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Ireland Raises Issues with US Proposed Minimum Taxation

As a result of US proposals to introduce a minimum corporate tax rate of 21%, countries like Ireland are presumed to lose significant revenue. Under the Stability Programme Update for 2021 of the Irish Department of Finance [published](#) on 14 April, Ireland stands to lose 2 billion Euros in corporate tax revenue by 2025.

Commenting on these developments, Pascal Donohoe, Ireland's Finance Minister said: *“Small countries, such as Ireland, need to be able to use tax policy as a legitimate lever to compensate for advantages of scale, resources and location enjoyed by larger countries.”*

Technical details of the OECD proposals, including the rate on minimum tax, are currently under negotiations, but are widely expected to be settled in the range around 15%, rather than 21% as suggested by the United States. The negotiations at the OECD/ G20 level are expected to be completed by mid-year.

OECD Tax Dispute Resolution Peer Review Reports Published

In the framework of the work undertaken under BEPS Action 14 and the improvement of the tax dispute resolution mechanisms, the OECD has issued further Stage 2 [peer review reports](#) for the jurisdictions of Australia, Ireland, Israel, Japan, Malta, Mexico, New Zealand and Portugal. 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.

BEPS Action 14 seeks to improve the tax-dispute resolution mechanisms via the Inclusive Framework peer-review process, which looks into the compliance with the minimum standard reviewed and monitored by peer countries.

All jurisdictions have signed the OECD MLI, with only one jurisdiction remaining that has not ratified the instrument. All jurisdictions have updated their MAP guidance, the majority successfully decreased the time taken to close MAP cases, and all have added additional personnel to their competent authorities dealing with MAP cases.

Final Reminder: CFE Webinar on ECJ Caselaw Developments - 22 April

The CFE Academy Series Webinar dedicated to examining key EU tax law developments and providing insights on the practical significance of important recent ECJ caselaw for tax advisers will take place this Thursday 22 April 2021 at 14:30.

The panel is comprised of academic experts from the CFE's ECJ Taskforce: Prof. Dr Georg Kofler, Chair of the Task Force, will cover the Polish/Hungarian cases on turnover taxes, Dr Isabelle Richelle will discuss the Société Générale case, Prof. Dr. Alexander Rust will analyse the Lexel case and Dr João Nogueira will discuss the Vodafone case. Aleksandar Ivanovski, Director of Tax Policy at CFE will moderate the seminar.

Registration for this CFE Academy online seminar is now open on the following [link](#).

OECD Report on the Impact of the Gig Economy on VAT Policy & Administration

The OECD has published a [report](#) analysing the impact of the growth and sharing economy on VAT/GST policy and administration, and “presents a range of solutions for the application of VAT/GST to sharing and gig economy operators. These solutions are designed to ensure a level playing field between operators in the rapidly growing sharing and gig economy and more traditional businesses.”

Pascal Saint-Amans, Director of the OECD Centre for Tax Policy and Administration, said of the report *"The opportunities offered by digital platforms and big data have enabled individuals and businesses to connect with consumers and provide services to them on a larger scale than ever before. Through these new technology-enabled enterprises, tax authorities worldwide have far greater visibility of previously informal activities, creating new opportunities to enhance tax compliance and ensure the effective collection of VAT/GST in this rapidly growing part of the economy."*

Register Now: CFE Forum - Tax Transparency, Exchange of Information & Digital Commerce - 6 May 2021

Registration is open for the CFE Tax Advisers Europe Forum 2021, to be held virtually on Thursday, 6 May 2021.

The first panel will comprise a keynote speech by Pascal Saint-Amans, Director of the OECD Centre for Tax Policy and Administration. Panellists from the European Commission, European Court of Auditors, academia and practice will then discuss cross-border exchange of information in the EU, and implications for taxpayers' rights, including use of information by tax authorities. To register to attend Panel 1, please follow this [link](#).

The second panel will comprise panellists from the European Commission, digital platforms and practice, and will examine the topic of VAT in the digital economy, in respect of the abolition of distance sales rules and making platforms liable for VAT on sales from outside the EU. To register to attend Panel 2, please follow this [link](#).

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