

# CFE's Tax Top 5

## KEY TAX NEWS OF THE WEEK

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### OECD Updates COVID-19 Tax Policy Database

The OECD has published an updated version of the [database](#) containing the details of taxation and financial measures taken by governments around the world in response to the COVID-19 outbreak.

The OECD also has a dedicated [webpage](#) concerning the COVID-19 outbreak, providing information and country profiles on the spread of the virus, and recommended responses concerning a variety of policy areas.



### Calls for Increased Transparency in EU Code of Conduct Business Taxation Group

The European Council's Code of Conduct Group is facing increasing [criticism](#) in the wake of the *Apple* judgment to increase transparency concerning its operations, and information on the application of its standards in the listing process for the EU tax "Blacklist".

The Commission's recent [Communication on Tax Good Governance](#) delivered as part of its 2020 Tax Package discusses means to improve the EU's role in promoting tax good governance and tax transparency, which it aims to achieve by reforming the Code of Conduct on Business Taxation and making improvements to strengthen the EU's List of Non-Cooperative Jurisdictions for Tax Purposes. Additionally, the Commission aims to expand the mandate of the Code of Conduct Group to examine conditions leading to unfair tax competition and aggressive tax planning within the European Union, such as tax residency rules allowing for double non-taxation, tax exemptions without appropriate safeguards and special citizenship schemes. It also plans to introduce the parameter of minimum effective taxation.

The most recent European Parliament committee, the TAX3 Committee, tasked with investigating financial crimes, tax evasion and tax avoidance, concluded in its report adopted by the European Parliament in March 2019 that there was a lack of political will in EU Member states to address tax evasion, tax avoidance and financial crime.



### OECD Invites Input on Joint Transfer Pricing Project

The OECD Secretariat and Brazilian tax administration have invited [input](#) on a survey launched as part of a joint transfer pricing project being carried out by the OECD and Brazil.

The survey seeks input on “the development of safe harbours as well as other simplification measures and measures that can contribute to enhanced tax certainty”.

The survey is directed in particular at taxpayers with business interests in Brazil and businesses interested in investing in Brazil, and their experience with safe harbour or other tax certainty measures in Brazil.

Input can be submitted until 18 September 2020 via e-mail at [TP.Brazil@oecd.org](mailto:TP.Brazil@oecd.org), copying [Cotin.df.cosit@rfb.gov.br](mailto:Cotin.df.cosit@rfb.gov.br).



## EU Commission Proposes Special VAT Numbers for Northern Ireland

The European Commission has [proposed](#) to amend EU VAT rules to introduce special VAT registration numbers for businesses in Northern Ireland to ensure that trade can continue at the end of the transition period in line with EU VAT provisions and the Protocol on Ireland/Northern Ireland. Goods will remain treated as cross-border supplies of goods within the EU, where as goods supplied elsewhere in the UK and all services will be subject to UK VAT rules after the end of the transition period.

The Commission has urged Member States to adopt the proposal as a matter of urgency to ensure the change can be implemented well in advance of the end of the transition period.



## OECD Report Published Examining VAT Regressivity

The OECD has published a [taxation paper](#) examining tax microsimulation models concerning the regressivity of VAT, assessing methodological approaches used in past studies and highlighting the distortive role of savings patterns in the analysis of VAT burdens relative to income.

The report finds that in the majority of jurisdictions reviewed in the study VAT is proportional or slightly progressive, and also reviews the equity implications for VAT in the countries subject to examination in the report.



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The selection of the remitted material has been prepared by  
Piergiorgio Valente/ Aleksandar Ivanovski/ Brodie McIntosh/ Filipa Correia

