



CFE's Tax Top 5

Key tax news of the week



18 January 2016

1. Eurostat 2014 Tax Revenue Statistics: Tax-to-GDP ratio in Europe on the rise

On 15 January 2016, the European Commission's statistical office Eurostat published its updated Tax Revenue Statistics for the EU countries, Iceland, Norway, Serbia and Switzerland, including new data for 2014. The figures demonstrate a rise in the overall tax-to-GDP ratio, meaning the sum of taxes and net social contributions as a percentage of GDP, from 39.9% to 40% in the EU. The ratio is higher in the Eurozone (41.5%, up from 41.2%) and highest in Denmark (50.8%), followed by Belgium and France (both 47.9%). At the opposite end of the scale, Romania (27.7%), Bulgaria (27.8%) and Lithuania (28.0%) registered the lowest ratios. Due to progressive tax rates, tax-to-GDP ratios often rise in times of economic recovery.

The figures also contain breakdowns by tax categories and by levels of government, revenues in absolute terms and historical data since 1995.

- Eurostat Tax Revenue Statistics: [EN](#) (including more linked documents)
- Eurostat press release: [EN](#)

2. Advocate-General: Import VAT should be paid on goods unduly removed from customs warehouse and re-exported

On 12 January 2016, the EU Court of Justice (CJEU) Advocate-General Campos Sánchez Bordona issued his opinion in the joined German preliminary ruling cases *Eurogate Distribution* and *DHL Hub Leipzig*, C-226/14 and 228/14, stating that imported goods removed from a customs warehouse and re-exported without complying with the necessary customs formalities should be subject to import VAT, and that the warehouse keeper or carrier can be held liable, even if he could not legally dispose of the goods.

- Opinion: [DE](#) (several EU languages, not EN)

3. Advocate-General: Outsourced handling of insurance claims should not be exempt from VAT

On 23 December 2015, Advocate-General Kokott delivered her opinion in the Polish preliminary ruling case *Aspiro*, C-40/15. *Aspiro* assesses for insurance companies the validity of claims made by policyholders and the amounts to be paid, without having a contractual relation to these clients. According to the opinion, such outsourced activity should not fall under the VAT exemption.

- Opinion: [PL](#) (several EU languages, not EN)

4. Advocate-General: VAT liability does not have to enjoy precedence in liquidation

On 14 January 2016, Advocate-General Sharpston issued her opinion in the Italian preliminary ruling case C-546/14, *Degano Trasporti*, on whether a liquidation process under Italian law which would result in only partial recovery of VAT violates the country's duty to effectively recover the tax. The opinion finds that EU law does not require member states to grant VAT debts preferential treatment over all other categories of debt. In exceptional circumstances, a member state may reasonably consider it legitimate to waive full payment of a VAT debt. Where an undertaking is in financial difficulties, other categories of debt such as wages, social security contributions or maintenance payments may deserve higher protection.

National law may also allow an arrangement with creditors involving liquidation of the assets without offering full payment of the state's VAT claim if conditions are attached to such arrangement to safeguard the state's interest.

- Opinion: [EN](#) (All EU languages)
- Press release: [EN](#) (several languages available)

5. Call for applications: Second term of Tax Good Governance Platform

On 15 January 2015, the European Commission issued a call for applications for a second term of its "Platform for Tax Good Governance, Aggressive Tax Planning and Double Taxation", a forum set up in 2013, in which representatives of businesses, tax professionals and NGOs discuss current tax policy matters with the EU member states, moderated by the Commission. CFE is a member of the Platform. Applications have to be submitted by 15 February 2016.

- Call for applications : [EN/DE/FR](#)

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