

CFE's Tax Top 5

KEY TAX NEWS OF THE WEEK

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EU Finance Ministers Discuss Energy Taxation at Informal ECOFIN Meeting

At the informal ECOFIN meeting which took place from 13 to 14 September in Helsinki, Finance Ministers [discussed enhanced action on climate change and energy taxation](#) across the two days of the meeting. Ministers discussed the [Commission report](#) concerning the Energy Taxation Directive published last week, which notably highlighted that divergent implementation of the Directive and use of tax exemptions by Member States had led to fragmentation within the Single Market. The report also noted the Directive had only contributed in a limited manner to achieving EU environmental policy objectives, noting that the exemptions within the Directive may be at odds with other EU policies and that synergies could be exploited to aid emissions reduction.

Vice-President Valdis Dombrovskis, speaking at a press conference following the meeting [emphasised](#) that *“it is of utmost importance that climate action becomes an integral part of the Finance Ministers' agenda. To achieve our Paris goals, we need both public and private investment. Because the cost of becoming the first climate-neutral continent will be too big for the public purse to pay. Financial markets are critical to attracting investments in green economic activities. So most urgently, we need to move ahead on a unified EU classification system, or taxonomy. It is essential to be able to determine if an economic activity is environmentally sustainable.”*



OECD Publishes Tax Morale Report

The OECD has published a [report](#) on individual and business tax morale, examining the factors that contribute to tax morale and the modality to improve the revenue collection mechanisms through voluntary compliance. Age, religion, gender and education were all identified as significant factors which influence tax morale.

This report specifically focuses on tax morale in developing countries, using recent data to help identify the drivers of tax morale among individuals and businesses. It also examines how tax systems can affect business decisions. Deputy Director of the Centre for Tax Policy and Administration at the OECD, Grace Perez-Navarro, stated of the report *“There remains much to do in building a sustainable tax-paying culture, particularly in developing countries. It won't be enough to crack down on aggressive tax planning or eliminate tax incentives. Taxpayers and authorities need to build a stronger and more dynamic relationship of trust, facilitation and enforcement.”* Comments submitted from CFE on behalf of the Global Tax Advisers Platform in response to the public consultation on tax morale carried out by the OECD earlier in the year can be viewed on our [website](#).



Commission Opens In-Depth Individual State Aid Investigations into Belgian Excess Profit Rulings

The European Commission has [announced](#) in-depth investigations have been launched to determine whether Belgian “excess profit” tax exemptions granted to 39 multinational companies amounted to illegal State aid.

These investigations concern a decision [originally taken by Commission in 2016](#) that a so-called Belgian “excess profit” tax scheme had allowed multiple European MNEs in Belgium to benefit from a corporate tax base reduction for the generated excess profits. Commission’s State aid investigation found that Belgium had established an “aid scheme”, derogating from Belgian tax law and the “arm’s length principle” as interpreted by the European Commission. The “excess profit” scheme was marketed by the Belgian government under the strapline “Only in Belgium”. The decision of Commission was appealed to the General Court, which annulled the Commission’s decision in the cases. The Court did not invalidate Commission’s substantive interpretation of the State aid rules, but challenged the methodology of assessment and the classification of the aid as a “scheme”. In July, the Commission launched an appeal against the General Court’s judgment which annulled the Commission’s decision in the cases.

As the General Court did not rule on whether the exemptions gave rise to illegal State aid, the Commission has now launched investigations into each of the companies on the basis that the compatibility of the rulings must be assessed against EU State aid rules.



Statistics Available for EU VAT Mini One-Stop-Shop

Statistics have been made available by the European Commission concerning the [VAT Mini One-Stop-Shop](#) (“MOSS”) for the period from 2015 - 2018. The MOSS was introduced in 2015 as a means to collect VAT on telecommunications, broadcasting and electronic services.

The statistics show a significant increase in VAT collected, from 2.7 billion Euro in 2015 to 4.1 billion Euro in 2018 within the EU. Collection increased by over 20% between 2017 and 2018 alone. The statistics also show that the total number of traders registered on MOSS also increased steadily each year.

From 2021 onwards, the MOSS will also be used to collect VAT on distance sale of goods, and concerning services supplied to consumers in the EU.



Global Tax Advisers’ Cooperation: GTAP Conference – Torino, 3 October 2019

The Global Tax Advisers Platform (GTAP) [inaugural conference](#) will take place on 3 October 2019 in Torino on the topic “*Tax & The Future*”. GTAP was formed in 2014 by CFE, AOTCA and WAUTI as a global response of tax advisers to international tax initiatives, with the aim of forging closer links among tax advisers throughout the world. The platform provides the proper framework for a more dynamic, more inclusive cooperation among tax advisers, on the basis of enhanced dialogue, more effective collaboration and openness.

The GTAP conference will examine issues that are of interest to all tax advisers in a borderless, increasingly globalising and automated society, driven by new technologies. To that end, four panels of expert speakers will consider the evolution and future of the topics of global tax policy, corporate income tax and VAT, the global tax profession and business models and tax sustainability. More details of the event and programme are available [here](#).

[Register now](#) to secure your spot at the conference!



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