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1. GTACF responds to OECD consultation on mandatory disclosure rules for CRS avoidance

On behalf of the Global Tax Advisers' Cooperation Forum (GTACF), the CFE has published an [Opinion Statement](#) in response to the OECD consultation draft regarding new tax rules requiring disclosure of Common Reporting Standard ("CRS") avoidance arrangements and offshore structures.

The Opinion Statement argues that the OECD proposal puts a disproportionate obligation on tax advisers, whereas the broad definitions of the proposal combined with fines could result in penalising of what may be a legitimate arrangement. Furthermore, the part of the OECD proposal related to Offshore Structures seems to be very difficult to implement in practice. Finally, it was argued that better clarity of CRS legislation could supersede the need for mandatory disclosure rules.

The [OECD model rules](#) are intended to target promoters and service providers with a material involvement in the design, marketing or implementation of CRS avoidance arrangements or offshore structures. The proposed rules would require such intermediaries to disclose information on the scheme to their national tax authority. The rules contemplate that information on those schemes (including the identity of any user or beneficial owner) would then be made available to other tax authorities in accordance with the requirements of the applicable information exchange agreement.

The Global Tax Advisers' Cooperation Forum (GTACF) was established in 2014 by CFE Tax Advisers Europe, the Asia-Oceania Tax Consultants Association (AOTCA) and the West African Union of Tax Institutes (WAUTI). The GTACF is a platform for tax advisers to provide a global response to international tax initiatives and to strengthen tax technical and policy cooperation.

2. EU Commission to hold a public hearing on simplified withholding tax procedures

The European Commission has announced a [public hearing](#) on Tuesday 30 January 2018 to discuss the new Code of Conduct on withholding tax (WHT). The Code of Conduct on WHT is an initiative of the European Commission to improve the efficiency of withholding tax procedures, following input from EU Member States' tax experts. The code is a non-binding document which calls for voluntary commitments by Member States and should be considered as a compilation of approaches to improve the efficiency of current withholding tax (WHT) procedures, in particular for refunds of WHT to which Member States can add or adapt elements to meet national needs or contexts. The EU Member states have not yet adopted the Code.

The public hearing titled ‘Simpler Withholding Tax Procedures for Europe’ will take place on 30 January 2018 at the *Albert Borschette Congress Centre* in Brussels, rue Froissart 36 (9.30 – 13.00), with introductory remarks by EU Commission vice-president Dombrovski and panel discussions on withholding tax procedures and implementation of the Code of conduct on withholding tax.

2. OECD published a paper on tax liability, legal remittance responsibility and tax incidence

The OECD published a [working paper on the tax incidence](#), the legal tax liability and remittance responsibility. It is argued that businesses play a key role in tax systems as both payers and remitters. The paper measures these categories across the 24 OECD member countries. This OECD paper highlights that the economic incidence, or burden, of a tax is not necessarily borne by the person on whom the tax is imposed under legal statute, but may be passed on to others in the economy, whether it be owners of capital, workers or consumers. While businesses benefit in certain ways through their involvement in the tax collection process (e.g., the cash flow benefit), their remittance responsibilities also entail compliance costs. The analysis of businesses’ overall role in remitting taxes to governments should include not just their legal tax liabilities, but also the compliance costs incurred on account of their legal remittance responsibilities.

In conclusion, the study finds that whilst the majority of empirical studies of economic incidence focus on the corporate income tax, a wide-ranging review of the literature finds that at least 30% of the corporate income tax is shifted onto labour.

4. Countries seeking to persuade the EU to be removed from the tax ‘blacklist’

The countries that ended up on the EU tax ‘blacklist’ of non-cooperative jurisdiction are seeking to persuade the European Commission and the Council to be removed in a highly contentious battle. The Financial Times reported that Tunisia has already sought help from France to be removed from the list before President Macron’s visit of the country, claiming that the blacklisting was not in the spirit of the good neighbourly relations in the broader Euro-Mediterranean region. According to diplomats interviewed by the FT, Tunisia’s blacklisting was due to their poor management of deadlines.

South Korea has already reacted to the EU blacklisting, claiming that the European Union was not in a position to impose its tax standards on countries like the Republic of Korea. Among the accusations of a politicised blacklisting process, the Commission has insisted that the process is objective and rewards reform.

The Council of EU (ECOFIN) will discuss further measures for the blacklisted countries later this year.

5. OECD published an update on the BEPS Inclusive Framework

The OECD published a [January update](#) on the participants of the BEPS inclusive framework, that now includes 111 countries. The Inclusive Framework on BEPS brings jurisdictions to collaborate on the implementation of the OECD/ G20 Base Erosion and Profit Shifting (BEPS) package.

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