



25 April 2016

1. EU Finance Ministers settle on pilot project for the automatic exchange of information on ultimate beneficial owners

Ministers at the informal ECOFIN Council on 22 April 2016 agreed to enter into a pilot project for the automatic exchange of information on ultimate beneficial owners as a follow-up to last week's letter by the so-called G5 (The UK, Germany, Spain, France and Italy) expressing that group's intention to embark on such pilot project.

The experience from this project should feed into an OECD- and FATF- (Financial Action Task Force) led development of a global standard and interlinked registries containing full beneficial ownership information.

European Commissioner Dombrovskis highlighted that the Commission will also follow-up on the mandate to explore ways to introduce disincentives for those who give advice in tax evasion planning and elaborate tax evasion schemes.

Media report that the meeting has revealed splits among countries such as France and the UK which support the publication of country-by-country tax information by large multinationals, proposed by the Commission on 12 April, and countries like Austria, Germany and Malta which are opposed to the proposal which requires qualified majority in the EU Council.

The European Commission also intends to table a revised proposal for the Anti-Money Laundering Directive, in the context of the fight against terrorism financing.

On tax havens blacklisting, the Dutch Council presidency is aiming at an agreement on a common EU methodology in May.

- Press release [EN](#)
- ECOFIN: Dutch EU presidency: line to take [EN](#)
- What the papers say: [Reuters](#); [Out-law.com](#)

2. Linking up IT systems to new VAT requirements

Another topic addressed at the informal ECOFIN council meeting on 22 April was dedicated to the new VAT Action Plan and the need for enhanced cooperation between VAT tax administrations in the EU member states. Upgrading and linking IT systems appears to be crucial in order to allow tax authorities to get necessary information faster. The European Commission aims to finalize soon a feasibility study on the Social Network Analysis tool, also called Transaction Network Analysis (TNA).

- Press release [EN](#)

3. San Marino tax agreement approved by EU Council

On 21 April 2016, the EU Justice and Home Affairs Council approved the conclusion of an agreement with San Marino to fight tax evasion, requiring the EU member states and San Marino to exchange bank account information automatically, applying measures equivalent to those in an EU Administrative Cooperation Directive.

- Press release [all languages](#)

4. Bermuda signs agreement on CBCR to tax authorities

Bermuda signed the OECD Multilateral Competent Authority Agreement for the sharing of country-by-country reports drawn up in line with the Recommendations on BEPS Action 13, bringing the number of signatory countries to 33.

- Press release: [EN](#)

5. Israel extends mandatory tax planning disclosure requirements

Since the beginning of this year, new tax planning disclosure rules apply to tax advisers in Israel: While certain transactions considered as "tax planning" were already subject to disclosure since 2006, the existence of a written professional opinion regarding transactions, potentially resulting in a tax saving, must now be reported as well, including the transaction or activity to which the opinion relates and its estimated tax impact. A reporting obligation is triggered by an opinion for which fees exceed an equivalent of roughly € 24,000 or for which fees are contingent on the "tax benefit". Opinions containing a legal position contrary to views published by the tax administration must be disclosed when the tax benefit exceeds roughly € 1.2 m in one year, or € 2.4 m over four years.

In the EU, Ireland, Portugal and the UK have introduced tax planning disclosure requirements. The OECD, in its Final Recommendations on BEPS Action 12, gives recommendations on disclosure requirements but refrains from commenting on whether countries should or should not introduce them.

The selection of the remitted material has been prepared by Piergiorgio Valente / Filipa Correia / Rudolf Reibel / Andrea Morass

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