



BRUSSELS | 14 SEPTEMBER 2020

Informal ECOFIN Meeting: 11 & 12 September

An [informal ECOFIN meeting](#) was held in Berlin from 11 to 12 September, with finance ministers meeting for the first time in person since March, received by German Finance Minister Olaf Scholtz.

Ministers discussed EU recovery from COVID-19, the EU budget and own resources, fair taxation in the EU and financial markets in the digital era. New own resources were advocated for in the repayment of debt arising from the COVID-19 recovery, and the importance of digital technology and climate change in the design of these measures was highlighted.

Fair and effective taxation was discussed ahead of the Commission's release of its business taxation communication, and it was agreed this must be ensured for competitiveness of the EU. Ministers also expressed support for continuing efforts at OECD level to agree fair taxation of the digital economy, including minimum taxation, and implementing the global solution at the EU level.

OECD Examines Role of Tax Systems in COVID-19 Economic Recovery

The OECD has published a [blogpost](#) discussing the role of tax systems in economic recovery from the COVID-19 impact.

The post recommends that governments “*continue to use fiscal tools to provide support to affected businesses and households. Support measures should be kept in place as long as needed to avoid scarring effects and fiscal policy should remain supportive to speed up recovery*”, with measures to be reduced slowly as the economy responds to the recovery measures.

The post also recommends governments aim to improve policy in the recovery process, particularly by focusing on environmental tax reform to ensure emissions are taxed appropriately. Raising tax revenue by increasing labour taxes is discouraged, and instead the report contains recommendations for fair burden sharing, by ensuring property and capital income, and digital sales are effectively taxed in order to ensure a strengthened social protection for more vulnerable members of society.

Save the Date: CFE Professional Affairs Webinar Conference on Taxpayers Rights

Save the date for the 13th European Webinar Conference on Tax Advisers’ Professional Affairs, to be held virtually on Friday, 20 November 2020, on the topic of “Taxpayer Rights and Legal Certainty in the Digital Era”.

The webinar conference will welcome tax experts and academics who will examine global developments in the protection of taxpayers’ rights and the impact and implications of technology on taxpayers’ rights. The conference will also review the recently published IBFD [2019 Yearbook on Taxpayers’ Rights](#), the most recent compilation of information by the Observatory on the Protection of Taxpayers’ Rights.

More details about the programme, line-up of speakers and registration will be available in due course.

VAT Gap Report Published by EU Commission

A [report](#) concerning the VAT gap in 2018 published by the EU Commission shows that EU Member States lost over 140 billion Euro in tax revenues in that year. The VAT gap refers to the difference between expected tax revenues from VAT, and the amount of tax that was eventually collected.

The nominal gap between 2017 and 2018 reduced by over 1 billion Euro, a slight decrease to the year before, however forecasts for the 2020 year, which take into account the economic impact of COVID-19, anticipate a reversal in this positive progress. The report highlights the need to address issues in EU VAT rules leading to VAT fraud. Romania, Greece and Lithuania recorded the highest percentages of missing VAT, with Sweden, Croatia and Finland recording the lowest percentages.

Commissioner Paolo Gentiloni, commenting on the report stated “*Today's figures show that efforts to shut down opportunities for VAT fraud and evasion have been making gradual progress – but also that much more work is needed. The coronavirus pandemic has drastically altered the EU's economic outlook and is set to deal a serious blow to VAT revenues too. At this time more than ever, EU countries simply cannot afford such losses. That's why we need to do more to step up the fight against VAT fraud with renewed determination, while also simplifying procedures and improving cross-border cooperation.*”

EU Commission Online Conference on Taxation & COVID-19 Recovery - 21 September 2020

The EU Commission will hold an online conference next Monday, 21 September between 16:00 and 18:00 CEST, hosted by Commissioner Paolo Gentiloni on the topic of the Role of Taxation in Recovery and Long-term Growth, examining EU taxation priorities in contending the impact of COVID-19 and EU tax policy

and modern business. Speakers will include Paolo Gentiloni, Olaz Scholtz, German Minister for Finance and Benjamin Angel, Director for Direct Taxation, TAXUD, amongst others.

The conference will be lived streamed via this [link](#) at the above time and date. Registration is not required. More information about the conference is available here: https://ec.europa.eu/taxation_customs/events/online-tax-event_en.

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