



18 April 2016

1. CFE Forum 2016: "Rebuilding international taxation: How to square the circle?"

The CFE Forum takes place in Brussels on **Thursday, 21 April 2016 at the Representation of the State of North Rhine-Westphalia to the European Union, Rue Montoyer 47, in Brussels.**

The Forum will put a focus on BEPS implementation and the discussion on EU level.

The finalisation of the BEPS project has provided governments with materials, tools and blueprints for re-applying the basic principles of international taxation like economic substance, permanent establishment and value creation. Yet it is far from clear how this large-scale project should be implemented: how to shape the new provisions so that they are fit for purpose? How can the implementation effort be coordinated internationally and achieve its political objectives? And how can one assure that the reconstruction does not lose sight of the taxpayers who are going to be subject to this new regime?

It will be crucial for both companies and tax authorities to clearly understand the concepts, and how they interact, in order to ensure that reasonable transactions are not deemed to be abusive.

Where traditional concepts are revised and tax rulings are under pressure, new ways of creating legal certainty and ensuring confidentiality must be explored.

The CFE Forum 2016 will address these pressing topics both for direct and indirect taxes, and will help companies and their tax advisers prepare for the future.

High-level speakers from the European Commission, the OECD and national tax administration have confirmed as well academia, business and tax advisers.

- Link to all relevant information such as programme, registration and hotel reservation [EN](#)

2. European Commission unveils its proposal on public country-by-country reporting

On 12 April 2016, the European Commission tabled the legislative proposal for public country-by-country reporting of tax information. Please find all relevant links on the website of DG FISMA. Please note that the text of the proposal is still in a preliminary version.

- Link to press conference [EN](#)

- Link to press release [EN \(All EU languages available\)](#)
- Questions and answers [EN \(FR available\)](#)
- Message by Jonathan Hill, Member of the European Commission, [EN](#)
- Provisional version of the text of the proposal [EN](#); [FR](#); [DE](#)
- Executive Summary [DE](#); [EN](#)
- Impact assessment [EN](#)
- Synopsis report on the consultation activities: [All EU languages available](#)

Main features of the proposal are:

All multinationals (EU and non-EU companies) with a global annual turnover exceeding € 750 million that have branches or subsidiaries in the EU would be required to publicly disclose information on:

- the nature of the group's activities,
- the number of employees,
- the total net turnover made, which includes the turnover made with third parties as well as between companies within a group,
- the profit made before tax,
- the amount of income tax due in the country as a reason of the profits made in the current year in that country,
- the amount of tax actually paid during that year,
- and the accumulated earnings.,

on an annual basis. Reporting should also include explanations on discrepancies between the amounts of income tax actually paid and income tax accrued.

The information has to be provided for each EU member state in which the multinational operates. For non-EU countries, aggregated information may be provided. The proposal provides for stronger transparency requirements for companies' activities in countries which do not observe international standards for good governance in the area of taxation. Reportedly, this is a last-minute addition in reaction to the controversy around "Panama Papers". These third countries will be determined using a common EU screening process that has been announced as part of the Anti-Tax Avoidance Package of 28 January but still needs to be developed.

The information will have to be available for at least 5 years on the company's website and in an EU business register.

Country by country reporting to tax administrations by multinationals (also applying the € 750 million turnover thresholds, in accordance with the OECD BEPS 13 Recommendations) has already been proposed by the Commission on 28 January, as part of its Anti-Tax Avoidance Package. That proposal also provides for exchange of this information among member states. A political agreement on that proposal in the EU Council has already been reached on 8 March 2016.

What the papers say:

- The Guardian: [EN](#)

3. Follow-up on Panama Papers: Tax administrations meeting at the OECD

Senior tax administration officials from all over the world gathered on 13 April at the Joint International Tax Shelter Information and Collaboration (JITSIC) Network of the OECD in Paris in order to explore opportunities for obtaining data, co-operation and information-sharing in light of the “Panama Papers”. JITSIC is a grouping of tax officials who exchange views, information and practices at an operational level. It is a network of the OECD Forum on Tax Administration.

According to press reports of 16 April 2016, the UK has asked the OECD to take the lead in drafting a global tax havens black list.

- OECD press release [EN](#)
- Report on “City a.m.” website: [EN](#)

4. OECD report to G20 calls for further steps to ensure global standards on tax transparency

A report recently delivered by the OECD Secretary-General’s to the G20 Finance Ministers calls for additional steps to ensure that all countries and jurisdictions immediately endorse and implement all global standards devised and implemented by the Global Forum on Transparency and the Exchange of Information for Tax Purposes. So far, a number of jurisdictions have yet to properly implement the exchange of tax information on request, first agreed in 2009. It also notes that a number of others have refused to commit to the new standard for automatic exchange scheduled to go into effect in 2017-18.

- OECD report: [EN](#)
- OECD press release: [EN \(FR available\)](#)

5. New EP committee set up on Panama Papers

On 14 April 2016, the European Parliament’s Conference of Presidents, uniting the EP president and political group leaders, agreed to set up an inquiry committee to investigate the information from the so-called Panama Papers. The mandate will be determined on 4 May by the Conference of Presidents to be followed by a vote at the plenary session in Strasbourg in May.

- EP press release: [EN](#); [FR](#)

6. Judgement ECJ on Sparkasse Allgäu: Freedom of establishment does not preclude notification obligations on inheritance tax

On 14 April 2016, the Court of Justice of the EU decided in Case C-522/14 on a German request for a preliminary ruling made in proceedings between Sparkasse Allgäu and the Kempten tax office concerning the refusal of that credit institution to disclose to the Kempten tax office information relating to the accounts held with its dependent branch established in Austria by persons who, at the time of their death, had their place of residence for tax purposes in Germany.

The Court of Justice's ruling states that "Article 49 TFEU [freedom of establishment] must be interpreted as not precluding legislation of a Member State which requires credit institutions having their head office in that Member State to notify the national authorities of assets held or managed at their dependent branches established in another Member State in the event of the death of the owner of those assets who is resident in the first Member State, in the case where there is no similar notification obligation in that second Member State and credit institutions there are subject to banking secrecy breach of which constitutes a criminal offence."

- ECJ Case C-522/14 judgement: [EN \(all languages available\)](#)

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