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EU Expands DAC Framework with 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.

EU Commission Refers UK to the ECJ on State Aid Matters

The European Commission referred the United Kingdom to the European Court of Justice for failure to recover tax assessed as State aid with a Commission decision related to Gibraltar. The assessment concerns the period when the UK was a Member state of the EU. Under Article 87 the Withdrawal Agreement, the Commission is entitled to pursue this action, with the Court of Justice as the relevant body having jurisdiction in these cases. The case concerns State aid of approximately €100 million, granted as a tax exemption for passive interest and royalties in Gibraltar, and relates to a factual situation that took place before the UK left the European Union.

Commission Vice-president Margrethe Vestager, in charge of competition policy, said *"The aid granted by Gibraltar in the form of corporate tax exemption for passive interest and royalties gave an unfair advantage to some multinational companies and had to be recovered by the United Kingdom and the Gibraltar authorities. However, more than two years after the Commission adopted this decision, the aid has still not been recovered in full and sufficient progress has not been made in restoring competition. That is why we have*

decided to refer the United Kingdom to the Court of Justice for failing to implement this decision."

The European Commission press-release on the case is available [here](#).

Tax and 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.

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](#).

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.

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