

ETAF Conference on "Future Trends of Taxation?"

On 20 March 2019, over 90 participants from the EU institutions, multiple Member States and several organisations joined the Conference on "Future Trends of Taxation" hosted by the European Tax Adviser Federation (ETAF) in Brussels.

Main subjects of the Conference were the shift away from unanimity principle in taxation matters, the electoral programmes of the different political groups and the possible impacts of Brexit on EU tax policy. In his keynote speech, Patrice Pillet (Head of Unit Indirect Taxation at DG TAXUD) explained the Communication recently published by the European Commission to move to qualified majority voting in tax.

The first panel, composed by Jorge Ferreras (Counsellor for Taxation of the Permanent Representation of Spain to the EU), Guillaume Drano (Counsellor for Taxation of the Permanent Representation of France to the EU), Prof. Frans Vanistendael (Prof. emeritus in Taxation at KU Leuven) and Patrice Pillet discussed the pros and cons of introducing qualified majority voting in tax matters. In this context, Jorge Ferreras stated that Spain fully supports the Commission's proposal as President Pedro Sanchez expressed in the Parliament a few weeks ago. Guillaume Drano highlighted that the Commission's proposal did not imply an expansion of the EU competencies in tax matters, but a greater efficiency of the decision-making process in taxation. Prof. Vanistendael stated that the move towards a QMV system should include the European Parliament as a key player. Questioned about the changes of the proposal, Patrice Pillet addressed that he is *"reasonably optimistic that at least parts of the QMV roadmap can be approved by the Member States"*.

The second panel was dedicated to the tax objectives of the electoral programmes with Paul Tang (Member of the European Parliament, S&D, Netherlands), Molly Scott-Cato (Member of the European Parliament, Greens/EFA, United Kingdom) and Petra Solli (Policy Adviser Economic and Monetary Affairs Committee, ALDE) discussing about the Digital Services Tax (DST), the QMV system and the creation of permanent tax committees in the European Parliament. Regarding the QMV, Paul Tang stated that it makes a great difference if a group of countries or just a single Member State can block a proposal. Molly Scott-Cato highlighted that one of the major achievements of the European Parliament in taxation matters so far have been to bring taxation very high on the political agenda. Petra Solli addressed the importance of creating a permanent tax committee in the European Parliament.

In the third panel, under the title "The impacts of Brexit on EU tax policy", Nicola Pesaresi (Policy coordinator on the negotiation team for the withdrawal of the UK in cross-cutting policies and level playing field), Molly Scott-Cato and Prof. Frans Vanistendael offered a very lively discussion. Nicola Pesaresi warned that the consequences of the UK leaving without an agreement could be very serious. The UK would become a third country and therefore not subject to the treaties anymore, with impacts on every sector. He also explained that the withdrawal agreement was "only" a guarantee and it would serve as a



basis if nothing else was decided afterwards on a particular subject. Molly Scott-Cato said she did not think that there was going to be a no-deal Brexit because it could not be upheld politically. Frans Vanistaendael explained that if the withdrawal agreement entered into force, not that much would change but, if there was no agreement at all, things would change significantly since the UK would have to go back to bilateral agreements with each Member State.

In his closing remarks, the President of ETAF, Philippe Arraou, highlighted that with this Conference ETAF is looking into the future in terms of the next mandate of the European Parliament and the Commission and to the future of taxation policy at European Union level.