



BRUSSELS | 13 JUNE 2022

ECOFIN to Vote on Minimum Tax Directive

Finance Ministers from the Council of the European Union will this week again vote on the directive on the implementation of Pillar 2 into the EU legal order.

Poland's Finance minister Magdalena Rzeczkowska maintained veto over the compromise directive as agreed by the rest of the EU member states and the French presidency at the ECOFIN in May. Poland requires a legal link between Pillar 2 and Pillar 1 to lift its veto, whereas the French Finance Minister Bruno Le Maire is [optimistic](#) the Polish will be 'won over' by 17 June to agree unanimous EU position. Rzeczkowska has raised concerns that if Pillar 1 fails, the global minimum tax would burden international businesses in Poland and may cut revenues.

The directive was scheduled for [approval on 24 May](#) however the French presidency removed the item last minuted faced with Poland's veto. EU law requires unanimous vote of all Member states to legislate on taxation matters.

In the interim, US Treasury Secretary Yellen tried to break Poland's opposition but such efforts did not come to fruition. "We strongly believe it's in the interest of Poland to be part of this so we've had very good, frank discussions, but more work is needed," Yellen [said](#) after the meeting with Poland's Prime Minister Mateusz Morawiecki, Finance Minister Magdalena Rzeczkowska and governor Adam Glapinski in Warsaw.

CFE Opinion Statement on Possible Solutions to Inheritance and Gift Double Taxation Issues Within the EU

CFE Tax Advisers Europe has issued an [Opinion Statement](#) concerning possible solutions to inheritance and gift double taxation issues within the EU.

CFE Tax Advisers Europe welcomed the work of the European Commission in their report completed in 2016, in which an expert group assembled by the Commission examined methods of improving issues facing EU citizens in relation to cross border inheritance tax obstacles. CFE Tax Advisers Europe also welcomed the European Commission initiative launched in 2021 to address administrative issues experienced cross-border by EU citizens. Although much has been achieved in the past, EU citizens continue to face excessively complex administrative procedures, other barriers, or divergent interpretation of tax treaties. As a result, citizens and companies often are prevented from fully exploring the possibilities of the Single Market and the four

freedoms guaranteed within the EU treaties.

In recent years, there has been a raft of measures which seek to reduce tax evasion throughout the EU, the aims of which CFE has fully supported. However, CFE equally welcomes that more attention is now being brought to cases of double taxation throughout the EU, and hope EU Member States can arrive at unanimous solutions to these problems.

CFE believes cross border inheritance tax issues have only become more complex in recent years, and is taking this opportunity to highlight these issues experienced in practice by its members. CFE believes in addition that similar issues should be dealt with as far as gift taxes are concerned as the situation is generally similar or even worse as there are only relatively few tax treaties covering gift taxes.

We invite you to read the [Opinion Statement](#) and would welcome any feedback or queries concerning the position paper.

[EU Parliament's FISC Meeting on 16 June: Ireland Case Study & Cryptocurrency Report](#)

The European Parliament's Permanent Subcommittee on Tax Matters, FISC, will meet this week on 16 June 2022. At the [meeting](#), MEPs who make up the members of FISC will hold a public hearing on the issue of "Case Studies on Member States' National Tax Policies - Ireland: Implemented National Tax Reforms and the Combat Against Aggressive Tax Schemes".

The Subcommittee will also give consideration to amendments to the draft

report on the impact of new technologies on taxation: crypto and blockchain.

OECD Transfer Pricing Profiles Updated

The OECD has now made available new [transfer pricing profiles](#) for Egypt, Liberia, Saudi Arabia and Sri Lanka.

The transfer pricing profiles set out "countries' domestic legislation regarding key transfer pricing principles, including the arm's length principle, transfer pricing methods, comparability analysis, intangible property, intra-group services, cost contribution agreements, transfer pricing documentation, administrative approaches to avoiding and resolving disputes, safe harbours and other implementation measures."

Further information and the transfer pricing profiles are available [here](#).

DGTAXUD Conference on Mega-Trends and Their Impact on Taxation

The European Commission's [Directorate-General for Taxation and Customs Union](#) will hold a conference on Tuesday 28 June 2022, from 13:30 to 16:15 CEST on the topic of "Mega-Trends and Their Impact on Taxation".

Speakers including Paolo Gentiloni (European Commissioner for Economy), Gerassimos Thomas (Director General for Taxation and Customs Union - European Commission), Benjamin Angel (Director for Direct Taxation - European Commission) and Pascal Saint-Amans (Director, Centre for Tax

Policy and Administration - OECD) will analyse how tax systems in the EU are faring after the pandemic, discuss tax policy actions that can support economic recovery and ensure fiscal resilience and environmental sustainability in the future. The latest information on the Annual Report on Taxation will also be made available at the conference.

Further information and registration details are available [here](#).

The selection of the remitted material has been prepared by:

Piergiorgio Valente/ Aleksandar Ivanovski/ Brodie McIntosh/ Filipa Correia