



Dear Sir or Madam,

CFE Tax Advisers Europe, the leading body representing European tax institutes and associations of tax advisers, has published an [Opinion Statement](#) responding to the European Commission's Digital Levy Roadmap and the public consultation.

CFE notes that at the time of this statement being issued, in April 2021, international negotiations at OECD level on developing technical and policy solutions to agreeing tax allocations rights, in an attempt to ensure digital companies pay tax wherever they have significant consumer-facing activities and generate their profits, are ongoing. CFE supports the ongoing process of reaching a globally acceptable solution for the tax challenges of the digital economy. We also are cognisant of the fact that the preferred solution of the relevant international stakeholders is arriving at a common position on taxation of the digital economy, in absence of which a plethora of uncoordinated national measures throughout Europe and beyond could follow, potentially creating further opportunities for tax arbitrage. Introducing an additional EU digital tax could result in unintended outcomes that are not aligned with the policy objectives of the international process to agree a tax solution at OECD level.

CFE is concerned by the fact that there is a multitude of turnover digital tax measures being introduced at national level worldwide, and that the complete technical aspects of the proposed OECD solution are not yet known. How an EU digital levy would sit alongside those measures is unclear, and is a matter of concern for tax advisers, business and tax administrations alike. CFE fears that in absence of the measures being connected, there will inevitably be double, triple and quadruple taxation on companies as a result of these multiple digital tax measures. CFE observes that corporate income top-up taxes are being proposed in a number of Member States at present, also with the aim of aiding the

economic recovery from the COVID-19 impact. Any EU tax which also takes the form of a corporate income top-up tax would very likely result in double taxation. It is also unclear from the Roadmap and questionnaire which digital sources may come within scope of the tax, or how corporate tax bases for businesses that are not operating in-country will be defined.

CFE believes that establishing tax certainty in the international taxation framework as well as the protection of taxpayers' rights and the avoidance of double taxation is of utmost importance and must be a priority for policymakers. Accordingly, CFE believes that the focus should remain on the ongoing work of the OECD, and on minimising the enormous administrative burdens that will accompany any agreed solution.

We invite you to read our [statement](#), and remain available for any queries you may have.

Kind regards,

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