

# CFE CONNECT

## TECHNICAL PUBLICATIONS

### **CFE Opinion Statement 2/2025 – Simplification of DAC & EU Corporate Tax Directives**

In August, CFE Tax Advisers Europe issued a detailed Opinion Statement expressing support for the European Commission to simplify and modernise the Directive on Administrative Cooperation (DAC) and the EU's corporate tax directives. The statement was submitted in the context of the Commission's ongoing review process, with legislative proposals expected in 2026.

CFE stresses that the current frameworks, built up through successive amendments, have become complex and burdensome. Inconsistent implementation across Member States and overlapping requirements contribute to legal uncertainty, high compliance costs, and administrative inefficiencies.

CFE supports the EU's objectives of reducing red tape and improving tax certainty. In particular, the Opinion Statements offers the following key recommendations:

- A recast of the DAC to consolidate, simplify, and clarify reporting obligations and hallmarks.
- Harmonisation of penalties and legal privilege standards, to ensure fair and equal treatment across Member States.

- Codification of anti-abuse tests and beneficial ownership rules to reduce legal fragmentation.
- Support for the FASTER initiative and EU-wide digital relief-at-source systems for withholding tax.
- Targeted updates to the Merger Directive, including clearer rules on hybrid entities, tax deferrals, and share swaps.
- Advocacy for permanent Advisory Commissions to enhance efficiency and procedural fairness in cross-border tax disputes.

CFE believes these reforms would contribute meaningfully to EU competitiveness, reduce administrative complexity, and enhance the effectiveness of the Single Market. We remain committed to working with EU institutions and stakeholders to support the development of modern, balanced, and proportionate EU tax legislation.

## STAKEHOLDER CONSULTATIONS

### **EU Review of Foreign Subsidies Regulation Underway**

The European Commission has launched its first review of the Foreign Subsidies Regulation (FSR). Stakeholders can contribute views until 18 November. The review examines the effectiveness of the FSR in public procurement, the balancing test for distortive effects, and administrative burdens on businesses. [Contribute via Have Your Say.](#)

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## 2025 CFE TAX SYMPOSIUM



**Register Now: CFE Tax Symposium**  
***“Taxation in Transition: Compliance, Rights & Innovation in a High-Data World”*** | 18 September, Ghent

The 2025 CFE Tax Symposium will take place in Ghent, Belgium, on 18 September 2025, hosted in partnership with the Institute for Tax Advisors and Accountants Belgium.

This high-level event will explore the practical impact of recent EU and global developments, with panels on OECD Pillar Two implementation cross-border trends, taxpayer rights, and the rise of AI in tax compliance.

### ◆ Panel 1 – Tax Policy in Transition

Moderated by CFE Director Aleksandar Ivanovski, this panel features Benjamin Angel (European Commission), Félicie Bonnet (OECD), Jorge Ferreras Gutiérrez (Ministry of Finance, Spain), Prof. Dr. Georg Kofler (WU Vienna, Austria), and Helen Pahapill (Ministry of Finance, Estonia). The panel will discuss international tax policy trends, including implementation of Pillar Two, EU simplification efforts and broader cross-border trends.

### ◆ Panel 2 – DAC & Taxpayer Rights

Chaired by Eduardo Gracia Espinar (Ashurst EMEA, Spain), with speakers Reinhard Biebel (European Commission), Raluca Enache (EU Tax Centre, KPMG), and Philippe Vanclooster (ITAA), this panel will discuss developments in EU tax transparency, including the recast and consolidation of the DAC framework, the use of pre-populated tax returns and the taxpayer's right to confirm, as well as issues of proportionality, prescription periods, and sanctions.

### ◆ Panel 3 – AI & Technology in Tax Compliance

Moderated by Jeremy Woolf (Pump Court, UK), this session brings together Jane Mellor (CIOT, UK), Nicholas Devillers (BDO, Luxembourg), and Petra Pospíšilová (Czech Chamber of Tax Advisers). This panel will discuss the growing role of technology in tax compliance, including AI-enabled tools, real-time VAT reporting systems and the importance of secure IT architecture and ethical use of taxpayer data.

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## TAX POLICY DEVELOPMENTS



### Key Global & EU Tax Developments

#### ✦ UN Framework Convention Negotiations Begin

The Substantive negotiations on the United Nations Framework Convention on International Tax Cooperation began on 4 August. The first and second sessions (4–8 and 11–15 August) focused on core commitments such as dispute resolution, fair allocation of taxing rights, and cross-border digital services taxation. The process coincided with the appointment of 25 new members to the UN Committee of Experts on International Cooperation in Tax Matters, strengthening the UN's role in shaping global tax norms.

#### ✦ US Executive Order Revises Reciprocal Tariff Regime

On 31 July, President Trump signed a revised Executive Order adjusting tariffs under the “reciprocal” framework. Countries not listed in Annex I face a 10% baseline tariff; others face up to 50%, depending on bilateral progress. Switzerland (39%), India (25%), and Canada (35%) are among the countries most impacted. The EU has delayed retaliatory tariffs pending further talks with Washington.

#### ✦ OECD Releases XML Schemas for Pillar Two & Crypto-Assets

On 30 July, the OECD published new XML schemas to support the automatic exchange of information under the Global Minimum Tax (GloBE) and the Crypto-Asset Reporting Framework (CARF). These technical tools will help tax authorities validate submissions and enforce compliance across jurisdictions implementing the two frameworks. FAQs were also updated to clarify interpretative issues under both the CARF and amended CRS.

#### ✦ CJEU Ruling in Banca Mediolanum Case

In Joined Cases C-92/24 to C-94/24, the CJEU ruled that Italy's regional tax on financial intermediary dividends violated the Parent-Subsidiary Directive by effectively taxing more than the permitted 5% of cross-border dividend income. The judgment reaffirms limits on double taxation even when taxes are levied outside corporate income tax.

#### ✦ EU eInvoicing Factsheets Updated for 2025

The European Commission has published updated eInvoicing Country Factsheets covering developments in B2G and B2B invoicing across the EU and EEA. This year's edition reflects expanded B2B coverage in anticipation of ViDA reforms, and includes implementation updates, national policy models, and CIUS usage.

#### ✦ OECD GloBE Information Exchange

Fourteen jurisdictions – including Austria, France, Ireland, Japan, Korea, and the UK – have signed the GloBE Information Return Multilateral Competent Authority Agreement (GIR MCAA). The agreement enables automatic exchange of data related to multinational enterprises' top-up taxes under Pillar Two.