



**JANUARY TO JUNE 2021**

## **LATEST NEWS**

### **CFE Discussion Paper: An Ethics Quality Bar for All Advisers**

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Against the backdrop of recent actions by governments and lawmakers, such as the G7 agreement on minimal global corporation tax and anti-tax avoidance initiatives of the EU, the CFE has issued a [discussion paper](#) regarding its long-standing commitment to high professional standards in tax advice. The main stated objective is to promote ethical professional judgment across all tax advisers in Europe. While tax advisers play a valuable role in the proper functioning of tax systems, this role can be undermined by the promotion of abusive tax arrangements.

“If it is legal, is it acceptable?” is the central ethical question which inspired this paper. It is distinct from criminal tax evasion – breaking the law – which CFE unequivocally condemns. The question comes down to whether there is manipulation and artificiality in tax planning. CFE has issued this paper to stimulate a discussion on how to tackle this problem among all who have an interest in how our tax systems function in Europe, not just tax specialists. As such, we are actively seeking stakeholder feedback.

This [paper](#) is focused on the future, noting that tax systems will play a key role in repairing the strained public finance conditions after the COVID-19 pandemic, as well as the growing transformational impact of technology on tax services and tax administrations. The principal objective of the paper is to seek feedback on a proposed “ethics quality bar” based on five questions that all tax advisers should reflect on when undertaking their advisory role in the overall tax system.

CFE seeks views which can help to steer all advisers in the direction of an appropriate balance between the rights and obligations of taxpayers, avoiding abusive planning. To that end, a series of stakeholder events will be announced in due course.

The CFE is adamant to hold meetings with the European Commission and other stakeholders. At the end of this process, the paper will be presented at the October 2021 meeting of the Platform for Tax Good Governance, expert consultative body of the EU Commission on matters of tax policy.

[CFE Academy E-Learning Courses & Webinars](#)

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Under the Memoranda of Understanding between CFE Tax Advisers Europe and the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC) concluded in June 2019, the CFE recorded a number of e-learning webinars, with panellists comprised of prominent tax experts, which were broadcasted live for CNDCEC members.

On 25 February 2021, a webinar on the topic of “Tax Implications of Brexit” took place. The webinar featured Jeremy Woolf, Barrister from Pump Court Tax Chambers, the United Kingdom; Trudy Perié, from Loyens & Loeff, the Netherlands; and Aleksandra Heinzer, EU VAT specialist from Slovenia as panellists. CFE’s Tax Policy Manager, Aleksandar Ivanovski moderated the webinar.

On 22 April 2021, a webinar on the topic of “Key EU Tax Law Developments for Tax Advisers: Recent ECJ Caselaw” took place. The panel was comprised of academic experts from the CFE’s ECJ Taskforce: Prof. Dr Georg Kofler, Chair of the Task Force, Dr Isabelle Richelle, Prof. Dr. Alexander Rust and Dr João Nogueira. Aleksandar Ivanovski, Director of Tax Policy at CFE moderated the webinar.

On 17 June 2021, a webinar on the topic of “Cryptocurrency & Digital Regulation Developments for Tax Advisers” took place. The panel was comprised of Dame Ksenija Cipek, Head of Tax Risk Analysis, Ministry of Finance, Tax Administration, Croatia, Antonio Lanotte, Of Counsel Chartered Tax Adviser, Loconte & Partners, Italy and Gary Ashford, Partner at Harbottle & Lewis, United Kingdom. Ian Hayes, Chair of the CFE Tax Technology Committee moderated the webinar.

CNDCEC members can enrol in the European Register of Tax Advisers and

can attend CFE Academy's online courses on pertinent issues in European and international tax.

## Update on COVID-19 Impact on CFE Tax Advisers Europe's Activities

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Due to the ongoing health risks and travel restrictions caused by the COVID-19 pandemic, the CFE Executive Board has taken the decision to hold the remainder of CFE events virtually for 2021. As such, the September General Assembly and Technical Committee meetings will be held online, as will the CFE European Tax Advisers' Professional Affairs Conference.

The Executive Board will closely monitor and evaluate the situation, and keep our Members updated on whether there will be any impact on any other future CFE events or meetings in 2022. In the meantime, work is continuing on existing projects and on policy developments, in close conjunction with the Member Organisations and in synergy with the work of the EU institutions and the OECD. We encourage you to visit the CFE website and our social media channels to stay informed regarding the most recent CFE technical work and publications.

## MEETINGS & EVENTS

### CFE Tax Advisers Europe's 2021 Forum

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The CFE's 2021 Forum was held virtually on 6 May 2021, on the topic of "Tax Transparency, Exchange of Information & Digital Commerce", examining

European and global developments in the protection of taxpayers' rights and the impact and implications of technology on taxpayers' rights.

The Forum was opened by the Director of the Centre for Tax Policy at the OECD, Pascal Saint-Amans, with a keynote speech on the panel discussion topic of cross-border exchange of information. Mr Saint-Amans confirmed that the OECD aims to update reporting standards for exchange of information to include cryptocurrencies and e-assets by the end 2021. In particular, he noted that the US is particularly interested in the expansion of the reporting standards to include crypto-assets. Mr Saint-Amans also confirmed that the G20 meeting of Finance Ministers in July was still the intended deadline for an agreement to be reached on finding international taxation solutions for the digital economy.

The first panel also discussed cross-border exchange of information in the EU, as well as implications for taxpayers' rights. This encompassed the use of information by tax authorities. Speakers on the panel included: Astrid Van Mierlo, Deputy Head of Unit, Direct Tax Policy & Cooperation, European Commission, Dan Danielescu, Head of Task, European Court of Auditors, and Wim Roels, Legal Adviser, European Commission Legal Service. The panel was moderated by Bruno Gouthière, Partner, CMS Francis Lefebvre Avocats, France.

The second panel examined the topic of VAT in the digital economy, and the effects of the new, simplified VAT rules in respect of the abolition of distance sales rules and making platforms liable for VAT on sales from outside the EU, and their resulting challenges for business and advisers digital platforms and practice. The panellists included: Patrice Pillet, Head of VAT at the European Commission, Madeleine Merckx, Professor of Indirect Taxes, Erasmus University, The Netherlands, Erwan Loquet, Tax Partner, BDO, Luxembourg and Yuliya Logunova, Head of Tax, Europe, Rakuten. The panel discussion

was moderated by Trudy Perié, Counsel at Loyens & Loeff, The Netherlands.

At the conference, Patrice Pillet confirmed that there will not be a second delay to the entry into force of the new EU VAT rules concerning e-commerce/trade of goods: *"The date of 1 July is certain, all of the EU's 27 member countries have said that they will be ready for the rules when they are due to come into place"*.

The presentation slides from the Forum can be downloaded [here](#).

## WAUTI 7th Annual Tax Conference - Taxation of the Digital Economy

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On 25 February, CFE President, Piergiorgio Valente, participated as a panellist in the 7<sup>th</sup> Annual WAUTI Tax Conference in a roundtable discussion on the topic of "Taxation of the Digital Economy: The Journey So Far & Lessons for Africa".

## 23rd Annual Tax Conference of the Chartered Institute of Taxation of Nigeria

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On 20 May, CFE President, Piergiorgio Valente, participated as a panellist in the 23<sup>rd</sup> Annual Tax Conference of the Chartered Institute of Taxation of Nigeria, in a roundtable discussion on the topic of *"Taxation and Social Inclusiveness for Economic Growth: Lessons from Developed Economies"*.

## Global Tax Controversy Virtual 2021 Conference

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On 26 May, CFE President, Piergiorgio Valente, participated in the virtual GTC 2021 Conference as a panellist, taking part in discussions concerning the struggle of countries for more tax revenues, how tax authorities will claim a higher slice of the profit pie and how corporations will respond.

## [IOTA 2021 Forum - Implementation of Measures to Counter BEPS](#)

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On 10 June 2021, Director of CFE Tax Policy, Aleksandar Ivanovski, participated in the 2021 virtual IOTA conference, giving a presentation on the topic of the “New Global Tax Order”, discussing the outcome of the negotiations on digital tax held under the indications of the OECD.

## [TECHNICAL RELEASES](#)

### [Fiscal Committee Opinion Statements](#)

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In the first half of 2021, the Fiscal Committee of CFE Tax Advisers Europe published 3 Opinion Statements:

- [FC 1/2021](#) on the Proposal to Confer Implementing Powers on the EU VAT Committee;
- [FC 2/2021](#) on the EU Digital Levy Consultation;
- [FC 3/2021](#) on the EU Consultation on Current VAT Rules for Insurance & Financial Services.

The Indirect Taxes Subcommittee of the Fiscal Committee also prepared an application to intervene in a case before the European Court of Human Rights, 16395/18 *Italmoda Mariano Previti v Netherlands*, concerning the refusal of VAT in line with the consequence of the decisions of the Court of Justice of the European Union in (Joined Cases C-439/04 and C-440/04) *Kittel v Belgium* and *Belgium v Recolta Recycling SPRL* as subsequently developed by the Court of Justice of the European Union in (C-131/13) *Staatssecretaris van Financiën v. Schoenimport “Italmoda” Mariano Previti vof.* CFE was successful in being granted leave to take part in the case, and has since provided the Court with submissions on CFE’s view on the legal issues in dispute arising from the case.

## Professional Affairs Committee Opinion Statements

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The Professional Affairs Committee of CFE Tax Advisers Europe published 2 Opinion Statements in the first half of 2021:

- [PAC 1/2021](#) on the European Commission Initiative/Roadmap for Reform on Cross-Border Provision on Professional Services of March 2021;
- [PAC2/2021](#) - Discussion Paper on Professional Judgment in Tax Planning – An Ethics Quality Bar for All Tax Advisers.

The Professional Affairs Committee also hosted a CFE-members only webinar to present the recently published discussion paper on professional standards in tax advice to all CFE Member Organisations. The Professional Affairs Committee in the webinar sought feedback on whether the paper and the ethics quality bar can help to steer advisers in the direction of an appropriate balance between the rights and obligations of taxpayers, avoiding abusive planning.

Additionally, the Professional Affairs Committee submitted a response to the



EU Commission consultation questionnaire on taxpayers' rights.

## Tax Technology Committee Opinion Statements

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The Tax Technology Committee published 1 Opinion Statement in the first semester of 2021:

- [TTC 1/2021](#) on the EU Platform for Tax Good Governance Questionnaire on Extending DAC to Include Cryptocurrencies & e-assets. The Committee also submitted these comments to the EU Commission consultation questionnaire on the same topic.

## ECJ Task Force Opinion Statements

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Between January and June, the ECJ Task Force of CFE Tax Advisers Europe published 1 Opinion Statements:

- [ECJ-TF 1/2021](#) on the CJEU decision in Case C-484/19, *Lexel AB*, concerning the application of Swedish interest deductibility rules.

## External Publications

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The leading European tax law journal *European Taxation*, published by IBFD, regularly publishes articles on selected CFE Opinion Statements of particular relevance. *European Taxation* has published 4 CFE articles in their journal in 2021.

CFE President, Piergiorgio Valente, and CFE Tax Policy Director, Aleksandar Ivanovski, also prepared an article on the topic of "[Trends in EU Tax Policy](#):"

### [EU's Renewed Commitment to Tax Good Governance in the EU and Beyond](#)

which was published in Volume 49, Issue 4 of Intertax in March 2021.

Additionally, in February 2021 the publisher Thomson Reuters republished CFE's Opinion Statements on the OECD Pillar 1 & 2 Consultations on digital taxes and CFE's Semester II 2020 Policy Report on the Thomson Reuters' [Taxnet Pro](#) website.

## EU Tax Policy Report

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In January 2021, CFE Tax Advisers Europe published its [EU Tax Policy Report](#) covering the period of July to December 2020. The EU Tax Policy Report is a bi-annual publication which provides a detailed analysis of significant primary law and tax policy developments at both the EU and the international level that have occurred in the previous six months, which would be of interest to European tax advisers. It also includes an overview of selected CJEU case-law and relevant European Commission decisions.

## FORTHCOMING EVENTS

### CFE Tax Advisers Europe General Assembly & September Technical Meetings

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The next CFE General Assembly will take place virtually, via Zoom, on 24 September 2021. CFE Technical Committee meetings will take also place virtually throughout the week of 20 September 2021.

Delegates of the General Assembly and the Technical Committees will soon receive a calendar setting out all meeting dates for 2022, as well as official meeting invitations with registration links in due course.

## CFE Tax Advisers Europe 2021 Professional Affairs Conference

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The 2021 Professional Affairs Conference will be held virtually on 25 November 2021 at 10:00am, examining the topic of professional standards in tax advice, and the proposed “ethics quality bar” set out in CFE’s recently issued discussion paper, that all tax advisers should reflect on when undertaking their advisory role in the overall tax system. An invitation containing additional information will also be sent in due course.

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The selection of the remitted material has been prepared by:  
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CFE Tax Advisers Europe is a Brussels-based association representing European tax institutes and associations of tax advisers. Founded in 1959, CFE brings together 33 national organisations from 26 European countries, associated via the Global Tax Advisers Platform (GTAP) with more than 600,000 tax advisers. CFE is part of the European Union Transparency Register no. 3543183647-05. For further information, please contact Piergiorgio Valente, CFE President or the CFE Brussels Office at [info@taxadviserseurope.org](mailto:info@taxadviserseurope.org).