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Slovenia Sets Out Priorities for the EU Presidency: Mid-July Proposal on Digital Levy

Republic of Slovenia is taking over the rotating presidency of the European Union on 1 July. The [Slovenian Presidency](#) of the Council will focus on a number of priority areas in the economic and taxation sphere. Particular focus is given to the post-pandemic economic recovery, strengthening the rule of law throughout Europe, anti-money laundering, the Capital Markets Union Package, implementation of the Basel III standards and the EU budget for 2022.

Priorities in the direct tax area include proposal for EU digital levy, at present scheduled for mid-July, which is part of the EU Own Resources Package. Further work is expected on EU Commission legislative proposals regarding

shell companies, debt-to-equity tax bias (DEBRA), BEFIT- the new corporate tax proposal as well as the forthcoming update on the EU blacklist scheduled for the ECOFIN Council of October 2021. An update and revision of the mandate of the Code of Conduct Group for Business Taxation has also been planned by the Slovenian presidency.

In the area of indirect taxation, the 'Fit for 55 Package' as part of the European Green Deal is expected to be published in July, containing revisions of the Energy Taxation Directive and Carbon Border Adjustment Mechanism (CBAM). VAT proposals on tax rates and 'Buy and Donate' will also be tabled.

Beyond taxation, the EU Presidency Trio (Germany, Portugal, Slovenia) has set out [18-month priorities](#), which include addressing the impact of pandemic, restoring normal functioning of the European society and recovery of economies. The document reaffirms EU membership of the Western Balkans countries as a strategic priority of the European Union.

EU Taxation Trends: Stable Tax Revenues, Fall Expected in 2020-2021

The European Commission has published a [report](#) setting out the taxation trends in the European Union. The report indicates stable tax revenues across Member states, standing at 40.1% of gross domestic product (GDP) in 2019. Taxation of work (labour) provides the largest share of revenues standing at total of 20.7 % of the European GDP. The tax wedge for low earners continued its downward trend in 2020, with a significant cumulative decrease since 2012. The European Commission expects a 4% fall in revenues for Member states for 2020 and beyond, depending on the pace of the post-pandemic recovery of the European economies.

EU Commission Seeks Feedback on Cooperative Compliance Project

The European Commission has published a [survey](#) on a project undertaken with Member states aiming to establish cooperative compliance programmes, with focus on SMEs. To that end, the Commission is seeking feedback until 15 September 2021 on "current cross-border resolution of issues or disputes between your tax administration and other tax administrations, your expectations and ideas can help us shape a framework that will support businesses within the EU."

CFE Tax Advisers Europe and Accountancy Europe have issued a [joint statement](#) calling on the EU Commission and Member states to consider the role of cooperative compliance programmes in facilitating better tax governance. The joint statement calls on Member States to co-operate with the European Commission to develop effective co-operative compliance programmes suitable for all sizes and types of businesses that facilitate cross-border trade and reduce the possibilities for double taxation, to encourage and enable exchanging best practices on co-operative compliance in Europe, and to issue recommendations for co-operative compliance fit for SMEs.

Global Forum Publishes Peer-Review Reports on EOIR

OECD's Global Forum on Tax Transparency has published a new set of peer review reports assessing the legal and regulatory framework against the international standard on transparency and exchange of information on request (EOIR) for Antigua and Barbuda, Argentina, the Russian Federation, South

Africa and Ukraine. Key findings and recommendations are available on OECD's dedicated [website](#).

Registration: CFE Academy Webinar on Tax and Technology

CFE's July 2021 webinar in the CFE Tax Academy Series is the second in a planned series of webinars examining issues relating to tax and technology. The next webinar will take place on 29 July 2021 at 16:00 CEST on the topic of the use of central bank backed digital currency and current taxation practices relation to e-money. More information concerning registration for this event is available [here](#).

The first webinar in the series examined the topic of "Cryptocurrency & Digital Regulation Developments for Tax Advisers", discussing notable developments in the cryptocurrency and e-assets sphere for tax advisers to be aware of, the Digital Transformation process in the UK, Europe and in Italy, as well as Sustainable Transition and how technology can be of help to it. Speakers' presentation slides are available at the following [link](#).

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