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EU-US Trade Agreement Reached Covering Key Industrial Sectors

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The European Union and United States have reached an agreement on tariffs following talks between US President Donald Trump and European Commission President Ursula von der Leyen at Trump's Turnberry Resort in Scotland. The deal introduces a uniform 15% US tariff on the vast majority of EU exports, including key goods such as cars, pharmaceuticals, and semiconductors. While the agreement ensures continued market access and removes the immediate threat of higher tariffs—up to 30%—it also formalises levies that are considerably higher than previous levels on many EU goods.

In a Statement on the deal, the European Commission has presented the agreement as a stabilising measure that brings predictability to transatlantic trade. EU officials have emphasised that the 15% tariff rate is a ceiling, without scope for stacking or additional duties, and that the deal includes a "zero-for-zero" tariff regime on selected strategic products such as aircraft parts, critical raw materials, certain chemicals, and agricultural goods. However, steel and aluminium were explicitly excluded from the main tariff harmonisation, with the US maintaining higher duties in those sectors and introducing a quota system instead.

In return, the EU has committed to significantly increased purchases of US energy and military equipment. According to US statements, the EU will spend an additional $750 billion on US energy products and invest a further $600 billion in the US economy. Commission President von der Leyen confirmed the bloc would target annual purchases of $250 billion in US energy over the next three years. The agreement also opens the EU market to more US goods at zero tariff, part of what Washington has characterised as a rebalancing of trade relations.

The deal has drawn mixed reactions within Europe. While some leaders, including Germany's Chancellor Friedrich Merz and Italy's Prime Minister Giorgia Meloni, welcomed the agreement as a means to avoid economic escalation, industry bodies have expressed concern. Germany's Federation of Industries described the deal as an "inadequate compromise," warning that the 15% tariff will negatively impact export-driven sectors. The European Round Table for Industry offered only cautious support, urging the EU and US to swiftly resolve outstanding issues in sectors not yet covered by the agreement.

EU Commission Launches Consultation on Reform of EU VAT Rules for Travel & Tourism

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The European Commission has launched a public consultation as part of its ongoing evaluation and impact assessment of VAT rules applicable to the travel and tourism sector. The initiative targets two key components: the special VAT scheme for travel agents (TOMS) and the VAT treatment of passenger transport. The Commission notes that existing rules are outdated and inconsistently applied across Member States, creating distortions in the single market and undermining competitiveness for EU-based businesses. The consultation will inform a possible legislative proposal expected in Q4 2026.

The TOMS scheme has been highlighted as a particular area of concern by the EU Commission in the consultation. The current application allows non-EU travel agents to sell EU travel services without taxation on their margins, leading to estimated competitive advantages of 2–4% on final prices. Intra-EU discrepancies in the VAT treatment of B2B transactions and inconsistent national applications of the scheme further exacerbate distortions. Potential reforms include revising the place of taxation, narrowing or redefining the scope of TOMS, introducing a global margin calculation, and offering more flexibility for B2B transactions.

Passenger transport VAT rules have also come under scrutiny, particularly the current system of taxing services in proportion to distances travelled across borders. This has resulted in complex administrative burdens for SMEs, especially in the land transport sector, where VAT registration and compliance costs can be substantial. The widespread application of reduced or zero VAT rates—especially in air and maritime transport—raises concerns over competitive neutrality and environmental coherence. Policy options being considered include aligning VAT rules across transport modes and revisiting the place of supply rules.

The consultation will run until 16 October 2025, and input from stakeholders, can be submitted via the Have Your Say webpage portal. Responses will feed into both the final impact assessment and legislative design. A summary of the consultation results will be published in due course.

Registration Now Open: 2025 CFE Tax Symposium in Ghent on 18 September 2025

Registration is now open for the 2025 CFE Tax Symposium, taking place on Thursday, 18 September 2025 in Ghent, Belgium. Hosted in collaboration with the Belgian Institute for Tax Advisors and Accountants (ITAA), this year's symposium will explore the theme of *"Taxation in Transition: Compliance, Rights & Innovation in a High-Data World."* The event will bring together policymakers, academics, and leading tax professionals to examine the practical impact of major developments in international and EU tax policy.

The conference will open with welcome remarks from CFE President Piergiorgio Valente and ITAA President Bart Van Coile, followed by a keynote address from Filip Van de Velde, Head of the Belgian Tax Administration. The morning panel will set the scene with a discussion on the evolving EU and international tax policy landscape, including implementation of the OECD Pillar Two (GloBE) regime and emerging cross-border tax trends. Speakers will include representatives from the OECD, the Spanish and Estonian Ministries of Finance, and Prof. Georg Kofler.

In the afternoon, a second panel will focus on the recast of the Directive on Administrative Cooperation (DAC), taxpayer rights, and issues such as proportionality of sanctions and the legal status of pre-populated return systems. The final panel will examine the growing role of AI and technology in tax compliance, including real-time VAT reporting (MOSS/IOSS), secure IT architecture, and the ethical use of taxpayer data in digital systems. Contributions will come from senior tax officials, academics, and expert members of the CFE Technical Committees.

Save the date and secure your place! More information and registration is available here.

OECD Releases Second Batch of 2025 Transfer Pricing Country Profiles

The OECD has published a second batch of updated transfer pricing country profiles for 2025, covering 12 jurisdictions: Austria, Belgium, Canada, Ireland, Latvia, Lithuania, Mexico, the Netherlands, New Zealand, Singapore, South Africa, and Spain. The updates reflect current transfer pricing rules and administrative practices and now incorporate country-specific treatment of hard-to-value intangibles (HTVIs) and the simplified and streamlined approach for baseline marketing and distribution activities.

This release expands the scope of the OECD's profiles to address new elements linked to ongoing work on Amount B under the Two-Pillar Solution to the tax challenges of digitalisation. The information presented was supplied by the respective jurisdictions in response to a detailed OECD questionnaire, aimed at ensuring consistency and accuracy in reflecting domestic legislation and implementation.

With this release, the total number of jurisdictions with transfer pricing country profiles has reached 78. The profiles remain structured around core topics, including the arm's length principle, transfer pricing methods, comparability analysis, treatment of intangibles and intra-group services, cost contribution arrangements, documentation requirements, dispute resolution mechanisms, and safe harbour regimes.

First published in 2009, the OECD's transfer pricing profiles have been progressively expanded and revised, particularly following the 2015 BEPS Actions 8-10 and Action 13. Subsequent updates in 2017 and 2021 broadened the profiles' coverage to non-OECD members and introduced sections on financial transactions and permanent establishments. The 2025 updates continue this trend by integrating elements reflecting emerging consensus areas in global transfer pricing reform.

EU AML Authority Sets out Priorities as Operational Phase Begins

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The Anti-Money Laundering Authority (AMLA) has published its inaugural Work Programme for 2025, marking the transition from institutional set-up to early operational activities following its formal establishment in Frankfurt earlier this year. With its Chair and Executive Board now in place, AMLA is moving to deliver on its dual mandate of anti-money laundering (AML) and counter-terrorist financing (CFT) supervision, as well as support and coordination of Financial Intelligence Units (FIUs) across the EU. The programme outlines both the achievements of the first half of 2025—focused on governance, staffing, and infrastructure—and the priorities for the remainder of the year.

Key deliverables for the operational phase for 2025 include the early development of the Single Rulebook, the preparation of harmonised supervisory practices, and the design of frameworks to facilitate information exchange between FIUs. Significant effort is being directed toward addressing high-risk sectors, with crypto-asset service providers (CASPs) singled out for early supervisory focus. AMLA also plans to address supervisory fragmentation by fostering convergence in national approaches, particularly in the non-financial sector where regulatory harmonisation remains limited.

By the end of 2025, AMLA expects to deliver preparatory work on several mandates, with a view to full implementation from 2026 onwards. This includes risk assessment methodologies, internal controls guidance, and supervisory cooperation protocols. Two Single Programming Documents (2026–2028 and 2027–2029) are due to be developed in parallel, providing the initial strategic and operational roadmap for the Authority. Engagement with EU institutions, Member States, and stakeholders will underpin this process, which aims to articulate AMLA's long-term vision and performance metrics.

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