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## European Commission to Propose Qualified Majority Voting for Taxation Files

In his 2018 [State of the Union address](#) speech, Commission President Jean-Claude Juncker announced that “the Commission is proposing to move to qualified majority voting in specific areas...we should be able to decide on certain tax matters by qualified majority.”

The Commission’s [Letter of Intent](#) further sets out the initiatives that the Commission proposes take in order to realise its priorities. In relation to its priority of achieving a deeper and fairer internal market, the Commission sets out that it intends to issue a communication identifying areas for a move to qualified majority voting in the field of taxation by January or February 2019.

Any amendments to the voting process must be agreed unanimously by Member States.



## OECD Publishes Feedback on Transfer Pricing Consultation

The OECD has [published feedback received](#) concerning a [discussion draft on financial transactions](#) that provides guidance on transfer-pricing with respect to intra-group loans and intra-group financial transactions. The draft was produced as a follow-up to the work undertaken under Actions 8-10 of the BEPS Action Plan (“Aligning Transfer Pricing Outcomes with Value Creation”) by OECD’s Working Party No. 6.

The first part of the discussion draft provides guidance on the application of the principles contained in Chapter I of the Transfer Pricing Guidelines to financial transactions. The second part of the discussion draft addresses specific issues related to the pricing of financial transactions such as treasury function, intra-group loans, cash pooling, hedging, guarantees and captive insurance.

The discussion draft also included a number of questions to commentators concerning which input from stakeholders was particularly sought by Working Party 6 to complement its work. A further discussion draft will be produced after considering the input received.



## France Contemplates Introducing Unilateral Digital Tax

A paper presented last week to the French National Assembly's Finance Committee [reportedly](#) recommended that a national measure be introduced to impose a levy on diverted profits, and introduce an appropriate nexus in order to tax digital business, should Member States fail to agree to the current EU proposal to introduce an interim EU-wide digital services tax.

This follows from [reports](#) that during the informal ECOFIN meeting that took place in Vienna from 7 to 8 September, French Finance Minister Bruno Le Maire proposed that a sunset clause could be introduced in relation to the interim tax, and that Member States which would be most adversely affected by the introduction of the tax could be allocated more of the revenue from the interim tax.

The Austrian Presidency's [Agenda Programme](#) states that taxation of the digital economy is one of the main priorities for the focus of taxation work for the Presidency.



## BEPS Inclusive Framework Releases Guidance on Country-by-Country Reporting

The OECD's Inclusive Framework on BEPS has released [further interpretative guidance](#) aimed at providing tax administrations and MNEs with certainty concerning the implementation of Country-by-Country Reporting under BEPS Action 13.

The guidance covers the treatment of dividends, reporting requirements in relation to the number of employees to report where a MNE uses proportional consolidation in financial statements, as well as a summary of guidance to be applied in cases of mergers, demergers and acquisitions.

All existing guidance issued to date has been included in the document, and the guidance will continue to be updated in the future.



## Global Tax Advisers Platform ('GTAP') Issues Declaration Establishing Key Priorities

On 12 September 2018, GTAP issued the Ulaanbaatar Declaration, establishing 10 key priorities for GTAP in pursuing international cooperation among tax advisers and optimisation of the national and international taxation framework.

GTAP was established by CFE, AOTCA and WAUTI, who collectively represent more than 500,000 tax advisers in Europe, Asia and Africa. GTAP is an international platform that seeks to bring together national and international organisations of tax professionals from all around the world.

The Ulaanbaatar Declaration sets out common key priorities for the collective promotion of an optimal tax framework worldwide. A copy of the Declaration can be viewed [here](#).