



BRUSSELS | 11 JUNE 2018



Tax Intermediaries Directive (Mandatory Disclosure Rules) DAC6

The Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (commonly referred to as DAC6), has been published in the Official Journal of the European Union, and is available in [all the official languages](#).

According to the Directive, each Member State shall require intermediaries and relevant taxpayers to disclose information on reportable cross-border arrangements the first step of which was implemented between 25 June 2018 and 31 December 2019, ie. the date of application of this Directive. Intermediaries and relevant taxpayers, where appropriate, must file information on those reportable cross-border arrangements by 31 August 2020. Effectively, in spite of the fact that the disclosure requirements will apply from 1 July 2020, all arrangements that are in place from 25 June 2018 onwards become reportable in accordance with this Directive.



TAX3 Committee Workshop of 7 June 2018

European Parliament's Committee on financial crimes, tax evasion and tax avoidance (TAX3) held a [workshop](#) on 7 June which examined taxation and tax evasion in relation to the topics of virtual currencies, taxation of the digital economy and national aggressive tax planning practices as highlighted in the Commission European Semester reports.

During the first panel, Professor Houben of Antwerp University recommended that Parliament consider widening definitions of money laundering and implementing targeted bans to address anonymous crypto currency transactions, which his research has concluded leads to increased tax evasion. However, Professor Houben also stressed solutions to tax evasion issues involving crypto currencies ought to be addressed and agreed at international level.

Professor Vella of Oxford University, discussing digital taxation in the second panel, opined that the international taxation system is at a critical stage, but that digitalisation was not the source of the problem. Professor Vella opined that mobile factors from the internationalisation of business have led to profit shifting and distortion of economic reality, issues which are best addressed by taxing companies where their value creating immobile factors are located.

Valère Moutarlier, EU Commission's Direct Tax Director, attended the third panel on behalf of the Commission to discuss the European Semester Reports. Mr Moutarlier stressed that the reports were based on impartial economic evidence which indicated aggressive tax planning, so the Commission could target issues on the basis of this data which were not being addressed at national level. Mr Moutarlier stated that there had been stronger dialogue with the Member States identified

in the reports, and that progress was being made. He noted it was hoped the dialogue created by the reports would generate further political momentum for tax policy reform.

The TAX3 Committee's draft final report which will cover the above issues will be available on 9 November 2018.



EU Imposes €2.8 Billion Worth of Duties on US

Following on from the announcement on 31 May that the US would impose duties on steel and aluminium imported from the EU, which affect exports from the EU worth over 6.4 billion Euros in 2017, the EU College of Commissioners on 6 June endorsed the decision to impose additional rebalancing duties on a selected [list of US products](#) which was notified to the WTO by the EU in May. The duties are expected to begin to apply from July 2018 onwards on products valued at 2.8 billion Euros.

EU Commissioner for Trade, Cecilia Malmström, stated “this is a measured and proportionate response to the unilateral and illegal decision taken by the United States to impose tariffs on European steel and aluminium exports. What’s more, the EU’s reaction is fully in line with international trade law. We regret that the United States left us with no other option than to safeguard EU interests.” An investigation is ongoing concerning whether safeguard measures will be necessary to protect EU steel and aluminium markets.



OECD Multilateral Convention Update

On 5 June, Serbia deposited its instrument of accession for the [Multilateral Convention on Mutual Administrative Assistance in Tax Matters](#), which will enter into force in the country on 1 October 2018. The multilateral tax treaty allows jurisdictions to update their existing double tax treaties and transpose measures agreed in the BEPS project without further need for bilateral negotiations, and aims to increase transparency and further efforts to reduce cross-border tax evasion.

The MLI implements the [Standard for Automatic Exchange of Information](#) developed by the OECD and G20 countries as part of the BEPS project, through which over 100 jurisdictions will automatically exchange information.



EU-Wide Definitions and Penalties for Money Laundering Agreed by Parliament and Council

The EU Parliament and Council have [informally agreed](#) the scope of EU-wide definitions for money laundering related offences, and the minimum penalties for these offences, which aim to improve enforcement and increasing deterrence in relation to these criminal activities. A minimum of four years imprisonment has reportedly been agreed for money laundering sentences, as well as additional sanctions barring those convicted from holding public office or being able to access public funding.

Relevantly, the [draft definition](#) within the proposed Directive defines “criminal activity” as including criminal tax offences, both direct and indirect taxes, as defined by national law, punishable by deprivation of liberty or a detention order for a maximum of more than one year, or for a minimum of more than six months in Member States that have a minimum threshold for offences.

The agreed text needs to be formally approved by the Civil Liberties Committee, Parliament and the Council before entering into force.



The selection of the remitted material has been prepared by
Piergiorgio Valente/ Aleksandar Ivanovski/ Brodie McIntosh/ Filipa Correia



[Twitter](#)

[LinkedIn](#)