

---

# **Opinion Statement PAC 1/2021 on the European Commission initiative/ roadmap for Reform on Cross-Border Provision on Professional Services of March 2021**

**Prepared by the CFE Professional Affairs Committee  
Submitted to the EU institutions on 1 April 2021**

---

CFE Tax Advisers Europe is a Brussels-based association representing the European tax institutes and associations of tax advisers. Founded in 1959, CFE brings together 33 national organisations from 26 European countries, associated with more than 600,000 tax advisers via the Global Tax Advisers Platform (GTAP). CFE is part of the European Union Transparency Register no. 3543183647-05. We would be pleased to answer any questions you may have concerning our Opinion Statement. For further information, please contact Philippe Vanclooster, Chair of the CFE Professional Affairs Committee or Aleksandar Ivanovski, Director of Tax Policy, at [info@taxadviserseurope.org](mailto:info@taxadviserseurope.org). For further information regarding CFE Tax Advisers Europe please visit our web page <http://www.taxadviserseurope.org/>

CFE Tax Advisers Europe, the leading body representing European tax institutes and associations of tax advisers, notes the European Commission roadmap on reform of professional services of March 2021 and welcomes the opportunity to comment. Limiting our comments to tax professional services, we concur with Commission's assessment that well-functioning professional-services sector can be a significant source of economic growth and contributor to the post-crisis economic recovery of the European continent.

Whilst we remain supportive of the EU Recommendations of 2017, we urge caution when embarking on regulatory reforms, due to the different standards or cultures of tax professional regulation across the continent. Careful analysis should take into account the role of tax professional services in the digital transition and in particular the role played by innovation and digitalisation.

We would like to highlight that professional services, as developed by contribution of professional bodies, such as the members of CFE, at national and European level have developed standards on qualifications, ethics and service quality. The reform of professional services, as well as services regulation has also to be seen in the context of other EU initiatives to promote cross-border services. For example, in the area of tax advice, we expect other EU initiatives to play a greater role than cross-border regulation such as: harmonisation of forms for e.g. invoicing, tax returns, refunds, harmonisation of procedural rules etc.

Given that the EU analysis of regulatory restrictiveness conducted in 2017 showed a wide variety of regulatory approaches across Europe, such as the scope of activities reserved to qualified professionals (i.e. activities which can only be performed by qualified professionals); restrictions imposed on corporate forms and shareholdings; mandatory membership in professional associations; or insurance requirements, we understand the need for follow-up on regulatory reforms of professional services undertaken by Member States.

In this context, we support the proposed initiative's aim to take stock of the changes introduced so far by way of taking into account the recent developments in Europe's regulatory framework. However, we would like to remind stakeholders that the different regulation of professional services across Europe is a direct result of the different regulatory and legal framework and culture, which remains prerogative of Member states. In context of tax advice, this is particularly true given that tax is jurisdictional and the main barriers to cross-border tax advice are of different nature: language barriers as well as aptitude, knowledge of substantive and procedural tax law of the other state.

In addition, large part of tax advice (with exception of some tax compliance) cannot be standardised as tax advice is a highly individual service tailored to the taxpayers' specific needs which requires intellectual effort from the adviser who understands the legal and policy context, in careful consideration of the law, noting that taxation is an area where legislative changes occur extremely often.

Therefore, in pursuing these activities, we would like to encourage a more nuanced approach of the Commission to cooperate closely with Member States on whether there is a need to intervene on rules for the access to or pursuit of a profession, as long as the principles of non-discrimination and proportionality are respected. The obligation to conduct an *ex-ante* assessment, substantiated by

qualitative and, wherever possible, quantitative evidence before introducing new or modifying existing provisions restricting access to or pursuit of regulated professions, in accordance with criteria such as the nature of the profession, the scope of the activities reserved to a profession, the link between the qualification and the activities, or the economic impact of the measures, is already part of the existing rules.

We are aware that the emergence of new, digitally provided professional services pose many challenges, however, as demonstrated by the ongoing COVID-19 crisis their potential is yet to be fully grasped. A more thorough rethinking of the regulatory approach might be needed to take into account the critical importance of digital provision of services, whilst preserving the integrity of the different national regulation on provision of professional services as well as their providers. CFE remains ready to discuss these emerging issues on professional services with the European Commission, and fully support the ongoing discussion on this matter.