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EU Commission Publishes VAT E-Commerce Explanatory Notes

The European Commission has published [Explanatory Notes on the E-Commerce Rules](#) introduced under Directive 2017/2455 in December 2017 and Directive 2019/1995 in November 2019. The e-commerce rules were introduced as part of the EU Commission's Digital Strategy, to simplify VAT obligations on cross-border sale of goods and services, and to ensure taxation takes place in the place of supply, in line with the destination principle.

The rules will apply as of 1 July 2021, after the implementation date was postponed for a period of six months due to the impact of the coronavirus crisis. Under the rules, platforms and marketplaces will charge and collect VAT at the point of sale to EU customers and declare and pay that VAT to the Member State of identification in the One-Stop-Shop. The Explanatory Notes “*contain extensive*

explanations and clarifications on these new rules including practical examples on how to apply the rules if you are a supplier or an electronic interface (e.g. marketplace, platform) involved in e-commerce transactions. These explanatory notes are meant to help online businesses and in particular SMEs to understand their VAT obligations arising from cross-border supplies to consumers in the EU.”

EU Commission Virtual Anti-Money Laundering Conference

On 30 September the EU Commission held an [online conference](#) on the topic of “Closing the Door on Dirty Money”, as a follow-up from the consultation phase concerning its [Anti-Money Laundering Plan](#) published in May. Speakers included Commission Executive Vice President Valdis Dombrovski, Nicola Gratteri, Chief Prosecutor of Catanzaro, and François Molins, General Prosecutor at the French Court of Cassation.

During the conference, Mr Dombrovski discussed the Commission plans for an EU oversight authority and harmonisation of anti-money laundering rules within the EU, noting that there was minimal negative feedback received during the consultation carried out concerning the Action Plan earlier this year. The panellists were also largely in favour of an oversight body with sufficient powers to not only investigate but also penalise wrongdoing, as well as a bloc-wide single rule book that would align AML regulation across the EU.

A comprehensive package on the proposals will be presented by the Commission in early 2021.

Tax Inspectors Without Borders Annual Report

The [annual report](#) of the Tax Inspectors Without Borders, a joint OECD and UN initiative launched in 2015 to assist developing countries with their auditing capacity and in increasing compliance of MNEs worldwide, was presented by OECD Secretary-General, Angel Gurría, and United Nations Development Programme Administrator, Achim Steiner, at a ministerial panel discussion at the 75th session of the United Nations General Assembly.

The initiative has over 80 programmes in more than 45 jurisdictions, with 19 more projects in development and is assisting developing countries in effectively collecting tax from multinational entities, which is vital in light of the coronavirus crisis. The report indicates that over US 500 million in additional revenue was collected as a result of the initiative.

OECD Secretary-General stated of the programme, "Despite the constraints that the COVID-19 crisis has imposed, the TIWB initiative remains fully 'open for business' thanks to measures instituted to support experts in continuing to deliver assistance remotely. Not only are we open, but we are extending the TIWB focus to provide support in other areas of taxation to fight against corruption and promote integrity."

[EU Commission Publishes Customs Union Action Plan](#)

The EU Commission has published an [EU Customs Union Action Plan](#) setting out measures to be taken over the coming four years to achieve an "integrated European approach to customs risk management."

Key initiatives that form part of the Action Plan include: the Single Window which will allow businesses to complete border formalities through a single portal, concerning which a legislative proposal is anticipated in October 2020; increased

obligations on payment service providers and online sales platforms to help fight customs duty and tax fraud, concerning which a legislative proposal is anticipated in 2023; international customs cooperation through increased cooperation with trade partners and monitoring of the origin of products eligible to preferential trade arrangements; the rollout of more modern and reliable customs equipment; a new analytics lab to collate and analyse customs data; and a new Member States reflection group.

A dedicated [webpage](#) has been created concerning the Customs Union, which contains further information on the Action Plan and planned initiatives.

Botswana, Eswatini, Jordan & Namibia Sign Multilateral Convention on Mutual Assistance in Tax Matters

Botswana, Eswatini, Jordan and Namibia became signatories to the [Multilateral Convention on Mutual Administrative Assistance in Tax Matters \(the Convention\)](#) at the OECD Headquarters on 29 September in Paris. There are now 141 jurisdictions that are signatories to the Convention.

The Convention is the key instrument for swift implementation of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (CRS). The Standard – developed by the OECD and G20 countries – enables more than 100 jurisdictions to automatically exchange offshore financial account information since September. It is also a powerful tool in the fight against illicit financial flows.

The selection of the remitted material has been prepared by: Piergiorgio Valente/ Aleksandar Ivanovski/ Brodie McIntosh/ Filipa Correia