



**BRUSSELS | 3 MARCH 2025**

## **G20 Discuss the Importance of Synergy in International Tax Fora**

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Last week, the first G20 Finance Ministers and Central Bank Governors Meeting under South Africa's presidency was held in Cape Town without a consensus for a Communique, resulting in a [Chair's Summary](#). The discussions centred around the theme of "Solidarity, Equality, Sustainability," and the need for international policy cooperation to promote global prosperity and address shared challenges. Members reiterated the importance of the G20 as the leading forum for international economic cooperation, focusing on sustainable and inclusive growth.

The G20 emphasised the importance of ongoing discussions on international tax reforms, particularly the OECD/G20 Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS). They requested progress reports by October on BEPS and transparency initiatives and supported the swift implementation of the Two-Pillar Solution, which addresses tax challenges in the digital economy and establishes a minimum corporate tax rate. The G20 encouraged constructive dialogue on creating a UN Framework Convention on International Taxation Cooperation to streamline efforts without duplication, aiming for an inclusive and stable international tax system.

The G20 also urged enhanced coordination for capacity-building and requested the IMF to report on strengthening revenue administrations. They also called for examining how tax policies impact inequality and addressing harmful tax practices, with an emphasis on information exchange to combat tax evasion.

The [OECD's report to the G20](#) outlined the progress the implementation of the BEPS minimum standards and the Two-Pillar Solution, and also highlighted advancements in tax transparency, through the increased exchanges of information under the Common Reporting Standard (CRS) and the adoption of new standards for crypto-assets. Efforts to support developing countries through capacity-building

initiatives were emphasised, including assistance in implementing BEPS actions and enhancing domestic resource mobilisation. The OECD also underscored the need to address tax and inequality, focusing on progressive tax policies and mitigating potentially harmful tax practices.

## **EU Commission Unveils Omnibus I & II Package - Simplified Rules to Boost Competitiveness, Cut Red Tape & Drive Sustainable Investment**

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The European Commission has [unveiled](#) a new set of proposals under the [Omnibus I](#) & [Omnibus II](#) packages aimed at simplifying EU regulations, reducing administrative burdens, and enhancing the competitiveness of EU businesses. This aligns with the EU's ambition to achieve a 25% reduction in administrative burdens and at least 35% for SMEs by the end of the current mandate.

The measures focus on sustainable finance reporting, sustainability due diligence, EU Taxonomy, the [Carbon Border Adjustment Mechanism](#) (CBAM), and European investment programmes.

### **Key Measures of the Omnibus Packages**

#### Sustainability Reporting (CSRD and EU Taxonomy)

- **Scope Reduction:** The Corporate Sustainability Reporting Directive (CSRD) scope will be reduced by approximately 80%, focusing on large companies with more than 1,000 employees. This shift excludes smaller companies from mandatory reporting, thus easing the compliance burden
- **Voluntary Reporting:** Companies outside the scope may opt for a simplified voluntary standard based on the VSME standard developed by EFRAG.
- **Reporting Simplification:** A financial materiality threshold will be introduced, and reporting templates under the EU Taxonomy will be reduced by about 70%. The net turnover threshold for subsidiaries outside the EU to be subject to sustainability reporting is increased from €150 million to €450 million. Taxonomy reporting for large companies with up to €450 million turnover becomes optional, allowing them to disclose turnover and CapEx KPIs and choose to disclose OpEx KPIs based on alignment with sustainability criteria.
- **Postponement of Deadlines:** Reporting requirements for certain companies will be deferred by two years, giving businesses more time to comply with the new rules.

### Sustainability Due Diligence (CSDDD)

- **Simplified Requirements:** The scope of due diligence obligations will focus primarily on direct business partners, reducing the frequency of periodic assessments from annual to every five years.
- **SME Protection:** The information that large companies can request from SMEs will be limited to what is specified in the voluntary standards
- **Alignment with Tax Rules:** The threshold adjustments for subsidiaries and branches align the CSDDD more closely with tax reporting obligations, reducing complexity for businesses operating across borders
- **Delay in Implementation:** The compliance deadline for the largest companies will be postponed by one year to 26 July 2028, providing additional preparation time.

### Carbon Border Adjustment Mechanism (CBAM)

The CBAM, a key tool to prevent carbon leakage, has been significantly simplified under the new proposals. CBAM aims to prevent ‘carbon leakage’ by ensuring that imported goods have a carbon price equivalent to that of domestic products. It applies to sectors such as cement, iron and steel, aluminium, fertilisers, and electricity.

- **De Minimis Threshold:** A new threshold of 50 tonnes of net mass per importer per year has been introduced, exempting approximately 90% of importers—mainly SMEs—while still covering more than 99% of embedded emissions.
- **Simplified Compliance:** For importers exceeding the threshold, the proposals streamline authorisation processes, data collection, and reporting requirements, reducing administrative complexity. The calculation of CBAM certificate prices will be aligned with the average price of EU ETS allowances to ensure consistent tax treatment across the EU.
- **Environmental Integrity:** The mass-based threshold ensures that the majority of emissions remain within the scope of the CBAM, maintaining its environmental effectiveness.
- **Enhanced Monitoring:** The CBAM will include improved mechanisms for monitoring compliance and preventing circumvention, ensuring robust enforcement.

- **Future Expansion:** A comprehensive review report in late 2025 will explore extending CBAM to additional sectors and products under the EU Emissions Trading System (ETS).

#### Investment Programmes (InvestEU and Others)

- **Increased Investment Capacity:** Changes to InvestEU are expected to unlock around €50 billion in additional public and private investments, supporting clean technologies, digitalisation, and sustainable infrastructure.
- **Reduced Reporting Burden:** Administrative requirements for financial intermediaries and SMEs involved in InvestEU will be simplified, potentially saving around €350 million.

#### Energy Taxation Directive

The Commission urges Member States to conclude negotiations on the Energy Taxation Directive to create a tax framework that promotes electrification and discourages fossil fuels. Recommendations include lowering electricity taxation for energy-intensive industries to zero to support decarbonisation efforts.

#### **Next Steps**

The proposals will now proceed to the European Parliament and the Council for consideration and adoption. The Commission has urged a swift agreement to ensure timely implementation and to maximise the benefits for businesses across the EU.

### **Register Now : [CFE Forum | 27 March 2025 | Brussels](#)**

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CFE Tax Advisers Europe will hold its [2025 CFE Forum](#) in Brussels on 27 March, on the topic “*Navigating Tax Transformation: From Compliance to Competitiveness*”, where policymakers, tax experts, and industry leaders will explore the latest critical global and European tax developments. This full-day conference will feature four panels discussing key topics in tax, including:

Global Tax Reform – Gain insights from Bert Zuidendorp (European Commission), Ruston Tambunan (Asia-Oceania Tax Consultants Association), Edwin Visser (PwC Netherlands), and Tom Jansen (OECD Permanent Representation of Belgium) on BEPS implementation, UN tax initiatives, and EU competitiveness.

ECJ Case-Law Updates – Understand the impact of major rulings, including Apple’s state aid case and DAC6, with speakers such as Karl Croonenborghs (European

Commission), Isabelle Richelle Graulich (HEC University), Eric Kemmeren (Tilburg University), and Sean Bray (Tax Foundation).

Transfer Pricing & VAT – Explore their complex interplay with insights from Trudy Perié (Loyens & Loeff), Federico Vincenti (Crowe Valente), and Luc Dhont (Procter & Gamble).

Digital and Green Taxation – Discuss the role of AI, digitalisation, and sustainability in shaping a competitive tax future, featuring experts like Roberta Poza (Deloitte), Markus Ehgartner (Chair, CFE Tax Technology Committee), and Eduardo Gracia Espinar (Ashurst, Spain).

Further information and registration is available via the CFE website [here](#).

## **ECOFIN Meeting on 11 March: Tax Reform, Competitiveness & Resilience**

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The upcoming [ECOFIN meeting](#) on 11 March 2025 in Brussels will address a range of matters with a focus on enhancing competitiveness and simplifying the business environment in the European Union.

Key items on the agenda include discussions on the Omnibus package aimed at improving the business climate and a political agreement on the Directive on Administrative Cooperation in the field of taxation (DAC9). Additionally, the Council will deliberate on reducing regulatory burdens in the financial services sector, with insights to be provided by the Presidency and the European Commission. The Council is also set to approve conclusions on a tax decluttering agenda to bolster the EU's competitiveness.

International aspects of the meeting will involve a follow-up to the G20 Finance Ministers' meeting held in February and preparations for the upcoming G20 and IMF spring meetings in April. Moreover, the adoption of Council Implementing Decisions under the Recovery and Resilience Facility is scheduled, alongside a review of the implementation status of financial services legislation.

## **CFE Opinion Statement on CJEU DAC6 Cases & Legal Professional Privilege**

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CFE Tax Advisers Europe has issued an [Opinion Statement](#) prepared by the CFE ECJ Task Force on the decisions of the CJEU in C-694/20 and Case C-623/22 on the

validity of certain aspects of DAC6 as regards the Charter of Fundamental Rights of the European Union (the “DAC6 cases”).

The DAC6 cases concern whether some obligations to report certain cross-border arrangements violate rights recognised by the Charter of Fundamental Rights of the European Union and, therefore, affect the validity of provisions of DAC6. The Court concludes that the obligation established for lawyers to communicate to other intermediaries their exemption from the reporting obligation violates the right to respect for private life, while the same obligation established for other intermediaries does not. At the same time, it considers that the obligation to report certain cross-border tax planning schemes, established in DAC in its fifth amendment by DAC6, does not violate the principles of equality and non-discrimination (raised because the scope of the obligation was not limited to corporate income tax); the principles of legal certainty and legality in criminal matters (key concepts are determined in a sufficiently clear and precise manner); or the right to a fair trial (there is no link between the reporting obligations with a judicial proceeding).

This Opinion Statement focuses on questions of law and the scope of legal professional privilege as a waiver to the disclosure obligations established by DAC for fiscal intermediaries. The Statement also seeks to explain and analyse the CJEU’s reasoning regarding the scope of the invalidity and the justification of the validity of certain aspects of DAC6.

In the Statement, the CFE identifies that DAC6 raises numerous interpretative difficulties and has changed the landscape of reporting obligations. The CFE welcomes the fact that the Court has declared that the DAC6 is invalid insofar as it concerns the obligation imposed on intermediary lawyers to notify some personal data to non-client intermediaries, based on the fundamental role that lawyers play in a democratic society. However, it regrets that non-lawyer intermediaries only enjoy limited protections.

Despite the fact that the Court does not find a violation of the principles of legal certainty and legality, DAC6 still leads to very complex compliance analysis, both as regards the identification of the reportable arrangements and the identification of the information to be reported, as the evaluation assessment program launched by the European Commission shows. This complexity leads to a diverse implementation and interpretation of the hallmarks and the different obligations by Member States. Therefore, potential simplification of the reporting obligations could be considered.

We invite you to read the [Opinion Statement](#) and remain available for any queries you may have.

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