

# CFE CONNECT

## POLICY ENGAGEMENT



### ✦ OECD Consultation on Global Mobility of Individuals

On 20 January, the OECD held a public consultation on the tax implications of global mobility, following a consultation period conducted in late 2025.

The discussion focused on how evolving employment models – including cross-border remote working, platform work, and digital nomadism – challenge current domestic rules and tax treaty concepts, particularly in the areas of residence determination, PE risk and employment income taxation.

CFE Tax Advisers Europe was represented by Aleksandar Ivanovski and Brodie McIntosh, who contributed to discussions around compliance burdens and double taxation risks. CFE stressed the need for coordinated, proportionate and administrable rules that can accommodate low-risk and short-term mobility cases.

The Global Tax Advisers Platform (GTAP), represented by Chairman, Piergiorgio Valente, also participated and presented six priority actions, including safe-harbour thresholds and modernised treaty tie-breakers.

### ✦ European Parliament Hearing on Tax Obstacles

On 27 January, Brodie McIntosh attended the FISC hearing on tax barriers in the Single Market. Speakers highlighted significant cost implications for SMEs, and the Commission announced plans to review 15 directives, eliminate unused reporting requirements, and ease Pillar Two compliance burdens.

### ✦ UN Stakeholders Dialogue on International Tax Framework Engagement with EU Institutions and Practice

Brodie McIntosh also joined the UN Multi-Stakeholder Dialogue on 29 January. Discussions focused on the structure of the draft Framework Convention, implementation of dispute mechanisms, and the scope of services taxation protocols. CFE continues to monitor developments ahead of the Fourth Session of the Intergovernmental Negotiating Committee.



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## TAX POLICY DEVELOPMENTS



### Key Global & EU Tax Developments

#### ✦ Inclusive Framework Agrees Side-by-Side Package on Pillar Two

In early January 2026, the OECD/G20 Inclusive Framework adopted a Side-by-Side Package relating to the Pillar Two global minimum tax. The Package introduces a set of simplification measures, new safe harbours, including for substance-based tax incentives and certain headquarter jurisdictions. It also reaffirms the central role of QDMTTs.

#### ✦ UN International Tax Cooperation Convention: Upcoming Negotiations

The UN published key documentation ahead of the 4th Session of the Intergovernmental Negotiating Committee on the Framework Convention on International Tax Cooperation. Materials include a draft programme of work, a revised framework convention template (Workstream I), an options paper on taxation of services (Workstream II), and a concept note on dispute prevention and resolution (Workstream III). Negotiations will continue on taxing rights allocation, high-net-worth individuals, administrative cooperation and capacity building, alongside work on dispute mechanisms and services taxation.

#### ✦ EU Tax and Customs Priorities under the Cyprus Presidency

The Cyprus Presidency of the Council of the EU (January–June 2026) has identified tax simplification and administrative burden reduction as key priorities. In direct taxation, the Presidency intends to promote the EU tax decluttering agenda, streamline compliance obligations and strengthen administrative cooperation. In parallel, work will continue on the Customs Reform Package, with a focus on digitalisation, improved risk management and facilitating legitimate trade.

#### ✦ OECD Publishes Updated Transfer Pricing Country Profiles

The OECD released the fourth batch of updated Transfer Pricing Country Profiles, covering eight jurisdictions: Bosnia and Herzegovina, Brazil, Costa Rica, Croatia, Greece, Iceland, Korea and Norway. The profiles reflect current legislation and administrative practice, including developments relating to Amount B for baseline marketing and distribution activities and the treatment of hard-to-value intangibles. The updates provide useful insight into how jurisdictions are implementing OECD transfer pricing guidance in practice.

#### ✦ EU Parliament Hearing on Tax Barriers

On 27 January 2026, the European Parliament's FISC Subcommittee held a hearing on tax obstacles in the Single Market, alongside the presentation of the EPRS Cost of Non-Europe report on tax harmonisation. Speakers highlighted the scale of tax fragmentation and compliance costs, particularly for SMEs. The Commission indicated that a broad tax simplification package is planned for June 2026, including a review of around 15 tax directives and possible repeal of overlapping rules.

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## TECHNICAL PUBLICATIONS

### **CFE Opinion Statement on the EU Rule of Law Reports 2026 Consultation**

CFE Tax Advisers Europe has submitted an Opinion Statement in response to the European Commission's public consultation on the 2026 Rule of Law Reports. While supporting the objectives of effective tax enforcement and administrative cooperation, the Statement highlights growing rule-of-law concerns linked to the expansion of tax administration and AML powers, particularly regarding data access, mandatory disclosures and cross-border information exchange. CFE stresses that these powers must be accompanied by effective safeguards and judicial remedies to ensure legal certainty, proportionality and effective judicial protection across Member States.

The Opinion refers to recent ECtHR and CJEU case law confirming that tax enforcement is fully subject to fundamental rights guarantees. It also raises concerns that remedies in highly technical and data-driven tax domains are often fragmented or ineffective in practice, encouraging defensive compliance behaviour.

CFE calls on the Commission to use the Rule of Law cycle to assess not only the formal existence of safeguards, but their practical effectiveness in tax related administrative domains, including access to judicial review and protection of professional secrecy.

### **OECD Consultation on Global Mobility of Individuals: CFE & GTAP Submissions**

CFE submitted an Opinion Statement to the OECD consultation on the tax implications of cross-border mobility, calling for clearer residence tie-breaker rules, proportionate compliance requirements for remote and short-term workers, and improved cross-jurisdictional coordination. The Statement highlights that many tax rules were not designed for modern working patterns and that inconsistent application across countries creates legal uncertainty and double taxation risks.

A joint submission from the Global Tax Advisers Platform drew attention to gaps between tax, social security and immigration frameworks, and calling for internationally aligned safe harbours and guidance on employer obligations. Both submissions encourage the OECD to develop coherent, administrable rules that support tax certainty for mobile individuals and their employers.

## STAKEHOLDER CONSULTATIONS

### **Recast of the Directive on Administrative Cooperation (DAC)**

The European Commission call for evidence and public consultation on recasting the DAC framework is open until 10 February 2026. The initiative proposes consolidating DAC1-DAC9 and introducing targeted reforms to reduce duplication, improve proportionality (notably in DAC6 and DAC7), and enhance data quality and IT interoperability. A legislative proposal is expected in Q2 2026.