



**2 May 2017**

**1. EU Commission launches public consultation on harmonising and simplifying the general arrangements for customs rules**

Based on the results of two external evaluation studies carried out in 2014 and 2016 of [Council Directive 2008/118/EC](#) the Commission believes there may be scope to improve the functioning of the directive, particularly in relation to the reduction of administrative burden for all stakeholders and the reduction of distortions in the internal market. On 23 March 2017 the European Commission published an [Inception Impact Assessment](#) providing the background and a first description of the problems and possible policy options under analysis

The Directive contains the general procedures for the holding and movement of excise goods (alcohols and alcoholic beverages, manufactured tobacco products, energy products) in the EU. In addition, it contains explanations of the procedures for deferring payment of excise duty available to authorised traders who hold or move excise goods.

The aim of the consultation is to obtain views from a variety of interested stakeholders with the aim of improving the rules contained in Council Directive 2008/118/EC.

**2. UN releases revised United Nations Practical Manual on Transfer Pricing for Developing Countries**

Following the meeting held in early April of the UN's Committee of Experts on International Cooperation in Tax Matters the UN has released the 2017 edition of the [UN Transfer Pricing Manual](#).

The 2017 edition of the Manual includes additional chapters dealing with specific items such as intragroup services, intangibles, cost sharing agreements and business restructuring. It also contains a new chapter on intangibles containing principles that are in line with the OECD BEPS Reports on the topic.

The 2017 edition contains four sections; the first provides the economic context of transfer pricing, the second contains detailed substantive discussion on the arm's length principle, the

third covers administrative issues and the fourth and final section explains country specific practices such as those in India, Brazil and China.

### 3. **EU's proposals for hybrid mismatches with third countries moves closer to conclusion**

On 27 April, the European Parliament adopted a [Legislative Resolution](#) on a proposal for a Council directive amending the Anti-Tax Avoidance Directive 2016/1164 (2016) to address hybrid mismatches involving third countries (ATAD 2). Concluding this text is a priority of the Maltese Presidency.

The report will now be considered for final approval by the European Council at the next meeting of ECOFIN to be held on 23 May.

### 4. **OECD – United Arab Emirates becomes 109<sup>th</sup> signatory to the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters**

The United Arab Emirates signed the [Multilateral Convention on Mutual Administrative Assistance in Tax Matters](#) in Paris on 21 April 2017. The Convention provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange, tax examinations abroad, simultaneous tax examinations and assistance in tax collection. It guarantees extensive safeguards for the protection of taxpayers' rights.

### 5. **U.S. News – White House announces its tax reform proposals**

In international news this week, the top story in tax came from the U.S. where the White House unveiled its tax reform proposals to reform and reduce both personal and corporate tax rates.

The three primary changes proposed in the area of business taxation are the following:

- ? A reduction in the corporate federal tax rate from 35% to 15%;
- ? A one-time tax on the repatriation of foreign earnings of US companies (no rate is mentioned in the plan);
- ? Changing the existing worldwide tax system to a territorial system excluding foreign dividends (after the imposition of the one-time tax on earnings and deemed repatriated mentioned above).

Although the introduction of a Border Adjustment measures received much attention in recent months such a measure is not included in the proposals.

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