



BRUSSELS | 03 SEPTEMBER 2018



## EU Parliament Digital Tax Debate

The European Parliament Committee on Economic and Monetary Policy (ECON) held a meeting on 29 August to discuss the EU Commission proposals on fair taxation of the digital economy in the Single Market. The European Parliament rapporteurs Paul Tang (S&D, The Netherlands) and Dariusz Rosati (EPP, Poland) highlighted that the threshold proposed by the Commission for a 'significant digital presence' may need to be revised to consider EU's smaller economies' perspective. Another interesting element from the parliamentary debate was the call for a higher rate of taxation concerning the Digital Services Tax, which under Commission's proposal is set at 3% of revenue. MEPs, quoting factors like fairness and efficiency, asked for a scope for increase of the 3% rate by individual Member states. The rapporteurs also indicated that a more precise definition of digital services should be sought. Parliament is only consulted on these two directives considering the tax sovereignty of Member states and the Treaty requirement of unanimity to legislate on tax matters.

On a visit to Latvia last week, members of the European Parliament TAX3 Inquiry Committee held meetings with political counterparts, civil society and experts, indicating that smaller EU Member state are very vulnerable to money-laundering risks. Jeppe Kofod MEP (S&D, Denmark) stated: "As in numerous other countries, the enforcement of money laundering rules has been weak in Latvia. Our visit has allowed us to witness efforts which go in the right direction but it is equally true that serious challenges need to be overcome before Latvia can be considered to be in a situation to be seriously fighting money laundering. At the same time it is important not to make the mistake of looking at deficiencies in combating money laundering on a country by country basis only - money laundering is a systemic phenomenon that needs to be tackled across the EU as a matter of priority."



## US Considering Withdrawal From the WTO

President Trump stated that the US is considering pulling out of the World Trade Organisation, labelling the WTO "the worst trade deal ever made". WTO has been considered a cornerstone of the international post-World War II trade system built under the auspices of the United States. US withdrawal from the WTO is potentially the most significant trade policy step considered to date by the Trump administration.

President Trump previously stated that the US is considering 25% tax on car imports from the European Union, claiming that what had been offered in the negotiations with the

European Commission was not enough. Trump's comments came after EU Commissioner Cecilia Malmstrom spoke in European Parliament saying that the EU is "willing to bring down even our car tariffs to zero, all tariffs to zero, if the US does the same."



## OECD Publish Tax Policy Review on Slovenia

The OECD published a Tax Policy Review of [Slovenia](#), providing a comprehensive tax policy assessment of Slovenia's tax system as well as tax reform recommendations.

The OECD Policy Reviews are intended to provide independent, comprehensive and comparative assessments of OECD member and non-member countries' tax systems as well as concrete recommendations for tax policy reform. By identifying tailored tax policy reform options, the objective of the Reviews is to enhance the design of existing tax policies and to support the adoption of new reforms.



## OECD Blockchain Policy Forum

The OECD will be organising a Blockchain Policy Forum this week (4 – 5 September 2018) in Paris concerning the potential of Blockchain to increase transparency and traceability within markets and individual transactions, subject to policy and regulatory frameworks which foster the use of Blockchain for these purposes. Topics to be discussed at the conference include implications of Blockchain for privacy and cybersecurity, green growth and sustainability, the global economy, and enforcement practices. The [event](#) will be broadcast live at 09:30 CET on 4 September.



## CFE Events: "Transparency Trends in Taxation: How to Implement New EU & OECD Mandatory Disclosure Rules", Madrid 23 November 2018

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 on the topic of "**Transparency Trends in Taxation: How to Implement New EU & OECD Mandatory Disclosure Rules**". [Register](#) now to benefit from an Early Bird fee until 10 September. More details are available on the CFE Tax Advisers Europe [website](#).