



BRUSSELS | 8 FEBRUARY 2021

OpenLux: Tax Investigation into Luxembourg by Le Monde

Le Monde has today [revealed](#) it has completed an extensive investigation into tax affairs in Luxembourg, which will be published in [5 chapters](#), concerning: transparency and beneficial ownership, French individuals, French families of great wealth, multinationals; and money laundering.

Le Monde reportedly compiled information from beneficial owner databases for the 124,000 companies registered in Luxembourg, revealing that their analysis shows “55,000 offshore companies managing assets worth at least 6 trillion euros”, with 90% of the beneficial owners of the companies reportedly controlled by non-Luxembourgish entities, from over 157 jurisdictions, with over 10,000 of these controlled by French entities. The report details that

Luxembourg is home to over “279 of the more than 2,000 billionaires listed by Forbes magazine and 37 of the 50 wealthiest French families”. The investigation was carried out jointly by *Suddeutsche Zeitung* in Germany, *Le Soir* in Belgium, McClatchy in the United States, Woxx in Luxembourg, *IrpiMedia* in Italy, and the OCCRP Consortium of investigative journalists.

The Luxembourg Government has published a pre-emptive [statement](#) concerning the OpenLux investigation, stating that “*Luxembourg is fully in line and compliant with all EU and international regulations and transparency standards, and applies, without exception, the full arsenal of EU and international measures to exchange information in tax matters and combat tax abuse and tax avoidance. Neither the EU nor the OECD have identified any harmful tax regime or practices in Luxembourg. Luxembourg provides no favourable tax regime for multinational firms, nor digital companies, which have to abide by the same rules and legislation as any other company in Luxembourg.*”

Those in favour of corporate tax reform for the EU are now [calling](#) for the Commission to urgently impose a minimum taxation on corporate profits, public country-by-country reporting, and increase transparency that would bring an end to tax competition.

EU Commission Launches Consultation on VAT Rules for Financial & Insurance Services

The EU Commission has launched a [public consultation](#) concerning VAT rules for financial and insurance services. The initiative to review the VAT rules for financial and insurance services was contained in the Commission’s 2020 Tax

Package Action Plan, based on the fact the existing rules have been criticised for being complex and difficult to apply, leading to uncertainty, high compliance costs and lack of VAT neutrality. An impact assessment is also being prepared on the implications of either removing the existing exemption or keeping it and modifying the scope, as well as concerning issues caused by the current exemption such as cost-sharing and issues with calculating VAT on high-frequency trading.

Input from the public consultation will be used to feed into a proposal for a directive to “address the competitive disadvantage faced by financial and insurance operators... caused by irrecoverable VAT”.

Input can be submitted until 3 May 2021 via the [Have Your Say portal](#).

Grounds of Appeal in Apple State Aid Case Published

The [grounds of appeal](#) of the EU Commission in its appeal against the General Court decision in the €14 billion Apple State Aid case have now been published in the Official Journal of the European Union.

The General Court annulled the Commission’s decision that Ireland’s tax authorities granted Apple a “selective advantage” by failing to employ appropriate profit allocation methods to apportion income of the Irish Apple branches, in contravention of EU State aid law.

The final determination of the case will be made by the Court of Justice of the European Union. The Court of Justice has repeatedly disagreed with the General Court on substantive issues concerning fiscal State aid (cf. Gibraltar, World Duty Free), where the ECJ subsequently annulled General Court

judgments in particular regarding the interpretation of the notion of 'selectivity'.

EU Commission Publishes Mind the VAT Gap Roadmap

The EU Commission has published a [Roadmap](#) concerning a planned Communication entitled “Mind the VAT Gap” which will highlight administrative practices in Member States which have reduced their national VAT gap. The Communication will also identify financing or other tools the Commission can provide in order for Member States to implement the practices identified in the Communication. The initiative was contained in the Commission’s 2020 Tax Package Action Plan and will build on the statistical information contained in the most recent VAT Gap study.

The Roadmap sets out that Member States have already been consulted in the process of preparing the Communication, and that no public consultation will be carried out, given the focus of the Communication is on tax administration. Input can be submitted on the Roadmap document until 3 March 2021 via the [Have Your Say portal](#).

Save the Date: CFE European Register Webinar on the Tax Implications of Brexit - 25 February 2021

Save the date for the first 2021 edition of the CFE European Register Webinar Series, to be held virtually on Thursday, 25 February 2021 from 2:30pm to 3:30pm CET, on the topic of the [“Tax Implications of Brexit”](#).

The webinar will welcome tax experts including: Jeremy Woolf, Barrister from Pump Court Tax Chambers, the United Kingdom; Trudy Perié, from Loyens &

Loeff, the Netherlands; and Aleksandra Heinzer, EU VAT specialist from Slovenia. CFE's Tax Policy Manager, Aleksandar Ivanovski will moderate the webinar. The panel will examine the tax consequences of Brexit, including key changes to UK rules following Brexit, differences in recognition of clients from the UK and Northern Ireland from a practical point of view, and significant EU customs implications.

Register [here](#) to secure your place for the webinar.

The selection of the remitted material has been prepared by:

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