

# CFE's Tax Top 5

## KEY TAX NEWS OF THE WEEK

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### Amazon Increases Referral Fees in France Following Introduction of Digital Tax

Amazon France has issued a [notice advising sellers](#) that following the introduction of a digital tax in France it will now increase referral fees rates for sellers by 3% to offset this additional cost.

This follows on from the announcement by the Office of the United States Trade Representative that it had [launched an investigation](#) under Section 301 of the Trade Act of 1974 into whether the French digital services tax unfairly targets US businesses.

The French bill on digital services tax was adopted on 11 July by the French parliament, signed by French President Emmanuel Macron into law on 24 July, and published in the [official gazette](#) on 25 July. The legislation will impose a 3% digital services tax on resident and non-resident companies with a global turnover above 750 million Euros, and a national turnover above 25 million Euros. The tax will apply with retroactive effect from 1 January 2019.

Following the French bill being signed into law, US President Donald Trump [tweeted](#) that there would be “substantial reciprocal action” taken by the US concerning the digital tax. The tweet further implied that French wine may be the subject of additional tariffs. The internet services lobbying group ASIC, whose members include Facebook, Google and Amazon, are also expected to lodge a complaint concerning the tax with the European Commission in the coming days.



### Global Forum on Tax Transparency Publish Compliance Reports

The OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes has [published](#) nine peer reviews assessing the compliance of certain jurisdictions with international standards of transparency and exchange of information on request. The reviews form part of the second round of peer reviews, which focus on compliance with updated standards of transparency, in line with the Financial Action Task Force Recommendations, in relation to beneficial ownership information for relevant arrangements and legal entities.

The jurisdictions subject to the peer reviews were Botswana, Costa Rica, Croatia, the Federated States of Micronesia, Guatemala, Lebanon, Malaysia, Nauru and Vanuatu. Costa Rica, Croatia, Lebanon, Malaysia, the Federated States of Micronesia and Nauru were deemed “largely compliant”, whereas Botswana and Vanuatu were rated as “partially

compliant". Guatemala was deemed to be "non-compliant" on the basis that exchange of accounting and banking information does not take place. It is the second jurisdiction to receive a non-compliant rating after Trinidad and Tobago.

The reviews were undertaken as part of the second round of peer reviews by the Global Forum, following the international standards for transparency and exchange of information being updated to include aspects relating to beneficial ownership.



## European Commission Publishes APA and MAP Statistics

The European Commission has [published statistics](#) concerning pending Advance Pricing Agreements "APAs" and Mutual Agreement Procedure "MAPs" for 2017 and 2018. The figures for the MAP statistics are compiled from reports required to be made by Member States under the Arbitration Convention. The APA statistics are sourced from a report undertaken by the EU Joint Transfer Pricing Forum, with information provided by Member States.

The statistics identify that the number of MAP cases opened in 2018 increased significantly, with 727 cases opened in 2018 compared with 547 cases in 2017. The number of cases which were successfully resolved also increased significantly, with 674 cases completed in 2018, compared with 534 in 2017. These statistics indicate that efficiency in the process of handling MAP cases has improved, and that the level of taxpayer interest in pursuing MAP as a means to resolve tax disputes has also increased.

The number of APA requests received also increased on average in 2018, with 570 EU and 526 non-EU requests received in 2017 and 778 EU and 327 non-EU received in 2018. The total number of APAs granted globally decreased in 2018, with 1,133 requests granted in 2017, but only 713 granted in 2018.



## Germany Pushes for European Aviation Tax

Ahead of a meeting which took place between federal ministers last week, Environment Minister Svenja Schulze [reportedly](#) advocated for an increase in the German aviation tax as an interim measure whilst a European approach to the issue is agreed. German Finance Minister Olaf Scholz also [reportedly](#) echoed those sentiments in a recent interview, hinting that a European air tax is an immediate possibility.

Whilst an emissions trading scheme is already in place in Europe, Minister Schulze stated that "it cannot be that a train journey within Germany is more expensive than a flight. Air traffic must be priced more reasonably. This would require an appropriate Europe-wide price for kerosene or a Europe-wide ticket tax."

This follows from French Transport Minister Elisabeth Borne stating that France had "decided to put in place an eco-tax on all flights from France", [announcing](#) in early July that France would introduce a tax of 1.5 Euros for economy tickets and 9 Euro for business tickets on flights within the European Union, and a 3 Euro tax for economy tickets and 18 Euros for business tickets for flights departing France for a destination outside of the EU.

A European carbon border tax is anticipated in the coming months as part of the [agenda of EU Commission President](#) Ms von der Leyen.



## Reminder: GTAP Conference – 3 October 2019: Programme & Registration

The Global Tax Advisers Platform [inaugural conference](#) will take place on 3 October 2019 in Torino on the topic of “*Tax & The Future*”. GTAP was formed in 2014 by CFE, AOTCA and WAUTI as a global response of tax advisers to international tax initiatives, with the aim of forging closer links among tax advisers throughout the world. The platform provides the proper framework for a more dynamic, more inclusive cooperation among tax advisers, on the basis of enhanced dialogue, more effective collaboration and openness.

The GTAP conference will examine issues that are of interest to all tax advisers in a borderless, increasingly globalising and automated society, driven by new technologies. To that end, four panels of expert speakers will consider the evolution and future of the topics of global tax policy, corporate income tax and VAT, the global tax profession and business models and tax sustainability. More details of the event and programme are available [here](#).

[Register now](#) to secure your spot at the conference!



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