



10 November 2015

### 1. Commission presents 2016 work programme / standard VAT declaration to be abandoned

On 27 October 2015, the European Commission presented its work programme for 2016.

The text announces “a set of measures to enhance transparency of the corporate tax system and fight tax avoidance, including by implementing international standards on base erosion and profit-shifting”, but contains no clear statement on whether companies should publish country by country tax information. The CCCTB proposal will be replaced by a new (CCTB) proposal mainly aimed at a mandatory tax base. The Commission will also present an action plan on VAT with initiatives on VAT rates and e-commerce and a Communication setting out a definitive VAT regime. It intends to withdraw a number of VAT proposals, including the standard VAT declaration, where Council discussions have resulted in a compromise that “has fully denatured the substance of the Commission proposal” and has “run counter to simplification, harmonisation and burden reduction objectives” of the original proposal.

- Work Programme (COM(2015)610): [EN/DE/FR](#)
- Dedicated website (links to background documents) : [EN](#)

### 2. OECD publishes 9<sup>th</sup> edition of Model Tax Convention with Commentaries

On 30 October 2015, the OECD published the 9<sup>th</sup> edition of the full version of the OECD Model Tax Convention on Income and on Capital, containing the text of the 2014 Model Convention as well as the Commentaries, non-member economies positions, OECD Council recommendation, historical notes and a detailed list of conventions between OECD countries and background reports.

- Press release: [EN](#)
- Full version (read-only): [EN](#)
- 2014 Model Tax Convention (articles only): [EN](#)

### 3. OECD updates international VAT/GST Guidelines

On 6 November 2015, representatives of more than 100 countries present at the OECD Global Forum on VAT in Paris endorsed the updated OECD International VAT/GST Guidelines.

The OECD International VAT/GST Guidelines set standards on VAT-neutrality and on destination-based taxation of cross-border services to businesses (B2B) and final consumers (B2C). The changes include recommended rules for the collection of VAT on cross-border services, including internet downloads, to private consumers (B2C Guidelines). Foreign sellers should be obliged to register and remit tax on sales of e-books, apps, music, videos and other digital goods in the jurisdiction where the final consumer is located. The Guidelines also include a mechanism to ensure the effective collection of VAT by tax authorities from

foreign sellers, helping governments to protect VAT revenues and levelling the playing field between domestic and foreign suppliers.

The Guidelines are a response to governments` concerns over the rising volume of cross-border services and online downloads on which no VAT is paid. In 2014, B2C e-commerce sales were estimated to exceed € 1.3 trillion, an increase of nearly 20% from 2013.

- Statement of Outcomes: [EN](#)
- Updated International VAT/GST Guidelines: [EN](#)

#### **4. CJEU judgment on VAT classification of a company set up by a public body and its services rendered to this body**

On 29 October 2015, The EU Court of Justice (CJEU) rendered its judgment in the Portuguese preliminary ruling case C-174/14, Soudaçor on the VAT treatment of a company set up and owned by the Azores Autonomous Region and rendering to that Region advisory services on health system matters. While the Court classified the services rendered as economic activity in the meaning of the VAT Directive, it asks the referring court to ascertain whether the company carries out that activity as a public authority. When defining ‘other bodies governed by public law’, reliance cannot be made on the concept of public bodies in the Directive for the award of public procurement contracts.

- Judgment: [EN](#) (All EU languages)

#### **5. New single market strategy: Commission keeps an eye on restrictions to tax advisory services like ownership rules or multi-disciplinary activities**

On 28 October 2015, the European Commission published a Communication titled “Upgrading the Single Market: more opportunities for people and business”. Among other issues such as support of SMEs, the collaborative economy, insolvencies, discrimination of consumers, standardisation, public procurement, IP rights and simplified VAT rules for small e-businesses (already announced in May 2015 in its Digital Single Market Communication), the Commission addresses obstacles to access and exercise of regulated professions.

For 2016, the Commission announced both soft law measures (guidance to member states on how to assess the proportionality of national requirements) but also legislative action in the form of a “services passport initiative” for “key business services” which include accountants. Under the “services passport” regime, cross-border service providers should be able to use harmonised notification forms that contain all information that may be requested by the destination member state. Such proposal would also address legal form and shareholding requirements and restrictions to multidisciplinary activities. Restrictions to ownership of tax firms and multi-professional firms exist in at least 10 EU member states.

The Communication also mentions insurance requirements for cross-border services as a possible target for measures. Such requirements exist for tax advisers in at least 9 EU countries.

- Communication COM(2015)550, 28.10.2015: [EN](#) (DE FR available)
- Press release : [EN](#) (All EU languages)

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