



**BRUSSELS | 3 OCTOBER 2022**

## **CFE Elects New President & Executive Board**

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The General Assembly of CFE Tax Advisers Europe, CFE's governing body, elected new President and Executive Board Members at its meeting held in Seville, Spain on 23 September. The new Executive Board will take up their duties on 1 January 2023, with a mandate extending until the end of 2024.

CFE Member organisations unanimously elected **Ian E. Hayes as President** (Council Member, Chartered Institute of Taxation (CIOT) & Tax Faculty, Institute of Chartered Accountants of England and Wales (ICAEW), United Kingdom. **Martin Phelan** was re-elected as **Secretary-General** (Partner, Head of Tax, Simmons & Simmons Ireland), as was **Branislav Kováč** in the position of **Treasurer** (Partner, VGD Slovakia, Board Member of the Slovak Chamber of Tax Advisers, Slovakia).

**Stella Raventós Calvo**, President of the Spanish Association of Tax Advisors (AEDAF) and Partner in the tax department of Addwill, Spain and **Anna**

**Misiak** (Partner MDDP, Member of the Chamber of Tax Advisers, Poland) were re-appointed as **Vice-Presidents of CFE Tax Advisers Europe**. As a new **Vice-President**, the General Assembly elected **Trudy Perié** (Counsel, Loyens & Loeff, Member of the Dutch Order of Tax Advisers (NOB), The Netherlands).

The General Assembly appointed three board members who will serve as Technical Committee Chairs: **Piergiorgio Valente as Chair of the Tax Technology Committee** (Managing Partner Crowe Valente/ GEB Partners, and Chairman of the Global Tax Advisers Platform - GTAP), **Bruno Gouthière as Chair of the Fiscal Committee** (Partner CMS Francis Lefebvre and Member of Institut des Avocats Conseils Fiscaux, France), and **Philippe Vanclooster as Chair of the Professional Affairs Committee** (PwC Belgium, Member of the Institute for Tax Advisers and Accountants (ITAA), Belgium).

Additionally, the General Assembly appointed **Matěj Nešleha** (Board Member of the Czech Chamber of Tax Advisers, Czech Republic) as **Executive Board member**.

The Executive Board is responsible for implementing the policy and strategy of CFE Tax Advisers Europe as set out by the General Assembly. Work is managed through our four committees: the Fiscal Committee, the Professional Affairs Committee, the Tax Technology Committee and the New Tax Professionals Ad Hoc Committee. Each committee is chaired by a member of the Board, working in close conjunction with the policy/ technical team in Brussels. Delegates from each committee also form various working groups and subcommittees focussed on specific or time-sensitive issues that necessitate specialist input.

On behalf of the General Assembly, the CFE Brussels Office warmly congratulates the newly appointed President and Executive Board members on their election.

## EU Approves Windfall Energy Profits Tax

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The European Union leaders [approved](#) a regulation with measures aimed at redistributing the energy sector's surplus revenues to final customers. The package includes a windfall tax on excess profits of certain energy companies, infra-marginal revenue cap on non-fossil fuel energy companies as well as measures to reduce consumption of electricity. The EU stopped short of setting a cap on gas prices, as requested by some Member states.

The windfall energy profits tax, or in the EU language, "a mandatory temporary solidarity contribution on the profits of businesses active in the crude petroleum, natural gas, coal, and refinery sectors", would be calculated on excess profits, as determined under national tax rules in the fiscal year starting in 2022 and/or in 2023, which are above a 20% increase of the average yearly taxable profits since 2018. The windfall levy will apply as a top-up tax to regular taxes and levies applicable in all member states.

"We live in exceptional times and are working in an exceptionally fast, coordinated and solidary manner to form a united front against Russia's continuous weaponizing of energy supplies. The agreement will bring relief to European citizens and companies. Member states will flatten the curve of electricity demand during peak hours, which will have a direct positive effect on prices. Member states will redistribute surplus profits from the energy sector to those who are struggling to pay their bills.", said *Jozef Síkela, Czech minister of industry and trade, on behalf of the Czech EU Presidency.*

The revenue will go to Member states to support households and companies and to mitigate the cost-of-living crisis. Member states will be allowed to keep national measures already in place that are equivalent to the windfall tax, provided they are compatible with the objectives and are proportionate. EU

Member states such as Ireland [expect to collect](#) between €1bn-€2bn on the lower end of what should be possible to raise under the EU approved windfall energy profits levy.

In the UK, former Chancellor of Exchequer Rishi Sunak introduced in May this year a similar tax to EU's levy, which was entitled [Energy Profits Levy](#) and applies to excess profits on entities extracting UK oil and gas, excluding 'green' electricity from nuclear or wind power. In spite of the widely criticised tax cuts announced by the new Prime Minister Liz Truss, the 'mini-budget' of the new Chancellor contained no reference to abolishing the energy profits levy nor were there any changes to the rate of corporation tax and charges applicable to oil and gas companies.

## [EU Parliament FISC Subcommittee to Discuss Netherlands/ Luxembourg National Tax Policies](#)

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The European Parliament Subcommittee on Tax Matters (FISC) will hold a hearing on Thursday, 13 October 2022 to exchange views with Marnix van Rij, State Secretary, Ministry of Finance of the Netherlands. A summary note of the FISC public hearing on "Case Studies on Member States National Tax Policies - The Netherlands: Implemented National Tax Reforms and the Combat against Aggressive Tax Schemes" which took place on 28 March 2022 will be also analysed. A public hearing on "Case studies on Member States' national tax policies - Luxembourg: implemented national tax reforms and the combat against aggressive tax schemes" will follow. The meeting will be web-streamed at the European Parliament streaming service and can be followed [live](#).

## Czech Chamber of Tax Advisers & IFA Address Professional Ethics in Tax Advice

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On 16 September, the Chamber of Tax Advisors of the Czech Republic (KDPČR) and the Czech Republic International Fiscal Association hosted a conference in Brno, on the topic of the *"Use of technology in tax administration and the importance of professional ethics in taxes"*.

Aleksandar Ivanovski, Director of Tax Policy at CFE spoke during the conference on the importance of professional ethics in tax advice, presenting CFE's [Discussion Paper on Professional Judgment in Tax Planning](#), discussing the role of tax advisers, their legal and ethical obligations, reputation and the status of the tax profession. The panel also discussed the meaning, role and place of the ethical standard/code/level in terms of the tax adviser profession and insight into similar professions, and to what extent one can find general global answers concerning level of professional standard and to what extent it depends on the common practice, context, expectations and usual patterns of behaviour in a particular country.

## EU Set to Blacklist Bahamas, Recommend Dialogue With a Number of Jurisdictions

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The European Union intends to remove Bahamas from the blacklist of non-cooperative jurisdictions for taxation purposes, according to a draft document of the General Secretariat of the Council of EU.

Following the Code of Conduct Group meetings on 9, 15 and 20 September 2022 and the High Level Working Party on Tax Questions meeting of 20 September 2022, the Permanent Representatives have recommended that the

Council accept modifications to the EU blacklist. Notably, the Bahamas will be blacklisted for its role in facilitating offshore structures and arrangements aimed at attracting profits without real economic substance, also by failing to take all necessary actions to ensure the effective implementation of substance requirements and implement the CbCR minimum standard (criterion 3.2 by addressing the IF on BEPS' recommendations in due time, so that this is reflected in the IF Action 13 Peer Review Report).

In addition the Council shall recommend to certain states to engage with the EU to bring their tax practices in line with EU law and policy, notably:

- In the area of tax transparency: Turkey, Barbados, Botswana, Dominica, Seychelles;
- In the area of fair taxation: Costa Rica, Hong Kong, Malaysia, Qatar, Uruguay
- On technological - economic zones with preferential taxation: North Macedonia, Jamaica, Jordan, Armenia;
- In the area of preferential tax regimes/ holding companies: Russia.

The EU expressed regret that some jurisdictions failed to fulfil their commitments to the Code of Conduct Group with regard to economic substance requirements and invites these jurisdictions to engage with the Code of Conduct Group in order to resolve the remaining issues.

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