

CFE's Tax Top 5

KEY TAX NEWS OF THE WEEK

BRUSSELS | 23 MARCH 2020



EU Approves Temporary State Aid Framework

The European Commission last week adopted a [Temporary Framework](#) concerning State aid measures to assist Member States in dealing with the economic impact of the COVID-19 outbreak.

To minimise the economic impact of the COVID-19 outbreak, the Framework allows Member States to provide aid by: providing grants, selective tax advantages, and advance payments of up to 800,000 Euro; providing State guarantees for loans taken by businesses; subsidising public loans to companies, putting in place safeguards for banks providing State aid to the economy; and providing short-term export credit insurance.

Executive Vice-President Margrethe Vestager said of the Temporary Framework, *“The economic impact of the COVID-19 outbreak is severe. We need to act fast to manage the impact as much as we can. And we need to act in a coordinated manner. This new Temporary Framework enables Member States to use the full flexibility foreseen under State aid rules to support the economy at this difficult time.”*

More information concerning the Framework is available [here](#).



ECOFIN Meeting Conducted by Teleconference

Due to the COVID-19 outbreak, the Economic and Financial Affairs Council meeting took place by way of [teleconference](#) on 23 March 2020.

During the meeting, ministers discussed the economic impact of the COVID-19 outbreak and EU measures implemented by way of response, in particular State aid and options offered by the Stability and Growth Pact.

The ministers also discussed the European Semester 2020 reports, and the means to proceed with the reports, as well as potential impact on the reports in light of COVID-19.

OECD COVID-19 Tax Policy Response Recommendations

The OECD has created a [webpage](#) concerning COVID-19 outbreak, providing information and country profiles on the spread of the virus, and recommended policy responses concerning a variety of areas.



In relation to tax policy responses, the OECD sets out various recommended measures, including, amongst other measures, more generous welfare and income support payments, deferral or waiver of employer and self-employed social security contributions, tax concessions for those working in health and emergency services, deferral of VAT and custom duties payments, expediting the payment of refunds, deferring or waiving taxes, or increasing loss carry-forward provisions.

Further information is available [here](#).



EU Plans to Introduce AML Regulation

The European Commission is [reportedly](#) planning to introduce an EU Regulation to further plans under its [Roadmap](#) published in February concerning future steps in its “new comprehensive approach to preventing and combating money laundering and terrorism financing”.

The Commission states in the Roadmap that “*more harmonisation at EU level, and possibly central EU mechanisms/bodies to strengthen the preventive framework in light of the cross-border nature of much money laundering in the EU and of the integration of the internal market.*” are needed. Introducing an EU Regulation would arguably assist in a more streamlined approach across the EU to money-laundering prevention.

A policy communication will be issued in the coming months setting out the areas where further EU action will be taken. Extensive consultation with stakeholders will also take place in 2020, with a view to present new policy initiatives in early 2021.



Global Forum Holds First Peer Review Meeting

The OECD’s Global Forum on Transparency and Exchange of Information for Tax Purposes from 16 to 18 March [held the inaugural meeting](#) of their recently established Automatic Exchange of Information Peer Review Group (APRG), concerning the Standard for Automatic Exchange of Financial Account Information in Tax Matters. The meeting was held remotely.

Issues discussed included confidentiality and data security, the development of a framework to assist in establishing the gaps in a jurisdiction’s legal framework and how peer reviews concerning the Standard will conclude whether jurisdictions have implemented the Standard effectively.

The Global Forum is the flagship body for ensuring the implementation of the internationally agreed standards of tax transparency and exchange of taxation-relevant information among tax administrations. Over 4,500 bilateral exchanges of information have taken place, in line with the Automatic Exchange of Information Standard, with the exchange containing information concerning financial accounts taxpayers hold outside their jurisdictions.



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