



Brussels, 2 October

2017

Meeting of the OECD Forum on Tax Administration in Oslo

The 11th Plenary meeting of the OECD Forum on Tax Administration took place in Oslo on 29 September 2017. The Forum on Tax Administration brought together tax commissioners of the most advanced tax administrations worldwide, including OECD and G20 countries, to work collaboratively on global tax administration challenges.

On BEPS, the Forum welcomed the release of the first six MAP peer review reports under BEPS Action 14 last week. Forum members have further driven forward work under BEPS Action 13 and are preparing for the first exchanges of CbC reports in June of next year. In this context, the OECD released two handbooks containing practical guidance on how to implement Country-by-County Reporting (CbC) and how to make effective use of the information for high level risk assessment purposes, including detailed examples. On the tax certainty agenda the Forum is moving forward with dispute prevention and dispute resolution, supplementing the ongoing work on MAP and CbC, and including a new international compliance assurance programme. This pilot program uses CbC Reports and other information to facilitate multilateral engagements between MNE groups and participating tax administrations, including improved risk assessment based on fully informed and targeted use of CbCR information.

The Forum also discussed the priorities of the incoming G20 Presidency, in particular effective implementation of the BEPS outcomes, the Common Reporting Standard for exchange of information on offshore accounts and actions to enhance tax certainty, including the above new pilot on joint risk assessment of multinationals.

European Commission study: We lost €152 billion in 2015 due to VAT gap

EU Member states lost €152 billion in Value-Added Tax (VAT) revenues in 2015, according to a [new study](#) by the European Commission. The 'VAT Gap', which is the overall difference between the expected VAT revenue and the amount actually collected. This October, the European Commission will set out proposals for the most far-reaching update to the EU's VAT rules in 25 years. Recent media reports have also linked large-scale VAT fraud with organised crime including terrorism, and the Commission aims to tackle this problem by incentivising Member States to working together. The reform of the current VAT system should also help the development of the digital single market and complement the agenda set by the Commission to achieve a fairer and more efficient tax system in the EU.

The Commission will table legislative proposals this month to re-establish the principle of charging VAT on cross-border trade within the EU. The Commission also hopes for agreement by Member States on new rules to improve VAT for e-commerce, proposed in 2016. As with all

initiatives in the area of taxation, unanimous agreement between Member States will be necessary before the proposed changes can come into effect.

OECD Report: The Changing Tax Compliance Environment and the Role of Audit

The OECD published a [report](#) that examines how tax compliance strategies are evolving in light of new technologies, data sources and tools. The report also looks at how these changes might affect the role of audit and auditors in the future.

The OECD report points out to the changed environment in which tax administrations operate, which allows them to rethink how to best achieve their objectives, such as high-level taxpayer compliance and satisfaction. More emphasis is being put on cooperative compliance practices, such as the horizontal monitoring, and other proactive approaches. Tax administrations report that rethinking the approach would allow them to focus on high-risk taxpayers as well as combating money laundering and tax fraud.

The report sets out how compliance strategies are evolving and can be expected to evolve in light of new technologies and tools, including new data sources and advance analytics.

European Parliament Legal Committee to vote today on the whistleblowers' report

The European Parliament Committee of Legal Affairs 'JURI' is scheduled to vote today on a report on the measures required to protect whistleblowers acting in the public interest.

The MEP rapporteur Virginie Roziere from the Group of the Progressive Alliance of Socialists and Democrats points out that the EU should take action by means of a horizontal legislative instrument, in accordance with its objectives regarding democracy, pluralism of opinions and freedom of expression. The report explores the different legal bases available to the Commission to propose such an instrument and calls on the Commission to take a route as soon as possible. The definition of whistleblower should be broad enough to cover as many scenarios as possible and thus protect private- and public-sector employees, consultants and the self-employed.

The report further states that the protection should not be limited to reports on unlawful acts, but should also cover disclosures of a breach of the public interest. Clear reporting mechanisms should be introduced in organisations to facilitate internal whistleblowing and whistleblowing to an independent institution or to the public. The report calls for establishment of an EU agency specifically dedicated to advice, guidance and collection of reports.

[AGENDA](#) of the JURI Committee Meeting of 2 October 2017.

European Parliament 'PANA' Committee of Inquiry set to discuss draft Report

The draft 'PANA' inquiry Report and the draft recommendations of the PANA Committee drafted by the co-rapporteurs Jeppe Kofod (S&D) and Petr Jezek (ALDE) will be discussed at the Committee meeting

on 12 October. The draft Report and opinion were published on 30 June, and were discussed at the Committee meeting on 10 July 2017. The deadline for amendments was set on 5 September. The co-rapporteurs are now working on the compromise amendments. 667 amendments were tabled for the draft inquiry report, and in respect of the draft recommendations the secretariat received 783 amendments.

The draft inquiry Report presents the Committee's findings on discrepancies between the practices revealed in the Panama Papers and EU law, notably the Directives on Anti-money Laundering (AMLD) and on Administrative Cooperation in the field of Taxation (DAC). This report includes a factual part collecting and analysing the evidence taken into account by the Committee to arrive at its findings as well as the conclusions identifying contraventions of EU law and instances of maladministration.

The draft motion for Parliament recommendation to the Council and the Commission contain the co-rapporteurs' recommendations on how to improve the EU framework regarding, inter alia, Anti-money laundering and administrative cooperation in the area of taxation.

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