

# CFE CONNECT

## POLICY ENGAGEMENT



CFE Tax Advisers Europe engaged with numerous key stakeholders in May:

### ✦ EU Parliament FISC Subcommittee Hearings

On 15 May, CFE's Director attended the FISC Subcommittee hearings at the European Parliament on simplifying anti-avoidance rules and aligning EU tax frameworks with international standards, including Pillar Two.

### ✦ Brussels Dialogue with FAR Sweden

On 16 May, CFE welcomed representatives from FAR Sweden to its Brussels office for an exchange on EU tax policy developments, ethical standards, and technical committee work.

### ✦ Slovenian Congress of Tax Advisers

On 21 May, CFE took part in the 15th Slovenian Congress of Tax Advisers in Laško. CFE President Piergiorgio Valente delivered a keynote on the evolution of the tax profession, while Director Aleksandar Ivanovski presented CFE's work on strengthening ethical standards in tax advice.

### ✦ Meetings with Ministries and Stakeholders

In May, CFE Director Aleksandar Ivanovski met with officials from the Estonian Ministry of Finance and the American Chamber of Commerce to discuss tax policy developments.



### ✦ Copenhagen EU Tax Law Conference

On 23 May, CFE Director Aleksandar Ivanovski participated as a panellist at the 2025 Copenhagen EU Tax Law Conference, discussing recent developments in EU tax policy and legal frameworks.

### ✦ Consultation with TAXUD on Direct Tax Simplification

On 26 May, CFE participated in a stakeholder consultation with DG TAXUD focused on simplifying direct taxation across Member States.

### ✦ Dialogue with IESBA on Tax Ethics

On 28 May, CFE met with representatives of the International Ethics Standards Board for Accountants (IESBA) to compare the IESBA Code on tax planning with CFE's approach to ethical tax advice.



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## TAX POLICY DEVELOPMENTS



### Key Global & EU Tax Developments

#### ✦ ECOFIN Advances VAT Reforms

At the 13 May ECOFIN meeting, EU Finance Ministers discussed accelerating capital markets integration and agreed a general approach on the VAT Directive for distance sales of imports.

The Commission also consulted on tax-related market fragmentation, gold-plating, and supervisory convergence. The VAT reform aims to improve cross-border e-commerce compliance and support IOSS uptake.

#### ✦ OECD Consolidates Pillar Two Commentary

The OECD published a consolidated version of the GloBE Commentary, integrating all administrative guidance up to March 2025.

The document aims to support consistent implementation of Pillar Two across jurisdictions and addresses key issues like safe harbours, investment entity exclusions, and top-up tax thresholds.

#### ✦ FISC Hearings Address Anti-Avoidance & Pillar Two

EU Parliament's FISC Subcommittee hosted two public hearings focused on simplifying EU anti-avoidance rules and implementing global minimum tax rules. Experts addressed ATAD complexity, Pillar Two competitiveness issues, and transatlantic tax alignment, with interventions from OECD's Manal Corwin and EU Commission's Benjamin Angel.

#### ✦ Common Errors in OECD CbCR Reports

The OECD released updated guidance highlighting common errors in Country-by-Country Reporting (CbCR), including issues with tax ID formatting, currency conversion, incorrect jurisdiction codes, and XML schema problems. The document urges MNEs to review and correct filings to avoid validation failures and misinterpretation.

#### ✦ Platform for Collaboration on Tax Issues Final Principles on Incentives

The PCT published its final Tax Incentives Principles, offering practical guidance on design, implementation, and evaluation of tax incentives. The principles help countries balance revenue needs with competitiveness, transparency, and minimising distortions.

#### ✦ OECD Releases Updated Transfer Pricing Profiles

The OECD released updated transfer pricing country profiles for 11 jurisdictions and introduced profiles for Azerbaijan and Pakistan. The updates reflect new guidance on hard-to-value intangibles and streamlined rules for routine distribution, supporting implementation of Amount B under the BEPS Pillar One framework.

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## AUTUMN MEETINGS & CONFERENCE

**SAVE THE DATE**

**CFE TAX SYMPOSIUM  
& TECHNICAL MEETINGS**

Ghent, Belgium  
17–19 September 2025

Bringing together Europe's tax leaders  
for policy innovation and collaboration.



**CFE Tax Symposium 2025 &  
Technical & Governance Meetings |  
17–19 September, Ghent**

CFE will hold its Autumn Technical and Governance Meetings alongside the 2025 CFE Tax Symposium in Ghent, Belgium from 17 to 19 September 2025.


CFE's 2025 Tax Symposium on *"Taxation in Transition: Compliance, Rights & Innovation in a High-Data World"* will examine the practical impact of EU corporate tax modernisation, the OECD/EU Pillar Two (GloBE) regime and the latest DAC reforms.

The Autumn technical and governance meetings will feature:

- Executive Board and General Assembly meetings;
- Sessions of all the CFE technical committees (Fiscal, Professional Affairs, Tax Technology, New Tax Professionals)

📌 Mark your agenda — further details and registration information will follow soon.

## TECHNICAL PUBLICATIONS

 **Opinion Statement: Interpretation of the Anti-Abuse Provision in the Parent-Subsidiary Directive (Case C-228/24, Nordcurrent)**


CFE's ECJ TaskForce has published an Opinion Statement on the recent judgment of the CJEU in Case C-228/24, *Nordcurrent Group UAB*. The case concerned the Lithuanian company Nordcurrent, which had set up a UK subsidiary to distribute video games. Lithuanian tax authorities denied the participation exemption on dividends received from the subsidiary, citing a non-genuine arrangement without valid commercial reasons. The referring Lithuanian court sought guidance from the CJEU on the scope of the anti-abuse provision under Articles 1(2) and 1(3) of the Parent-Subsidiary Directive (PSD).

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The CJEU ruled that the anti-abuse provision is not limited to conduit companies and clarified that both an objective element (a non-genuine arrangement) and a subjective element (intention to obtain a tax advantage) must be present to deny the exemption.

The Court stressed the need to consider the full economic and functional context, not just the situation at the time of dividend distribution. It also recognised a proportional application of the exemption where arrangements contain both genuine and non-genuine elements.

These findings have wider implications beyond the PSD, including for ATAD, the Interest and Royalties Directive, the Merger Directive, and the OECD Principal Purpose Test.

 Read our full Opinion Statement for detailed analysis and implications.

## CONFERENCES & CONSULTATIONS

### **EU Tax Observatory Conference**

CFE Director Aleksandar Ivanovski attended the EU Tax Observatory Conference. Panellists discussed global tax competition, transparency of tax expenditures and the importance of coherent tax policy design and enforcement tools needed to combat tax base erosion and avoidance.

### **DG COMP Chief Economist Team 20th Anniversary Conference**

CFE participated in the DG COMP Chief Economist Team's anniversary conference, which reflected on two decades of economic analysis shaping EU competition and industrial policy. The conference examined how competition, taxation, and industrial strategy interact to support innovation & productivity.

### **EU Consultation on Response to US Tariffs**

Stakeholders are invited to comment on potential duties and supply chain impacts on a EU consultation seeking feedback on potential countermeasures to recent US import tariffs. The consultation is open until 10 June 2025.

### **EU Consultation on Capital Markets**

As part of its Savings and Investments Union, the Commission is consulting on how tax systems affect cross-border capital flows and financial market efficiency. The consultation runs until 10 June 2025, with responses expected to inform legislative proposals later in 2025.

### **EU Commission Consultation on AI Strategy for Public Sector Innovation**

Open until 4 June 2025, this consultation invites feedback on how AI can support modern, efficient public administration—particularly in areas like tax compliance, and enforcement. The results will feed into the Commission's Apply AI Strategy.