



**BRUSSELS | 12 APRIL 2021**

## **US Proposal Increases the Prospect of OECD Digital Tax Agreement**

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New proposals from President Biden's administration have increased the likelihood on reaching a global solution for taxation of the digital economy, including minimum taxation. Seeking to reassert US leadership in global economic policy, Secretary of Treasury Janet Yellen set out proposals for global minimum corporate tax rate allowing governments to tax the global profits of 100 largest and most profitable multinationals, including the large US tech companies, regardless whether they reach a 'permanent establishment' threshold in those jurisdictions. The US Treasury paper setting out the proposal has been circulated to the members of the inclusive framework currently discussing the matter at the OECD level.

If the proposals are successfully agreed at the OECD, an uphill battle for President Biden would still be securing a bi-partisan agreement at US Congress, where Republicans have already expressed their discontent, arguing that the proposals give away US tax base to foreign jurisdictions.

Commenting, Secretary Yellen [said](#): "Together we can use a global minimum tax to make sure the global economy thrives based on a more level playing field in the taxation of multinational corporations, and spurs innovation, growth and prosperity," Yellen said in a speech to the Chicago Council on Global Affairs.

Pascal Saint-Amans, Director of the OECD Centre for Tax Policy and Administration, welcomed the US proposal, stating that it "reboots the negotiation of a comprehensive solution to address a comprehensive issue: digitalisation and globalisation. Very interesting and positive dynamic. Good prospect of a simplified but meaningful Pillar 1 and robust minimum tax." The proposals were also welcomed by Italy and the Netherlands, whereas France took a more cautious approach stating that an agreement must be reached on both pillars.

The tentative timeline envisages a solution on the tax challenges of the digitalising economy by mid-July. In the interim, the OECD Secretary-General [reported](#) to the G20 central bank governors, stating that the negotiations have reached a critical juncture. "The next three months, from now to the next meeting in July 2021, will be decisive and the conditions to reach a consensus-based solution have never been better.", the OECD Secretary-General reported.

[CFE Webinar on Recent ECJ Case-Law: 22 April 2021](#)

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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](#).

## CFE Statement on Cross-Border Provision on Tax Professional Services

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CFE Tax Advisers Europe has published an [Opinion Statement](#) on the European Commission roadmap on reform of professional services of March 2021. CFE concurs with Commission's assessment that well-functioning professional-services sector can be a significant source of economic growth and contributor to the post-crisis economic recovery of the European continent. We support the proposed initiative's aim to take stock of the changes introduced so far by way of taking into account the recent developments in Europe's regulatory framework. However, we would like to remind stakeholders that the different regulation of professional services across Europe is a direct result of the different regulatory, legal framework and culture, which remains prerogative of Member states. In context of tax advice, this is particularly true given that tax is

jurisdictional and the main barriers to cross-border tax advice are of different nature: language barriers as well as aptitude, knowledge of substantive and procedural tax law of the other state. We invite you to read the CFE [statement](#) on the matter.

## OECD Report on COVID-19 Fiscal Policy Measures

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The OECD has published a new report containing national measures and update of the April 2020 Report, Tax and Fiscal Policy in Response to the COVID-19 Crisis. The new report provides a comprehensive overview of the tax measures introduced during the COVID-19 crisis across 66 countries and jurisdictions since the outbreak of the pandemic. The report also contains measures developed by the 53 member jurisdictions of the Forum on Tax Administration (FTA) together with the OECD, to support taxpayers and review business continuity arrangements.

A comprehensive Spreadsheet of the measures is available on this [link](#).

## Registration Open: CFE Forum - *Tax Transparency, Exchange of Information & Digital Commerce* - 6 May 2021

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Registration is now open 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 first panel will comprise a keynote speech by Pascal Saint-Amans, Director of the OECD Centre for Tax Policy and Administration. Panellists from the

European Commission, European Court of Auditors, academia and practice will then discuss cross-border exchange of information in the EU, and implications for taxpayers' rights, including use of information by tax authorities. To register to attend Panel 1, please follow this [link](#).

The second panel will comprise panellists from the European Commission, digital platforms and practice, and 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. To register to attend Panel 2, please follow this [link](#).

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