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EU Commission Publishes BEFIT Call for Evidence

The European Commission has last week published a [call for evidence](#) on establishing a new corporate income taxation framework in Europe (BEFIT), setting out the policy context and the key objectives of the initiative. This consultation follows on the discussions organised by the European Commission with key stakeholders within the Platform for Tax Good Governance, where [CFE presented](#) its preliminary views on the matter.

The European Commission has stated in the public call: "*While the principles of a common tax base and of formulary apportionment already featured in the previous proposals for a common consolidated corporate tax base, BEFIT will reflect the significant changes that occurred, in the meantime, in the economy and the international framework. The new proposal will build on the Inclusive Framework two-pillar approach of the Organisation for Economic Co-operation*

and Development (OECD) and the G20 since the formula for allocating profits of pillar 1 and the rules developed for pillar 2 will be a source of inspiration for the design of the BEFIT policy framework."

In her State of the Union speech, Commission President Ursula von der Leyen said of the new proposal for business taxation reform: "We need an enabling business environment, a workforce with the right skills and access to raw materials our industry needs. Our future competitiveness depends on it. We must remove the obstacles that still hold our small companies back. They must be at the centre of this transformation – because they are the backbone of Europe's long history of industrial prowess. And they have always put their employees first – even and especially in times of crisis. But inflation and uncertainty are weighing especially hard on them. This is why we will put forward a proposal for a single set of tax rules for doing business in Europe – we call it BEFIT. This will make it easier to do business in our Union. Less red tape means better access to the dynamism of a continental market."

The feedback window is open until 5 January 2023. Comments can be submitted via the Have Your Say portal of the European Union.

Register Now: Conference "Targeting the "Bad Apples": Enablers of Tax Avoidance"; Zagreb, 2 December 2022

CFE's 15th European Conference on Tax Advisers' Professional Affairs will be held in Zagreb, Croatia, on Friday 2 December 2022 from 09:30 am to 15:00 pm, organised in cooperation with the Croatian Chamber of Tax Advisers (HKPS), on the topic of ["Targeting the "Bad Apples" : Enablers of Tax Avoidance – Is it Still a Substantial Problem in Europe?"](#).

The EU Commission has been focused on introducing legislation to improve tax intermediaries' regulatory framework and tackle the role of enablers that facilitate tax evasion and aggressive tax planning in the European Union (Securing the Activity Framework of Enablers – “SAFE”). The Commission as part of this legislative initiative is considering policy options such as an EU register of enablers and due diligence procedures, enforcing measures via monetary penalties, and preventing intermediaries who fit the criteria from providing further services as a means of deterring aggressive tax planning.

Panelists at the 15th European Conference on Tax Advisers' Professional Affairs will consider the potential effectiveness of the proposed legislation; the definitions used and whether policy options which focus on tackling the role of enablers truly reduce aggressive tax planning within the European Union and properly target the “bad apples” in the tax advisory profession. Panelists will also discuss existing legislative measures in the EU, post-BEPS data, and whether tax evasion and aggressive tax planning continue to be a substantial problem in the EU with the introduction of the plethora of post-BEPS EU anti-avoidance legislation.

Further information and the registration page for the event is available [here](#).

CFE Publishes Statement on the EU Enablers Initiative

CFE Tax Advisers Europe has issued an [Opinion Statement](#) on the public consultation launched by the European Commission on 6 July 2022 on the policy options being considered ‘to improve a regulatory framework for tax intermediaries’, through a legislative proposal to tackle the role of ‘Enablers’ that facilitate tax evasion and aggressive tax planning in the European Union (Securing the Activity Framework of Enablers – SAFE).

CFE Tax Advisers Europe and its Member Organisations have always been supportive of reasonable and proportionate initiatives of the European Union. CFE notes the Commission's view that despite all of the measures taken by the EU and Member States in this area, tax evasion and aggressive tax planning continue to be a substantial problem in the European Union. However, we are very concerned that this view is based on pre-BEPS project data, which is not reflective of the impact of the very considerable volume of new legislative measures that have been introduced on foot of BEPS. It would seem inappropriate to introduce further measures without first fully evaluating the impact of the measures recently introduced.

CFE strongly recommends that no additional legislative action is taken by the Commission until such analysis has been performed (which we understand will start imminently). In this regard, CFE notes the recent study commissioned by the European Parliament, Permanent Committee on Taxation (FISC), which too notes that the impact of recent EU regulations on tax compliance across the Single Market remains uncertain, given that most intermediary regulations such as DAC 6 have been implemented quite recently.

To move forward in this very important area, CFE would like to draw to the Commission's attention the CFE paper on 'Professional Judgment in Tax Planning.' This paper sets out a framework to help steer all advisers in the direction of an appropriate balance between the rights and obligations of taxpayers, thereby raising standards in tax advice and reducing incentives for aggressive tax avoidance.

We invite you to read the [Opinion Statement](#) and would welcome any feedback or queries concerning the position paper.

Wyman Symposium 2022: Regulation of the Tax Profession - Is it the Way Forward?

The Institute of Chartered Accountants in England and Wales (ICAEW) will hold its annual [Wyman Symposium](#) on 1 November 2022, examining the topic of the regulation of the tax profession, and the factors driving regulation, including: the need to close the tax gap; improve consumer protection, and drive out poor behaviours by certain tax advisers.

The conference will examine the provision of tax services, existing regulatory measures, and whether such regulation is effective, the effect of unscrupulous advisers on the effectiveness of the tax system and on professional advisers such as ICAEW members, who do have to comply with extensive professional obligations. The conference will also discuss the UK government consultation planned for later this year, the de facto regulatory professional requirements and whether those foundations could be built on rather than imposing further costs and compliance burdens which might discourage taxpayers from seeking advice.

Speakers at the Symposium will include: Nick Parker, ICAEW Tax Faculty; Jens Poll, IESBA Task Force; Francesca Lagerberg, CEO of Baker Tilly International; Charlotte Barbour, Director of Regulatory Authorisations at ICAS; Aleksandar Ivanovski, Director of Tax Policy at CFE Tax Advisers Europe; and Grant Wardell-Johnson, Global Tax Policy Leader, KPMG.

Participants can register on the following [link](#).

OECD Secretary-General Report to G20 Ministers

The OECD Secretary General Mathias Corman in his [report](#) to the G20 finance ministers and central bank governors stated the implementation of the OECD's two-pillar international tax reform package continues to progress and tax transparency efforts deliver new major results. According to the report, the implementation of automatic exchange of information (AEOI) has resulted in 100 jurisdictions exchanging information on 111 million financial accounts in 2021, with a total value of 11 trillion Euros. In addition, the report sets out the progress related to Pillar 1 and 2 as well as the recently agreed international transparency framework on crypto-assets, CARF.

The full report can be accessed [here](#).

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