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G20 Communiqué Reaffirms OECD's Tax Agenda

G20 finance ministers reiterated their support for the OECD tax agenda at this weekend's meeting in Buenos Aires, Argentina. The [final Communiqué](#) urges a consensus-based solution to the tax challenges of the digital economy as well as stricter criteria to identify non-cooperative jurisdictions for tax purposes.

The finance ministers and central bank governors of the G20 countries held a meeting on 21-22 July in Buenos Aires, Argentina. The final Communiqué identifies the main risks to global economic growth and recommends the best policy tools to sustain a sustainable and balanced growth of the world economy, in light of the rapid technological transformation and the volatility of financial markets and capital flows.

The G20 reaffirmed the backing for full implementation of the BEPS package and the importance of seeking a consensus-based approach to the tax challenges of the digital economy by 2020, with an interim update in 2019. The Communiqué sets out ministers' expectations that automatic exchange of financial account information for tax purposes in 2018 will commence as planned, calling on all jurisdictions to sign and ratify the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

The Communiqué reiterated the call for the Platform for Collaboration on Tax to develop its work plan by 2019, following up on the commitments by the IMF and World Bank annual meeting.



OECD Secretary-General Report & OECD BEPS Inclusive Framework Update

The OECD has published a [report of the Secretary-General](#) on the activities and achievements of OECD's tax agenda, accompanying the G20 Communiqué of finance ministers and central bank governors. Secretary-General Report looks back at the achievements and further progress needed on international tax policy, as well as the progress achieved by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

In respect of progress of the BEPS project, the report sets out key updates in relation to BEPS Action 5 (Harmful Tax Practices). The report also includes a Country-by-Country reporting update in light of the second annual peer review, which will cover all members of the OECD/G20 Inclusive Framework. The outcomes will be released in 2019.

Regarding the tax challenges of the digital economy, an Interim Report is expected to be published in June 2019 whilst the 2020 Report is still planned pending agreement of a common position among the members of the inclusive framework. The report sets out an expectation that different perspectives will be taken into account, with a view of agreeing a common position on the revised transfer-pricing rules, the minimum standard approach and the merits of a user-contribution approach.

The Secretary-General reported to the G20 ministers that members had all recognised the need for a long-term solution and had also further refined their positions in an effort to bridge gaps since the last meeting of the OECD Task Force on the Digital Economy of 11 July.

The BEPS Inclusive Framework progress report [update](#) highlights the commitment to a globally fair and modern international tax system and the implementation of the BEPS project. The report provides a more detailed analysis of the interim achievements of the BEPS project and the first peer reviews of the BEPS minimum standards, in particular the updates on Action 5 (Preferential Tax Regimes and Tax Rulings), Action 13 (Country-by-Country Reporting) and Action 14 (MAP).



IMF/ OECD Tax Certainty Report

The [IMF/ OECD Tax Certainty Report](#) provides a follow-up on a first report presented in March 2017, which identified the main sources of uncertainty in tax matters. This update identifies approaches to improve tax certainty, reporting progress on the implementation of the OECD/G20 BEPS Project in relation to dispute resolution, such as mutual agreement procedures (MAP) and arbitration, the OECD initiatives to mitigate uncertainty in tax treaties, the IMF initiative to address international taxation issues, developments in on treaty relief, and the Forum on Tax Administration initiative to improve risk assessment and audit processes.

Finally, some initiatives are discussed that were not explicitly mentioned in the 2017 report, but which do matter for tax certainty, such as exchange of information, Country-by-Country reporting and OECD International VAT/ GST Guidelines.



EU Commission Fines Google for Abuse of Dominance

The EU Commission has fined Google with €4.34 billion for breach of EU's competition rules in respect of the utilisation of the Android operating system as a vehicle for abuse of

dominance in the Single Market and the European Economic Area. The European Commission published the decision on 18 July after an in-depth investigation found Google had required smartphone operators to pre-install Google's search and browser apps or lose access to the Google Play store and streaming services. The [decision announced](#) by Commissioner Vestager has increased the transatlantic tensions, with President Donald Trump accusing the EU of "taking advantage of US companies, but not for long."

Commissioner Vestager on behalf of the EU Commission stated: "In Europe, we congratulate all companies for the success they achieve through innovation and developing products that consumers value. That is why market dominance is, as such, not a problem under EU antitrust rules. But with market dominance comes responsibility –because, when one company dominates a marketplace, competition is already weakened. So, EU antitrust rules put special responsibilities on dominant companies. They must not deny other companies the chance to compete on the merits, to the detriment of further innovation and European consumers."

Google issued a public statement that they will appeal the Commission decision: "Android has created more choice for everyone, not less. A vibrant ecosystem, rapid innovation and lower prices are classic hallmarks of robust competition. We will appeal the Commission's decision."



Save the Date - 11th European Tax Advisers Professional Affairs Conference, 23 November Madrid

CFE Tax Advisers Europe and the Asociación Española de Asesores Fiscales (AEDAF) are pleased to invite you to the 11th European Conference on Tax Advisers' Professional Affairs, to be held in Madrid, Spain, on Friday 23 November 2018 from 9am to 3pm on the topic of "Transparency Trends in Taxation: How to Implement New EU & OECD Mandatory Disclosure Rules". More details are available on the CFE Tax Advisers Europe website - [Register now](#) to secure your place at the Conference!