tax advisers.

Similarly, Mr Valente set out CFE's view that more coherent and consistent tax rules throughout the EU would contribute to a more competitive tax system and make the EU Single Market a more dynamic and business-friendly environment, and that, as such, coordinated measures among EU Member states' rules would

prevent mismatches among national legislations, taking the interest of the Single Market as whole.

The meeting was also attended by the President of the European Central Bank (ECB), Christine Lagarde, the European Commission Vice President Valdis Dombrovskis, Commissioner Paolo Gentiloni and other high-level representatives of the EU and Member states. Further details of [CFE's address to the informal ECOFIN meeting](#), and a selection of [photos](#) are available on CFE's website.

EU Pillar II Implementation: Certain Member States to Proceed Unilaterally

From discussion at the informal ECOFIN meeting which took place on 10 and 11 September, it appears that agreement will be unable to be reached on the EU directive implementing Pillar 2. The Directive is at present being blocked by Hungary, following on from months-long opposition from Poland under the French EU presidency. An agreement which would be binding on all other Member states, but exclude Hungary, has been recently been discussed and is an option being considered.

Prior to the informal ECOFIN, France, Germany, Italy, The Netherlands and Spain issued a [joint statement](#) setting out their position that they reaffirm their commitment to swiftly implement the global minimum effective corporation taxation in their jurisdictions in order for the tax to be effective as of 2023, should agreement not be reached at Council in the coming weeks, and to complete work on the reallocation of taxing rights on MNE profits.

OECD: Tax Morale II - Building Trust Between Tax Administrations & Large Businesses

The OECD has published a second report in its focus on the tax morale topic, entitled ["Tax Morale II: Building Building Trust between Tax Administrations and](#)

[Large Businesses](#)". The report examines levels of trust between tax administrations and large businesses, based on a survey carried out on tax administration perceptions of MNEs and previous research on MNE perceptions of tax administrations. The OECD in its summary concerning the report says:

"The survey shows that while MNEs are generally seen to demonstrate a formal commitment to co-operation with tax administrations, notably through on-time payment, perceptions of MNE transparency and trust in the information provided by them are less positive. There are strong regional differences, with tax administrations' perceptions of MNE behaviour generally poorer in Latin America and the Caribbean, and to a lesser extent Africa, when compared with Asia and OECD countries.

The survey also reflects tax administrations' perceptions of the behaviour of the Big Four professional services networks (Deloitte, EY, KPMG, PricewaterhouseCoopers) on tax matters. It shows similar patterns of positive perceptions of their willingness to follow the letter of the law and formal compliance, but less positive perceptions of following the spirit of tax laws."

The report can be accessed [here](#).

IFA Czech Republic Conference on the Use of Technology in Tax Administration & Professional Ethics in Taxes: 16 September 2022

The Czech Republic International Fiscal Association and the Chamber of Tax Advisors of the Czech Republic (KDPČR) are co-hosting a conference on 16 September in Brno, on the topic of the *"Use of technology in tax administration and the importance of professional ethics in taxes"*. The conference will focus on the use of technologies in the field of tax administration and ethics, how technologies facilitate or will facilitate tax administration, what the experience is, how collected data is processed and what it is/will be used for. A second panel

will address professional ethics for tax advisors – what are the legal/ethical obligations and reputation/status of the tax profession.

Aleksandar Ivanovski, Director of Tax Policy at CFE will speak at the conference, discussing the importance of professional ethics in tax advice. Other speakers include: Ing. Jan Ronovský, Deputy Director General of the General Financial Directorate of the Czech Republic, RNDr. Ladislav Minčič, CSc., MBA, Director of the Department of Legislation, Law and Analysis, Chamber of Commerce of the Czech Republic, Ing. Ludmila Klimešová, MBA; Section Director – SFÚ-Tax Execution Section I, Marcin Sidelnik, partner of PwC Poland, Ing. Tomáš Urbášek, LL.M.; IFA/KDP ČR/partner PwC Czech Republic, JUDr. Barbara Pořízková, Vice-President of the Supreme Administrative Court, Ing. Jan Hájek, MBA, Head of Taxes at Bosch ČR and SK, tax consultant and Mgr. Ladislav Henáč, Director of the Methodology and Management Section (Specialized Financial Office).

Further information on the conference and registration is available [here](#).

Forum on Tax Administration Publishes Tax Capacity Building Guide

The OECD's Forum on Tax Administration has now published a guide developed to "assist tax administrations globally in designing and carrying out their tax capacity building programmes", the [Tax Capacity Building: A Practical Guide to Developing and Advancing Tax Capacity Building Programmes](#). The Forum on Tax Administration is comprised of tax administration officials from over 50 OECD and non-OECD countries.

United Kingdom's HMRC Deputy CEO and Second Permanent Secretary, Angela MacDonald, said of the Guide, *"Building tax capacity and capability is a central component of many OECD member countries' development programmes. This guide by the FTA's Capacity Building Network is aimed at*

supporting tax administrations at any stage of their capacity building programme, and with differing resource levels.”

The Tax Capacity Building Guide can be accessed [here](#).

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