

# CFE's Tax Top 5

## KEY TAX NEWS OF THE WEEK

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### Discussions on Digital Tax & Tariffs at G7 Meeting

At the G7 Summit taking place in Biarritz from 24 to 26 August, an agreement has [reportedly](#) been reached between the US and France concerning the recently introduced French digital tax. Following the French digital tax being signed into law in late July, US President Donald Trump tweeted that there would be “substantial reciprocal action” taken by the US concerning the tax, implying that French wine may be the subject of additional tariffs.

The agreement reportedly provides for a repayment mechanism to be introduced whereby France would repay any amount taxed in excess of any mechanism agreed at OECD level for the taxation of digital businesses. José Ángel Gurría Treviño, Secretary General at the OECD, speaking at the Summit, [confirmed](#) that significant progress has been made on the issue by the OECD.

In a speech given before the G7 summit meeting, EU Council President Donald Tusk also identified trade wars as an immediate challenge for the G7, stating *“trade deals and the reform of WTO are better than trade wars. Trade wars will lead to recession, while trade deals will boost the economy, not to mention the fact that trade wars among G7 members will lead to eroding the already weakened trust among us”*.



### Draft DAC6 Implementing Legislation Published in Multiple Member States

Luxembourg, The Netherlands and Estonia have all recently published draft legislation that will implement the EU Mandatory Disclosure Rules Directive (DAC6). Member States have until 31 December 2019 to implement the directive into national legislation.

All three countries have drafted the implementing legislation broadly in line with the Directive, and have not sought to Gold-plate the Directive. However, the Netherlands and Estonia have sought to provide some guidance on the scope and hallmarks of the Directive.

The maximum penalties that may be imposed vary significantly between the draft legislation of the countries, with a maximum penalty amount of 3,300 Euro in the draft Estonian legislation, 250,000 Euro in the Luxembourgish legislation and 830,000 Euro in the Dutch legislation. Further, the draft Estonian legislation provides for the privilege against self-incrimination to be considered in assessing compliance with reporting obligations, and does not require taxpayers to disclose information about their use of the arrangements. The Luxembourgish legislation, on the other hand, does require taxpayers to disclose the use of the arrangement in their tax returns.

According to the Directive, intermediaries who design and/or promote reportable tax planning schemes will be required to disclose information on reportable cross-border arrangements the first step of which was implemented after 25 June 2018. National tax administrations will then automatically exchange the information with other Member States through a centralised database. Penalties will be imposed on intermediaries who do not comply with the new reporting measures. The initial automatic exchange of information between member states should take place on 31 October 2020.



## Reminder: 12th European Conference on Tax Advisers' Professional Affairs on AML Directives

The [12th European Conference on Tax Advisers' Professional Affairs](#) will be held in Paris on Friday, 29 November 2019, on the topic of "Tax Transparency Trends: Are Tax Advisers Ready for the New EU Anti-Money Laundering Rules?"

The conference will examine the impact of existing EU anti-money laundering rules and the new requirements of the 5th AML Directive, including making beneficial owners of legal entities registers public, providing increased access to information on the beneficial ownership of trusts and the expansion of AML rules to entities which store, hold or transfer virtual currencies. Speakers will also discuss enhanced cooperation and exchanges of information provided for between the EU and Member States under the 5th AML Directive. In addition, panellists will discuss compliance with and implementation of the measures in practice and the information available to supervisory bodies to facilitate their obligations under the Directive. More details about the programme and line-up of speakers will be available in due course.

[Register now](#) to benefit from early-bird registration prices and to secure your spot!



## UK Advance "No-Deal" Brexit Business Preparedness Plans

The UK revenue authority, HMRC, has announced plans to [accelerate preparedness of businesses](#) for a "no-deal" Brexit, under which businesses will automatically be allocated an Economic Operator Registration and Identification (EORI) number. AN EORI number will be required post-Brexit in order for businesses to continue trading with EU Member States.

Businesses established in the UK which import goods from the EU into the UK will also be entitled to transport and import goods without the need for making customs declarations at the border and will be entitled to delay payment of import duties.

Chancellor of the Exchequer Sajid Javid said of the new plans *"As the government accelerates its preparation to leave the EU on 31st October, it's right businesses are prepared too. There can be no time for delay which is why HMRC has allocated thousands of businesses with a trading number to ensure they can continue to trade their goods through Europe from day one. This will help ease the flow of goods at border points and support businesses to trade and grow"*.



## 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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