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No Agreement Reached on Digital Tax at ECOFIN

At its meeting on 6 November, the Council of the European Union sitting as ECOFIN (Economic and Financial Affairs Council) were [unable to reach agreement](#) concerning the European Commission proposals for Digital Services Tax in the EU.

Progress has reportedly been made on some aspects of the proposals concerning administrative cooperation and collection of the tax, but issues remain as to the scope of the services which would be taxed within the proposed Directive. There is reportedly broad agreement that a sunset clause should be included, with German Finance Minister Olaf Scholz now [proposing](#) that the Directive apply only if no agreement is reached at OECD level in its final report on taxation of the digital economy, due in 2020. It is therefore possible an iteration of the directive could be agreed next month on the basis that implementation of the Directive is suspended until 2020.

Speaking at a media briefing following the meeting, Austrian Finance Minister stated the EU "need to adapt our rules to the digital transformation of the economy and digital companies have to pay their fair share of taxes. The Presidency wants to achieve concrete results by the end of this year. Time is short but I'm convinced that with the appropriate political will, we can get there."

Irrespective of whether agreement can be reached by the end of 2018, the UK, Spain and Italy have set all out plans to introduce digital services tax for online business similar to those proposed by the Commission.



EU Council Updates "Blacklist" of Non-Cooperative Jurisdictions for Tax Purposes

Agreement was [reached](#) at last week's ECOFIN meeting on 6 November to update the list of non-cooperative tax jurisdictions for tax purposes, i.e. the "Blacklist".

Following high-level commitments made to remedy EU concerns and reform tax policies, Namibia will now be moved from the "blacklist" to the "grey list" of countries to be subject to close monitoring by the Council.

Five jurisdictions now remain on the list of non-cooperative jurisdictions: American Samoa, Guam, Samoa, Trinidad and Tobago and the US Virgin Islands.



European Commission Releases EU Law Infringement Package

The Commission has [published](#) a press release setting out the details of the November infringement proceedings against Member States for failing to comply with EU law.

The Commission issued letters of formal notice to the UK and Italy concerning their failures to levy the correct amount of VAT on the leasing of aircrafts and yachts, respectively. The Commission also issued two letters of notice to Belgium concerning its failure to implement correct tobacco excise duties and the evaluation of rental income from immovable property. Further, the Commission issued letters of notice to Romania to end its VAT split payment mechanism, to Italy to align its rules on the price of fuel in the Lombardy region with EU law and to Bulgaria to correctly transpose new transparency rules for the exchange of information.

In addition, the Commission stated they have now closed two infringement cases against Cyprus and Luxembourg brought for failure to implement into domestic legislation the DAC5 directive related to access to anti-money laundering registers, as the two Member states have now transposed the Directive into domestic law.



EU Council Adopts VAT e-publication Directive

The EU Council has now [adopted](#) the VAT proposal to align VAT rates for e-publications and physical publications. Presently electronically supplied services, including e-publications, are taxed at a rate of 15% VAT, whereas Member states have an option to apply a reduced VAT rate of 5% for physical publications.

The newly adopted proposal allows Member states to apply reduced VAT rates to e-publications in addition to physical publications. The adopted directive will apply on a temporary basis until the definitive VAT regime is agreed and implemented.



Final Reminder: CFE & AEDAF Mandatory Disclosure Rules Conference – 23 November 2018

CFE Tax Advisers Europe and the Asociación Española de Asesores Fiscales (AEDAF) will host the [11th European Conference on Tax Advisers' Professional Affairs](#), in Madrid, Spain, on Friday 23 November 2018 from 9am to 3pm on the topic of “Transparency Trends in Taxation: How to Implement New EU & OECD Mandatory Disclosure Rules”.

The programme is finalised, and we now have the following confirmed institutional speakers:

- European Commission (Reinhard Biebel, Direct Tax Policy, DG TAXUD),
- OECD (John Peterson, Head of Aggressive Tax Planning, Centre for Tax Policy and Administration),

- Permanent Representation of Spain to the EU (Jorge Ferreras Gutiérrez, Counsellor, Fiscal Affairs)
- Parliament of the Kingdom of Spain (Francisco de la Torre, Member of Parliament, Tax Inspector on Leave)
- Tax Administration of the Kingdom of Spain (Jesús Gascón, Director General)

They will join the excellent line-up of other confirmed speakers from policy, practice and academia.

More information on the programme and registration details is available [here](#). Register now to secure your place!



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