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| |  |  | | --- | --- | | cid:image002.jpg@01D04471.8E52D210 |  |   **Fiscal Committee**    **9 February 2015**  **1.       Taxes and state aid I: Commission opens investigation into Belgian “excess-profit tax rulings”**  On 3 February 2015, the European Commission has opened in-depth state aid investigations into the Belgian tax rulings practice of “excess-profit tax rulings” that allow multinational groups to reduce their corporation tax liability by "excess profits" that are considered to result from the advantage of being part of a multinational group. Accordingly, such rulings are not available to Belgian groups or single companies. While Belgium claims that the system is justified under the arm's length principle and to avoid double taxation, the Commission considers that the rulings may overestimate the benefits of belonging to a multinational group and doubts whether other countries actually tax these benefits.  The outcome of the investigation is still open. Third parties have the possibility to comment. The decision to open investigations is not yet public.  -          Press release: [EN](http://europa.eu/rapid/press-release_IP-15-4080_en.htm) (DE FR NL available)  -          Speech of Competition Commissioner Vestager, 3 February 2015: [EN](http://europa.eu/rapid/press-release_STATEMENT-15-4083_en.htm)  **2.       State aid II: Commission invites comments on tax rulings and state aid**  On 6 February 2015, the European Commission published an invitation to comment on the in-depth state aid investigation into the Luxembourg rulings on the corporate tax treatment of Amazon, opened on 7 October 2014. Comments have to be sent within one month.  -          Invitation to comment: [EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOC_2015_044_R_0002&amp;from=EN)  **3.       OECD and G20 agree on key elements to counter BEPS**  On 6 February 2015, the OECD reported that its members and the G20 countries have reached agreement on the following measures to counter BEPS:  -          a mandate to launch negotiations on a multilateral instrument to streamline implementation of tax treaty-related BEPS measures; the OECD intends setting up an ad-hoc negotiating group open to all states, with the aim to conclude drafting by the end of 2016.  -          an implementation package for country-by-country reporting (based on the template proposed in September 2014) as of 2016 and a related government-to-government exchange mechanism to start in 2017; according to the new guidance, reports should be filed for multinationals with a turnover above € 750 million in their countries of residence;  -          criteria to assess whether preferential treatment regimes for intellectual property (patent boxes) are harmful; these are based on the “modified nexus approach”, initially proposed by the UK and Germany, which allows a taxpayer to receive benefits on IP income in line with the expenditures linked to that income and which provides for a transitional regime until 2021.  -                 Mandate for developing a multilateral instrument: [EN](http://www.oecd.org/ctp/beps-action-15-mandate-for-development-of-multilateral-instrument.pdf)  -                 Guidance on country-by-country reporting: [EN](http://www.oecd.org/ctp/beps-action-13-guidance-implementation-tp-documentation-cbc-reporting.pdf)  -                 Note on the “modified nexus approach” to patent boxes: [EN](http://www.oecd.org/ctp/explanatory-paper-beps-action-5-agreement-on-modified-nexus-approach-for-ip-regimes.pdf)  **4.       State Aid III: No EP enquiry committee on tax rulings and state aid**  The European Parliament´s Conference of Presidents, on 5 February 2015, decided not to set up an enquiry committee on violation of EU state aid rules through member states´ tax rulings practice, despite a vote of 188 MEPs in favour of setting up such Committee on 14 January. Instead, the decision was taken to propose to the EP plenary the setting up a “special committee” on tax evasion. Such Committee can have a broader scope but does not have the power to ask for national documents to be handed over or to summon witnesses, as an enquiry committee has. Two days before the Conference of Presidents´ decision, the EP´s legal service had recommended that the creation of an enquiry committee be refused, stating that the proposal was ill-conceived as it did not specify the object of investigation and lacked clarity in identifying the offences to be examined.  -          Press release: [EN](http://www.europarl.europa.eu/news/de/news-room/content/20150205IPR19622/html/EP-special-committee-on-member-states'-tax-rulings-up-for-a-vote-by-full-House)  **5.       OECD to report on BEPS progress on 12 February**  The OECD is planning to hold a webcast providing an update to its work to counter corporate base erosion and profit shifting on Thursday, 12 February 2015 from 15:00 to 16:00 CET. Previous BEPS webcasts have been made available online after the event.  -          Webcast: [EN](http://www.oecd.org/tax/beps-webcasts.htm)  \*\*\*\*\*  *The selection of the remitted material has been prepared by Piergiorgio Valente / Filipa Correia / Rudolf Reibel*  [*www.cfe-eutax.org*](http://www.cfe-eutax.org)  *Follow us on* [Linked in](http://www.linkedin.com/company/confederation-fiscal-europeene?trk=company_name) cid:image004.png@01CFAA5C.15EA1810 |
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