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EU Tax Symposium: Global Tax Cooperation, Strategic Autonomy & Competitiveness

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The 2025 EU Tax Symposium, jointly organised by the European Commission and the European Parliament, took place last week on 18 March in Brussels. Central themes included wealth taxation, tax simplification, green transition, EU competitiveness, and the growing role of artificial intelligence in tax administration. The political will to act on these challenges was reaffirmed—but with a growing sense of urgency.

While the EU remains committed to international tax coordination, diverging global priorities—particularly in the United States—suggest that longstanding initiatives such as the OECD's two-pillar solution may need rethinking. In this context, Tax Commissioner Wopke Hoekstra signalled a firmer stance on transatlantic tax tensions, warning: *"We come in peace, but do not tempt us",* that the EU will act to protect its tax base and competitiveness, even if it must proceed independently.

Global Tax Reform: OECD Stagnation vs. UN Ambition

Much of the Symposium focused on the uncertain future of international tax cooperation. Although OECD Secretary-General Mathias Cormann defended the two-pillar solution as "alive and salvageable," scepticism dominated the discussions. Pillar One's fate remains tied to unlikely U.S. Senate ratification, while Pillar Two has seen limited uptake—just 40 of 140 committed jurisdictions have adopted it formally, most of them in the EU.

In contrast, the UN-led framework convention—driven by African nations and inclusive of both developed and developing economies—has gained traction as a more equitable platform. This process aims to create more inclusive and globally representative standards. EU policymakers voiced support for multilateralism and stressed the need to protect the integrity of the single market while navigating divergent global tax regimes. If consensus fails, the likely outcome may be a fragmented global tax landscape, with unilateral measures such as digital services taxes gaining momentum.

DSTs and Data Value: Taxing the Digital Economy

With Pillar One at risk, panellists discussed that Member States are reconsidering (or maintaining) unilateral digital services taxes. The rise of AI-powered and data-driven business models has only intensified calls for a framework to capture intangible value creation. Absent global consensus, the risk is a proliferation of inconsistent national measures, leading to double taxation, investment deterrence, and cross-border disputes.

Legal and Administrative Complexities: The UTPR Challenge

The Undertaxed Payments Rule, a cornerstone of Pillar Two, continues to generate legal uncertainty. Roberta Poza (Deloitte Legal) and other experts raised concerns that the rule may conflict with existing double tax treaties and fundamental EU freedoms. It reallocates taxing rights in ways that could breach treaty obligations, prompting fears of future litigation.

Moreover, the application of the UTPR could disproportionately affect U.S. multinationals, particularly given discrepancies between the OECD model and U.S. domestic frameworks such as GILTI. The EU is already exploring contingency responses, including Qualified Domestic Minimum Top-up Taxes, to ensure equitable treatment and reduce the risk of trade retaliation.

Some Member States and business groups, notably in Germany, have called for the implementation of permanent safe harbours and phased compliance timelines to ease the transition. Articles 7 and 9 of the EU Minimum Tax Directive offer legal flexibility, allowing for reduced administrative burdens during early adoption phases—an approach that may offer both political and economic advantages.

Wealth Tax

Another major focus of the Symposium was the taxation of ultra-high-net-worth individuals. French economist Gabriel Zucman discussed a minimum 2–3% tax on EU residents with net wealth exceeding €100 million. Such a measure could raise between €67 and €101 billion annually—funds that could be redirected to essential public investments such as education, healthcare, climate mitigation, and defence.

Panellists discussed whether the tax would restore fairness and progressivity in the tax system without increasing the overall tax burden. They highlighted the democratic risk posed by rising inequality and the influence of wealth on political processes. However, attendees also raised concerns about economic competitiveness and capital mobility, underlining the importance of international coordination and increased transparency in asset ownership to mitigate risks of capital flight.

EU Agenda for Tax Simplification and Modernisation

Commissioner Wopke Hoekstra also discussed during his keynote address the EU's simplification agenda aimed at easing the administrative burden on businesses operating across the EU. At its core is the Omnibus simplification package, accompanied by a four-principle approach to reviewing and updating the EU tax acquis. These principles include reducing compliance burdens, eliminating outdated rules, increasing legislative clarity, and improving procedural efficiency.

Reforms to the Corporate Sustainability Reporting Directive will exempt approximately 90% of companies from reporting obligations while still covering 99% of reported emissions. This approach aims to strike a balance between reducing bureaucratic complexity and preserving transparency and climate accountability.

Commission Hoekstra also discussed one of the EU's long-standing fiscal challenges—the VAT gap, estimated at €89 billion annually— and the "VAT in the Digital Age" package. This modernisation effort aims to make VAT collection more efficient, cost-effective and consistent across Member States. Key features include real-time data exchange between tax administrations and improved cooperation with the European Public Prosecutor's Office to tackle fraud and evasion.

Speakers from both public and private sectors stressed the importance of simplifying tax systems—not just through minor adjustments, but via meaningful harmonisation. Calls were also made to reconsider the unanimity rule in EU tax matters, which many see as an obstacle to swift and coherent policy responses.

Taxation for a Greener and More Competitive Economy

Sustainability and competitiveness emerged as intertwined priorities. Commissioner Hoekstra stressed the need to finalise the Energy Taxation Directive to support electrification and reduce reliance on fossil fuels. Proposed fiscal measures include reduced electricity taxation for energy-intensive sectors, removal of non-consumption-based levies, and enhanced incentives for clean investments—such as accelerated depreciation and tax credits for strategic green sectors. Policy proposals included harmonising energy taxation, creating a

European investment label, and developing open-source tax algorithms to reduce complexity and compliance costs for businesses.

AI and Digital Tools Transforming Tax Administration

The role of artificial intelligence in tax compliance and administration was also featured at the Symposium. Hungary's fully automated data reconciliation system—capable of issuing discrepancy notices without human intervention and achieving 99% compliance—was cited as a successful case study. Panellists discussed how AI is already enhancing VAT monitoring, fraud detection, and audit targeting, yet concerns remain around transparency, bias, and data privacy.

Speakers agreed that AI should augment, not replace, the work of tax professionals. Major emphasis was placed on upskilling the tax workforce, with particular attention to the growing need for data literacy and AI fluency. Policymakers also advocated for open-source AI tools in tax modelling and digital compliance to improve accessibility and accountability.

Key Takeaways

The 2025 Symposium made clear that the EU and global tax policy stands at a crossroads. While it remains committed to multilateralism, the risk of transatlantic divergence is real. The European Commission appears ready to adopt more enforceable, autonomous measures—whether in the form of wealth taxes, DSTs, or carbon-related mechanisms—should global cooperation falter. For tax advisers, this signals a shifting landscape: growing complexity, evolving compliance expectations, and a deepening integration of tax policy with geopolitical and sustainability objectives.

OECD Publishes Interim Economic Outlook Report

The OECD's March 2025 Interim Economic Outlook Report has been published, forecasting a slowdown in global economic growth over the coming years, with growth expected to ease from 3.2% in 2024 to 3.1% in 2025 and 3.0% in 2026. This moderation reflects the effects of rising trade barriers among G20 countries and increased policy uncertainty, both of which are weighing on investment and household consumption. The report highlights that major economies are facing varying trajectories, with the US projected to slow from 2.8% growth in 2024 to 1.6% by 2026, while the euro area and China are expected to grow modestly.

Inflation remains a key concern, particularly in services, where prices continue to rise at a median rate of 3.6% across OECD countries. Although headline inflation in

G20 economies is forecast to decline from 3.8% in 2025 to 3.2% in 2026, core inflation is likely to stay above central bank targets in many jurisdictions. The OECD warns that trade fragmentation could exacerbate inflationary pressures and reduce global output, particularly if protectionist measures continue to intensify.

In light of these developments, the OECD urges central banks to maintain a cautious approach to monetary policy, remaining ready to respond to persistent inflation. It also calls for prudent fiscal management to ensure long-term debt sustainability and recommends structural reforms to improve productivity and resilience. Enhanced international cooperation is viewed as essential to mitigating the risks of economic fragmentation and safeguarding future global growth.

CFE Forum | 27 March 2025 | Brussels

The CFE Tax Advisers Europe 2025 CFE Forum will be held 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 Zuijdendorp (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.

Savings & Investments Union: EU Strategy for Growth & Competitiveness

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The European Commission has published a Communication setting out a comprehensive strategy to establish a Savings and Investments Union, aimed at better channelling EU citizens' savings into productive investment to foster long-term economic competitiveness. In the face of persistent low productivity, an ageing population, and geopolitical challenges, the initiative seeks to close the gap between high levels of savings and underwhelming investment rates. The Commission identifies structural inefficiencies in financial intermediation and fragmentation in the single market as major obstacles and calls for decisive, collective action to unlock the full potential of EU capital.

At the core of the strategy is a drive to engage retail investors more actively in capital markets. The Commission highlights that nearly €10 trillion in EU household savings are currently held in low-yield bank deposits. With the introduction of pan-European savings and investment accounts, enhanced financial literacy initiatives, and improvements to retail investment protections, the strategy aims to boost participation while promoting fairness and transparency. Supplementary pension reform, including support for auto-enrolment and cross-border pension products, also features prominently as a lever to increase long-term investment capacity.

The strategy further addresses the urgent need to scale up equity financing for innovative and high-growth enterprises, particularly in sectors like deep tech, clean energy, and defence. The Commission proposes revisions to venture capital regulations, improved access to capital markets, and measures to stimulate investment by institutional investors. It also underscores the importance of removing tax disincentives, enhancing securitisation markets, and strengthening investment exit pathways to build a dynamic and robust financial ecosystem.

To ensure integration and efficiency across the EU's financial landscape, the strategy outlines legislative proposals to tackle fragmentation in trading infrastructure, asset management, and supervisory practices. The Commission calls for simplification, regulatory convergence, and harmonised supervision to create a level playing field and a truly unified capital market. Successful implementation will require both EU-level initiatives and national reforms, with the Commission committing to regular monitoring, stakeholder engagement, and a mid-term review in 2027 to track progress and sustain momentum.

Global Forum Issues New Peer Reviews on Exchange of Tax Information

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The Global Forum on Transparency and Exchange of Information for Tax Purposes has published new peer review reports assessing five jurisdictions: Armenia, the British Virgin Islands, Burkina Faso, Côte d'Ivoire, and Djibouti. Armenia and Côte d'Ivoire were rated "Largely Compliant" following full evaluations, recognising their strong legal frameworks while noting areas for improvement in supervision, beneficial ownership reporting, and exchange procedures.

The British Virgin Islands retained its "Partially Compliant" rating from 2022, with ongoing issues in the availability and enforcement of accounting information obligations, as well as challenges in meeting information requests. Burkina Faso and Djibouti underwent Phase 1 reviews, focusing solely on legal frameworks due to limited EOIR activity. Burkina Faso's legislation was mostly in place, with a follow-up review expected by 2027. Djibouti was found to have significant legal deficiencies and must make legislative improvements to progress to the next review phase.

The reviews were approved by the Global Forum's Peer Review and Monitoring Group. Since the second round of reviews began in 2016, 126 jurisdictions have been assessed, with the majority (89%) rated "Compliant" or "Largely Compliant", reinforcing the effectiveness of the Forum's peer review and capacity-building initiatives.

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