



**BRUSSELS | 9 NOVEMBER 2020**

## **Joe Biden Elected 46th President of the United States**

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The United States have elected the Democratic Party candidate Joe Biden as 46th President, while Kamala Harris has made history becoming the first woman elected Vice-President of the United States. After a contentious campaign, the Biden-Harris ticket [won](#) 290 Electoral College votes, thus defeating incumbent Donald Trump's 214 votes. Donald Trump is the first president since 1992 who failed to win a second term in the White House. In a speech following the election, President-elect Biden promised to renew the transatlantic partnership, rebuild relationships and strengthen America's global position, with most of his speech focusing on US domestic policy, contending the Covid-19 impact and rebuilding nation's unity after a bruising campaign.

Biden's tax policy [plans](#) have focused on significant raise of taxes on corporations and individuals earning more than \$400,000 annually. At the same time, Biden has proposed a package of incentives aimed at cutting taxes for lower-income taxpayers. Biden has promised to reverse Trump's legacy \$1.5tn tax cuts, raising the corporate tax rate from 21% to 28%, introduce minimum taxation on all foreign earnings of US overseas subsidiaries and raising the top individual income tax rate to 39.6%. Much of Biden's tax plan implementation depends on the final composition of US Congress, in particular the Senate. The impact of Biden's presidency on the international discussions on taxation of the digital economy held under G20 auspices and facilitated by the OECD, remains unclear at present.

European leaders have congratulated Mr Biden and Ms Harris on their election. On behalf of the EU, Commission President von der Leyen said: "I warmly congratulate Mr Joe Biden on his victory in the US presidential election and look forward to meeting him at the earliest possible opportunity. The EU and the US are friends and allies, our citizens share the deepest of links. Together we have built an unprecedented transatlantic partnership rooted in common history and shared values of democracy, freedom, human rights, social justice and open economy. This partnership has underpinned the liberal rules-based international order for decades and remains a pillar of stability, security and prosperity on both sides of the Atlantic." UK's Prime Minister Boris Johnson also sent a congratulatory note to the newly elected US leadership.

## ECOFIN: Ministers Endorse EU-Level AML Supervision

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The Council of the EU, sitting as Economic and Financial Affairs Council (ECOFIN) held a video-conference meeting on 5 November. Key [conclusions](#) include endorsement of Commission's Anti-Money Laundering (AML) Action

Plan, in addition to creating a single EU rulebook and pan-European AML supervisor. The EU-level supervisor will have direct supervisory powers over a selected number of high-risk obliged entities, as well as the authority to take over supervision from a supervisor in an EU Member state.

The Commission, following Council's conclusions, will equip an EU AML/CFT supervisor with risk-basis defined competence such as supervising a selected number of obliged entities that have high inherent ML/TF risk and which are chosen on the basis of appropriate risk criteria; authority to step in and take over supervision from a national supervisor in clearly defined and exceptional situations on the basis of objective and transparent criteria, in cases where the national supervisor is unable to enforce compliance or cannot ensure adequate supervision. The obliged entities considered high-risk at present include: credit institutions, payment institutions, bureaux de exchange, E-money institutions, and virtual asset service providers covered by FATF recommendations.

Germany's Finance minister and Chair of the Presidency Olaf Scholz said at the occasion: "The fight against money laundering and terrorism financing is a top priority for the German presidency. Recent alleged money laundering cases, including in the EU, underline the urgency to act. More harmonised rules and EU-level supervision will allow us to be more effective and to strengthen the EU's anti-money laundering framework. It is an important sign that we all stand united for tough anti-money laundering measures."

## EU Commission October Infringements Package Published

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The European Commission has published its October [package](#) of infringement decisions, where reasoned opinions, letters of notice or legal action against

Member States has been taken for failure to comply with their obligations under EU law.

Key-decisions in the taxation area include letters of formal notice requesting Luxembourg to bring its rules on reduction of inheritance tax into line with EU law; Belgium to bring its rules on exemption of income from savings deposits in line with EU law, and, to stop taxing dividends on shares held by life insurance companies abroad more heavily than dividends received by Belgian insurance companies; Luxembourg to change its rules on the taxation of interest received by individuals; France to amend its legislation on the taxation of capital gains made by foreign investment funds and the United Kingdom for failure to comply with EU VAT rules for trade in financial instruments on certain terminal markets.

In addition, the Commission issued a reasoned opinion to Spain to implement ATAD2 into national law by 31 December 2019, and referred to the Court of Justice the following Member states: Greece regarding its income tax rules for businesses with foreign branches; the Netherlands for its rules on the cross-border transfer of pension capital and cross-border provision of pensions; Belgium regarding its rules on the tax deductibility of alimony payments for non-residents and Poland for its rules depriving medicine producers of excise duty exemptions.

## [Registration: CFE Professional Affairs Virtual Conference on Taxpayers Rights - 30 November](#)

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The 13th European Webinar Conference on Tax Advisers' Professional Affairs, which will be held virtually on Monday, 30 November 2020 from 3:30pm to 5pm

CET, on the topic of “Taxpayer Rights and Legal Certainty in the Digital Era”, is now open for registration.

The virtual conference will welcome tax experts and academics, including Dr Philip Baker QC, prof. dr. sc. Nataša Žunić Kovačević and Paul Kraan, as well as Albert Raedler representing the European Commission. The panel will examine European and global developments in the protection of taxpayers’ rights and the impact and implications of technology on taxpayers’ rights. The conference will also review the recently published IBFD [2019 Yearbook on Taxpayers’ Rights](#), the most recent compilation of information by the Observatory on the Protection of Taxpayers’ Rights.

Register [here](#) to secure your place for the webinar.

## EU Competition Policy & The Green Deal

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The European Commission, DG Competition is [consulting](#) on the role of EU competition policy in advancing the goals of the European Green Deal and sustainability. The consultation follows Vice-President Vestager's [speech](#) of 22 September on the ways in which competition policy can foster a sustainable transition to low-carbon economy. The call for contributions will run until 20 November 2020, followed by a conference early in 2021 to bring together the different perspectives on this topic.

By way of background, the European Green Deal aims to transform the EU into a more resource-efficient and competitive economy, making Europe the first climate neutral continent by 2050, where economic growth is

decoupled from resource use.

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