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EU Commission Publishes EU Coordinated Response to Coronavirus Outbreak

The European Commission has published a [Communication](#) setting out a coordinated economic response of the European Commission to the COVID-19 outbreak.

To minimise economic impact of the COVID-19 outbreak, the EU through its coordinated response will work with Member States to establish means to compensate sectors for losses incurred, to ensure SMEs are provided with liquidity urgently needed, to establish funds to be made available to counter the effects of the virus on employment, and have encouraged Member States to make full use of State Aid provisions to support national support measures, as [Denmark has](#) done concerning the cancellation of large events with more than 1,000 participants.

In a speech concerning the measures, Executive Vice-President Margrethe Vestager encouraged Member States to *“give all businesses, throughout the economy, a breathing space to help them cope - providing wage subsidies, or suspending corporate tax payments or payments of VAT.”*

EU Parliament President David Sassolli reinforced the measures to be taken by the EU, stating, *“EU countries are authorized to spend everything that is necessary to guarantee support for employees, self-employed workers, businesses, and banks...It is important to emphasize that governments will be able to use all the flexibility provided for in the Stability and Growth Pact, and that state aid will be allowed for sectors and businesses affected by the crisis.”*



OECD Publishes Responses to CbCR Consultation

The OECD has now [published comments](#) received in relation to a consultation document published in February inviting input concerning Action 13 of the Base Erosion and Profit Shifting Project, on Country-by-Country Reporting. The review is being carried out pursuant to the BEPS Action Plan, which mandated a review of CbCR under Action 13 in 2020.

The consultation document invited input on whether modifications should be implemented for Action 13 such that additional or different data should be reported, requesting practical experiences and issues with reporting requirements under Action 13, input on the use of the reported data by tax administrations, and on the effectiveness and appropriateness of thresholds and reporting.



UK to Proceed with Digital Tax

The UK budget delivered last week [confirmed](#) that the UK is proceeding with plans to introduce a digital services tax, which will enter into force in April 2020, notwithstanding US President Trump's administration reportedly having advised the UK government at multiple levels that no free trade deal will be agreed should the tax be passed into law.

The tax will apply to businesses making search engines, social media platforms or online marketplaces available to UK users, including any associated online advertising of that business, which have a global annual turnover over £500 million pounds and over £25 million pounds of turnover attributable to revenue derived from UK users. The tax will apply at a rate of 2% to revenue over £25 million pounds.

This follows Executive Vice-President of the European Commission, Margrethe Vestager, having confirmed that nationally imposed digital taxes do not fall short of the EU State aid rules, as argued by some commentators, and the decisions of the European Court of Justice in Cases [C-323/18, Tesco-Global Áruházak Zrt. v Nemzeti Adó- és Vámhivatal Fellebbviteli](#) and [C75/18, Vodafone Magyarország Mobil Távközlési Zrt. v Nemzeti Adó- és Vámhivatal Fellebbviteli Igazgatósága](#), in which it was held that steeply progressive turnover taxes which targeted the retail and telecommunication sectors, and largely affected nationals of other Member States or by companies that have their registered office in another Member State, were not discriminatory.



EU Publishes Industrial Policy Package

On 10 March 2020, the EU Commission presented its [Industrial Strategy](#), which aims to advance EU competitiveness through the implementation of a range of measures, notably including:

- A review of competition rules and State aid guidelines;
- An EU single market strategy;
- A White Paper concerning distortive effects by foreign subsidies;
- Measures to decarbonise energy-intensive industries, improve carbon leakage tools and the supply of low-carbon energy at competitive prices.
- A Circular Economy Action Plan; and
- A new SME strategy.

The package notes that there exists a *“broad range of obstacles in the single market...the root causes of such barriers: restrictive and complex national rules, limited administrative capacities, imperfect transposition of EU rules and their inadequate enforcement”*.

The strategy will involve improving the harmonisation of the implementation of EU rules, establish a Single Market Enforcement Taskforce to strengthen the enforcement of single market rules, improving tools such as the SOLVIT dispute resolution tool, as well as improving the oversight capabilities of national authorities.



In Memoriam: Former CFE President Professor Mario Boidi

It is with deep sadness that the CFE Tax Advisers Europe Executive Board Members and CFE Office Team join together in paying their respects to the late [Professor Mario Boidi](#).

Professor Boidi was a Founding Father of the European Tax Profession within the CFE Tax Advisers Europe (1959-2020), over the years wearing the hats of CFE Delegate to the General Assembly, CFE President and Honorary President. The enthusiasm and passion he put in his work and collaboration with CFE, his unparalleled expertise and, above all, his wonderful presence will be deeply missed.

Apart from being a strong pillar of CFE Tax Advisers Europe, Professor Boidi was also a very esteemed colleague to most and a dear friend to many. The President and Executive Board of CFE Tax Advisers Europe takes this opportunity to extend their deepest and most sincere condolences to Professor Boidi's family and loved ones, in the hope that his dear memory will bring comfort to all.

May his soul rest forever in perfect peace.



The selection of the remitted material has been prepared by
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