

CFE's Tax Top 5

KEY TAX NEWS OF THE WEEK

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OECD Extends Digital Tax Consultation Deadline

The OECD has extended the deadline for the [public consultation](#) concerning potential solutions to issues surrounding taxation of the digital economy. The public consultation will now run until Wednesday, 6 March 2019. Thereafter, the Inclusive Framework will hold a public consultation on 13 and 14 March 2019 in Paris as part of the meeting of the Task Force on the Digital Economy.

The consultation was launched following publication of a [Policy Note](#) identifying that discussions at OECD level will be based around two pillars. The first pillar will focus on how the existing rules that divide the right to tax the income of multinational enterprises among jurisdictions could be modified to take into account the changes that digitalisation has brought to the world economy. The second pillar aims to resolve remaining BEPS issues and will explore two sets of interlocking rules designed to give jurisdictions a remedy in cases where income is subject to no or only very low taxation.

The consultation document invites input concerning a number of technical and policy matters, in order to assist the Inclusive Framework with its task of developing a solution for inclusion in its final report to the G20, due in 2020. Comments should be addressed to the Tax Policy and Statistics Division, Centre for Tax Policy and Administration, and should be submitted in Word format via e-mail to TDFE@oecd.org. All comments submitted will be made publicly available by the OECD in due course.



European Commission Launches Brexit Customs Preparedness Information Webpage for SMEs

The European Commission has launched [a webpage providing information for SME businesses](#) on customs preparedness in the event of a “no deal” Brexit when the United Kingdom withdraws from the European Union on 29 March 2019.

The webpage details that customs formalities will apply from 30 March onwards for businesses trading with the United Kingdom, including requirements concerning custom declarations, import/exporting licenses, and the payment of duties on imports. In addition, the website notes that VAT will be due on importation, and that rules concerning cross-border refunds will change.

The page provides links to a Brexit factsheet, a checklist for traders, as well as notices concerning specific topics and contact numbers for the customs authorities in each Member State.



EU Parliament's TAX3 Final Report to be Voted

On 27 February, the [final report](#) of the European Parliament's Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAX3) will be voted.

The report presents the findings and recommendations of the rapporteurs following eight months of hearings by the Committee concerning anti-money laundering and aggressive tax planning. In addition, the vote on the final report will be broadcast live and can be viewed via the following [link](#).

In the lead up to the vote on the final report, the TAX3 Committee has held meetings exchanging views with National Parliaments concerning anti-money laundering and taxation of the digital economy, and with Competition Commissioner, Margrethe Vestager, concerning recommendations of TAX3 and Parliament concerning fiscal state aid investigations.

Key recommendations in the report of co-rapporteurs Luděk Niedermayer and Jeppe Kofod are that the Commission and Council adopt a comprehensive definition of aggressive tax planning, as well as a definition of permanent establishment, economic activity requirements and expenditure tests to avoid companies having an artificial taxable presence in a Member State.

The rapporteurs Committee further recommends that EU efforts to fight corporate aggressive tax planning are strengthened, that the BEPS action plan is supplemented, and that Member States' tax systems are scrutinised. They also calls on the Council to adopt the proposals on CCTB and CCTB as well as the digital tax package proposals.

The Committee calls for a broader scope for the exchange of tax rulings and for broader access by the Commission to those rulings, and guidance concerning what constitutes tax-related State aid and appropriate transfer pricing. The rapporteurs welcome the VAT action plan, but express regret that no safeguards were adopted concerning the Certified Taxable Person proposal.



OECD Invites Peer Review Report Input on Mutual Assistance Procedures

The OECD has now invited public input on the 8th batch of [taxpayer questionnaires](#) for Stage One Peer Reviews in the jurisdictions of Brunei Darussalam, Curaçao, Guernsey, Isle of Man, Jersey, Monaco, San Marino and Serbia.

The questionnaires are being undertaken as part of the peer review process under Action 14 of the BEPS Action Plan concerning taxation dispute resolution and the Mutual Agreement Procedure (MAP), aimed at making dispute resolution mechanisms more effective. To date, the results of five rounds of Stage 1 Peer Reviews have been released.

In particular, taxpayers are requested to provide input on issues concerning the access to MAP, the clarity of MAP guidance and implementation of MAP agreements concerning the jurisdictions. Taxpayers and business and industry associations are requested to complete the questionnaire by 19 March 2019.



Save the Date: CFE Tax Advisers Europe Forum 2019

Save the date for the [CFE Tax Advisers Europe Forum 2019](#), to be held in Brussels on Thursday, 6 June 2019, on the topic of “Creating Tax Certainty in an Uncertain World: Double Taxation, Tax Rulings & Dispute Resolution Processes”.

The CFE Tax Advisers Europe Forum 2019 will examine existing co-operative compliance under Action 14 of the BEPS Action Plan and Mutual Agreement Procedure, as well as the EU Dispute Resolution Mechanisms Directive. The Forum will further discuss means of avoiding disputes, such as confirmatory tax rulings, State Aid challenges to advance transfer pricing agreements (APAs) and exchange of information. The Forum will also question the impact of potential further revisions of international taxation principles and corporate taxation reform contained in the EU anti-tax avoidance directives on tax certainty. More details about the programme and line-up of speakers will be available in due course.

[Register now](#) to benefit from early-bird registration prices and to secure your spot!



The selection of the remitted material has been prepared by
Piergiorgio Valente/ Aleksandar Ivanovski/ Brodie McIntosh/ Filipa Correia



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