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US Imposes Broad Global Tariffs Under New Regime

On 2 April 2025, President Donald J. Trump signed an executive order titled *“Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits.”* The order introduces a sweeping new tariff regime, including a universal 10% baseline tariff on all imports, effective 5 April 2025, along with elevated country-specific tariffs targeting approximately 60 nations based on their perceived trade imbalances and barriers.

Under the country-specific provisions, the European Union will be subject to a 20% tariff—a significant escalation in transatlantic trade tensions. The order reinforces the administration’s objective of counteracting what it considers persistent unfair trade practices by U.S. partners, seeking to rebalance long-standing trade deficits.

This follows on from a proclamation issued on 26 March 2025, in which the White House reimposed 25% tariffs on imports of automobiles and certain automobile parts from the EU and other trading partners under Section 232 of the Trade Expansion Act, citing national security concerns. The automotive tariffs were preceded by the United States’ March 2025 decision to impose renewed tariffs on EU steel and aluminium imports, further straining transatlantic relations.

President Ursula von der Leyen has *strongly condemned* the US action, calling the imposition of universal tariffs “a major blow to the world economy.” She warned of widespread consequences, including increased global uncertainty, supply chain disruptions, and a surge in inflationary pressure, particularly affecting vulnerable groups worldwide due to anticipated rises in the cost of food, medicine, and transportation.

Despite these strong criticisms, von der Leyen reaffirmed the EU’s readiness to

negotiate with the US, underscoring the Union's longstanding commitment to a fair and open transatlantic trade relationship. However, she was equally clear that the EU will act decisively to protect its businesses and consumers should negotiations fail. The Commission is finalising a first package of countermeasures related to the steel tariffs and preparing additional responsive actions, especially in support of the steel, automotive, and pharmaceutical sectors. Strategic dialogues with these and other impacted industries are already underway to determine sector-specific relief and policy interventions.

Von der Leyen struck a tone of unity and resilience, stating: *"If you take on one of us, you take on all of us. Our unity is our strength."* She stressed that the EU's Single Market of 450 million consumers provides a strong foundation amid rising global uncertainty, and pledged that Europe would stand firmly with its workers and industries most directly impacted. In closing, she reiterated that the EU will continue to advocate for a rules-based global trading system, prioritising negotiation over confrontation, and working to build coalitions with global partners who share a commitment to fair and reciprocal trade.

CFE 2025 Forum Report: "Navigating Tax Transformation: From Compliance to Competitiveness"

On 27 March 2025, CFE Tax Advisers Europe convened the [2025 CFE Forum](#) in Brussels under the theme "Navigating Tax Transformation: From Compliance to Competitiveness." The full-day event brought together leading voices in tax policy, practice, and academia to explore pressing challenges in international cooperation, EU legal frameworks, business compliance, and future-oriented strategies in sustainability and digitalisation.

Panel 1: Global Tax Reform – OECD Implementation, UN Initiatives & EU Competitiveness

This session featured Bert Zuijdendorp from the European Commission, Edwin Visser of PwC Netherlands, Tom Jansen representing Belgium at the OECD, and Ruston Tambunan from the Asia-Oceania Tax Consultants Association. It was moderated by Piergiorgio Valente, President of CFE Tax Advisers Europe.

The panel addressed the uneven global uptake of the OECD/G20 Two-Pillar Solution. Edwin Visser discussed the lack of political traction on Pillar One and the fact that Pillar Two is being adopted by only 60 of the 140 jurisdictions as key in contributing to global tax policy instability. Tom Jansen noted the dissatisfaction of developing countries with the OECD process and the growing appeal of a UN-led alternative

offering broader representation. Bert Zuijdendorp outlined the European Commission's priorities around competitiveness and simplification, including plans to reduce administrative burdens for businesses and SMEs. Ruston Tambunan offered a regional overview from Asia, highlighting the mixed pace of implementation and the need for global rules to be sensitive to development priorities and investment needs.

Panel 2: ECJ Case Law, DAC6 & EU Tax Law Enforcement

Panel contributors included Sean Bray from the Tax Foundation, Professor Eric Kemmeren of Tilburg University, Karl Croonenborghs from the European Commission, and Professor Isabelle Richelle of Liège University. The session was moderated by Aleksandar Ivanovski, Director at CFE Tax Advisers Europe.

This panel delved into matters of ECJ tax law enforcement and the impact of the DAC6 professional secrecy ECJ decisions. Professor Eric Kemmeren offered a critical analysis of the ECJ's Apple ruling, pointing to legal misinterpretation of Irish tax law and a lack of consideration for domestic precedent. Sean Bray discussed the EU-US divide on digital economy taxation in light of current tax policy development and State aid rulings, arguing that US policymakers view EU measures—like state aid enforcement and digital services taxes—as discriminatory. Karl Croonenborghs explained the Commission's enforcement approach, including informal pilot procedures and formal action for serious violations, and flagged expected reforms to the DAC framework (notably DAC10). Professor Isabelle Richelle focused on legal professional privilege under DAC6, warning that non-lawyer tax advisers risk being excluded from protections and urging greater clarity and consistency across Member states.

Panel 3: Transfer Pricing and VAT – Bridging Two Systems

The panel brought together panellists Federico Vincenti of Crowe Valente in Italy, Trudy Perié of Loyens & Loeff in the Netherlands, and Luc Dhont of Procter & Gamble in Belgium. The panel was moderated by Jeremy Woolf, Chair of the CFE Fiscal Committee.

Speakers explored the tension between direct and indirect tax systems in the context of transfer pricing. Federico Vincenti reviewed core OECD methods and explained the importance of compensating adjustments to align with the arm's length principle, while noting the risk of double taxation if not recognised consistently by all jurisdictions. Trudy Perié addressed the VAT perspective, explaining that VAT rules do not include an arm's length principle, which complicates how TP adjustments are treated across Member states. She called for clearer, EU-wide guidance. Luc Dhont provided insight into business operations,

highlighting the administrative strain of applying TP adjustments across multiple jurisdictions—particularly under e-invoicing and VAT return rules—and called for more harmonised and pragmatic solutions

Panel 4: Digitalisation, Sustainability & Professional Ethics in Tax

This future-focused session featured Roberta Poza from Deloitte Legal in Spain, Markus Ehgartner, Chair of the CFE Tax Technology Committee, and Eduardo Gracia Espinar of Ashurst, Spain. It was moderated by Petra Pospíšilová, Vice-President of CFE Tax Advisers Europe.

Roberta Poza discussed recent EU efforts to support the green transition through tax incentives, such as accelerated depreciation under the Clean Industrial Deal, but warned that Pillar Two limitations may prevent such incentives from being fully utilised. Markus Ehgartner spoke on emerging AI technologies in tax advisory, forecasting the development of AI agents with autonomous capabilities and stressing the importance of establishing governance frameworks and liability standards. Eduardo Gracia Espinar explored professional ethics, presenting the CFE's judgement-based approach to ethical tax planning. He also highlighted recent ECJ rulings that could restrict legal privilege protections under DAC6 for non-lawyer advisers, raising concerns about fairness and consistency across the profession.

CJEU Clarifies Scope of Anti-Abuse Rules in Parent-Subsidiary Taxation Directive - Case C-228/24, Nordcurrent

On 3 April 2025, the Court of Justice of the EU delivered its judgment in [*Case C-228/24 Nordcurrent group UAB v Valstybinė mokesčių inspekcija*](#), clarifying the application of anti-abuse provisions under Article 1(2) and (3) of Directive 2011/96/EU (the Parent-Subsidiary Directive). The case arose from a preliminary ruling request by the Lithuanian Tax Disputes Commission in a dispute concerning whether dividends received by Lithuanian company Nordcurrent from its UK subsidiary (Nordcurrent Ltd) in 2018–2019 should benefit from a corporate tax exemption.

At issue was whether the subsidiary constituted a “non-genuine arrangement” put in place primarily to secure a tax advantage, and thus not entitled to the directive’s benefits. Lithuanian tax authorities had found that the UK entity lacked the substance to justify its tax-exempt status, citing its minimal physical presence, absence of staff beyond a director managing several companies, and operational functions allegedly performed by Nordcurrent in Lithuania.

The Court held that national authorities may deny the directive's benefits where an arrangement lacks economic reality—even if the subsidiary is not a conduit entity and appears to generate income. Importantly, the Court found that the classification of a subsidiary as non-genuine must be grounded in an overall assessment of all facts, including commercial justifications and prior genuine activity. The Court further clarified that such classification alone is not sufficient to conclude that a tax advantage has been improperly obtained: both the objective lack of commercial substance and a subjective intention to obtain a tax benefit contrary to the directive's purpose must be established. This ruling reinforces the importance of economic substance and purpose in cross-border corporate structures.

EU Parliament Endorses Omnibus Proposal for Delay in Sustainability Reporting Rules

On 3 April, the European Parliament [voted](#) to approve a delay in the application of new key EU sustainability reporting and corporate due diligence rules. The proposal to delay the reporting requirements formed part of the European Commission's wider "[Omnibus I](#)" simplification package unveiled on 26 February 2025. The package includes not only the directive to postpone the start date of new obligations, but also a separate legislative proposal aimed at adjusting the content and scope of these requirements.

The delay was motivated by concerns that immediate implementation would place undue burdens on smaller and mid-sized businesses, and potentially hamper competitiveness in the global market. The directive pushes back the application of the Corporate Sustainability Reporting Directive (CSRD) obligations for companies with fewer than 500 employees and for non-public-interest entities until 2027, with reporting due in 2028. Similarly, the EU's Corporate Sustainability Due Diligence Directive will now apply from 2028. To expedite the process, MEPs voted to adopt the file under an urgent procedure. The Council of the EU had already endorsed the same text on 26 March 2025, and formal approval will now be the final step before the law enters into force.

The Commission is also [reportedly](#) preparing a proposal to revise the General Data Protection Regulation (GDPR), potentially as early as the coming weeks, as part of the Commission's broader simplification drive. While the originally anticipated "SME relief" package was scheduled for release on 16 April, it has now been postponed to 21 May. According to a Commission official, speaking anonymously to POLITICO,

the proposed GDPR revisions may not appear in that particular package—though a proposal to simplify EU privacy rules is still expected to be delivered “by June.” While specific details remain unconfirmed, the initiative is part of a broader drive to alleviate regulatory burdens on businesses and foster competitiveness, particularly against global counterparts in the US and China. The GDPR, which has been in force since 2018, is seen by some as overly complex and difficult to navigate, especially for smaller businesses.

ECOFIN Working Party on Tax Questions to Discuss New Rules on Import Distance Sales & IOSS Incentives

The ECOFIN Working Party on Tax Questions (Indirect Taxation – VAT) is [scheduled](#) to meet on 15 April 2025 in Brussels. The agenda will focus on exchanging views regarding the Directive on VAT rules for distance sales of imported goods and import VAT, with particular attention to provisions aimed at incentivising the use of the Import One-Stop Shop (IOSS).

This session follows two recent Working Party meetings held in March, when delegates met to explore enhancements to the robustness of the IOSS. Both sessions included in-depth exchanges of views on the same Directive, specifically the provisions designed to incentivise use of the IOSS, as well as open discussion of other business. These meetings reflect the EU’s continued commitment to improving the efficiency and effectiveness of VAT compliance in the context of cross-border e-commerce, with the IOSS positioned as a central tool in this reform agenda.

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