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Macron Discusses Ireland's Support for OECD's International Tax Agreement

French President Emmanuel Macron [visited](#) Ireland last week to discuss taxation and Brexit, hoping to persuade his Irish counterparts to support the OECD proposals to reform the international tax rules. Macron has publicly denied any pressure on Ireland, but the Irish government acknowledged that Irish support for the OECD proposals was discussed "at length".

Speaking at a press conference in Dublin, Macron said: "I think our citizens no more understand why when you are an SME you pay tax, but when you are a big corporation you don't pay tax." Macron said. Adding that Ireland's economic model has produced "unique" results, but is "running out of road", Macron said

that the situation is now different in the post-pandemic world, with governments requiring much more revenue for public investment and recovery. “I want to believe that we will find the right path together, in order to deliver a common framework and to deliver minimum taxation, because I do believe it makes sense,” Macron said.

Head of Ireland's Government Micheál Martin said that Ireland maintains reservations concerning the OECD proposals. “There are significant challenges for us in respect of this process. But we are in no doubt that we will be engaging constructively in the process, and there's some journey yet to go in that.”, Martin said at the press-conference with Macron.

In addition to Ireland, a number of other EU Member states such as Hungary, Cyprus and Estonia have publicly expressed certain discontent with the OECD proposals, and might veto the agreement should it be implemented via EU law. The OECD aims to complete the agreement on the technical detail by October, with implementation commencing as early as 2023.

EU Conference on Global Tax Avoidance and Evasion

The European Commission, in cooperation with the EU Joint Research Centre, organises a [conference](#) on the global fiscal and distributional consequences of the tax avoidance and tax evasion, scheduled for 27 - 29 September 2021. The conference aims to discuss various policy perspectives on tax avoidance, academic research on the matter, emergence of new policy instruments and other relevant aspects of tax avoidance such as tax morale.

Panelists/ moderators include representatives from the European Commission, academics and researchers, European Parliament representatives, NGOs and

journalists, and other international organisations. Closing remarks will be provided by EU Commissioner Paolo Gentiloni.

France and U.S. Sign Joint Statement on CbCR Exchange

United States and France signed a [joint statement](#), published by the Internal Revenue Service (IRS), concerning the implementation of spontaneous exchange of Country-by-Country Reports (CbCR) for the fiscal years 2020 and 2021.

As a result of this agreement, the Competent Authorities of US and France will commence with spontaneous exchange of CbC Reports on basis of the existing Double Tax Treaty between the two countries, no later than 15 months after the last day of the fiscal year of the MNE Group to which the Spontaneously Exchanged CbC Report relates. The exchange the CbCR will occur spontaneously through an exchange in the common format i.e. Extensible Markup Language (XML).

The agreement is signed on basis of Article 27 of the US - France Double Tax Treaty.

EU Deploys Anti-Dumping Measures Against Trade Partners

The European Commission has leveraged on its new trade policy instruments towards third countries, whereby the EU takes defensive against unfair trade practices, including dumping and products benefiting from foreign State Aid/ subsidies entering the Single Market. The EU has used the trade policy anti-dumping instruments against a number of foreign trade partners in 2020,

notably against China (99 measures), Russia (9 measures), India (7 measures) and the United States (6 measures). "Ensuring fair trade conditions for European producers also means dealing with trade defence actions taken by third countries against the EU", the [39th Annual Report](#) on the EU's Anti-Dumping, Anti-Subsidy and Safeguard activities and the Use of Trade Defence Instruments by Third Countries targeting the EU in 2020 concludes.

Commenting, EU Commission Vice- President Valdis Dombrovski said of the developments: *"The EU needs effective tools to defend ourselves when we face unfair trade practices. This is a key pillar of our new strategy for an open, sustainable and assertive trade policy. We have continued to use our trade defence instruments effectively during the COVID-19 pandemic, improved their monitoring and enforcement, and tackled new ways of giving subsidies by third countries. We will not tolerate the misuse of trade defence instruments by our trading partners and we will continue to support our exporters caught up in such cases. It is crucial that our companies and their workers can continue to rely on robust trade defence instruments that protect them against unfair trade practices."*

CFE Statement on the Use of Shell Entities for Tax Avoidance Purposes

CFE Tax Advisers Europe has published an [Opinion Statement](#) on the European Commission public consultation on fighting the use of shell entities for tax avoidance purposes. From the CFE's perspective, the challenges to successfully designing balanced measures addressing abuse of shell entities at EU level are three-fold:

1. How to meaningfully scope shell entities and provide definitions that are sufficiently clear to exclude entities engaged in legitimate holding, estate planning, financial, insurance/reinsurance and/or commercial activities, even if they do not need staff and equipment to achieve such purposes;
2. How to choose a policy solution that is fit for purpose in the context of the existing measures aimed at targeting solely abusive/illicit use of shell entities;
3. How to avoid complex legislation which includes hallmarks, such as those used in DAC 6, instead of clear legal definitions. Discussions that the CFE has had with relevant stakeholders, suggest that many taxpayers, their advisers and tax administrations are still struggling to understand the scope of those hallmarks.

CFE's view is that new anti-avoidance initiatives are not necessary at present, given that there are plethora of existing rules and practices enshrined in EU law which would be suitable to address the concerns outlined in the EU initiative to tackle abusive use of shell entities for tax avoidance purposes. Prior to any potential EU action, the Commission, in cooperation with Member states should assess Member States' practices and legislation (where existing) to address use of shell entities for tax avoidance and evasion purposes.

We invite you to read our [statement](#), and remain available for any queries you may have.

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