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EU Commission Launches Digital Levy Roadmap & Public Consultation

The EU Commission's DG TAXUD has published an inception impact assessment roadmap revealing that a [digital levy](#) initiative will be introduced in the Spring, intended to sit alongside any multilateral digital tax measures agreed at OECD level.

The document sets out that *“parameters indicate that the OECD agreement will focus on large, multinational enterprise groups and a limited number of pre-defined activities linked to digitalization”*, and that the EU digital levy will instead aim to be a *“measure that allows for a fairer contribution from the companies that operate in the digital sphere”* in line with the Digital Services Act package recently introduced addressing the dominance of digital companies, particularly in the platform economy. The inception plan indicates that the options for the digital levy being considered include:

- A corporate income tax top-up to be applied to all companies conducting certain digital activities in the EU;
- A tax on revenues created by certain digital activities conducted in the EU;
- A tax on digital transactions conducted business-to-business in the EU.

A 12-week [public consultation](#) has now been launched concerning the initiative, in the form of a questionnaire. An impact assessment will also be carried out to

inform the Commission's decision on the parameters of the digital levy.

Input can be submitted on the public consultation until 12 April 2021, using the [Have Your Say](#) portal.

OECD Virtual Consultation on Pillar 1 & 2 Blueprints

The OECD held a [virtual public consultation](#) on 14 and 15 January 2021 concerning blueprints for Pillar 1 (review of profit allocation and nexus rules to reflect digital business models) and Pillar 2 (global anti-base erosion rules for a minimum effective taxation rate).

Discussions highlighted contentious issues in agreeing measures under the two pillars in the remaining six months available for negotiations, particularly given the uncertainty of the incoming US administration, with Pascal Saint-Amans stating the Inclusive Framework was “in waiting mode for the signals from the US.”

Chair of the Inclusive Framework, Martin Kreienbaum, stated that “Many countries have an idea of what they would like to do with pillar one. The difficulty is finding a consensus”, with stakeholders submitting submerging views on issues such as scope, implementation, safe harbours and revenue thresholds.

Business organisations called for national unilateral DSTs to be eliminated as a condition for implementation of any measures agreed and for the measures to be urgently simplified. Simplification, double taxation concerns and dispute resolution were issues raised by most stakeholders as key in further progressing the two pillars. Broad support was expressed concerning Pillar 2, although over 150 pages of comments received were reportedly devoted to simplification measures. Concerns over the interaction of GLoBE and the US GILTI regime were also raised.

Those who missed the consultation can replay the sessions via the OECD's [website](#).

EU Commission Publishes Progress Report on Customs Risk Management

The EU Commission has now published its [third progress report](#) on the implementation of the EU Strategy and Action Plan for customs risk management.

The report details that significant progress has been made in customs risk management through strengthened cooperation, the effective use of the common risk criteria, and the key role of the Customs Risk Management System (CRMS), including the upcoming implementation of [Import Control System 2](#), which will introduce large scale advance cargo information for express carriers and European based postal operators and Third-country postal operators shipping to Europe.

The risk management of e-commerce and increased international trade flows are highlighted in the report as incentives for strengthening customs risk procedures to safeguard the EU's financial interests.

Inclusive Framework on BEPS Public Virtual Meeting

On 27 to 28 January, the 11th plenary meeting of the OECD/G20 Inclusive Framework on BEPS will be held virtually, and the meeting will be open to the public via live webstream on the [OECD website](#).

Day 1 of the meeting will focus on the global economic outlook and post COVID-19 recovery, as well as a session on Sustainable Development Goals and the role of taxation, and tax morale. Day 2 will focus on the topic of the future of international tax, the tax challenges of digitalisation, 2021 priorities of the G20, a

debrief on the recent OECD Pillar 1 & 2 Consultation and a BEPS update. In addition, on 29 January a briefing session will be held on current OECD tax and development work. This will also be open to the public.

Those wishing to participate in the sessions can access the webstream of the meeting [here](#).

Vacancy: Tax Technical Officer at CFE Tax Advisers Europe

CFE Tax Advisers Europe is searching for suitable applicants to fill a vacancy for the role of Tax Technical Officer in the CFE Brussels Office. The successful candidate will work on pertinent EU and international tax policy issues within the CFE tax policy team.

We are looking for a flexible team player with good communication skills and cultural sensitivity who is able to respond to the needs and expectations of our Committee members across Europe. Further information concerning the role and the selection criteria can be found [here](#).

Interested candidates should send a cover letter and their CV by 8 February to the attention of Mr Martin Phelan, CFE Secretary-General, at info@taxadviserseurope.org. Interviews with pre-selected candidates are expected to take place the week of 15 or 22 February 2021.

The selection of the remitted material has been prepared by: Piergiorgio Valente/ Aleksandar Ivanovski/ Brodie McIntosh/ Filipa Correia