



CFE EVENTS

Save the date: PAC Conference “Tax Transparency – The challenge of making it work” on 5 December in Paris

The 7th CFE Professional Affairs Conference will deal with three aspects of tax transparency, currently discussed at EU and OECD level: These are corporate country-by-country reporting, mandatory disclosure of tax avoidance schemes and “cooperative compliance” in the relationship between taxpayers and their advisers and the tax administration. In 2014, following vehement discussions, the EU legislators opted against the introduction of country-by-country reporting of tax payments by all large enterprises in the EU Accounting Directive, but included a review clause to make sure that the topic will remain on the agenda. Disclosure of tax avoidance schemes, mandatory in a number of countries, is in the focus of OECD as one possible solution to “base erosion and profit shifting” (BEPS). “Cooperative compliance” finally is a term coined by the OECD, advocating an end of the adversarial relationship between taxpayers/advisers and tax authorities. Taking a closer look at the French tax administration’s recently introduced “relationship of trust”, the PAC conference will discuss whether cooperative compliance is a model for the future or merely a fair weather approach. The conference will take place on Friday, 5 December 2014 in central Paris. Invited speakers include high-ranking officials from OECD and tax administration as well as business representatives and tax practitioners.

READ MORE (click to open):

CFE Website : [EN](#)

DIRECT TAX

EU Council agrees on rule against non-taxation of hybrid mismatches in Parent-Subsidiary Directive

On 20 June 2014, the EU Council has agreed on the text of a revised Parent-Subsidiary Directive, including a subject to tax clause obliging the member state

of a parent company to tax a payment received from its subsidiary in another member state to the extent that this payment is deductible in the member state of the subsidiary. Unanimity could finally be reached after the more contentious introduction of a harmonised general anti-abuse rule had been postponed and additional statements by the Commission were included in the Council minutes saying that the subject to tax clause is meant to cover only mismatches generating unintended benefits and that the application of the rule should not lead to double taxation. Formal endorsement of the agreed text will take place at one of the next Council meetings.

READ MORE (click to open):

Council press release: [EN](#)

Explanation and text of the PSD amendment: [EN](#)

EU Joint Transfer Pricing Forum publishes March 2014 meeting summary

The European Commission has published the summary report of the Joint Transfer Pricing Forum’s meeting of 6 March 2014, dealing mostly with the improvement of the functioning of the EU Arbitration Convention.

READ MORE (click to open):

Summary report of the March 2014 TP Forum meeting: [EN](#)

Communication on the work of the TP Forum: [EN](#) (BG, DE, FR available)

CFE to take part in Commission expert group on cross-border tax problems of individuals

The European Commission has set up a “Group of experts on removing tax problems facing individuals who are active across borders within the EU” ([see](#)

DIRECT TAX

CFE European Tax & Professional Law Report April 2014 which will consult the Commission in the resolution of inheritance and other tax issues of individuals until the end of 2014. The CFE has been accepted to the group, along with five of its member organisations: the Czech Chamber of Tax Advisers, the Spanish Association of Tax Advisers AEDAF, The Irish Tax Institute, the Dutch association of tax advisers NOB and the UK's Chartered Institute of Taxation. The first meeting of the group, originally envisaged for 30 June, has been rescheduled to 9 September 2014. More information will be available soon on the dedicated Commission website.

READ MORE (click to open):

Expert group on Commission website: [EN](#)
(DE, FR available)

Commission publishes new transfer pricing guidance: risk management, secondary and compensating adjustments

On 4 June 2014, the European Commission adopted a Communication which includes guidelines on three aspects of the treatment of transfer pricing transactions: risk management in dealing with transfer pricing, the application of secondary adjustments and the use of compensating adjustments, drawn from the work of the EU Joint Transfer Pricing Forum.

READ MORE (click to open):

Communication COM (2014) 315 of 4 June 2014: [EN](#) (BG, DE, FR available)

FAQs: [EN](#) (FR available)

CFE publishes updated Transfer Pricing Survey

The CFE has published the 2013/2014 update of its survey on transfer pricing documentation. The questionnaire to which 21 CFE countries have responded has been extended and a new chapter on benchmark assessments has been added as well as recent case law.

READ MORE (click to open):

CFE Transfer Pricing Survey 2013/2014 update: [EN](#)

INDIRECT TAX

Commission calls for applications for 2nd mandate of VAT Expert Group

On 5 June 2014, the European Commission has called for applications of individuals and organisations for another 2-year-mandate of the VAT Expert Group set up in 2012, starting on 1 October 2014. The group is composed of individuals with the requisite expertise in the area of VAT and organisations representing in particular businesses and tax practitioners which can assist in the development and implementation of VAT policies. The Expert Group is following up on the Communication on the future of VAT of 6 December 2011, containing an action plan for a general overhaul of the EU VAT system. Applications must be submitted by 19 July 2014.

READ MORE (click to open):

Call for applications: [EN](#)

Information on the VAT Expert Group: [EN](#)
(DE, FR available)

ECJ rules on VAT treatment of discount cards

According to a judgment delivered by the European Court of Justice on 12 June 2014 in the preliminary ruling case C-461/12, Granton Advertising, upon reference from the Court of s' Hertogenbosch/Netherlands, the sale of a discount card does not constitute a transaction in 'other securities' or concerning 'other negotiable instruments' to be exempted from VAT.

READ MORE (click to open):

Judgment: [EN](#) (all EU languages available)

Opinion of Advocate-General Juliane Kokott: [EN](#)
(all EU languages available)

INDIRECT TAX

Mini One Stop Shops: additional guidelines on auditing and conference in Warsaw

On 19 June 2014, the European Commission has published additional guidelines on auditing under the VAT One Stop Shop rules that will apply as of 2015 for providers of e-services, telecommunication and broadcasting. These supplement the guidelines issued in October 2013. Translation of the additional guidelines into other languages than English is planned. The Commission is hosting a number of conferences across the EU to inform business and stakeholders on the Mini One Stop Shops. Registration of a conference in Warsaw on 9 September 2014 is now open (until 25 July). The Commission has also made available a video recording of its London conference on 2 June 2014.

READ MORE *(click to open)*:

Additional guidelines: [EN](#)

Guide to the Mini One stop Shop: [EN](#)
(all EU languages available)

Registration for Warsaw conference: [EN / PL](#)
(PL available)

Video recording of London conference: [EN](#)

Business survey on the destination principle – VAT Expert Group adopts opinion on regime for intra-EU B2B supplies of goods

On 12 June 2014, the VAT Expert Group adopted an opinion on the definitive VAT regime for the taxation of intra-EU B2B supplies of goods. The Group also encourages business to take part in the survey related to the ongoing study on applying the 'destination principle' to intra-EU B2B supplies of goods.

READ MORE *(click to open)*:

VAT Expert Group Opinion: [EN](#)

Business survey: [EN](#) / [FR](#), [DE](#), [IT](#), [SP](#), [PL](#)

VAT One Stop Shops: Commission calls on member states to ensure business-friendly implementation of new rules

On 26 June 2014, the European Commission has published a report on the new VAT rules that will apply as of 2015 for providers of e-services, telecommunication and broadcasting. The report addresses businesses' concerns unresolved by the new rules, asking member states to accommodate these in a pragmatic and business-friendly way, i.e. not to require businesses to issue invoices for B2C services and to designate a contact point for double taxation problems, as the new rules do not provide for a resolution procedure.

READ MORE *(click to open)*:

Report COM (2014) 380: [ALL EU languages](#)

VAT Committee guidelines, last updated 27 May 2014: [EN](#)

Council reports on its work on a standard VAT return

On 20 June 2014, the Ecofin Council published a report on progress in the Council Working Party on Tax Questions on the proposal for a common standard VAT return, submitted by the European Commission last October. The Greek Council presidency has drafted a compromise proposal according to which the obligatory and optional information to be included in the standard VAT return should be agreed unanimously by member states and annexed to the Directive, instead of using the comitology procedure, as the Commission had suggested. Although this was supported by most member states, the report reveals that most member states are not ready to give up their flexibility to define national tax administrative rules and specific additional information requirements. The European Parliament had voted in support of the Commission's proposal in February. Also CFE issued a favourable Opinion Statement.

READ MORE *(click to open)*:

Progress report: [EN](#)

CFE Opinion Statement FC 8/2014 of April 2014: [EN](#)

OTHER TAX POLICY

Commission issues Country-Specific Recommendations

On 2 June 2014, the European Commission issued Recommendations as a part of its European Semester economic policy coordination exercise. All Recommendations except for those made to Denmark, Finland, Estonia and Slovenia include tax topics. One frequently reiterated message is the Commission's demand for a shift of the tax burden from labour to consumption and environmental impact.

READ MORE *(click to open)*:

Press release : [EN](#) (FR available)

All recommendations: [EN](#)

Tax-related recommendations by country: [EN](#)
(DE, FR available)

Eurostat's Taxation Trends 2014 publication reports taxes on the rise

The EU's statistical office Eurostat has published its annual tax statistical overview "Taxation trends in the European Union" containing detailed statistical and economic analysis of the tax systems, revenue trends and the main recent policy changes of the EU member states, plus Iceland and Norway. The data includes the EU's and individual countries' revenue structure by type of tax (labour, consumption, capital, property and environment) and level of government, until 2012. The report observes that the tax to GDP-ratio has risen to 39.4% (40.4% in the Euro area) in 2012, the main source of revenue was still labour income, accounting for 51% of tax income.

READ MORE *(click to open)*:

Eurostat press release: [EN, DE, FR](#)

Short presentation: [EN](#)

Full report including data on EU member states, Iceland & Norway: [EN](#)

Country chapters: [EN](#)

Revenue data by individual tax: [EN](#)

Dedicated European Commission website: [EN](#)

Commission website: [EN](#)

STATE AID

Commission launches state aid investigation into tax rulings concerning Apple, Starbucks and Fiat Finance and Trade

On 11 June 2014, the European Commission announced that it has initiated in-depth investigations into tax rulings by the tax authorities of Ireland, Luxembourg and the Netherlands on transfer pricing arrangements of Apple, Starbucks and Fiat Finance and Trade. Tax rulings may involve state aid within the meaning of EU rules if they are used to provide selective advantages to a specific company or group of companies. The arrangements in question concern the taxable basis which, as the Commission suspects, could have been underestimated; they do not relate to the applicable tax rate. The opening of in-depth investigations gives third parties the possibility to comment but does not prejudice the outcome of the findings.

READ MORE *(click to open)*:

Press release: [EN](#) ([FR](#), [DE](#), [NL](#) available)

Statement by Commissioner Almunia: [EN](#)
(FR available)

ACCOUNTING

Country by country reporting: Commission consults on equivalence of third country regimes for extractive industries

On 25 June 2014, the European Commission has launched a public consultation on the equivalence of third country regimes for mandatory country by country reporting (cbcr) of payments to governments of

the extractive and forestry industries. The EU has introduced its own cbc regime for large and public undertakings in these sectors in the 2013 revision of the EU Accounting Directive (see Art.41 ff). The EU rules provide for an exemption for undertakings that meet third country cbc requirements equivalent to the EU rules. The Commission is particularly interested in input on how such equivalence can be assessed. The consultation will be open until 10 October 2014.

READ MORE (click to open):

Consultation website: [EN](#) (DE, FR available)

EU Accounting Directive 2013/34/EU: [EN](#)
(All EU languages)

OTHER EU POLICY

Italian social democrat set to be next ECON chair

According to press reports, on 26 June 2014, the political groups in the newly elected European Parliament reached agreement on the distribution of Committee chairmen's posts: The Italian social democrat (S&D group) Roberto Galtieri would chair the Economic and Monetary Affairs Committee (ECON) for the first half of the EP's five-year term. The ECON is responsible for most tax dossiers. Also the chair of the Civil Liberties, Justice and Home Affairs (LIBE) Committee, jointly responsible with the ECON for the EP's recent work on the Anti Money Laundering Directive, will go to S&D. The Internal Market and Consumer Protection (IMCO) Committee, responsible for most professional affairs matters including qualifications and cross-border services, would go to a member of the ECR (European Conservatives and Reformists) group, possibly from the UK Conservative Party, while the European People's Party will get the Legal Affairs Committee (JURI) chair, responsible for audit and accounting. The new EP will hold its first meeting on 1 July 2014.

CROSS-BORDER TAX ADVICE

Commission asks for businesses' experience with the Internal Market for services

On 24 June 2014, the European Commission has published a questionnaire directed at businesses providing or receiving cross-border services, aimed at providing the Commission with experience-based evidence of the remaining obstacles to a fully functioning Single Market for services. The questions cover cultural difficulties (e.g. languages, client interest and behaviour or labour relations), regulatory difficulties (e.g. authorisation schemes, professional qualifications, advertising rules, insurance, consumer protection, labour law or VAT), standards and certification and administrative burden and lack of digitalisation. As the survey is conducted by Directorate-General Internal Market (DG MARKT) in the context of the monitoring of implementation of the EU Services Directive, it can be assumed that reported regulatory difficulties will receive particular attention by the Commission. The deadline for responding to this questionnaire is 15 November 2014.

READ MORE (click to open):

On-line survey (pdf version available): [EN](#)

ANTI MONEY LAUNDERING

Council adopts negotiating position on Anti Money Laundering Directive

On 18 June 2014, the EU Council agreed on a mandate for the Italian Council presidency to start negotiations on the revision of the EU Anti Money Laundering (AML) Directive with the new European Parliament. This will be done on a basis of a compromise drafted by the Greek Council presidency. The European Parliament had voted on 11 March 2014 ([see CFE European Tax & Professional Law Report March 2014](#)) on the Commission's proposal of February 2013, including substantial changes. The Council's negotiating position does not include a key demand of the Parliament, the introduction of public registers containing beneficial ownership information on companies, other entities with legal personality and trusts. In the Council version, there will be a re-

gister but access would be limited to financial intelligence units and authorities (member states could opt to extend this to obliged entities). The Council text also clarifies that beneficial ownership information needs to be provided to obliged entities like tax advisers carrying out customer due diligence. Reference to aggressive tax planning and tax avoidance, which has been added by the EP, has not been included by the Council. Generally, the Council position is closer to the European Commission's original proposal. CFE has commented twice on the legislative works on the AML Directive.

or indeed for any further links which they may support.

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READ MORE (click to open):

Commission press release: [EN](#) (FR available)

Council press release: [EN](#) (FR available)

Council presidency compromise: [EN](#)

IMPRESSUM



CONFEDERATION
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