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US, UK & EU Countries Agree Transitional Repeal of Unilateral Taxes

Following the [agreement](#) reached by 136 jurisdictions on global minimum corporate tax and the partial reallocation of profit to market countries, [endorsed](#) last week by G20 Finance Ministers, Austria, France, Italy, Spain and the United Kingdom have now issued a joint statement with the United States, setting out an agreement reached for a transitional approach to walking back the existing unilateral digital taxes in those countries.

In the statement, Austria, France, Italy, Spain and the United Kingdom set out that they have agreed that the unilateral measures will remain in force until Pillar 1 is implemented, but that if the amount of tax collected in the jurisdictions

exceeds the equivalent amount that would be due under Pillar 1 in the first full year of implementation, that the excess amount will be creditable against the portion of the corporate income tax liability associated with Amount A as computed under Pillar 1 in these countries, respectively. Further, the United States has also undertaken to terminate any proposed trade action and refrain from taking any further action against Austria, France, Italy, Spain, and the United Kingdom in relation to their unilateral digital taxes until the implementation of Pillar 1 takes place.

The agreement notes that although the United States had argued for a immediate withdrawal of unilateral measures, effective as of the date of the political agreement, i.e. 8 October 2021, the countries with unilateral digital taxes preferred for the withdrawal of these measures to come into effect upon implementation of Pillar 1.

Platform for Collaboration on Tax Publish 2021 Report

The Platform for Collaboration on Tax, a collaborative project of the IMF, OECD, UN and the World Bank, has issued its [2021 report](#) examining the activities undertaken by the Platform in the past year across five focus areas, including: medium-term revenue strategies, COVID-19, tax and sustainable development goals, international taxation, and co-ordination.

The report demonstrates that the Platform increased support to countries during the COVID-19 pandemic in the areas of domestic resource mobilisation, release of joint knowledge products, technical assistance concerning tax-related responses to the crisis, and workshops on critical issues. The Platform also published two toolkits on [Transfer Pricing Documentation](#) and [Tax Treaty](#)

[Negotiations](#) and held a number of workshops and virtual consultations concerning these toolkits. The Platform also collaborated with the African Tax Administration Forum and the Asian Development Bank to host a series of workshops on the reform of tax systems.

As part of its future activities, the Platform aims to concentrate on identifying new priorities where its collaboration can be of most value, hold further events on the link between tax and the sustainable development goals, improve resources on the Platform's website and expand engagement with partner countries concerning the available toolkits.

[Register Now: CFE Conference on "Professional Judgment in Tax Planning" on 25 November 2021](#)

Register [now](#) to secure your place for the 14th European Conference on Tax Advisers' Professional Affairs, to be held virtually on Thursday, 25 November 2021 from 10:00AM to 12:00PM CET, on the topic of *"Professional Judgment in Tax Planning - An Ethics Quality Bar for All Tax Advisers"*.

Speakers from a wide range of stakeholder perspectives will examine issues raised in the [discussion paper](#) published by CFE seeking to promote ethical professional judgment across all tax advisers in Europe, through the proposed "ethics quality bar" contained in the paper, based on five questions that all tax advisers should reflect on when undertaking their advisory role in the overall tax system. Panellists will consider whether the quality bar can help to steer all advisers in the direction of an appropriate balance between the rights and obligations of taxpayers, avoiding abusive planning.

Registration for the event is possible via this [link](#). More details about the programme, line-up of speakers and registration will be available shortly.

EU Commission Launches Review of EU Economic Governance

The European Commission is inviting input on a [questionnaire](#) which reviews the EU's economic governance framework, carrying on with planned public consultation initially launched in February 2020, which was suspended in order to respond to the significant impact of coronavirus crisis. The review will focus on investment as part of the green transition, gradual reduction of the debt-to-GDP ratio and means to correct deepening economic inequality across the EU. The project will also review the use of the European Semester and link this to the Recovery and Resilience Facility. Further changes to the European Semester are to be announced in the coming month.

Paolo Gentiloni, Commissioner for Economy, stated of the review of EU economic governance project: *“After last year's unprecedented shock, Europe's economy is recovering strongly. Now we need to ensure that our future growth is both sustained and sustainable. We are relaunching this review of our economic governance against a backdrop of enormous investment needs, as the climate emergency becomes more acute with every passing year. At the same time, the powerful fiscal support provided during the pandemic has led to higher debt levels. These challenges make it all the more essential to have a transparent and effective fiscal framework. Achieving this is our joint responsibility and is crucial to the future of our Union.”*

Interested parties can provide feedback via the [survey](#) until 31 December 2021.

More information on the review of the EU economic governance can be found [here](#).

OECD Report on Carbon Pricing in Times of COVID-19

As part of the UN Climate Change Conference 2021, [COP26](#), the OECD has published a report entitled [Carbon Pricing in Times of COVID-19: What Has Changed in G20 Economies?](#) The report reviews how countries can convert long-term climate goals into "concrete policy packages that deliver the necessary transformational change". The report examines how carbon pricing can play a significant role in meeting climate goals and assist in the green recovery. Additionally, the report reviews the evolution of carbon prices in G20 countries between 2018 and 2021 and estimates carbon pricing resulting from carbon taxes, emissions trading systems, and fuel excise taxes.

Further to the report, the OECD is hosting a virtual event taking place within the COP26 virtual pavilion, [No Time to Rest](#), which will examine stepping up carbon pricing efforts to meet climate goals. The event will take place on 3 November 2021 from 4:00 - 5:00pm. Those interested in participating in the event can register via this [link](#).

The selection of the remitted material has been prepared by:

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