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## UN Tax Committee to Discuss Amendments to the UN Model Tax Convention

The 18th Session of the Committee of Experts on International Cooperation in Tax Matters (“UN Tax Committee”) will discuss on 23-24 April 2019 the update of the UN Nations Model Double Taxation Convention between Developed and Developing Countries, as well as the next update of the UN Transfer Pricing Manual. Other items on [the agenda](#) include the mutual agreement procedure and dispute avoidance and resolution.

The experts, including representatives of CFE Tax Advisers Europe, will address the report of the subcommittee on updating the United Nations Model Double Taxation Convention, including: taxation of royalties; taxation of collective investment vehicles; tax and the Sustainable Development Goals; update of the United Nations Practical Manual on Transfer Pricing for Developing Countries; update of the Handbook on Selected Issues for Taxation of the Extractive Industries by Developing Countries; update of the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries; environmental tax issues and lastly, the tax consequences of the digitalising economy, with particular focus on issues of relevance for developing countries. The session will be held alongside the [ECOSOC Special Meeting](#) on International Cooperation on Tax Matters, taking place on Monday, 29 April 2019.



## ECJ Decision in Case C-691/17 *PORR* on VAT Input Deduction - Reverse Charge

The Court of Justice of the European Union issued a [ruling](#) in the Case C-691/17 *PORR* concerning a tax adjustment imposed on a company on account of a failure to apply the national provisions in relation to reverse charging of Value Added Tax (VAT).

In the case between *PORR Építési Kft.* and the Hungarian tax authorities, the Court found that the tax administration is allowed to deny VAT input deduction on a supplier invoice issued under the ordinary VAT regime, whereas the relevant transaction fell under the reverse charge mechanism. The Court also concluded that, insofar as the national tax system allows the company to recover the VAT which it unduly paid to the issuers of the invoices in question, the tax authority is not required to ascertain whether those issuers can correct those invoices before rejecting the claim for deduction of VAT.

The case was brought as a reference for preliminary ruling on the interpretation of the EU law principles of fiscal neutrality and effectiveness, in the application of national law that

concerns Articles 167, 168, 178, 199(1) and 226 of the VAT Directive (Council Directive Council Directive 2006/112/EC of 28 November 2006 on the common system of Value Added Tax, as amended by Council Directive 2010/45/EU of 13 July 2010).



## OECD Invites Public Input on Tax Morale Report

The OECD [invites public comments](#) on a draft report which analyses the factors that contribute to the tax morale and the modality to improve the revenue collection mechanisms through voluntary compliance. This report specifically focuses on tax morale in developing countries, using recent data to help identify the drivers of tax morale among individuals and businesses.

Interested parties are invited to send their comments by no later than 10 May 2019, to [TaxandDevelopment@oecd.org](mailto:TaxandDevelopment@oecd.org) in Word format. All comments submitted should be addressed to the OECD Centre for Tax Policy and Administration.



## OECD: Belgium Has Highest Taxes on Labour

According to the latest [OECD report Taxing Wages 2019](#), Belgium has the highest average tax rate on salaries in the world. The OECD highlights that a single worker with no children earning an average national salary would pay the highest average rate of tax in Belgium at 52.7%, followed by Germany, Italy, Austria and France. The lowest average tax rate on salaries is levied in Chile at 7%.

In spite of a recent decrease in the tax rate of 1.09%, Belgium still tops the charts among jurisdictions relying heavily on taxation of work. On average, the OECD reports that income tax and social security contributions declined slightly for the average worker across the OECD in 2018, driven by major reforms in a handful of countries, such as Estonia with a decrease of 2.54 % and the United States with a decrease of 2.19%. The average tax wedge on median workers in 2017 ranged from 52.0% in Belgium to 7% in Chile.

At the [last informal ECOFIN Council of EU finance ministers](#), reforms on addressing excessive taxation of labour in certain Member states were discussed, a topic which is expected to remain on the agenda of the next EU Commission following the EU elections in May.



## CFE Forum 2019 – Programme & Registration

The CFE Tax Advisers Europe has published the [final Forum programme](#) taking place on 6 June 2019 in Brussels this year entitled “*Creating Tax Certainty in an Uncertain World: Double Taxation, Tax Rulings & Dispute Resolution Processes*”. The Forum will examine existing MAP mechanisms and the EU Tax Dispute Resolution Mechanisms Directive. The Forum will further discuss means of avoiding tax disputes, such as indirect and cross-border rulings, as well as the State Aid challenges to direct tax rulings- confirmatory rulings and advance pricing agreements (APAs).

Interested attendees from the EU institutions, other public institutions, Member states’ representations to the European Union and journalists can attend free of charge. Please contact the CFE Brussels office for more details at [info@taxadviserseurope.org](mailto:info@taxadviserseurope.org). More details about the registration process can be found [here](#).



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