



Council of EU to Discuss Digital Taxation Proposals

The Council of the European Union sitting as ECOFIN (Economic and Financial Affairs Council) will [discuss tomorrow](#) the European Commission proposals for Digital Services Tax in the EU. EU's finance ministers will exchange views on the digital services tax and discuss the progress to date in the negotiations among Member states.

Media reports of last week suggested that pressure to accept digital services tax mounts on Ireland, a country that will be adversely affected by the introduction of this temporary taxation measure. The [Irish Times](#) reported that the Government is under increasing pressure to agree to European Commission proposals ahead of tomorrow's ECOFIN. Government sources said Ireland intends to resist the proposal in its current form, but there has been heavy lobbying by the French government and the Austrian presidency of the EU to have the directive approved by the end of the year.

Separately, both Spain and the UK have set out Budget plans to introduce digital services tax for online business similar to those proposed by the Commission. The UK plan, announced as part of the Budget, would place a 2% digital services tax on revenues from April 2020. Unlike the Commission proposal, the UK intends to introduce a "profitability threshold" as a safe harbour provision that exempts loss-makers and reduces the effective rate of tax on businesses with very low profit margins. Spain's plans on the other hand mimic the European Commission proposal with 3% tax on revenue.

Various US officials, including the US Treasury Secretary Steven Mnuchin [issued statements](#) urging European partners to refrain from unilateral measures. Specifically, with regards to the UK proposals, the [US indicated](#) that such proposals will hurt prospects for a US-UK trade deal post Brexit.

It remains to be seen whether EU ministers will consider US proposals to abandon the digital services tax and focus instead on a multilateral solution under auspices of the OECD.



US President Considers Antitrust Issues of US Tech Companies

US President Donald Trump said in [an interview Sunday night](#) that his administration is looking into potential violations of US antitrust legislation by US tech companies, such as Google, Amazon and Facebook. President Trump confirmed that breaking up of these companies is something his administration is willing to consider. Responsibility for such proceedings would fall to the Federal Trade Commission and the Department of Justice's Antitrust Division.

Trump said that European Commission's \$5 billion fine against Google made him consider the antitrust issues, such as abuse of dominance. "You look at the European Union, they fined Google billions of dollars, and frankly I don't like that they're doing that because that's an American company. But if anybody does that, it should be us doing it.", Trump said speaking to HBO.



Ireland Moves a Step Closer to Ratifying OECD MLI

Ireland has moved a [step closer to ratifying](#) the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("the MLI"). In September, the draft Multilateral Convention to Implement Tax Treaty Related Measures Order 2018 was discussed at the Parliament Committee on Finance, Public Expenditure and Reform and was subsequently debated and approved by the lower House of Parliament. The Government act will be included in Finance Bill 2018. Once it becomes primary law, it can then be deposited with the OECD, completing Ireland's ratification of this key element of the OECD BEPS project.



Ecuador Signs the Multilateral Convention on Mutual Assistance in Taxation

The Ecuador signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (the Convention) in the presence of the OECD Deputy Secretary-General Ludger Schuknecht on 29 October in Paris. Ecuador is the [126th jurisdiction to join the Convention](#). The Convention is the key instrument for swift implementation of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (CRS). The Standard – developed by the OECD and G20 countries – enables more than 100 jurisdictions to automatically exchange offshore financial account information since September. It is also a powerful tool in the fight against illicit financial flows.



Final Reminder: CFE & AEDAF Mandatory Disclosure Rules Conference – 23 November 2018

CFE Tax Advisers Europe and the Asociación Española de Asesores Fiscales (AEDAF) will host the [11th European Conference on Tax Advisers' Professional Affairs](#), 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".

The programme is finalised, and we now have the following confirmed institutional speakers:

- European Commission (Reinhard Biebel, Direct Tax Policy, DG TAXUD),
- OECD (John Peterson, Head of Aggressive Tax Planning, Centre for Tax Policy and Administration),

- Permanent Representation of Spain to the EU (Jorge Ferreras Gutiérrez, Counsellor, Fiscal Affairs)
- Parliament of the Kingdom of Spain (Francisco de la Torre, Member of Parliament, Tax Inspector on Leave)
- Tax Administration of the Kingdom of Spain (Jesús Gascón, Director General)

They will join the excellent line-up of other confirmed speakers from policy, practice and academia.

More information on the programme and registration details is available [here](#). Register now to secure your place!