



**BRUSSELS | 24 JULY 2023**

## **OECD Tax Report to G20 Finance Ministers**

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The OECD Secretary-General last week issued its [Tax Report to G20 Finance Ministers and Central Bank Governors](#), following the [Outcome Statement](#) issued by the Inclusive Framework announcing a series of deliverables on the Two-Pillar Solution.

These deliverables include a framework for the simplified and streamlined application of transfer pricing rules to certain marketing and distribution activities (Amount B of Pillar One) and a [Subject to Tax Rule](#) (STTR) which will enable developing countries to update bilateral tax treaties to “tax back” in respect of certain intra-group income where such income is subject to low or no nominal taxation in the other jurisdiction.

Members of the BEPS Inclusive Framework also agreed to [postponed the freeze](#) on imposition of national digital services tax (DST) until the end of 2024, which allows more time for an international agreement on reallocation of digital economy taxing rights under Pillar 1 to be reached.

On Amount A of Pillar One, the package includes a text of a Multilateral Convention (MLC), which allows jurisdictions to reallocate and exercise a domestic taxing right over a portion of MNE residual profits. The Inclusive Framework will publish the text of the MLC once it has been prepared for

signature, upon resolution of a small number of specific items about which a few jurisdictions have expressed concerns.

Following the agreed [Outcome Statement](#), the OECD is also seeking public comments on [Amount B under Pillar One](#) concerning the application of the arm's length principle to in-country baseline marketing and distribution activities. The [public consultation document](#) outlines the design elements of Amount B and is released in order to obtain inputs from stakeholders on the technical aspects of Amount B.

As part of their ongoing work under Pillar Two, the Inclusive Framework issued a package of documents consisting of the [GloBE Information Return](#) and further [administrative guidance](#) including two new safe harbours.

The report also highlights progress on tax and development initiatives and the tax transparency agenda, setting out targets and initiatives to progress areas identified as key priorities by developing countries. The latest developments on the [Crypto-Asset Reporting Framework](#) (CARF) and amended Common Reporting Standard (CRS) are also detailed in the report, with technical work on the international exchange architecture for both frameworks now completed. Other information on tax transparency and the Automatic Exchange of Information is also discussed, as well as new analysis on [enhancing international tax transparency on real estate](#), [unleashing the potential of automatic exchange of information for developing countries](#), and [facilitating the use of tax-treaty exchanged information for certain non-tax purposes](#).

## **EU Parliament Subcommittee on Tax Matters Hearing on the Role of Enablers in Tax Evasion**

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On 17 July, the EU Parliament's Subcommittee on Tax Matters, FISC, held a hearing on "*Tackling the Role of Enablers Involved in Facilitating Tax Evasion and Aggressive Tax Planning in the European Union (SAFE)*". Experts at the hearing discussed the role of enablers in facilitating tax evasion and aggressive tax planning with a view to an upcoming proposal by the European Commission

with the objective of preventing enablers from setting up complex structures in non-EU countries for tax evasion and aggressive tax planning purposes.

Ms Gabriela Figueiredo Dias, Chair, International Ethics Standards Board for Accountants, Mr Olivier Boutellis-Taft, CEO, Accountancy Europe and Mr Ivan Lazarov, Research Associate, International Bureau of Fiscal Documentation (IBFD) spoke at the hearing. The hearing is available to be replayed [here](#).

The next meeting of FISC will take place on 19 September 2023, in the form of a public hearing on "*New EU common system for the avoidance of double taxation and prevention of tax abuse in the area of withholding taxes*". This will be followed by an exchange of view the Commissioner for Economy, Mr Paolo Gentiloni, followed by a discussion of FISC Members of the amendments tabled to the draft own-initiative report on "Role of tax policy in times of crisis".

## **CFE Professional Affairs Conference: "Tax Adviser 2030: Evolution or Revolution for Tax Practice, Policy and Administration?"**

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Register now for the 16th European Conference on Tax Advisers' Professional Affairs, organised by CFE Tax Advisers Europe and the Finland's Association of Tax Consultants. The conference will be held in Helsinki, Finland, on Thursday 21 September 2023 from 10:00am to 16:00pm, on the topic of "Evolution or Revolution for Tax Practice, Policy and Administration".

Two conference panels of speakers will examine the evolution of fiscal systems, tax practice and tax administration, prompted by both policy developments at EU and international level, as well as the rise of Artificial Intelligence. The first panel will assess broadly the Impact of EU/ OECD Developments on Fiscal Systems and Tax Policy. The second panel will analyse the significance of the Impact of AI on digitalisation of tax systems with a focus on the OECD Tax Administration 3.0 project, the work of the Forum on Tax Administration, and the road to better

aligned digitalisation of European tax administrations, by looking at the Nordic collaborative real-time economy project for digitalisation, presented by the Finnish Tax Administration (Nordic Real Economy project).

Further information concerning the conference and registration is available [here](#).

## OECD Tax Talks Webinar - Two-Pillar Solution Update

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On 19 July, the OECD held a Tax Talks webinar covering recent developments in the international tax programme of the OECD. During the webinar, experts from the OECD's Centre for Tax Policy and Administration provided an update on recent developments including the Inclusive Framework 15th Plenary Meeting, the Two-Pillar Solution reports and deliverables and the G20 meeting. In relation to the Outcome Statement on the Two-Pillar Solution, the experts discussed Amount A and the multilateral convention, Amount B, the Subject-To-Tax Rule and implementation report.

The webinar was held via Zoom in a one-hour session with a Q&A session, and is available for replay via the OECD's [Tax Talks webpage](#).

## EU Tax Symposium - 24 & 25 October

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The 2023 EU Tax Symposium has been announced as a 1.5 day event, which will take place in the afternoon of 24 October and over the full day of 25 October 2023. The Symposium will be co-hosted by the European Parliament and European Commission. The theme for this year's Symposium is *"The future of taxation in the EU: challenges ahead & changes needed"*.

Finance ministers, European and national parliamentarians, high-level policy makers, academics and civil society representatives will address a wide range of tax issues, at all levels of governance. Registrations open in September.

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