



# Annual Report

## 2017



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Philippe Arraou, President of ETAF

# FOREWORD

Dear ETAF Members,  
Dear friends,

for European tax professionals, the year 2017 turned out to be a very eventful and challenging year. In retrospect, we see that we have been confronted with an ever increasing amount of legislative proposals coming from the EU institutions in the policy areas that concern our professions.

In the first days of January 2017, the European Commission launched its so-called Services Package consisting of several legislative proposals in professional law such as a proportionality test, a notification procedure and a services e-card, aiming at liberalising and deregulating the regulated professions in the European Union. With its position papers on the Services Package, ETAF was at the forefront of the discussion around the Commission's proposal. In order to defend the special interests of tax professionals in Europe, ETAF also got involved in workshops in the European Parliament where it seized the opportunity to contribute to a lively and controversial debate.

A particular increase of activities, however, has to be noticed when it comes to EU tax policies: The Commission proposals on disclosure obligations for "tax intermediaries" from June 2017, the strong engagement of the European Parliament to inquire money laundering, tax avoidance and tax evasion in the PANA Committee, the Council approach on the taxation of the digital economy and the Commission's agenda on VAT and CCCTB, just to name a few.

Among these policies, I wish especially to draw attention to the "tax intermediaries" proposal, where ETAF underlined the relationship of trust between client and tax professional, and illustrated at various opportunities why the professional secrecy is of paramount importance for the confidential and conscientious exercise of the profession. At our conference "Building an EU tax system", we gathered 120 tax professionals from all over Europe in Brussels to debate the EU's tax policy agenda with high-end officials and decision-makers from the Institutions. It was an honour that Commissioner Pierre Moscovici, who held the keynote speech at this Conference, encouraged ETAF to actively shape EU legislative proposals and called on the professionals to contribute to a fairer tax system at European and international level.

If we take a look into the future, the year 2018 promises to bring just as many new challenges and opportunities for ETAF: the European Commission's digital agenda and the VAT and CC(C)TB proposals are just some of the projects ETAF will be focused on.

We can proudly state that ETAF established itself in 2017 as a relevant actor on the European political scene and a serious partner to the European institutions. For us, however, these achievements will only serve as a further incentive to steadily continue our work and to ensure that ETAF has its effect on EU tax and professional law policies. I hope you will enjoy reading our Annual Report!

*Yours sincerely, Philippe Arraou*

## SERVICES PACKAGE: ETAF TAKES POSITION

In April 2017, ETAF positioned itself regarding the Services Package of the European Commission. It consists of an obligatory proportionality test before adopting new professional regulations, a notification procedure that requires Member States to notify every new provision in an early drafting stage to the Commission and a European services e-card, which aims at facilitating administrative procedures in order to provide services in EU countries other than the home country.

[ETAF Statement on the proportionality test](#)  
[ETAF Statement on the notification procedure](#)  
[ETAF Statement on the services e-card](#)

Regulated tax advising professions ensure a high level of quality in business services and contribute to growth by establishing a trustful and liable working relationship with business partners. ETAF therefore engaged in several meetings with EU decision-makers, in order to argue for quality and regulation. With its position papers on the Services Package, ETAF was able to be perceived as a constructive partner to the European institutions in shaping professional law.



MEP Virginie Rozière with Philippe Arraou (President of ETAF) and Michael Schick (Head of Office)



# CONTRIBUTION TO THE DISCUSSION AROUND THE SERVICES PACKAGE IN THE EUROPEAN PARLIAMENT

On 1st June 2017, following an invitation of the S&D IMCO working group, Philippe Arraou, President of ETAF, participated in a lively debate on the Commissions' proposal for a European services e-card at the European Parliament. The European services e-card is part of the Commission's Services Package published in January 2017.

The event was hosted by MEP Nicola Danti, Vice-Chair of the IMCO Committee and S&D Coordinator and MEP Virginie Rozière, S&D Shadow Rapporteur for the services e-card.

Philippe Arraou made clear that ETAF members strongly favour a deepening of the Single Market and support cross-border provision of business services and doubted that the Commission's proposal would bring substantial value to the internal market.

In another Workshop on 11th July 2017, organised by the IMCO Committee, the focus lay mainly on the reform recommendations adopted by the Commission against certain Member States, among which France, Germany, Italy and Belgium.

Philippe Arraou, who again intervened as one of the stakeholder panel speakers, launched a clear statement that public interests and professional regulation are strongly linked. Mr. Arraou rejected any compromise on quality, as high expertise and high quality of tax services means high value for SMEs. He also explained the great importance of the independence of a tax adviser: it guarantees the best possible consultancy without any influence through third parties' commercial interests.



MEP Virginie Rozière, MEP Nicola Danti, Philippe Arraou

# ETAF RAISED CONCERNS ABOUT DISCLOSURES OBLIGATIONS FOR TAX INTERMEDIARIES

In August 2017, ETAF positioned itself regarding the Commission's proposal on disclosure obligations for tax intermediaries (DAC 6). While ETAF strongly supports the fight against tax fraud and is in favour of tax transparency, our Members highlight emphatically the outstanding importance of professional secrecy as a ground pillar of the profession.

In June 2017, the European Commission has decisively taken action against tax intermediaries who design aggressive tax planning schemes for their clients. For this purpose, on 21 June 2017, DG TAXUD has published a legislative proposal for a directive on tax transparency, aimed at intermediaries like tax advisers, accountants,

banks and lawyers. The strict disclosure rules only concern cross-border arrangements. Tax schemes that stay within the borders of the Member States are exempted from any disclosure obligation. Tax intermediaries who are entitled to a legal professional privilege under the national law of the Member States are also exempted from this provision.

In its position paper as well as in several meetings with relevant political actors, ETAF strongly and successfully advocated for the extension of the notification period from the originally defined 5 days to one month. This proposition was included in the last version of the proposal.

## ETAF Statement on tax intermediaries' disclosure obligations



The Board of ETAF



# TAX CONFERENCE

## “BUILDING AN EU TAX SYSTEM”

On 5 December 2017 the European Tax Adviser Federation (ETAF) hosted the conference “Building an EU tax system” in Brussels which attracted many tax professionals across Europe, stakeholders and high-level decision-makers from the European Parliament, the European Commission and the Council.

In his welcome speech, the President of ETAF, Philippe Arraou, highlighted the rising importance of tax policy measures on European and international level. The ETAF conference enjoyed high topicality as the ECOFIN Council agreed on tackling the taxation of the digital economy and published its list of „non-cooperative tax jurisdictions“ on the same day.

[More on the ETAF tax conference](#)

Commissioner Moscovici, whose keynote speech on the challenges of the European tax policy was highly anticipated, took the chance to present to the audience the newly adopted blacklist of 17 tax havens. The list seeks to encourage States to increase tax transparency and data exchange with EU authorities. Moscovici equally insisted on some European countries which offer a basis for critical tax planning practices to reform their tax systems.

“The world of taxation has changed”, the Commissioner claimed with regard to the role of multi-national corporations who benefit from uncoordinated tax regimes throughout the Member States as well as in third countries. The international fiscal policy is about to undergo a “revolution of transparency” according to Moscovici, in order to create a fairer tax system within the EU and beyond.



Gabriele Annolino, Valère Moutarlier, Hans-Joachim Oettinger and MEP Virginie Rozière



European Commissioner for Economic and Financial Affairs, Taxation and Customs Pierre Moscovici and the President of ETAF Philippe Arraou



Philippe Arraou criticized that the drive towards more transparency „should not target the intermediaries only“. Making the intermediaries the target of EU activities would only create an imbalance of burdens for tax intermediaries and businesses. The intent of stricter disclosure rules should be preventing certain tax-planning models applied by businesses, however. Thus, „businesses cannot be treated separately“ or left out when it comes to transparency requirements, Arraou demanded.

In two following panels, stakeholders and European decision-makers further discussed the role of tax intermediaries in a fairer EU tax system as well as the challenges of taxation in a digital world. The panelists concluded that despite the political will to reform tax policies, there is an obvious vacuum in the European tax system, which calls for action.



Michael Korth and MEP Alfred Sant



Philippe Arraou



Commissioner Pierre Moscovici

## PHILIPPE ARRAOU CONFIRMED AS PRESIDENT OF ETAF

On 26 April 2017 the ETAF General Assembly elected the President and a new Board for the period of two years. Philippe Arraou has been unanimously reelected by the General Assembly as President of ETAF. Prof. Dr. Michael Korth from DStV and Volker Kaiser from BStBK have been confirmed as Board members in office and Luigi Alfredo Carunchio will be replacing Gerardo Longobardi for CNDCEC as a Board member.

The General Assembly looked back on a very successful year since the foundation of ETAF and set new goals for the future. Discussions focused on attracting new members as well as engaging in professional law on European level.



The General Assembly of ETAF

# IEC-IAB JOINS ETAF

In July 2017 the Instituut van de Accountants en de Belastingconsulenten / Institut des Experts-comptables et des Conseils fiscaux (IEC-IAB) joined ETAF as an observer member. The Belgian organisation represents around 3.800 members who are independent tax advisers: 3.200 of them are also accountants, whilst 600 are purely tax advisers.



# ETAF ACTIVITIES

## IN 2017

|                   |  |
|-------------------|--|
| <b>21 March</b>   | Meeting with Assistant to MEP Jeppe Kofod  |
| <b>27 March</b>   | Meeting with Assistant to MEP Pascal Durand  |
| <b>30 March</b>   | Meeting with MEP Virginie Rozière  |
| <b>26 April</b>   | Meeting with Assistant to MEP Dr. Andreas Schwab   |
| <b>23 May</b>     | ETAF General Assembly  |
| <b>1 June</b>     | Meeting with MEP Nicola Danti<br>S&D Workshop on the Services e-Card in the European Parliament        |
| <b>21 June</b>    | Meeting with Assistant to MEP Sergio Gutiérrez Prieto  |
| <b>5 July</b>     | Meeting with Gabriele Annolino, fiscal counsellor at the Permanent Representation of Italy to the EU   |
| <b>6 July</b>     | Meeting with Marko Talur, fiscal counsellor of the Permanent Representation of Estonia to the EU       |
| <b>10 July</b>    | Meeting with Venetka Todorova, fiscal counsellor of the Permanent Representation of Bulgaria to the EU |
| <b>11 July</b>    | IMCO Workshop on Reforming Professional Services in the European Parliament                            |
| <b>18 July</b>    | Meeting with Guillaume Drano, fiscal counsellor of the Permanent Representation of France to the EU    |
| <b>5 December</b> | ETAF Tax Conference “Building an EU Tax System”  |



**DISCLAIMER:**

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**HEAD OF OFFICE:** Michael Schick

ETAF is a European umbrella organisation for 250,000 tax professionals from France, Germany, Italy and Belgium. ETAF was launched in January 2016 as an international non-profit organisation (AISBL), governed under Belgian law and located in Brussels. The main role and mission of ETAF is to represent the tax profession at European level in liaising closely with European policy makers to promote good legislation in tax and professional matters. ETAF is a registered organisation in the EU Transparency Register with the register identification number 760084520382-92.