

# CFE's Tax Top 5

## KEY TAX NEWS OF THE WEEK

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### EU Council Reaches Agreement on DAC6 Reporting Extension

Political agreement was [reached](#) on 3 June by Member States' representatives at the Permanent Representatives Committee meeting concerning the Commission proposal for a directive to defer deadlines for exchange of information under the administrative cooperation directive as a result of the coronavirus crisis.

The amended proposal agreed by COREPER will provide the option for Member States to postpone deadlines imposed by the EU Directive on Administrative Cooperation for reporting of relevant cross-border arrangements by 6 months. Certain Member States have already indicated their intention to introduce legislation transposing the extension to the reporting deadline into domestic law.

It is anticipated that the revised proposal as agreed will be formally adopted by the EU Council before the end of June by way of written procedure.



### Council of EU Publishes Overview of Member States' Preferential Tax Regimes

The Council of the European Union has [published](#) an overview produced by the Code of Conduct Group (Business Taxation) concerning the preferential tax regimes of the Member States.

The overview was produced in line with 2016 Council conclusions on the future of the Code of Conduct Group, with a view to increase public access to information on the work of the Group, and to release documents related to decisions and activities of the Group.

The overview details the work process of the Code of Conduct Group concerning the preferential tax regimes, including the identification of regimes, the description of the measures by the Group, the classification of whether measures are harmful or not, and the steps taken thereafter concerning the abolition, rollback or amendment of the regime in line with recommendations of the Group.

Some preferential tax regimes included in the overview also include details of grandfathering in relation to the measures.



## US Launches Investigations into Countries with Digital Taxes

The Office of the US Trade Representative has [announced](#) the US will be carrying out investigations under Section 301 of its 1974 Trade Act concerning digital services taxes that have either been adopted or are being considered at political level by a number of countries worldwide. The jurisdictions listed include: Austria, Brazil, the Czech Republic, the European Union, India, Indonesia, Italy, Spain, Turkey, and the United Kingdom.

A similar investigation was carried out by the US in 2019 into the French digital services tax, following the French digital tax being signed into law on 24 July 2019. Threats of retaliatory tariffs escalating into a trade war were avoided after an agreement was reached in January 2020, in which the US agreed to suspend the imposition of tariffs on French goods whilst France agreed not to collect the digital tax until the end of 2020, subject to an OECD agreement by the end of year.

The move puts increased pressure on efforts to reach an international agreement at the OECD level.



## EU Commission to Extend Temporary State Aid Framework to SMEs

The European Commission is consulting Member States concerning a [proposal](#) to expand the Temporary State Aid Framework adopted in March to assist Member States in dealing with the economic impact of the COVID-19 outbreak to now include specific provisions allowing Member States to support micro and small enterprises.

The Commission is proposing to allow Member States to provide public support to micro and small companies, even if they would have been classified as being in financial difficulty at the end of 2019, to support innovation and start-up companies that may have been in a loss-making high-growth phase.

Executive Vice-President Margrethe Vestager stated of the consultation: *“Micro, small and start-up companies face specific challenges as a result of the coronavirus crisis. They are crucial for the economic recovery of the Union. That's why we propose to extend the Temporary Framework to enable Member States to give further support to micro and small companies, including start-up companies. Furthermore, we propose to introduce conditions that provide incentives for private investors to participate alongside the State in recapitalisations. This is welcome as it reduces the need for State aid and the risk of distortions to competition.”*



## IBFD Launches 2019 Yearbook on Taxpayers' Rights

On 8 June, the IBFD [published](#) the 2019 Yearbook on Taxpayers' Rights, the most recent compilation of information by the Observatory on the Protection of Taxpayers' Rights concerning global developments in the protection of taxpayers' rights.

The release of the 2019 report is accompanied by video presentations recorded by Prof. Dr Pasquale Pistone, Prof. Dr Philip Baker and Prof. Dr Carlos E. Weffe examining global developments and identifying recent trends in taxpayers' rights protection.

The report and videos can be viewed [here](#).



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