



18 April 2017

### **1. OECD VAT Global Forum meeting - VAT/GST Guidelines released**

The week before Easter representatives of governments, international organisations, academia and the business community attended the OECD Global VAT Forum, held in Paris on 12 -14 April. The OECD Global Forum VAT meeting was an opportunity for representatives from around the world to touch base and discuss various aspects of the design and operation of VAT and GST systems, as well as related common challenges.

The OECD's Deputy-Secretary General Rintaro Tamaki announced the release of the OECD Recommendations of the Council on the application of the Value Added Tax/ Goods and Services Tax to the international trade in services and intangibles. According to the OECD, these Recommendations are first in the area of VAT and they incorporate the VAT/GST Guidelines, open for non-OECD countries too.

The International VAT/GST Recommendations are intended as recommended approach to both OECD and non-OECD countries. Texts are available in [English](#), [German](#) and [French](#).

### **2. OECD publishes comments received on treaty entitlement of Non-CIV funds consultation**

Following on the public consultation on the OECD BEPS Action 6 Public Discussion Draft on non-CIV examples, the OECD published last week the responses to the consultation. Please follow [this link](#) for the comments received by the OECD on the matter.

CFE responded to this public consultation on 2 February 2017, and issued an [Opinion Statement FC 2/2017](#) on the draft examples with regard to treaty entitlement of non-CIV funds when applying the principle purpose test as described in the OECD BEPS Action Point 6 Final Report of October 2015.

### **3. Germany published progress report on its Anti-Tax Avoidance Plan**

The Federal Ministry of Finance of Germany published an update of its 10-points based plan of 2016 related to fighting tax evasion, tax avoidance and anti-money laundering. The original Anti-Tax Avoidance [10-point plan](#) envisaged addressing the issues of the Panama Papers cooperation, harmonising the blacklists of non-cooperative tax jurisdictions, creating global

register for beneficial ownership registers, elimination of statute of limitations for cross-border tax offences, to name but a few.

The progress report on the implementation of these measures notes that the European Union list of non-cooperative jurisdictions for tax purposes is due by the end of year. In respect of the automatic exchange of information, the German Finance Ministry recalls the mandate of the OECD Global Forum for Tax Transparency, which is now responsible for implementation of the common reporting standard by virtue of peer-review process. The update also takes note of the domestic implementation in Germany of the 4<sup>th</sup> EU Anti-Money Laundering Directive.

Finally, the update takes into account the process of introduction of mandatory disclosure rules in Germany, where both federal and state bodies were invited for input and evaluation.

#### **4. EU plans radical VAT rules overhaul in September 2017**

The European Commission is planning to propose an important overhaul of the EU VAT rules in September 2017, Commissioner Moscovici confirmed in a statement of 12 April 2017. The European Commission published in its [Sixth Progress Report on 12 April](#), which concerns the European Union security agenda, that the European Commission is planning to move on to a single VAT area in order to reduce weaknesses of the present system and to tackle cross-border VAT abuse, notably 'Missing Trader Intra-Community Fraud' or 'Carousel Fraud'.

#### **5. Opinion in C-39/16 *Argenta Spaarbank v Belgium* concerning interpretation of the Parent-Subsidiary Directive due next week**

According to the judicial calendar of the Court of Justice of the European Union, the Opinion of Advocate General Kokkot is due for 27 April 2017 in the case C-39/16 *Argenta Spaarbank NV v Belgium*.

The questions referred to the Court of Justice concern interpretation of Article 1(2) of the Parent-Subsidiary Directive (Council Directive 90/435/EEC) and the compatibility of the Belgian Income Tax Code with the provisions of the Directive in relation to disallowing treatment of interest as business expense up to an amount corresponding to qualifying dividends, and, the proportionality of such measures.

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