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EU Commission Publishes Roadmap on Business Taxation for the 21st Century

The EU Commission has published a [Roadmap](#) concerning its upcoming Communication on Business Taxation for the 21st Century, which will present the Commission's plan for reforming EU corporate taxation to be “fit for the realities of the modern global economy”.

The Roadmap identifies issues such as adapting to the challenges of digitalisation, post-COVID economic recovery, an aging population, sustainable green taxation policies and the patchwork of corporate tax systems in the Single Market leading to tax competition as underpinning the strategy that will be unveiled in the Communication.

The Roadmap also states that the Commission will *“take stock of the discussion in international fora on reforming the international tax system and present its vision for a way forward to ensure that the EU business taxation system fits the modern economy”*.

The Roadmap details that the Communication will contain plans for the short-medium and medium-long term for actions to be taken by the Commission. It is expected the Communication will be published in April.

OECD Tax Talk Webinar Update

The OECD held the latest [Tax Talks webinar](#) on Thursday 4 March from 16:00-17:00 CET, covering the state of play of Inclusive Framework work on the tax challenges of the digitalisation of the economy, the work of the G20, tax treaties and transfer pricing responses to COVID-19, BEPS implementation and tax transparency, amongst other topics.

The OECD and G20 believe that a solution for taxation of the digital economy can be agreed at the Finance Ministers meeting on 9 July 2021, particularly given that new US Secretary of Treasury Dr Janet Yellen confirmed that President Biden's administration is ready to drop the 'safe harbour' requirement, a key obstacle to an international agreement on Pillar One concerning taxation of the digital economy. The webinar update detailed the technical and political issues that remain in finalising agreement.

The update webinar is available for replay via the [OECD Tax Talks](#) webpage.

EU Professional Services Regulation Roadmap Published

The European Commission has published a [Roadmap](#) concerning a planned Communication which will recommend reform of the EU framework on the regulation of professional services. The Communication will update a [recommendation issued by the Commission in 2017](#) to reform regulation for professional services, in particular for lawyers, accountants, architects, engineers, patent agents, tourist guides and real-estate agents. The new Communication will also extend to cover notaries. The Commission aims to *“assist Member States in creating a regulatory environment that is conducive to growth, innovation and job creation”*.

According to the Commission, the economic potential that remains unrealised due to excessively restrictive regulation for professional services has been estimated at 85 billion Euros over 2010-2018, and *“a well-functioning professional-services sector can be a significant source of economic growth and welfare, and the smooth functioning of this sector will be important for achieving a robust economic recovery from the COVID-19 crisis”*.

The new Communication will accordingly update the 2017 recommendations to reflect developments in Member States’ regulatory framework, and encourage reform it sees as necessary, taking into account developments in digitalisation and innovation within individual sectors. No formal public consultation is planned, but competent authorities of the Member States will be consulted. The Communication will be published in the coming months.

CFE Forum - Tax Transparency, Exchange of Information & Digital Commerce - 6 May 2021

Save the date for the CFE Tax Advisers Europe Forum 2021, to be held virtually on Thursday, 6 May 2021. The Keynote speech will be provided by

Pascal Saint-Amans, Director of the OECD Centre for Tax Policy and Administration.

The CFE Forum 2021 will welcome tax experts from practice and academia, as well as representatives from the EU Commission and OECD, and will comprise a two-panel programme examining direct and indirect tax issues facing tax advisers. The first panel will discuss cross-border exchange of information in the EU, and implications for taxpayers' rights, including use of information by tax authorities. The second panel will examine the topic of VAT in the digital economy, in respect of the abolition of distance sales rules and making platforms liable for VAT on sales from outside the EU.

More details about the timing of the panels, speakers, and how to register for the Forum will be made available in due course.

Public Consultation on EU Exchange of Information on Crypto-Assets & e-Money

The EU Commission has launched a [public consultation](#) questionnaire on expanding the current directive on administrative cooperation, to provide for the exchange of information in the field of taxation to include crypto-assets and e-money.

The questionnaire seeks to gather information to *“provide tax administrations with information to allow for the proper taxation of income and revenues related to new means of payment and investment, notably cryptoassets and e-money. It would also ensure consistency with ongoing work at EU level, such as the Digital Finance Strategy adopted on 24 September 2020 and the proposal for a Regulation on Markets in Cryptoassets (MICA), as well as the future legislative*

initiative on anti-money laundering and terrorism financing expected for the 1st semester 2021”.

On the basis of the outcome of the public consultation, the Commission will consider whether/which assets should be subject to any proposed expansion of DAC, including how to define crypto-assets and to identify the relevant intermediaries for tax and reporting purposes.

Responses can be provided to the public consultation via an online questionnaire 2 June 2021, via the [Have Your Say](#) portal.

EU Expands Tax Reporting Framework to Digital Platforms

The European Union [adopted](#) an amendment to the Directive on administrative cooperation and exchange of information in the field of taxation (DAC7), expanding the mandatory reporting requirements to digital platforms. As a result, platforms doing business in the Single Market and non-EU digital platform operators will report relevant information about sellers of certain goods and services. DAC7 has an implementation deadline of 31 December 2022, with digital platform operators required to report from 2024, concerning material information of 2023.

Other DAC amendments include possibility to gather information on groups of taxpayers, joint audits and allowing tax inspectors to be present in another member state during an inspection, to become operational in from 2024 at the latest.

Commenting, a Portuguese Minister on behalf of the EU Presidency said: *"This is an important update of the EU rules, which will help to ensure that sellers*

who are active on digital platforms also pay their fair share of tax. It is particularly welcome at a time when more and more sales are made online and the COVID-19 pandemic is putting pressure on public finances. By extending its automatic exchange of information rules to the digital platform economy, the EU is setting an example to the world.", João Leão said.

Tax & Gender Developments in International Tax Policy

The OECD is revisiting the gender-related aspects of tax policy. According to the OECD, "while tax policy measures play a crucial role in supporting individuals and businesses as we navigate this crisis, the gender impact of taxation is often overlooked – with serious consequences for gender equality. To ensure that the tax system does not inadvertently reinforce gender biases in society, governments need to include the impact of taxes on gender as a key policy dimension in their tax policy responses to COVID-19.", OECD states. Recent [OECD webinar](#) explored these progressive developments in the fiscal policy debate.

CFE and the Global Tax Advisers Platform (GTAP) strongly advocate for policy makers to integrate the gender element into tax policy, in particular by reference to the potential of increased tax morale. In a [statement of May 2019](#), we endorsed the UN- led projects that have recently promoted the awareness of gender mainstreaming in the field of public finance management through its gender responsive taxation and budgeting initiatives. By promoting gender-neutral distribution of resources and raising of revenues, governments contribute to more equitable societies and more opportunities for all.

In such a context, CFE and GTAP wholly endorse the OECD proposition to focus on gender-responsive policies, as a means for both improving the

perception of fairness and establishing fiscal equality among all citizens, regardless of gender.

EU Commission Launches Taxpayers' Rights Consultation

The EU Commission has launched a [public consultation](#) concerning a planned Recommendation to Member States to facilitate the implementation of taxpayers' rights and simplify tax obligations to ensure better tax compliance.

The Recommendation forms part of the Commission's Tax Package Action Plan, and aims to improve awareness of taxpayers' rights throughout the EU. The Recommendation will discuss how Member States may improve their tax administration procedures to better respect and make more effective taxpayers' rights. The projects will also examine how Member States can improve the relationship between taxpayers' and tax administrations.

Input can be provided on the Roadmap via the [Have Your Say](#) portal until 2 June 2021.

CFE Academy Webinar on Recent ECJ Case-Law: 22 April

The next CFE Academy Series Webinar will be dedicated to examining key EU tax law developments, and providing insights on the practical significance of important recent ECJ caselaw for tax advisers. The webinar will take place on 22 April at 14:30.

The panel is comprised of academic experts from the CFE's ECJ Taskforce: Prof. Dr Georg Kofler, Chair of the Task Force, will cover the Polish/Hungarian cases on turnover taxes, Dr Isabelle Richelle will discuss

the *Société Générale* case, Prof. Dr. Alexander Rust will analyse the *Lexel* case and Dr João Nogueira will discuss the *Vodafone* case. Aleksandar Ivanovski, Director of Tax Policy at CFE will moderate the seminar.

Registration for this CFE Academy online seminar is now open on the following [link](#).

UN Tax Committee Agrees Digital Services Model Tax Treaty Amendment

The subcommittee of the UN Tax Committee of Experts on International Cooperation on Tax Matters dealing with issues relating to the digitalisation of the economy has now [agreed](#) on amending the UN Model Tax Convention to include an Article which will attribute a taxing right for source jurisdictions for payments for automated services.

The proposed change to Convention will be tabled for discussion by the full UN Tax Committee at the upcoming 22nd Session, scheduled for 19 – 28 April 2021.

The finalised text will be made available in due course via the Tax Committee's [webpage](#), together with other background papers and the agenda.

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