

# ANNUAL REPORT

## 2023



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*Philippe Arraou, ETAF President*



# FOREWORD

Dear ETAF members,

Dear friends,

The year 2023 has been marked by profound challenges, notably the shocking war in the Middle East, underscoring the imperative of a united European project, however numerous and big our challenges may be.

As we delve into the heart of our activities, it is my honour to share the remarkable achievements and contributions of ETAF throughout the year. Our federation tirelessly raised the concerns of our members, addressing an unprecedented number of EU legislative tax proposals while promoting awareness of the role of our regulated profession.

In September 2023, the European Commission notably introduced three pivotal tax proposals, including a new Business in Europe: Framework for Income Taxation (BEFIT), a future-oriented proposal establishing a Head Office Tax system for SMEs and a Directive on Transfer Pricing. These developments significantly shaped our discussions and actions throughout the year.

In a significant victory for our profession, the Securing the Activity Framework for Enablers (SAFE) initiative, an attempt to cast tax professionals under unwarranted suspicion, has been frozen until further notice thanks to our collective efforts. While we do not know what the SAFE project will become, I am grateful that the Commission now recognizes that regulated tax advisers are not “enablers” of aggressive tax planning, especially in Member States with strong professional laws already in place.

On the global tax stage, we closely monitored the transposition by all EU Member States of the minimum effective taxation rules, the so-called OECD Pillar Two, by 31 December 2023. Our attention now shifts towards translating Pillar One of the OECD agreement about the reallocation of taxing rights into practicable steps.

December 2023 witnessed another groundbreaking development with the political agreement on the establishment of the European Anti-Money-Laundering Authority (AMLA), as part of a broader legislative package. In the non-financial sector, to which our profession belongs, the AMLA will only play a supportive and recommending role, signalling positive news for our members. Throughout the year, ETAF consistently emphasized key regulatory aspects concerning supervision, professional secrecy and new reporting requirements foreseen by the broader AML package.

An equally crucial development was the Commission's commitment to reducing bureaucracy and reporting obligations. ETAF fully supports this initiative, recognizing the potential to create an efficient and favourable regulatory framework for companies. I therefore call upon the European Commission to make this project a permanent exercise throughout the entirety of the next Commission until 2029!

Looking ahead to 2024, a pivotal year marked by the EU elections, ETAF remains committed to advocate for balanced and fair tax rules, to support modernizing the international tax system, and to champion strong, independent and regulated tax professions across Europe.

Yours faithfully,

Philippe Arraou

# PROFESSIONAL LAW

## New Anti-Money Laundering rules: ETAF's involvement through the trilogues phase

This year again, ETAF kept engaging until the very last minute on the Anti-Money Laundering [package](#) presented by the European Commission in July 2021. The package contains a [regulation](#) establishing a new European Anti-Money Laundering Authority (AMLA) and brings together the existing Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) rules fragmented among the Member States in a new [regulation](#) and an accompanying 6th AML-[Directive](#). In April 2023, all the files entered the final legislative phase at EU level: the so-called trilogues, i.e. informal tripartite meetings between representatives of the Parliament, the Council and the Commission.

In May 2023, ETAF sent a [letter](#) to co-legislators urging them, during the negotiations, to balance AMLA's powers over the non-financial sector, respect the boundaries of professional secrecy and avoid undermining it as well as to advocate for effective, appropriate and implementable obligations.

A few months later, in September 2023, ETAF reached out again to co-legislators to draw their attention on some specific regulatory aspects of the texts. In particular, concerning Article 38 of the 6th AML-Directive proposal, which foresees an oversight over self-regulatory bodies of tax advisers, ETAF sharply criticised that the Council foresaw an exemption in Article 38 of the 6th Anti-Money-Laundering Directive, but only for lawyers and notaries. This would have been an arbitrary and unjustified discrimination of other equivalent self-regulatory professions whose oversight bodies are equipped with the same competencies as those of lawyers or notaries. ETAF also insisted on the importance of applying the exemptions due to professional secrecy to both the suspicion and the discrepancy report.

In December 2023, a groundbreaking development occurred with an [agreement](#) on the AMLA, while the rest of the package was [agreed](#) in early 2024. It was finally agreed that the AMLA will – in the non-banking sector – only have a supportive role and will have the power to conduct peer reviews and to issue recommendations. This is good news for our profession as the original proposal by the Commission went much further, foreseeing that AMLA should have direct oversight by issuing binding decisions to the self-regulatory bodies.

In the AML Regulation, the general due diligence obligations have been expanded to include an assessment of whether the client or beneficial owner is subject to targeted financial sanctions. For the verification of the identity, the trilogue negotiators successfully eliminated the collection of additional data regarding employment, profession, or employment status from the Commission's proposal, which is also to be welcomed.

ETAF will keep monitoring the impact of those new rules on the daily work of tax advisers and keep informing regularly our members.



## Professional mobility: no compromise on high qualification standards

As 2023 was the European Year of Skills, the European Commission multiplied the initiatives to support skills development, including, in November 2023, a [recommendation](#) aimed at facilitating the recognition of qualifications of third-country nationals.

In a [statement](#) published in October 2023 ahead of the publication of the recommendation, ETAF generally stated its support towards measures addressing skilled worker shortages but called for a balanced approach that does not compromise the quality and reliability of professional tax services.

Emphasising the importance of maintaining high standards for professional entry, continuous training and compulsory membership in professional bodies, ETAF argued that these stringent requirements are crucial for ensuring the delivery of accurate and reliable tax advisory services. ETAF warned against any dilution of these standards, which could potentially affect service quality and, by extension, the integrity of tax revenues critical to Member States.

The recommendation specifies that Member States should facilitate the recognition of professional qualifications of third country nationals by aligning them more closely with the processes laid down in Directive 2005/36/EC for the recognition of professional qualifications within the EU, in particular regarding the documents required, the evidence of formal qualifications and the assessment of applications.

It explicitly adds that Member States should ensure that EU citizens with qualifications obtained in the EU or in a third country should receive treatment that is no less favourable than the treatment given to third country nationals with the same qualifications – which was an important point for ETAF.

As the European Commission is set to explore the possibility of a broader reform of the EU system on the recognition of qualifications, ETAF will continue closely monitoring this topic to ensure that the Commission's goals are not achieved at the expense of a careful evaluation of the skills.



Michael Schick, ETAF Head of Office

## ETAF engages with IESBA on ethical conduct in tax planning

In May 2023, ETAF President, Philippe Arraou, sent a [letter](#) to the Chair of the International Ethics Standards Board for Accountants (IESBA) with comments on its [exposure draft](#) on proposed revisions to the International Code of Ethics for Professional Accountants addressing tax planning and related services.

As some of our member organisations also represent professional accountants doing tax advice, we found it important and relevant for ETAF to take a stand. Moreover, when it comes to ethical conduct in tax planning and defending the role and value of our tax profession, we believe that all tax professionals should harmonise their voices. Going even further, we think that tax advisers, which are members of a professional organisation recognised by law and governed by public interest rules, should follow the proposed guidance.



ETAF members fully supported the recognition that professional accountants serve the public interest by helping to facilitate a more efficient and effective operation of a jurisdiction's tax system. For this reason, it is of utmost importance that tax planning and related activities are done by tax professionals who have the necessary professional knowledge and competency. We also welcomed the recognition of clients' responsibility to pay their legally assessed tax dues.

ETAF also agreed with the balanced and neutral description of tax planning activities proposed by the IESBA as *"a broad range of services designed to assist a client, whether an individual or an entity, in structuring the client's affairs in a tax efficient manner"*.

Moreover, ETAF acknowledged the difficulty for professional accountants, and tax professionals in general, to navigate through the so-called grey zone of uncertainty, and therefore welcomed the IESBA proposals. We agreed with the IESBA that in such situations the professional accountant should explain to the client the risks of an uncertain tax planning arrangement. We do believe that discussing the nature of the uncertainty not only with clients but also with tax authorities would minimize the risk for the client but could also be seen as an example of the professional accountant acting in the public interest.

We welcomed very much the approval in December 2023 of the final ethics standards for tax planning and we eagerly wait for the final pronouncement in 2024.



## ETAF's recommendations to rationalise EU tax reporting requirements

In 2023, the von der Leyen Commission committed to make a [fresh push](#) to rationalise EU reporting requirements and to reduce the bureaucratic burden weighing on companies by 25%. In line with ETAF's key objective to promote good and proportionate tax legislation, ETAF submitted, in November 2023, several [recommendations](#) to the European Commission on this matter.

After reviewing several pieces of EU tax legislations, our members found that the main current problematic reporting requirement for the tax profession originates from the Directive 2018/822 regarding mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (DAC6).

In view of the disproportionate cost/benefit burden generated by the DAC6 reporting requirements, we proposed that the Commission immediately begins the evaluation of the DAC announced in its 2024 Work Programme. One of our proposals to ease the burden created by this Directive is the creation of a white list of harmless tax arrangements that would not need to be reported anymore in the future.

Concerning recently adopted and implemented EU legislations, ETAF outlined several reporting requirements which might overlap and therefore cause additional burden, such as the ones resulting from the EU's Public CbCR Directive and the new filing obligations introduced by the Minimum Tax Directive.

In order to avoid gaps in the streamlining of reporting obligations, ETAF went even further and focused on the legal acts that are currently still in the EU legislative process, such as the Directive against the misuse of shell entities (UNSHIELD) or the Anti-Money Laundering (AML) package.

Additionally, ETAF stressed that this rationalisation exercise should not be an isolated announcement from time to time but should rather become a permanent exercise which needs to be part of a wider and consistent framework. In this regard, we also outlined the importance of systematically applying existing instruments for streamlining reporting obligations, such as the Regulatory Fitness and Performance Programme (REFIT), the SME test and the "once only" principle.

ETAF is now expecting concrete actions from the European Commission and will keep engaging with EU institutions on this essential topic for the profession.



*MEP Paul Tang (Chair of the FISC Subcommittee of the European Parliament) and Andrea Rabb, (ETAF Board member) during the June ETAF Conference*



## More tax compliance reductions for SMEs

On 12 September 2023, the European Commission unveiled an SMEs relief package, including a [proposal](#) for a Head Office Tax system for SMEs (HOT). The proposal aims at giving SMEs operating cross-border through permanent establishments the option to interact with only one tax administration – that of the Head Office – instead of having to comply with multiple tax systems.

According to the proposed system, SMEs would calculate their taxes based only on the tax rules of the Member State of their Head Office. SMEs would therefore file one single tax return with the tax administration of their Head Office, which would then share this return with the other Member States where the SME is operating. The Member State of the Head Office would also subsequently transfer any resulting tax revenues to the countries where the permanent establishments are located.



Supporting the attempt to simplify tax processes and reduce compliance costs for SMEs, ETAF engaged in the discussions around the proposal and sent its [feedback](#) to the European Commission in December 2023.

In ETAF's view, the scope of the proposed directive is too narrow and will not allow many SMEs to benefit from this relief measure. One of our suggestions is to extend the scope of the directive to include SME groups with subsidiaries in other Member States.

Furthermore, ETAF made several recommendations on the eligibility requirements as well as on the notification of the opt-in and its termination and renewal. Among other things, ETAF recommended to withdraw unnecessary provisions, extend the time frame for notifying the opt-in, and to incorporate an automatic renewal of the HOT option after five years.

However, we also expressed some concerns about how the proposed HOT initiative would work in practice and the unintended effects it could generate. While recognising the potential of the proposed one-stop shop for compliance costs saving for SMEs, we raised some practical difficulties that could arise concerning the effective exchange of necessary tax information between Member States.

Regarding audits, we pointed out that tax inspectors would need to acquire significant knowledge of the tax laws of other Member States in a short period of time and that this approach may leave space for abuses.

ETAF will keep following closely the developments on this initiative and report to its members.

## New push for harmonising corporate income taxation in Europe

At the beginning of 2023, the European Commission launched an updated reflection on harmonising corporate income taxation in Europe, after two missed attempts in 2011 and 2016 with the proposals for a common consolidated corporate tax base (CCCTB). ETAF contributed to the debate by [responding](#) to a preliminary public consultation of the European Commission in January 2023.

At the time, the main elements of the future Commission's proposal were not yet known and our main recommendation was to first wait to learn the lessons from the implementation of Pillar Two before deciding on any further step to implement a common corporate tax framework in the EU.

On 12 September 2023, the European Commission unveiled the details of its Business in Europe: Framework for Taxation (BEFIT) [proposal](#). The new proposal lays down a new single set of rules to determine the tax base of groups of companies in the EU. A one-stop shop is proposed to allow the group to file an information return with the tax bases of all the group members with the tax administration of one Member State. Those tax bases will then be aggregated at EU group level and allocated to each company in the group. Finally, Member States will apply their own adjustments and corporate tax rate to the allocated tax base of the company established in that country.

ETAF has always been supportive of the establishment of a common framework for corporate income taxation in Europe, as it has the potential to significantly reduce tax compliance costs. However, we have serious doubts that the BEFIT proposal in its current form would achieve this. In our view, the proposal's failure to sufficiently align with the Pillar Two directive will result in additional complexities that will outweigh any potential reductions in compliance costs.

Throughout the year, ETAF continued working on this subject and analysed the BEFIT proposal in order to provide the Commission with detailed feedback and recommendations for further improvements.



*Reinhard Biebel (Head of the Unit Direct Tax Policy and Cooperation at DG TAXUD of the European Commission) during the November ETAF Conference*

## Towards modernised VAT systems

In December 2022, the European Commission [proposed](#) a series of measures to modernise and make the EU's Value-Added Tax (VAT) system work better for businesses and more resilient to fraud by embracing and promoting digitalisation. The proposal also aims to address challenges in the area of VAT raised by the development of the platform economy.

This package of proposals, called “VAT in the digital age” (ViDA), is structured around three main pillars: the introduction of common e-invoicing and digital reporting requirements, updated VAT rules for passenger transport and short-term accommodation platforms and the introduction of a single VAT registration across the EU.



Stressing the importance of this reform for the tax profession, as the preparation of VAT returns is an important part of the services offered to SMEs today, ETAF [replied](#) to the European Commission's public consultation on the ViDA package on 4 April 2023.

The timeline proposed for the implementation of the new e-invoicing rules and the digital reporting requirements is likely to be challenging for tax professionals and their clients. In any case, detailed rules must be known well ahead, at least 8 months in advance, in order to leave enough time for the tax profession to inform their customers and help them to adapt to the new legislation.

We do believe that a phased introduction for SMEs and micro-enterprises of one year for issuing e-invoices should be considered. This would, in our view, increase the acceptance of the e-invoicing system among SMEs and micro-enterprises and raise the chances of a successful transition.

With this reform, new market players, technical solutions and business models are expected to appear. In this new environment, commercial intermediaries with no ethical obligations could be tempted to market the financial data of companies without any control. This opens the broader question of a need for regulation of these new e-invoicing players.

ETAF welcomes the ambition of the Belgian Presidency of the Council of the EU to try to find an agreement between Member States on the ViDA package before the EU elections and will continue to monitor the progress of this important reform throughout 2024.

## ETAF voices concerns over DAC8's minimum penalties

On 30 March 2023, ETAF published its [feedback](#) on the European Commission's proposal for an [eighth amendment](#) to the Directive 2011/16/EU on Administrative Cooperation in the field of taxation (DAC8).

ETAF generally welcomed the primary intention of the proposal to extend the mandatory automatic exchange of information between EU Member States to income earned through crypto assets. However, the Commission also took this opportunity to include further changes to the Directive, such as a set of different minimum penalties depending on the infringement, the turnover of the non-compliant entity and on whether it concerns a company or an individual.

According to the proposal, the minimum level of financial penalty would apply only after two valid administrative reminders or when the provided information contains incomplete, incorrect or false data, amounting to more than 25% of the information that should be reported. ETAF expressed some doubts about the legality of the determination of those penalties' levels by the European Commission and highlighted that the proposed minimum penalties are disproportionate, as they would in reality amount to the maximum penalty in the vast majority of Member States.

For this reason, we welcomed very much the deletion of the minimum penalties in the final agreement found in May 2023 between Member States. The text now merely provides that the sanctions imposed by the Member States against infringements must be *“effective, proportionate and dissuasive”* while stressing that *“the choice of penalties remains within the discretion of Member States”*.

On a more general note, ETAF also pointed out, in its feedback, that the successive amendments to the Directive on Administrative Cooperation in the field of taxation (DAC) have been adopted at an incredible speed these last years and that tax professionals have had difficulties to keep up with the fast-changing rules and assimilate them properly, in particular in small tax firms.





## The road to faster and safer tax excess relief

The European Commission released in June 2023 a [new framework](#) for “Faster and Safer Relief of Excess Withholding Taxes” (FASTER). With this initiative, the Commission wants to reduce the length and the administrative burden usually linked to these kind of refund procedures and, at the same time, reduce the risks they sometimes present in terms of tax abuse.

The new framework, which will mainly involve Member States’ tax administrations, investors and financial intermediaries (e.g. banks), includes the integration of four main elements into European tax legislation:

- two new common accelerated procedures,
- an EU-wide digital tax residence certificate,
- the establishment of national registers of certified financial intermediaries,
- and a standardised reporting obligation.

In September 2023, ETAF sent its comments and [recommendations](#) on the proposal to the European Commission. While we welcomed very much this initiative, we argued in favour of extending its scope to all payments subject to withholding tax, and not just to excess withholding tax on dividends from listed shares and interest from listed bonds.

We also recommended to make the relief at source system mandatory by default as it provides the best results while the quick refund system would only be used as a back-up solution when relief at source is not possible.

Finally, ETAF fully supported the proposal to introduce an EU-wide digital tax residence certificate (eTRC), which will enable investors to submit their withholding tax refund claims digitally via an online portal but warned that only strictly necessary information should be included.



## ETAF's stance on the Transfer Pricing Directive proposal

In September 2023, the European Commission published a [proposal](#) to integrate OECD Transfer Pricing Guidelines into EU law. The initiative aims to harmonise the application of the arm's length principle among EU Member States, thereby reducing profit shifting, double taxation and transfer pricing disputes.

ETAF appreciated the efforts to align with global standards but noted discrepancies between the EU proposal and the OECD Guidelines, that could lead to legal uncertainties and challenges in implementation and recommended to stay as close as possible to the OECD Guidelines. For this reason, we sent, in December 2023, a [feedback](#) to the European Commission containing several improvement suggestions.

Since national laws among Member States vary in their interpretation of certain legal terms such as "associated enterprises" or "control", the proposal introduced common definitions, which ETAF deemed as too broad and could potentially increase the scope and the administrative burden for companies.

The proposal also introduced a "fast track" procedure for resolving double taxation within 180 days, which ETAF welcomed and commented by recommending a longer period of further 90 days which could make the provision more effective.

Moreover, ETAF raised some concerns about the proposal's approach to managing commercial and financial relations, choosing transfer pricing methods and conducting comparability analysis, highlighting inconsistencies with OECD Guidelines that could lead to challenges in interpretation. ETAF's feedback also included the suggestion to withdraw the requirement for compensating transfer pricing adjustments that extend beyond the scope of the OECD Transfer Pricing Guidelines.

By advocating for adjustments that ensure closer adherence to OECD Guidelines, clear definitions, and efficient dispute resolution mechanisms, ETAF aimed to contribute to the creation of a more effective, balanced and fair tax framework within the European Union.



# ETAF EVENTS

## ETAF General Assembly 2023



*ETAF General Assembly on 28 June 2023*

On 28 June 2023, ETAF held its annual General Meeting in its offices in Brussels. On this occasion, ETAF President, Philippe Arraou, reported about ETAF activities since the last annual General Meeting and ETAF Head of Office, Michael Schick, presented the 2023 EU tax calendar.

Among other things, ETAF members discussed their tax and professional law priorities for the upcoming year and future lobbying actions in Brussels on the basis of the results of a survey carried out at the beginning of the year.

## HKPS joins ETAF as observer member



*Former HKPS President, Damir Brajković, and ETAF President, Philippe Arraou, during the ETAF General Assembly on 28 June 2023*

The [Croatian Chamber of Tax Advisers](#) (HKPS) became member of the European Tax Adviser Federation (ETAF) on 1 July 2023. All ETAF members are delighted about this decision and looking forward to a constructive and fruitful collaboration with HKPS.

HKPS, which was founded in Zagreb in November 2011 and is the umbrella organization for around 90 registered tax advisers, meets all the ETAF admission requirements, including that the tax profession is regulated by law.

The decision to accept the application of HKPS as an observer member was taken unanimously on 28 June 2023 during the ETAF General Assembly in Brussels. On this occasion, delegates to the General Assembly were happy to welcome the President of HKPS, Damir Brajković, as a guest.





## ETAF Conference “Expecting the SAFE proposal: the perspective of the tax profession”

On 28 June 2023, ETAF organised a [conference](#) on the tax profession’s perspective on the planned proposal for a Directive to tackle the role of enablers that facilitate tax evasion and aggressive tax planning (known as Securing the Activity Framework for Enablers or SAFE) in Brussels.

Initially anticipated for June 2023, the SAFE proposal has now been postponed indefinitely. Nevertheless, the conference was a good opportunity for tax experts to publicly express their expectations regarding this important matter for the tax profession.

On this occasion, ETAF Head of Office, Michael Schick, stated that to tackle the core of the problem and avoid disproportionate bureaucracy, it is necessary to target non-regulated tax professionals, operating outside any binding professional law framework and to strictly limit the material scope of the proposal to complex structures in non-EU countries.

MEP Paul Tang, Chair of the FISC Subcommittee of the European Parliament, advocated for broad regulation and registration as well as disciplinary mechanisms to make sure to get after the enablers of tax evasion. He, however, admitted that there could be a “lighter touch” for countries that are already regulated.

Andrea Rabb, ETAF Board member and Vice-President of International Affairs of ETAF’s Hungarian member Moklasz, said that, from her point of view, what the Commission wants to do with SAFE is not a genuine regulation. She also warned that an EU register of intermediaries providing tax advice in relation with third countries could run against the strong requirements set by countries who already regulate the tax profession and could create a risk of counterproductive levelling down of qualified tax experts.

All in all, the panel discussion showed a broad consensus among the speakers that the SAFE proposal should target the “bad apples” and that we need a clear and practicable definition of aggressive tax planning. As it was already the case in 2022, ETAF kept engaging on the SAFE proposal throughout the year, by multiplying contacts with EU officials as well as with other tax stakeholders on this topic.



*Elodie Lamer (Tax journalist for Tax Notes), MEP Paul Tang (Chair of the FISC Subcommittee of the European Parliament), Andrea Rabb (ETAF Board member), Manon François (Researcher at the EU Tax Observatory) and Philippe Arraou (ETAF President)*

# ETAF Conference on the implementation of the OECD Two-Pillar solution

For its second [conference](#) of the year on 29 November 2023, ETAF chose to take stock of the progress made in the implementation of the OECD Two-Pillar solution to address tax challenges arising from the digitalisation of the economy, more than two years after the landmark agreement.

The [event](#), which was largely covered by the European press, gathered some 50 tax experts in Brussels and more than 600 online attendees. In his introductory speech, Philippe Arraou emphasised the vital role of tax advisers in assisting clients with the new rules, highlighting the need for clear guidance from policymakers to ensure effective compliance.

The ETAF conference featured a strong panel, including David Bradbury, Deputy Director of the OECD Centre for Tax Policy and Administration (CTPA), Reinhard Biebel, Head of the Unit Direct Tax Policy and Cooperation at DG TAXUD of the European Commission, Jorge Alberto Ferreras Gutiérrez, Financial Counsellor at the Permanent Representation of Spain to the EU, Mona Barake, Postdoctoral Researcher at the EU Tax Observatory and Christoph Marchgraber, Partner at KPMG and member of the Pillar Two Working Group of KSW. The discussion was moderated by Rebecca Christie, Columnist for Reuters Breakingviews and Senior Fellow at Bruegel.



David Bradbury, Deputy Director of the OECD CTPA

Panellists discussed the state of implementation of the OECD Pillar Two, as the deadline for implementation in the EU was set to 31 December 2023. Challenges in understanding and implementing these complex new rules were highlighted, emphasising the need for clear guidance and adjustments in financial reporting processes.

Regarding Pillar One of the OECD agreement, which focuses on reallocating taxing rights to where profits are generated, it was apparent that the framework significantly hinges on the US participation due to the so-called "critical mass" condition. The European Commission said it has decided not to propose an EU Directive for Pillar One, outlining the sufficiency of a multilateral convention.



Additionally, the discussion addressed the recent vote to start negotiations at the UN on a framework convention on international tax cooperation and the impact it could have on the OECD's efforts, underscoring the EU's need for a unified stance on an international platform.

Philippe Arraou (ETAF President), Rebecca Christie (Senior Fellow at Bruegel), Jorge Alberto Ferreras Gutiérrez (Financial Counsellor at the Permanent Representation of Spain to the EU), Mona Barake (Postdoctoral Researcher at the EU Tax Observatory), Reinhard Biebel (Head of the Unit at DG TAXUD of the European Commission)



## ETAF speaks at the EU Tax Symposium

ETAF has been delighted to participate in October 2023 in the second [EU Tax Symposium](#) organised by the European Commission and the European Parliament in Brussels. The whole ETAF team attended the two-day event, which gathered EU officials and tax experts to discuss the future of EU taxation.

The ETAF representative in the European Commission's VAT expert group, Dr. Stefanie Becker, participated in a discussion on VAT in the digital age. This session looked into how the current VAT system can be adapted to the digitised economy, with real time flow of information and exchange. It also delved into how evolving technologies could be used.

Dr. Stefanie Becker said that the ViDA package presented by the Commission in December 2022 can be an impulse to businesses to go digital as it can save costs and human resources. However, tax advisers need time to inform the companies, to train them and to correctly implement the new rules, she warned. She also advocated for an EU regulation that is future-proof, in particular with regards to new digital economies.

The role of behavioural taxation and of wealth taxation in the tax mix of tomorrow as well as the future of personal income taxation and the taxation of digital nomads were also discussed during the event.

New taxes were not the only topic for discussion but also new decision-making methods. In this regard, speakers discussed the role of the United Nations, the OECD, the EU, Member States and their parliaments in the international tax policy setting and how these different governance levels can better work together to address emerging challenges to our tax systems.

*Mario Nava (Director General DG REFORM of the European Commission), Helena Alves Borges (Director General of the Portuguese Tax and Customs Authority), Ferenc Vagujhelyi (Commissioner of the National Tax and Customs Authority of Hungary), Dr. Stefanie Becker (ETAF VAT expert), Sophie Claessens (Director Amazon EU Public Policy), MEP Ondrej Kovarik (Renew Europe, Czechia)*



## ETAF at the annual EU Tax Observatory conference

*Elodie Lamer (Tax journalist for Tax Notes), Giulia Aliprandi (Researcher at the EU Tax Observatory), MEP Kira Marie Peter-Hansen (Greens/EFA, Denmark), Michael Schick (ETAF Head of Office), MEP Paul Tang (Chair of the FISC Subcommittee of the European Parliament)*



On 30 May 2023, EU decision-makers, academics and tax experts met in Brussels at the High-Level Annual Conference of the EU Tax Observatory, the EU's institute for innovative tax research and scholarship. This year's [conference](#) was titled "Investing in the Future of Europe: Building the EU's Own Resources" and focused on the future of corporate taxation, the fight against tax avoidance and wealth taxation.

ETAF was invited to speak for the tax advisory profession during the debate on "fighting tax avoidance more effectively". ETAF was represented by Michael Schick, Head of the ETAF Office in Brussels. The other panellists were MEP Paul Tang (S&D, The Netherlands), MEP Kira Marie Peter-Hansen (Greens/EFA, Denmark) and Giulia Aliprandi (Researcher at the EU Tax Observatory).

This panel session touched upon the concern regarding the use of shell companies as well as the role of so-called "enablers" facilitating tax avoidance.

Asked about the UNSHELL Directive proposal, Michael Schick explained that ETAF generally supports the goal of the European Commission to fight letterbox companies but that our members find the two-tier system of gateways and indicators of economic substance too complex. In the view of ETAF, one single set of indicators would have been more efficient.

When it came to the upcoming SAFE proposal (Securing the Activity Framework of Enablers), Michael Schick emphasized that regulated tax advisers are not "enablers" of aggressive tax planning, but rather preventers. He further stated that one should not institutionalise the term tax avoidance and that tax avoidance is legal as far as it is done within the boundaries of the law. All panellists agreed that the definition of "aggressive tax planning" will be crucial.

Ultimately, the conference provided a good opportunity for ETAF to be heard on several important legislative files and to raise awareness on the challenges that the regulated tax profession currently faces.



## ETAF at the CECCAR Congress in Bucharest

The representative body of the accountancy profession in Romania (Corpul Experților Contabili și Contabililor Autorizați din România - [CECCAR](#)) held on 3 - 4 October 2023 in Bucharest the [24th edition](#) of its Congress, under the theme “#FutureReadyProfessionals – Evolution or Revolution?”. This edition marked the 100th anniversary of the first Congress of the accounting profession in Romania.

On this occasion, essential strategic directions were debated regarding the future of the accounting profession, in meeting the objectives of a sustainable global economy. In his opening speech, Robert Sova, Vice-President of the Superior Council of CECCAR and ETAF Board member, outlined how digitalisation will reshape the profession and invited the audience to ask itself how many activities of tax advisers will be maintained in the future.



*Philippe Arraou, ETAF President*

ETAF President, Philippe Arraou, presented the perspective of tax professionals at EU level and ETAF work. He explained that EU tax legislation has become more and more complex these past years and tax professionals need to possess an ever-broader skillset beyond traditional tax knowledge.

He presented three trends in EU tax policies that could influence the profession in the future in his opinion: the multiplication and complexification of EU tax legislation, the quest for greater tax responsibility and transparency, and the fight against tax avoidance and the focus on intermediaries.

ETAF Head of Office, Michael Schick, participated in a panel discussion on taxation fit for digital transformation. He informed the audience about the current legislative proposals at EU level dealing with digitalisation, including the recent proposal establishing a Head Office Tax System (HOT) for SMEs.

Other speakers in the panel were Daniela Teodoru and Sia-Nicoleta Jiru from the Romanian National Fiscal Administration Agency and Marcel Vulpoi from Vulpoi&Toader Management.



*Michael Schick, ETAF Head of Office*

## ETAF at the ITAA Congress in Brussels

On 10 November 2023, ETAF took part in the Belgian Institute for Tax Advisors and Accountants (ITAA) [Congress](#) in Brussels.

Throughout the day several mini-conferences were organised on different topics such as reporting and sustainability, e-invoicing, use of artificial intelligence and how to enhance the attractiveness of the profession.

During a session dedicated to European and international tax policy news, ETAF Head of Office, Michael Schick, presented to Belgian tax professionals the recent SME relief measures proposed by the European Commission, including a Head Office Tax System (HOT) for SMEs.

He also informed the audience about the rationalisation plans of the European Commission for 2024 and its intention to reduce the administrative burden weighing on companies and originating from EU law by 25%.

Moreover, Mr Schick gave some information about new EU Anti-Money Laundering rules, currently under negotiations between the Council of the EU and the European Parliament, and their impact on tax professionals.

Finally, he gave a brief overview of the state of play on the future Securing the Activity Framework for Enablers (SAFE), which has currently been put on ice.

*Michael Schick, ETAF Head of Office*



# ETAF MEETINGS 2023

19 January	Meeting with the Syntesia's team for the DG TAXUD's evaluation of the Directive on Administrative Cooperation in the field of direct taxation
21 February	Meeting with Benjamin Angel, Director for direct taxation, tax coordination, economic analysis and evaluation, DG TAXUD, European Commission
6 April	Meeting with Spyros Perikleous, Sustainability Project Manager, CSR Europe
17 April	Meeting with Iryna de Smedt and Chara Georgiou, AML advisors, Accountancy Europe
19 April	Joint-associations roundtable on EU tax initiatives held by ETAF with EFAA, Accountancy Europe and IFAC (staff level)
30 May	Participation in the High-level conference of the EU Tax Observatory
5 June	Participation in Moklasz International Conference
28 June	ETAF Conference "Expecting the SAFE proposal: the perspective of the tax profession"
28 June	ETAF General Assembly
12 July	Meeting with PwC Jacomien van den Hurk, Edwin Visser and Keetie van der Torren-Jakma
28 September	Meeting with Fernando Santiago, President of the Consejo General de Colegios de Gestores Administrativos of Spain
3 October	ETAF Board meeting in Bucharest and participation in CECCAR Congress
11 October	Participation in Accountancy Europe AML Working Party
24 October	Participation in the EU Tax Symposium
8 November	Meeting with Juan Alvarez, PwC, Under contract with the European Commission, Directorate-General for Informatics (DG DIGIT), eInvoicing team
10 November	Participation in ITAA Congress in Brussels
22 November	Participation in CNOEC's Club Fiscal in Paris
29 November	ETAF Conference "From agreement to implementation: where do we stand with the OECD Two-Pillar Solution?"
30 November	Meeting with the European Round Table for Industry
15 December	Meeting with Stephen Dale, International VAT Association

## ABOUT ETAF

ETAF is a European umbrella organisation for 215 000 tax professionals from France, Germany, Belgium, Romania, Hungary, Austria and Croatia. ETAF was launched in January 2016 as an international non-profit organisation (AISBL), governed by 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.