



7 November 2016

**1. Leading U.K. tax and accountancy bodies introduce updated national codes of conduct for tax advisers aimed at discouraging of avoidance schemes.**

The seven leading UK accountancy and tax professional bodies have published updated guidance on the standards expected of tax advisers and agents. The updated Professional Conduct in Relation to Tax (PCRT) guidance has been endorsed by HMRC. The revisions include five new standards which will prohibit the creation, promotion or facilitation of tax avoidance schemes.

The salient addition of the new guidelines is a set of standards for tax planning. It states that:

*“Members must not create, encourage or promote tax planning arrangements or structures that i) set out to achieve results that are contrary to the clear intention of Parliament in enacting relevant legislation and/or ii) are highly artificial or highly contrived and seek to exploit shortcomings within the relevant legislation”.*

Disciplinary Sanctions will be imposed on members who do not comply with the new guidelines. The new guidelines will be in force from 1 March 2017.

Ray McCann, Vice-President of the CIOT will be speaking at the CFE PAC Conference to be held in Ljubljana later this month, and this new development is sure to be a subject of questions and discussion with participants.

For a copy of the updated PCRT please follow this link: [LINK](#)

**2. Council adopts conclusions in response to EU Commission’s Communication of 5 July 2016 on tax transparency**

The Council adopted conclusions in response to a Commission communication of 5 July 2016 on tax transparency. The Commission communication resulted from the April 2016 Panama Papers revelations. It recommended a coordinated approach to preventing tax abuse at EU and international levels, and developing enhanced administrative cooperation between competent authorities in the Member States, if appropriate through consideration of OECD initiatives.

It endorsed the recent EU legislation for the automatic exchange of information on tax rulings and country by country reports as an important development. Going forward it highlighted the importance of the Commission’s work on revising the Directive on Administrative Cooperation and the Anti-Money Laundering Directive and indicated its intention to work towards a swift adoption of these initiatives.

To read the Council conclusions in full please follow this link: [LINK](#)

### **3. Germany releases draft bill on further measures to combat tax avoidance**

The new bill provides for the introduction of:

- An EU beneficial ownership register of bank accounts and deposits which will allow the tax administration to request information from foreign banks.
- An obligation to notify of any purchase or sale of shares in foreign entities, associations and funds where the value exceeds EUR 15,000 or 10% of the direct and indirect ownership of the entity.
- A requirement to issue a notification if a German resident taxpayer obtains decisive influence on the business and financial activities on an entity established in a third country.

Failure to comply will result in financial penalties of up to EUR 25,00 being imposed on taxpayers or EUR 50,000 on financial institutions.

The new bill also amends existing laws to address decisions against Germany by the ECJ. This includes a law which allows for the deduction of expenses by a non-resident in connection with income received from another Member State (*Grunewald* (Case-C-599/13)) and changes to the inheritance and gift tax laws relating to non-residents (*Commission v Germany* (Case C-211/13)) and (*Hunnebeck* (Case C 479/14)).

### **4. OECD Global Forum on Transparency and Exchange of Information for Tax purposes**

The OECD Global Forum on Transparency and Exchange of Information for Tax purposes held its annual meeting from 2 – 4 November in Georgia. The meeting saw the publication of 17 new reports assessing the level of compliance with international standards for exchange of information on request (EOIR), marking the conclusion of the first round of the Forum's peer review process. For the countries that did not receive good ratings, a special fast-track review procedure has been introduced to enable the Global Forum to recognise progress made to address issues by mid – 2017.

97% of jurisdictions committed to exchanging information in 2017 are prepared for these exchanges.

Discussions were held about the importance of countries coming together around the Global Forum's transparency standards in their respective transparency initiatives in the context of calls for the creation of so called "black lists" or lists of non-cooperative jurisdictions.

### **5. Prominent line-up of speakers confirmed for this year's CFE PAC conference**

This year's Professional Affairs Conference co-organised with our Slovenian member organisation ZDSS brings together a prominent line-up of speakers, including representatives from the Directorate General TAXUD of the European Commission, OECD, the European Parliament, national governments and associations.

Considering that the European Commission is suggesting EU-wide mandatory disclosure obligation, which goes further than the OECD proposed standards, lively discussion is anticipated. The Ljubljana conference is thus an opportunity to discuss the follow-up of OECD BEPS Action Point 12.

To find your way to Ljubljana, please follow this [link](#).

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