



JANUARY TO JUNE 2024

## MEETINGS & EVENTS

### CFE Tax Advisers Europe's 2024 Forum

---

CFE Tax Advisers Europe held its Forum on 18 April 2024 in Brussels, where attendees were welcomed by CFE President, Ian Hayes, who opened the conference which this year focused on the topic of “*Sharing the Tax Pie: Revisiting the Role of the UN, EU & OECD in Tax Policy; and Taxable Presence Threshold (Fixed Establishment) in Indirect Taxation*”. The Forum brought together two excellent panels of speakers to discuss the allocation of tax base from a direct and indirect tax perspective, examining issues on dividing the tax pie in a digital world and international tax reform.

#### Keynote Interview with Pascal Saint-Amans

Director of Tax Policy at CFE Tax Advisers Europe, Aleksandar Ivanovski, held a keynote interview with Pascal Saint-Amans to open the Forum, reflecting on the complexities of internal tax reform and negotiations in fiscal policy, and the future direction for tax cooperation.

In particular, Aleksandar Ivanovski and Pascal Saint-Amans discussed the implementation of Pillar 2 and the complexities of negotiation involving multiple countries, the aim of stopping tax competition, particularly for highly mobile activities and intellectual property income. Pillar 1’s uncertainty was explored, especially regarding US ratification, with alternative scenarios discussed,

including a UN solution and the potential consequences of implementing unilateral Digital Services Taxes (DSTs).

The discussion also touched on the EU's response and the shift in positions of Global South jurisdictions, addressing the needs of developing countries. Mr Saint-Amans expressed concerns over negotiation fragmentation, political dimensions, and the need for certain OECD countries to be more generous and for developing countries to have more realism in negotiations. Mr Saint-Amans also emphasised the importance of tax as a force for good, focusing on tax certainty, pro-growth policies, and addressing inequalities through appropriate regulation.

#### Direct Taxes Panel – Sharing the Tax Pie

Bruno Gouthière, Chair of CFE's Fiscal Committee, introduced the direct taxes panel and the focus of the panel discussions as being the contemporary challenges surrounding international taxation, the developments at the UN, OECD's Two-Pillar solution, unilateral Digital Services Taxes, the EU Commission's stance in the context of UN-level discussions and the necessity for globally coherent tax governance mechanisms. The purpose of discussions was to explore the status quo of international direct tax issues.

Speakers on the direct tax panel included: Mr. Benjamin Angel Director, European Commission DG TAXUD; Professor Philip Baker, KC, OBE, Barrister and Professor of Law at Oxford University; Ms. Olivia Long, Head of Tax Policy at Matheson LLP (Ireland); and Professor Irma Mosquera Valderrama, Professor of Tax Governance at University of Leiden Law School. The panel discussion was moderated by Mr. Bruno Gouthière, Partner at CMS Francis Lefebvre Avocats and Chair of CFE Tax Advisers Europe Fiscal Committee.

The speakers emphasised the need for greater domestic revenue mobilisation and expressed concerns about the practical effectiveness of current tax measures, particularly the OECD's Pillar One Multilateral Instrument. Ms Olivia Long provided a high-level overview of the OECD's Multilateral Convention, which assigns new taxing rights to market jurisdictions for large multinational

groups with revenues over 20 billion and profit margins over 10%, includes double tax relief and dispute resolution processes, and ongoing political negotiations.

It was agreed that Amount A and withholding taxes present complex challenges in their allocation and implications on international tax fairness. The discussions underscored the complexity of adapting international tax agreements to diverse national tax systems, and the ongoing struggle to find a common ground that respects both sovereign rights and global economic fairness. Pillar 2's implementation poses significant challenges, particularly for developing countries, highlighting the need for clearer guidance and concerns about compatibility with international agreements.

Irma Mosquera Valderrama expressed concerns about the practical implications of the MLI and BEPS measures on businesses, highlighting challenges posed by the MLI, with specific focus on Article 5 (Permanent Establishment) and the principal purpose test, highlighting the disconnect between theory and practice, noting real-life cases where the intended solutions did not materialise as expected.

Benjamin Angel, Director of Direct Tax at the EU Commission discussed the progression of UN talks following divisions between countries, emphasising the importance of not undermining the OECD's two-pillar solution and tax transparency initiatives. He highlighted the EU's agenda to strengthen domestic revenue mobilisation and lessen reliance on corporate income tax, through means such as diversifying tax bases and exploring VAT and wealth taxation.

Unilateral Digital Services Taxes (DSTs) and their implications on international tax agreements were agreed to be of significant concern, with discussions on their potential proliferation, trade wars, and impacts on tax stability if the Multilateral Convention fails. The panel also addressed the utility of functional commissions and subsidiary bodies under the UN for tackling tax issues. Philip Baker argued against the creation of a global tax body, suggesting improvements

to the UN structure and better coordination among existing organisations to avoid duplication.

### Indirect Taxes Panel: Concepts of Fixed Establishment

Panel 2 focused on the concept of Fixed Establishment (FE) as being central to VAT, but that its scope and definition remain a subject of debate, especially in the digital economy. The speakers discussed that the evolving case law on FE highlights the need for clarity, as businesses face uncertainty despite extensive jurisprudence.

The panel highlighted challenges in practice, including achieving consensus on updates to the FE definition, and the risk of double taxation due to divergent interpretations between Member States. It was agreed that improving dispute resolution mechanisms and preventive methods, rather than legislative changes, may be a more feasible approach to address these issues.

The indirect tax panel featured: Ms. Trudy Perié, Counsel, Loyens & Loeff, Netherlands; Mr. Erik Stessens, Senior Vice President Tax, Mastercard; Dr. Marie Lamensch, Professor of Taxation, Louvain School of Management, UCLouvain; and, Ms. Charlène Herbain from the European Commission. The panel will be moderated by Mr. Jeremy Woolf, Barrister, Pump Court Tax Chambers, United Kingdom, and Chair of the CFE Indirect Taxes Subcommittee.

Ms. Charlène Herbain provided an overview of the concept of FE in VAT, discussing the ongoing debate about the scope and definition of FE, especially in the digital economy. Ms Herbain noted that case law on FE has evolved in waves over time. Businesses highlight uncertainty and need for clarity, despite extensive case law, but Ms Herbain stated that few Member States have raised questions with the Commission about FE interpretation. It was discussed that challenges include achieving consensus among Member States, the binding impact of soft law guidance, and the highly fact-driven nature of FE which may require dispute resolution over rules.

Ms. Trudy Perié and Mr. Erik Stessens jointly presented a comparison of FE vs. Permanent Establishment (PE) in corporate tax, including the requirement for human/technical resources to independently complete transactions for FE, and the higher threshold for establishing an FE compared to a PE. They highlighted concerns about aligning the two concepts, as PE is under pressure in corporate tax, while VAT aims to maintain a high FE threshold. It was agreed that confusion often arises from mixing up the two concepts, which exist for different tax purposes. Various practical examples were presented and discussed by the panellists and conference attendees.

Marie Lamensch discussed preventive approaches like cross-border ruling pilots and SOLVIT mediation as alternatives to address the double taxation risk. The risk of double taxation is clearly identified in case law as an issue to prevent through implementing measures, but solutions are limited due to the lack of explicit prohibition on double taxation in the VAT Directive. Ms Lamensch discussed that updating the FE definition faces challenges, such as achieving consensus among Member States, deciding between legislation vs. soft law guidance, and the risk of 'freezing' the concept by codifying it in law. Suggestions to remove the FE concept altogether and rely solely on primary place of supply rules, especially for B2B transactions where VAT is deductible were discussed, and the focus on dispute resolution mechanisms and preventive methods as an alternative approach.

Ian Hayes closed the conference by concluding that the panel discussions above all highlighted the absolute need for clarity and for a simplified tax system.

## [CFE & Tax Advisers Europe & Accountancy Europe Joint Members Only Webinar on New EU AML Rules - 25 June 2024](#)

---

On 25 June 2024, CFE Tax Advisers Europe and Accountancy Europe partnered together to hold a webinar to help member bodies, tax advisers, accountants and auditors better understand the changes under the new EU AML package.

The legislative package was first put forward by the EU Commission in 2021, [adopted](#) by the EU Council on 30 May 2024 and [approved](#) in April 2024 by the EU Parliament. The legislation was published in the Official Journal of the EU on 12 June 2024 and comprises the following:

- the [AML Regulation](#)
- the sixth [AML Directive](#)
- the [AML Authority Regulation](#)

The members-only joint webinar of CFE Tax Advisers Europe & Accountancy Europe, held on 25 June, emphasised the important role accountants, auditors and tax advisers in keeping European citizens safe from money laundering and terrorist financing, and addressed how the new requirements will affect practitioners' day-to-day work, why it's important to start preparing now and where to start.

The discussions were led by Angela Foyle, Chair of the AML Working Party at Accountancy Europe, and she was joined by Aleksandra Vasilić, Director AML Office, EY, and Rolf Declerck, President of the Commission on Quality Performance Review, Belgian Institute of Tax Advisors and Accountants, CFE Tax Advisers Europe for the panel discussion.

Key takeaways from the discussion on the new AML rules from the webinar included the following aspects:

- New EU AML regulations introduce the EU AML Authority (AMLA) to harmonise supervision, and expand scope;
- Key changes include updated beneficial ownership requirements, mandatory sanctions screening, and increased AML compliance officer responsibilities and authority;
- The new EU AML regulation aims to harmonise AML/CFT requirements across the EU through the creation of AMLA;
- Firms face challenges around GDPR, accessing UBO registers, sanctions screening databases, and resourcing AML functions - especially for smaller firms;

- The regulation introduces more detailed requirements on client due diligence, including collecting more personal information on beneficial owners;
- Obligated entities will need to appoint a senior AML compliance officer with sufficient authority and resources to implement the AML framework;
- Simplified due diligence measures have been introduced for lower risk clients, providing more flexibility;
- Sanctions compliance is now an explicit requirement, alongside the need to report attempted suspicious transactions;
- Overall, the regulation places greater onus on obliged entities to truly understand their clients and have robust processes in place, versus just collecting documentation.

Member States have 3 years to implement the AML Directive. In the case of AML Regulation, which is directly applicable and does not need to be transposed by Member States, the provisions apply from July 2027, in line with the 3-year transposition deadline under the AML Directive. For the AML Authority, specifics are detailed in Article 108 of the Regulation.

Practitioners should develop an implementation plan over the 3-year timeline, prioritising key changes and engage with their national professional bodies for templates, training, and guidance, especially for smaller firms.

## [EU Elections Partnership Agreement Event - 6 May 2024](#)

---

CFE's Secretary-General, Martin Phelan, met with European Parliament President, Roberta Metsola, at the [EU Elections Partnership Agreement Reception](#) on 6 May 2024 to receive CFE's certificate of partnership with the European Parliament to promote the 2024 EU elections, which took place from 6 – 9 June 2024. Martin was accompanied by CFE's Director of Tax Policy, Aleksandar Ivanovski, and CFE Tax Policy Analyst, Brodie McIntosh.

The EU Parliament launched a campaign to encourage voter turnout. The campaign was centred around a video featuring senior Europeans who have witnessed first-hand the transformative power of democracy in their lives. These exceptional individuals wanted to pass on their personal stories – whether they lived through times of oppression or experienced the fragility of democracy – to their grandchildren and the next generation more widely. Together, their testimonies paint a story of how voting is not something we should take for granted and urged the viewer to vote.

Following successful completion of the European Elections and election of new Members of the European Parliament (MEPs), political leaders of EU Member states have now decided on the new leadership of the European Union institutions. The EU representation is largely based on the results of the European elections where the incumbent conservative EU leadership won the majority of votes, despite the surge of radical parties across the continent.

Ursula von der Leyen will continue with a second mandate as President of the European Commission, the most influential EU leadership position, representing the European conservatives/ European People's Party (EPP). Von der Leyen's position was confirmed on 27 June by EU leaders at the Council Summit, despite initial opposition from Hungary, the incoming EU Presidency. The European Socialists and Social-Democrats who were the second largest party are to be represented at the helm of the European Council, the highest political body of the EU, with former Portuguese Prime Minister Antonio Costa as president. Roberta Metsola, the President of the European Parliament, who is also a member of the Conservatives/ EPP, will likely serve another term at the Parliament's helm, subject to Parliament vote in July. The influential post of chief of EU's diplomacy (high representative of the European Union) is tipped to go to Kaja Kallas, a liberal (Renew Europe) and current Prime Minister of Estonia.

The posts of EU Commissioners, as well as the portfolios, will be discussed and then presented by the new President of the European Commission (with each



Member states represented by one Commissioner), following a confirmation hearing at the European Parliament.

The last mandate of Von der Leyen's Commission saw tax policy as a tool to ensure further fight against tax avoidance, transparency and fair taxation of large companies, sustainability-related initiatives and green taxation as well as reform of EU's corporate taxation and VAT rules fit for the digital age.

## TECHNICAL RELEASES

### Fiscal Committee Opinion Statements

---

In the first half of 2024, the Fiscal Committee of CFE Tax Advisers Europe published 5 Opinion Statements, as follows:

- [FC 1/2024](#) on the EU Commission BEFIT Proposal.
- [FC 2/2024](#) on Responding to the EU Commission Consultation on Dispute Resolution Mechanisms in the European Union.
- [FC 3/2024](#) on VAT Groups.
- [Joint Statement](#) on Clearer VAT Guidance on Charitable Donations.
- [FC 4/2024](#) on Evidence to Support Transport Organised by the Customer Under Article 138 of the VAT Directive.

### ECJ Task Force Opinion Statements

---

In the first six months of 2024, the ECJ Task Force of CFE Tax Advisers Europe published 1 Opinion Statement:

- [ECJ-TF 1/2024](#) on Joined Cases C-451/21P and C-454/21P, Engie, on alleged State aid in relation to a deduction/non-inclusion structure in Luxembourg

### External Publications

---

The leading European tax law journal European Taxation, published by IBFD, regularly publishes articles on selected CFE Opinion Statements of particular relevance. European Taxation has published 2 CFE articles in their journal in 2024 to date.

## EU Tax Policy Report

---

In January 2024, CFE Tax Advisers Europe published its annual [EU Tax Policy Report](#) covering the period of January to December 2023. The EU Tax Policy Report is an annual publication which provides a detailed analysis of significant primary law and tax policy developments at both EU and international level that have occurred over the course of the year which would be of interest to tax advisers. It also includes an overview of selected CJEU case-law and relevant European Commission decisions.

## FORTHCOMING EVENTS

CFE Tax Advisers Europe's Professional Affairs Conference - *"Global Policy Trends : AI & The Future of Tax Planning & New EU Rules on Anti-Money Laundering"* - Ljubljana - 19 September 2024

---

On 19 September 2024, the [17th European Conference on Tax Advisers' Professional Affairs](#) will be co-organised by CFE Tax Advisers Europe with DSZS - Davčno svetovalna zbornica Slovenija & UPSS Udruzenje poreskih savetnika Srbije on the topic of *"Global Policy Trends : AI & The Future of Tax Planning & New EU Rules on Anti-Money Laundering"*.

The 17th European Conference on Tax Advisers' Professional Affairs will address global critical policy trends: the future of tax planning with the advance of AI, as well as the role of professional standards in safeguarding the integrity

of the tax profession and the fiscal system in an era of extraordinary computational capabilities of AI. A separate panel will elaborate on the new EU rules on anti-money laundering and terrorist financing, and their impact for tax professionals, accountants, auditors.

CFE Tax Advisers Europe together with the Tax Advisory Chambers of the Republic of Slovenia and the Republic of Serbia, will bring together experts and professionals at the forefront of these developments to discuss these two important topics in Ljubljana, Slovenia at the Grand Plaza Hotel Ljubljana.

Registration and more information on the conference is available [here](#).

## CFE Tax Advisers Europe General Assembly & Technical Committee Meetings - 18 - 21 September 2024 in Ljubljana, Slovenia

---

CFE Tax Advisers Europe is delighted to invite our delegates to participate to the CFE General Assembly, technical meetings and events that will take place in Ljubljana, Slovenia from 18-21 September 2024. This year's events are kindly hosted and co-organised with DSZS - Davčno svetovalna zbornica Slovenija & UPSS Udruzenje poreskih svetnika Srbije.

Delegates of the CFE General Assembly and the CFE Technical Committees should have received an invitation setting out further information concerning the meetings and events, including information concerning how to register to join the meetings and events. If you have not, please do not hesitate to contact the CFE Office for further information.

---

The selection of the remitted material has been prepared by:  
Aleksandar Ivanovski/ Brodie McIntosh

CFE Tax Advisers Europe is a Brussels-based association representing European tax institutes and associations of tax advisers. Founded in 1959, CFE

brings together 33 national organisations from 26 European countries, associated via the Global Tax Advisers Platform (GTAP) with more than 600,000 tax advisers. CFE is part of the European Union Transparency Register no. 3543183647-05. For further information, please contact Aleksandar Ivanovski, Director of Tax Policy at CFE Tax Advisers Europe, via the CFE Brussels Office at [info@taxadviserseurope.org](mailto:info@taxadviserseurope.org).