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G20 Endorse International Taxation Agreement

On 13 October, G20 Finance Ministers [endorsed](#) the agreement reached by 136 jurisdictions on global minimum tax and partial reallocation of profit to market countries, stating in its Communique that *"This agreement will establish a more stable and fairer international tax system. We call on the OECD/G20 Inclusive Framework on BEPS to swiftly develop the model rules and multilateral instruments as indicated in and according to the timetable provided in the Detailed Implementation Plan, with a view to ensure that the new rules will come into effect at global level in 2023."* Under the agreement, more than \$125 billion from circa 100 largest MNEs will be reallocated to countries in which such companies have had extensive operations and revenue, but did not have taxable presence for corporation tax purposes under existing rules.

The European Commission, via the Commissioner for the Economy, Paolo Gentiloni, released a press release welcoming the endorsement of the deal by the G20, and confirming the EU's intention to implement the agreement into EU law, stating *"Once the OECD has finalised the model rules for Pillar 2, the Commission will swiftly put forward a directive for its implementation in the EU. For Pillar 1, we will carefully examine whether a directive is needed to ensure its consistent and effective implementation at EU level."*

[Forum on Tax Administration Vows to Investigate Pandora Paper Data](#)

The OECD's Forum on Tax Administration and its investigational arm, the [Joint International Task Force on Shared Intelligence and Collaboration \(JITSIC\)](#), issued a statement concerning the so-called "[Pandora Papers](#)", published by the International Consortium of Investigative Journalists, following an investigation carried out by over 600 journalists into the largest known data leak on the use of offshore companies. The leak comprises over 11 million files on the operations of 14 particular offshore service firms who facilitate the use of offshore companies. Individuals identified in the leak are accused of using offshore vehicles for concealing illicit assets.

The Forum on Tax Administration and JITSIC have [confirmed](#) that they will use the tools at their disposition, including JITSIC's net work of cooperation, the OECD standard on the exchange of information on request, and the OECD Common Reporting Standard, to "pool resources, share information and rapidly develop a more accurate picture of potential wrong doing in order to facilitate further investigations" and investigate and identify tax evasion or avoidance in relation to the Pandora Papers, as data becomes available.

The process will follow the model used for the Panama and Paradise Papers.

[Register Now: CFE Conference on "Professional Judgment in Tax Planning" on 25 November 2021](#)

Register [now](#) to secure your place for the 14th European Conference on Tax Advisers' Professional Affairs, to be held virtually on Thursday, 25 November 2021 from 10:00AM to 12:00PM CET, on the topic of "*Professional Judgment in Tax Planning - An Ethics Quality Bar for All Tax Advisers*".

Speakers from a wide range of stakeholder perspectives will examine issues raised in the [discussion paper](#) published by CFE seeking to promote ethical professional judgment across all tax advisers in Europe, through the proposed

“ethics quality bar” contained in the paper, based on five questions that all tax advisers should reflect on when undertaking their advisory role in the overall tax system. Panellists will consider whether the quality bar can help to steer all advisers in the direction of an appropriate balance between the rights and obligations of taxpayers, avoiding abusive planning.

Registration for the event is possible via this [link](#). More details about the programme, line-up of speakers and registration will be available shortly.

EU Commission Publishes Roadmap on Customs Risk Management

The European Commission is inviting input on a [Roadmap](#) concerning means to manage customs related risks. The initiative builds on the Customs Union Action Plan announced in September 2020, specifically in relation to the steps on the development of EU joint analytics capabilities and a new Risk Management Strategy. Through the initiative the Commission aims to introduce *"an EU level layer using modern analytics methods to analyse the data coming from entry, exit and customs import and export declarations and a national layer of risk analysis done at Member States level...The new strategy will mitigate risks by defining priorities or levels of risk acceptance for each category or individual risk. For financial risks, the objective will be to tend to take a low risk approach where no undeclared or mis-declared goods causing financial risks to the EU will cross the border undetected. In non-financial risk areas, customs authorities often apply legislation in cooperation with other authorities responsible for enforcement. Moreover, categories of goods and risks involved are diverse and may evolve quickly. The Strategy will aim to streamline customs intervention and governance arrangements to ensure effective risk mitigation at the appropriate time and place in the supply chain. The new Strategy will also be accompanied by a monitoring framework with indicators allowing to clearly measure the progress."*

Interested parties can provide feedback on the Roadmap via the [Have Your Say](#) website until 2 November.

OECD Publishes Country-by-Country & MAP Peer Review Reports

The OECD has issued a [compilation](#) of the 2021 peer review reports completed in line with Action 13 on [Country-by-Country Reporting](#) of the OECD/G20 BEPS Project, as well as the Stage 2 peer review monitoring reports of Action 14 of the BEPS Project on [Mutual Agreement Procedure](#).

The compilation of Country-by-Country reporting covers 132 Inclusive Framework members and reviews the implementation of the Action 13 minimum reporting standards. The report notes that over 100 jurisdictions have legislation imposing filing requirements on MNEs, and that recommendations made in earlier peer review phases have largely been addressed. The report is completed on an annual basis, and the next update will be provided in Q3 of 2022.

Concerning Action 14 and the improvement of the tax dispute resolution mechanisms, the OECD has issued reports for the jurisdictions of [Brazil](#), [Bulgaria](#), [China](#), [Hong Kong \(China\)](#), [Indonesia](#), [Russia](#) and [Saudi Arabia](#). The reports assess the efforts by the countries to implement the Action 14 minimum standard as agreed to under the OECD/G20 BEPS Project and recommendations contained in the Stage 1 peer review reports. All jurisdictions have signed the OECD MLI except Brazil, with Indonesia, Russia and Saudi Arabia having already ratified the instrument. All jurisdictions have either updated or introduced MAP guidance, and the majority have successfully decreased the time taken to close MAP cases or added additional personnel to their competent authorities dealing with MAP cases.

The selection of the remitted material has been prepared by:
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