

CFE's Tax Top 5

KEY TAX NEWS OF THE WEEK

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EU Commission Presents Recovery Package Proposal

On 27 May, the EU Commission presented its [recovery package proposal](#) to “repair and prepare” the European Union following the impact of the coronavirus crisis on the EU economy. The package comprises a new recovery instrument, the Next Generation EU, embedded within the EU budget for 2021 – 2027, as well as specific reforms to the EU budget itself. An updated [Work Programme](#) was also published alongside the proposals.

750 Billion Euros will be raised by the Next Generation EU recovery instrument, by lifting the ceiling on own borrowing on the open market, with funds to be invested in EU programmes and repaid from EU budgets between 2028 and 2058. The fund will support Member State investments and reforms, incentivise private investment and strengthen EU healthy security and prepare for future crises. The fund will invest in programmes that align with EU policy priorities; in particular the European Green Deal, in circular economy and renewable energy projects, as well as in projects that strengthen the Single Market and the EU’s digital and technological presence.

Further details are available [here](#).



EU Launches Digital Services Act Package Consultation

The EU Commission has launched a [consultation](#) concerning its Digital Services Act Package, which is expected to be released by the end of 2020. The Digital Services Act Package will introduce a modernised regulatory framework for digital services, in particular concerning: 1) the fundamentals of the e-commerce directive, by introducing rules concerning the role of online intermediaries, as well as an EU-wide governance system; 2) ensuring a level playing field in European digital markets, likely by introducing additional rules for platforms of a certain size, as well as specific regulatory requirements.

Executive Vice-President Margrethe Vestager said of the consultation: *“The Internet presents citizens and businesses with great opportunities, which they balance against risks that come with working and interacting online. At this time, we are asking for the views of interested citizens and stakeholders on how to make a modern regulatory framework for digital services and online platforms in the EU. Many of these questions impact the day-to-day lives of citizens and we are committing to build a safe and innovative digital future with purpose for them.”*

The consultation will run until 8 September 2020. Input can be submitted [here](#).



OECD Publishes Report on Restoration Planning by Tax Administrations

The OECD has published a [report](#) prepared by the Forum on Tax Administration in cooperation with the Intra-European Organisation of Tax Administrations and the Inter-American Center of Tax Administrations concerning how tax administrations can benefit from significant early business restoration planning for the recovery period from the coronavirus crisis. The report was published alongside another [report](#) highlighting the significant security, fraud and privacy risks posed by the crisis.

Director of the Centre for Tax Policy & Administration of the OECD, Pascal Saint-Amans, commented that *"Early planning for the recovery period from COVID-19 is critical given the scale of the challenges and risks that lie ahead. The collaborative work being undertaken by the FTA, CIAT and IOTA, including outreach to developing countries, is vitally important in helping to mitigate those risks as well as identify opportunities to increase the effectiveness and efficiency of tax administration in a post-crisis world."*

The Forum on Tax Administration are working on identifying future priorities, in particular concerning digitalization of tax administrations, difficulties concerning taxpayers working cross-border, as well as further issues arising from business continuity and recovery considerations.



EU Publish Antitrust Competition Tool Inception Impact Assessment

The EU Commission has published an [Inception Impact Assessment](#) and launched a [consultation](#) concerning a proposed antitrust competition tool, which would allow for intervention against structural competition problems in markets. The Inception Impact Assessment details that the four policy options being explored for the tool are for either a dominance-based or market structure-based instrument, with either limited or horizontal scope.

Executive Vice-President Margrethe Vestager said of the need for the antitrust instrument that: *"There are certain structural risks for competition, such as tipping markets, which are not addressed by the current rules. We are seeking the views of stakeholders to explore the need for a possible new competition tool that would allow addressing such structural competition problems, in a timely and effective manner ensuring fair and competitive markets across the economy."*

The public consultation will run until 8 September 2020. Input on the Inception Impact Assessment can be submitted until 30 June. Responses can be submitted [here](#).



EU Launch Consultation on the VAT Scheme for Travel Agents & Tour Operators

The EU Commission have launched a [consultation](#) on the VAT scheme for travel agents and tour operators, which was introduced in order to simplify the application of EU VAT rules for tour operators and travel agents.

The consultation aims to evaluate the effectiveness, relevance and coherence of the current special scheme, and whether it is fit for purpose in a digitalised economy, as well as its overall coherence with normal EU VAT rules.

The consultation can be accessed at the [Have Your Say](#) webpage. Input can be provided until 14 September.



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