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France Proceeds With Digital Tax Collection Despite Likely US Tariff Retaliation

The French tax authorities have commenced collection processes for its digital tax, with companies such as Facebook and Amazon having received communications with demands for payment of tax for the year 2020.

The French digital tax was signed into law on 24 July 2019, but collection was suspended temporarily during efforts to agree an international means to tax digital companies at the OECD. The French tax imposes a 3% digital services tax on resident and non-resident companies with a global turnover above 750 million Euros, and a national turnover above 25 million Euros.

US President Donald Trump tweeted that there would be “substantial reciprocal action” taken by the US concerning the digital tax. It is expected a reciprocal tariff will be imposed on French luxury items, such as handbags, make-up and champagne. It remains to be seen what may be achieved under US President-elect Joe Biden’s administration, but negotiating positions on issues such as digital tax are likely to be unchanged under the new administration.

EU Commission President Ursula von der Leyen has called for partnership with the US to develop a “*rule book for the digital economy and society covering everything, from Big Tech to data use and privacy, from infrastructure to*

security". She has also confirmed at multiple occasions that should no agreement be reached on digital taxation at the OECD by the deadline of mid-2021 that the EU will take further steps on its previously stalled digital tax discussions.

CFE European Register Webinar: DAC6 EU Mandatory Disclosure Rules - 3 December

CFE's December edition of the European Register Webinar Series will be held virtually on Thursday, 3 December 2020 from 2:30pm to 3:30pm CET, on the topic of "DAC6 EU Mandatory Disclosure Rules Update".

The webinar will welcome tax experts including: Brian Duffy, from William Fry, Ireland; Giampiero Guarnerio, from Roedl & Partner, Italy; and Adrian Rudd, from PwC, United Kingdom. CFE's Tax Policy Manager, Aleksandar Ivanovski will moderate the webinar. The panel will examine the consequences of EU governments' divergent policy on deferral and entering into force of DAC6; implementation in Italy/ UK/ Ireland- implementing regulations and tax administration guidance; implementation in jurisdictions which already operate a DOTAS regime (UK- Ireland); and wider policy implications of mandatory disclosure regimes on aggressive tax planning.

Register [here](#) to secure your place for the webinar.

EU Commission Seek to Expand Exchange of Information to Crypto-assets & e-Money

The European Commission has published an [Inception Impact Assessment](#) on expanding current exchange of information rules in the field of taxation to include crypto-assets and e-money.

As limited information is available from tax administrations about the use of crypto-assets or e-money and any resulting revenue losses, the Commission will be carrying out an Impact Assessment and public consultation to consider which assets should be subject to any proposed Directive or Recommendation, how to define crypto-assets and to identify the relevant intermediaries for tax and reporting purposes.

The Inception Impact Assessment sets out that the Commission through this initiative aims to *“provide tax administrations with information to identify taxpayers who are active in new means of exchange, notably crypto-assets and e-money. It will also ensure consistency with ongoing work at EU level, such as the Digital Finance Strategy adopted on 24 September 2020 and the proposal for a Regulation on Markets in Crypto-assets, and at international level on the taxation on crypto-assets and e-money.”*

The public consultation, which will happen alongside consultations with tax administrations, is scheduled to commence in the coming weeks.

Chile Deposits Instrument of Ratification for OECD's BEPS MLI

Chile has now deposited its instrument of ratification for the [OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting \(MLI\)](#).

The MLI entered into force in July 2018, after being concluded in 2016. The MLI implements tax treaty measures which update international tax rules and aims to restrict opportunity for tax avoidance by implementing minimum tax standards and improving dispute resolution mechanisms. 94 jurisdictions are now covered by the MLI, with 57 having ratified the convention.

The multilateral tax treaty allows jurisdictions to update their existing double tax treaties and transpose measures agreed in the BEPS project without further need for bilateral negotiations. It now extends to over 1,650 bilateral tax treaties.

IAFEI Global 50th World Congress - 11 December

The International Association of Financial Executives Institutes (IAFEI) will host its 50th World Congress virtually on Friday, 11 December 2020, on the topic of “The Pivotal Role of the CFO: 6 Pillars to Drive Change and Enhance Value”.

The congress will examine issues such: company performance within the strategic role of CFOs, technology leadership within strategic corporate governance, digital transformation within the changing worldwide business, integrated reporting within the growing role of the CFO, ethics and sustainability within the evolving corporate social dimension and tax in the boardroom within the strategic tax governance.

CFE President, Piergiorgio Valente will introduce the IAFEI CFO Declaration during the congress, and CFE Tax Policy Manager, Aleksandar Ivanovski, will give a presentation during the panel on tax in the boardroom. Ian Hayes, Chair of the CFE Tax Technology Committee, will also participate in the conference, in the panel discussion on technology leadership.

Register [here](#) to secure your place for the webinar.

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