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EU Commission Adopts Regulation on Tax Transparency

The European Commission has adopted an [Implementing Regulation](#) concerning tax transparency and the criteria for information reported by platforms to non-EU countries and exchanged with Member States.

This Regulation establishes criteria for determining whether information automatically exchanged under an agreement between the tax authorities of Member States and a non-EU country is equivalent to that specified in Council Directive (EU) 2021/514 ('DAC7'), i.e. mandatory automatic exchange of information reported by platform operators.

The Implementing Regulation establishes criteria to be considered by the Commission in assessing equivalence of exchange process, concerning definitions such as Reporting Platform Operator, Reportable Sellers and Relevant Activity, assessing due diligence procedures, reporting requirements and procedures. The Regulation will enter into force 20 days after its publication in the Official Journal of the European Union.

EU Parliament MEPs Adopt Position on EU AML Legislation

EU Parliament MEPs from the Economic and Monetary Affairs and Civil Liberties, Justice and Home Affairs committees have adopted positions on the proposed new EU Anti-Money Laundering and Countering the Financing of Terrorism legislation.

The package consists of:

- [the EU “single rulebook” - regulation](#) - with provisions on conducting due diligence on customers, transparency of beneficial owners and the use of anonymous instruments, such as crypto-assets, and new entities, such as crowdfunding platforms. It also includes provisions on so-called "golden" passports and visas. The text was adopted with 99 votes to 8 and 6 abstentions.
- [The 6th Anti-Money Laundering - directive](#) - containing national provisions on supervision and Financial Intelligence Units, as well as on access for competent authorities to necessary and reliable information, e.g. beneficial ownership registers and assets stored in free zones. The text was adopted with 107 votes to 5 and 0 abstentions.
- [The regulation establishing the European Anti-Money Laundering Authority](#) (AMLA) with supervisory and investigative powers to ensure compliance with AML/CFT requirements. The text was adopted with 102 votes to 11 and 2 abstentions.

Paul Tang (co-rapporteur for the Anti-Money Laundering directive - S&D, NL) said of the proposals: *“We are losing the battle against money laundering, which costs society up to two trillion US dollars annually worldwide. That is why parliament worked together on finding effective ways to fight money laundering, by demanding the registration of expensive cars, boats and planes and by obliging the disclosure of all goods stored in free zones. We have also restored access to beneficial ownership data for journalists and civil society organisations, introduced strong safeguards like a Fundamental Rights Officer*

in every Financial Intelligence Unit. I am hopeful the Council will join us in beefing up the EU's fight against money laundering and terrorist financing." Further detail on the agreed provisions can be found [here](#).

The European Parliament will start negotiations on the the legislative package after the decision is confirmed during the plenary session in April.

International Fiscal Association Invites Views on Tax Avoidance in Advance of European Conference (5 - 7 July)

The International Fiscal Association (IFA) will hold its European region [conference](#) on 5-7 July 2023 in Amsterdam. Through an [online survey](#), the organisation is collecting views on the conference theme "*Tax Avoidance in the European Union and Beyond*".

The [programme](#) focuses on the critical issues of tax avoidance, abuse of law, State aid, dispute resolution, and the EU's green tax agenda, with participation of high-level policy makers. Marnix van Rij, Dutch State Secretary for Tax Affairs and the Tax Administration, and European Commission officials Benjamin Angel and Gerassimos Thomas will participate in the conference.

CFE Tax Advisers Europe's Director of Tax Policy, Aleksandar Ivanovski, will participate in a session dedicated to the Unshell and SAFE Directives, the European Commission's initiative addressing tax enablers. The latter initiative is set to be published a few weeks for before the conference.

CFE members are cordially invited to share their views through the [survey](#) and to join the discussions in Amsterdam. Registration is possible [here](#).

EESC Adopts Opinion Supporting DAC8 Proposal

The European Economic and Social Committee (EESC) has now adopted an [opinion](#) concerning the DAC8 proposal.

The EESC sets out the following key points in its opinion concerning the proposed Directive:

- *deems the proposed improvements to the DAC Directive to be effective in deterring non-compliance with fiscal rules by crypto-asset holders, thereby reinforcing the fight against tax fraud, tax evasion, and tax avoidance, in line with several previous initiatives of the Commission;*
- *notes that a global effort to regulate crypto-assets and their use is key in order to successfully address the growing issues and implications with a worldwide scope relating to such assets. The Committee encourages the Commission to play an active role on the international stage;*
- *appreciates that enhanced and more effective taxation of crypto-assets will help increase the coverage of taxation and boost national budgets, allowing the deployment of additional resources targeted at the common good and at the investment priorities of the Commission (green transition and digitalisation);*
- *considers that the tax identification number ("TIN") reporting system is the most effective compliance method for ensuring the effectiveness of the new rules. The Committee supports the Commission's proposal on TIN since it contributes to preventing possible mistakes, thereby improving legal certainty and the predictability of the system;*
- *deems that reporting obligations should not only be limited to exchanges and transfers in crypto-assets, but should also be extended, at least during the initial phase, to overall holdings of crypto-currency assets for the sake of transparency and certainty, although it remains clear that taxation should only apply to effective gains;*
- *stresses the need for effective and proportional penalties, leaving to Member States the decision on the specific amounts of sanctions to be issued and recommends that, after the implementation of the Directive,*

- the Commission reports on the penalty structures implemented by Member States, giving guidance on possible changes if needed;*
- hopes that the penalties and compliance measures will be able to strike a proper balance between effectiveness of the rules and adequate deterrence on the one hand and proportionality on the other hand;*
 - recommends that the Commission include in its draft proposal rules to enhance the cooperation between the tax authorities already covered by the current text and the authorities in charge of combatting money laundering and the financing of illegal activities and terrorism. In this context, the Committee reiterates that public authorities, in this case tax authorities, require adequate resources in terms of both qualified personnel and high-grade digital technology and standards.*

The full opinion can be accessed [here](#).

Final Reminder: CFE Forum - 20 April 2023 - "Towards a More Cohesive European Fiscal Union? Minimum Tax & VAT in the Digital Age"

CFE Tax Advisers Europe's 2023 Forum will be held this week on 20 April 2023 in Brussels on the topic of ["Towards a More Cohesive European Fiscal Union? Minimum Tax & VAT in the Digital Age"](#). These two key European Commission projects mark another milestone in the deepening of EU fiscal integration. The Directive on Minimum Tax which implements Pillar 2 has been adopted and is now EU law. The directive relies on a degree of inter-nation fiscal equity, with minimum common standards for paying a 'fair share' of tax. Member states, tax administrations, companies and advisers all have questions about the implementation and the mechanism of operation. CFE will seek to clarify the main issues surrounding the practical application of the new directive as well as the issues posed by the lack of US implementation for taxpayers and wider.

On the other hand, similar developments have already been occurring in the indirect tax area. VAT, which as an area of competence for the EU, has evolved alongside the European project and is now entering the digital age. To discuss the VAT in the Digital Age EU package, CFE has invited a number of speakers to consider the policy side as well as the technical implications.

Mr Benjamin Angel, Director, European Commission, DG TAXUD, will provide a key-note related to the EU efforts in direct taxation and the EU Directive on Minimum Tax. Registration is still possible in these last days prior to the conference, and registration and full programme can be accessed [here](#).

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