



BRUSSELS | 14 FEBRUARY 2022

OECD Public Consultation on Pillar 1 Nexus & Revenue Sourcing Draft Rules

The OECD is inviting input until 18 February on [Draft Rules for Nexus and Revenue Sourcing](#) from the Pillar 1 solution to address the tax challenges arising from digitalisation and globalisation of the economy. This consultation concerns Amount A of Pillar 1.

The revenue sourcing rules will allow in-scope MNEs to identify the relevant market jurisdictions from which revenue is derived, and to apply the revenue-based allocation key. Under the OECD [agreement](#) reached in October 2021, revenue is sourced to the end market jurisdictions where goods or services are used or consumed.

Those who wish to provide feedback can submit comments until 18 February electronically in Word format by email to tfde@oecd.org, addressed to: Tax Treaties, Transfer Pricing and Financial Transactions Division OECD/CTPA.

EU to Extend VAT Reverse Charge Mechanism

The European Commission has published a [draft proposal](#) to extend the application of the optional reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud and of the Quick Reaction Mechanism against VAT fraud. The draft Directive proposes to extend the application of the mechanism until the end of 2055.

The Explanatory Memorandum to the Directive notes that negotiations in the Council concerning the definitive VAT system are ongoing, and that it will not be possible for the system to enter into force by July 2022, and that an extension until the end of 2055 is required to allow for the negotiations and to prolong the anti-fraud measures.

Input can be provided on the proposal to extend the mechanism's application, via the [Have Your Say portal](#), until 7 April 2022.

EU Parliament's ECON Committee: Winter Economic Forecast

On 7 February, at a meeting of the EU Parliament's Committee on Economic and Monetary Affairs, Commissioner for the Economy, Mr Paolo Gentiloni, discussed the 2022 winter economic forecast for the EU.

Commissioner Gentiloni informed Members that although the Commission is positive on the medium-term outlook for the EU, Member States should not prematurely withdraw economic policy support measures, as this could undermine the strength of EU economic expansion.

Commissioner Gentiloni advised Members that countries should *"pursue policies that effectively underpin the recovery and increase potential growth. This means gradually shifting support towards measures that lay the foundations for a successful green and digital transition and for more inclusive growth."*

Further details concerning the Winter 2022 Economic Forecast is available [here](#).

OECD Tax & Development Days

The OECD is holding the second edition of the Tax & Development Days on 16 and 17 February 2022 virtually via Zoom. Members of the OECD Inclusive Framework and key stakeholders are invited to participate, with sessions open to public.

Day 1 of the meeting will have sessions focussed on Tax Inspectors Without Borders, taxpayer education, sustainable development through energy tax and subsidy reform and virtual tax training in COVID-19. Day 2 will focus on the topics of developing countries and the OECD Inclusive Framework on BEPS, tax compliance and illicit flows in South Africa, implementing solutions to address the VAT challenges of e-commerce growth and supporting implementation of the OECD's Two Pillar Solution to address the tax challenges arising from the digitalisation of the economy.

Further information and registration can be located [here](#).

University of Luxembourg Conference on Global Minimum (Corporate) Tax

The University of Luxembourg, in cooperation with the ATOZ Chair for European and International Taxation, the Vienna University of Economics and Business, and CFE Tax Advisers Europe, is hosting a hybrid-style conference on global minimum tax from 24 - 25 March 2022.

The conference will examine: political, economic and business perspectives on Pillar II; the mechanics of the GloBE rules, including scope, computation, safe harbours and other selected issues; as well as the relationship of Pillar II with domestic, international and supranational law.

Registration is open via the following [link](#).

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