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EU Launches Public Consultation on Potential Countermeasures to Respond to US Tariffs

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The European Commission has launched a public consultation concerning potential countermeasures to be taken against the United States in response to the US reciprocal tariffs announced by President Trump in April of a 20% import tax on EU goods, as well as the tariffs of 25% on all imports of vehicles and car parts and 25% on steel and aluminium imports announced in February.

Stakeholders are invited to provide input on a draft list of US-origin goods that could face additional EU duties. These include a wide range of agricultural and industrial products such as live animals, meat, fish, nuts, vegetables, oils, and certain machinery and vehicles. A parallel list outlines potential EU exports to the US that may be restricted or withdrawn from existing duty concessions.

The EU has indicated it will launch a dispute against the US on the reciprocal tariffs and tariffs on cars and car parts through the World Trade Organisation if a resolution is not reached, although the Commission has emphasised that it remains committed to resolving the dispute. Additionally, the Commission has set out that it is engaging with other trading partners to diversity supply chains and will continue work to strengthen the EU's Single Market and reduce barriers to trade.

The consultation seeks feedback on the economic impact of the potential countermeasures being considered, availability of alternative sourcing, and potential consequences for EU supply chains and competitiveness. Responses will inform the Commission's final decisions, with the stated aim of maintaining a proportionate and WTO-compliant response.

Stakeholders, including EU-based businesses, industry associations and other interested parties, are invited to participate by 10 June through the dedicated online questionnaire: EU Consultation on Imports of EU Goods.

OECD Releases Consolidated GloBE Commentary

The OECD has published an updated and consolidated version of the Commentary to the Global Anti-Base Erosion (GloBE) Model Rules, incorporating all Administrative Guidance agreed by the Inclusive Framework on BEPS through to the end of March 2025. This comprehensive document supports the implementation of the Pillar Two minimum tax regime, aimed at ensuring large multinational enterprises (MNEs) pay a global minimum level of tax.

Developed under the OECD/G20 Inclusive Framework, the GloBE Rules introduce a co-ordinated system of Top-up Taxes—primarily through the Income Inclusion Rule (IIR) and the Undertaxed Profits Rule (UTPR)—to address base erosion risks and profit shifting. The rules apply to MNE Groups with annual consolidated revenue of at least EUR 750 million in at least two of the four preceding fiscal years, and are designed to bring the effective tax rate (ETR) in each jurisdiction up to a minimum rate, currently set at 15%.

The updated Commentary is intended to provide certainty and consistency in the interpretation and application of the GloBE Rules across jurisdictions. It features detailed guidance on the operation of the IIR and UTPR, the computation of GloBE income and adjusted covered taxes, transitional relief, administration and filing obligations, and complex scenarios such as restructurings and joint ventures.

Notably, the 2025 edition incorporates significant clarifications on the scope and treatment of constituent entities, the exclusion of certain investment and governmental entities, and the use of safe harbours. It also offers practical insights on applying monetary thresholds and currency conversion rules, which are critical for consistent international implementation, particularly where local currencies differ from the Euro-denominated thresholds used in the GloBE framework. With countries actively implementing Pillar Two measures into domestic law from 2024, this consolidated Commentary is a key tool for tax administrations and multinational groups in reducing compliance burdens.

DAC9 Published in Official EU Journal

On 6 May 2025, the new legislative measure amending the 2011 Directive on Administrative Cooperation, known as DAC9 (Directive 2025/872) was published in the EU's Official Journal. This latest update to the DAC introduces a harmonised reporting framework—referred to as the top-up tax information return—that multinational enterprises and significant domestic corporate groups will be required to submit in accordance with the obligations set out in the Minimum Taxation Directive (2022/2523).

A key feature of DAC9 is the provision for the automatic exchange of the data contained in these returns between Member States, supporting streamlined, centralised filing by multinational groups. The directive took effect on 7 May 2025, one day following its official publication.

EU Member States are mandated to incorporate the directive into their national legal systems by 31 December 2025, with the domestic implementation of these rules expected to commence from 1 January 2026.

EU Commission May Infringement Package

As part of its May Infringement Package, the European Commission has referred Sweden to the Court of Justice of the European Union for failing to align its preliminary income tax rules with EU law, specifically for breaching the freedom to provide services under Article 56 of the Treaty on the Functioning of the European Union (TFEU) and Article 36 of the European Economic Area (EEA) Agreement.

Since 2021, Swedish clients have been required to withhold a 30% preliminary income tax on payments to contractors from other EU or EEA countries, unless those contractors obtain 'F-tax approval' from the Swedish tax authority. This requirement applies even when the contractors lack a permanent establishment in Sweden and are not liable for Swedish income tax. The Commission contends that this practice imposes significant cash-flow disadvantages and administrative burdens on foreign service providers, effectively restricting the freedom to provide services within the EU.

The Commission asserts that Sweden has not adequately addressed the Commission's concerns raised about this practice via its letter of formal notice in July 2023 and reasoned opinion in May 2024 and has now escalated the matter to the Court of Justice.

The Commission also brought infringement proceedings in the May package against Czechia, Denmark, Greece, Austria, Romania, and Slovakia for failing to deploy electronic customs systems for Temporary Storage and National Import, as required by the Union Customs Code. It also launched proceedings against Denmark, France, Cyprus, Austria, Portugal, and Romania for not transmitting complete customs data to the EU's SURV3 digital platform, hindering uniform customs enforcement.

OECD Launches Human Resources Maturity Model to Advance Tax Administration Transformation

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The OECD Forum on Tax Administration (FTA) has released a new addition to its Tax Administration Maturity Model Series — the *Human Resources Maturity Model*. It is designed to help tax administrations self-assess their current capabilities in human resource (HR) management, identify areas for improvement, and support strategic transformation in line with the OECD's broader *Tax Administration 3.0* vision.

The HRMM offers a structured framework across five maturity levels, enabling administrations to evaluate their practices in key HR areas such as strategy setting and governance, workforce planning and management, and staff support. The Model was developed collaboratively and tested with 39 tax administrations globally. By mapping HR practices against evolving administrative needs and technological developments, the tool aims to enhance readiness for future challenges — from talent retention to digital transformation and organisational culture.

This release follows a growing portfolio of OECD maturity models that address functional and strategic domains of tax administrations, including digital transformation, compliance burden, and gender balance. The HRMM is available publicly and includes guidance for implementation, a glossary, and a self-assessment record sheet for administrations to engage with the OECD for benchmarking or peer exchange.

The selection of the remitted material has been prepared by: Dr. Aleksandar Ivanovski & Brodie McIntosh