E-News from KPMG's EU Tax Centre

E-News from the EU Tax Centre

Issue 144 – December 8, 2021

KPMG's EU Tax Centre compiles a regular update of EU and international tax developments that can have both a domestic and a cross-border impact, with the aim of helping you keep track of and understand these developments and how they can impact your business.

Latest CJEU, EFTA and ECHR

CJEU decision on the concept of "fishing expedition" under the DAC

On November 25, 2021, the Court of Justice of the European Union (CJEU) rendered its decision in État du Grand-duché de Luxembourg v L (C-437/19) concerning the concept of "fishing expedition" in the Directive on Administrative Cooperation (2011/16) – DAC. The plaintiff – L, a company established in Luxembourg, was requested by the domestic tax authorities to provide certain data related to its shareholders. The information was demanded following a request received from the French tax authorities under the DAC, on the grounds that the shareholders could be subject to reporting obligations and liable to property tax in France. The plaintiff appealed the request, as well as a related penalty impose for non-compliance, claiming that the information was not foreseeably relevant. Their appeal notes that the shareholders were not identified by name, and the request order did not explain why the information was requested.

The CJEU noted that based on settled case-law, requests under the DAC are aimed at gathering information of which the requesting authority does not have full and precise knowledge. In their view, an interpretation of the concept “identity of the person under examination or investigation” as meaning that persons need to be individually identified by name, would make the DAC impractical. As a result, the Court ruled that the above concept should also cover group requests, where the persons under investigation are defined by a set of distinctive qualities or characteristics enabling their identification. The Court also confirmed that the principle of “foreseeable relevance” under the DAC reflects the one used under Article 26(1) of the OECD Model Tax Convention on Income and on Capital, and referred to the related OECD commentaries to clarify the concept of a fishing expedition.

In light of the principle of foreseeable relevance and considering the aim of avoiding fishing expeditions, the Court concluded that the tax authorities are required to: i) provide a detailed description of the investigated persons; ii) explain the specific tax obligations of the targeted group; and iii) state the reasons why the targeted group is investigated, justified by reasonable suspicions of non-compliance with the specific tax obligation. It will be up to the referring court to decide if these conditions are met in the case at hand.

Appeal against the General Court’s judgment in two cases regarding Luxembourg tax rulings related to intra-group financing structures (Case C-454/21 P)

On November 29, 2021, the appeal brought by Luxembourg against the May 2021 judgment of the General Court of the European Union in the cases T-516/18 and T-525/18 was published in the Official Journal. The cases concerned two sets of tax rulings granted by the Luxembourg tax authorities between 2008 and 2014 in connection with intra-group financing structures relating to the transfer of activities between companies of the taxpayer group resident in Luxembourg. In the disputed judgment, the General Court had upheld the European Commission’s decision that Luxembourg had granted illegal State aid. The taxpayers involved in the proceedings submitted a similar appeal on June 22, 2021 – see E-News Issue 140.

Luxembourg argues that the General Court erred in law when defining the reference framework used for determining the selectivity of the State aid measure, as well as by performing an analysis of selectivity which was not in line with previous CJEU case-law. In particular, the appellant claims that the General Court failed to show that companies in a comparable factual and legal situation were discriminated against, as compared to the taxpayer involved in the legal proceedings.

In the second ground of appeal, the appellant argues that the General Court committed errors of law by determining the existence of a selective tax advantage in the light of the Luxembourg national measures relating to abuse of law, and it infringed its right of defense. The third ground of appeal claims that the disputed judgement infringes the national autonomy of the Grand Duchy of Luxembourg in the field of taxation, as well as the division of competences between Member States and the EU. Lastly, the appellant argues that the General Court failed to state the reasons when issuing the disputed judgement.

Infringement Procedures and CJEU Referrals

Letter of formal notice sent to Spain regarding taxation of non-resident capital gains

As part of the December 2021 infringement package, the European Commission announced a letter of formal notice had been sent to Spain requesting that amendments are made to the treatment of non-resident taxpayers' capital gains. Currently, Spanish resident taxpayers can defer payment of capital gains on asset transfers if the settlement of the transfers is paid in instalments or deferred for a period longer than one year. However, a similar option is not currently available for non-Spanish resident taxpayers and the European Commission has requested that this position is updated.

Spain has two months to respond to the arguments raised by the European Commission, after which the Commission may decide to send a reasoned opinion to Spain.

Reasoned opinion sent to Belgium regarding transposition of controlled foreign company rules

On December 2, 2021, the European Commission decided to send a reasoned opinion to Belgium, calling on Belgium to amend its controlled foreign company rules to ensure the correct transposition of the EU Anti-Tax Avoidance Directive (ATAD). In the reasoned opinion, the Commission argues that, contrary to Article 8(7) of ATAD, Belgian CFC provisions do not allow a taxpayer to deduct tax paid by a CFC entity in its state of residence from the taxpayer's Belgian CFC liability.

Belgium has two months to respond to the reasoned opinion, after which the Commission may decide to refer a case to the CJEU.

Reasoned opinion sent to Luxembourg regarding transposition of interest limitation rules

On December 2, 2021, the European Commission took the decision to send a reasoned opinion to Luxembourg, calling on the Member State to amend its interest limitation rules to ensure the correct transposition of the EU Anti-Tax Avoidance Directive (ATAD). In the reasoned opinion, the Commission argues that Luxembourg's interest limitation rules contain a derogation for securitization entities, which are not financial undertakings within the exhaustive list of financial undertakings in Article 2(5) of ATAD.

Luxembourg has two months to respond to the reasoned opinion, after which the Commission may decide to refer a case to the CJEU.

Reasoned opinion sent to Sweden regarding taxation of certain dividends

On December 2, 2021, the European Commission decided to send a reasoned opinion to Sweden, calling on the Member State to amend its legislation on the taxation of dividends paid to public pension institutions. Currently Swedish public pension funds are treated as state agencies and exempt from tax on dividend income whereas non-Swedish pension funds are subject to dividend withholding tax. The Commission has argued that treating foreign public pension institutions less favorably is an infringement of the principle of the free movement of capital.

Sweden has two months to respond to the reasoned opinion, after which the Commission may decide to refer a case to the CJEU.

For more information, please refer to the Commission's December 2021 infringement package.

State Aid

Extension of Temporary Framework on State Aid

On November 18, 2021, the European Commission announced a decision to prolong the Temporary Framework on State aid until June 30, 2022. The Temporary Framework had previously been set to expire on December 31, 2021. In addition, the Commission has decided to introduce two new measures – direct incentives for forward-looking private investment and solvency support measures – to the Temporary Framework for the duration of the extended period.

For more information on the announcement, please refer to the European Commission press release.

EU Institutions

COUNCIL OF THE EU

ECOFIN meeting discusses taxation measures

On December 7, 2021, the Economic and Financial Affairs Council (ECOFIN) held a meeting in which a range of taxation measures were discussed. The Council report provides an overview of the progress made during the term of the Slovenian Presidency, as well as an overview of the state of play of the most important dossiers under negotiation in the area of taxation. Key measures included:

- The Council noted the ongoing reform of international corporate taxation and the Two-Pillar proposal endorsed by OECD Inclusive Framework (IF) members. The Council noted that work is ongoing in the OECD/G20 IF to finalize the texts that will constitute the new framework of rules of the international consensus-based solution and stated that the EU intends to ensure implementation through legislation and decisions taken by the Council, where appropriate. In this regard, the Council stated that a legislative proposal to transpose the global minimum effective tax rate under Pillar 2 in the EU is expected to be published before the end of 2021.
- The Council noted that the European Commission is expected to bring forward a legislative proposal setting out rules to neutralize the misuse of shell entities for tax

purposes and a legislative proposal for the publication of effective tax rates paid by large companies.

- The Council reviewed progress on a Financial Transaction Tax (FTT), with ten Member States continuing to participate in negotiations through the enhanced cooperation mechanism. The Council noted that the European Commission has recently clarified that, if agreement can be reached, the Commission will make a proposal to transfer revenues from the FTT to the EU budget as an own resource. If no agreement can be reached by the end of 2022, the Commission will propose a new own resource based on a new FTT, with proposals to be made by June 2024 with a view to introduction by January 1, 2026.
- The Council launched an examination of the proposal for a Council Directive restructuring the Union framework for the taxation of energy products and electricity (the Energy Taxation Directive) which is part of the EU's "Fit for 55" package.
- The Council also reached a [general approach] on the proposal for amendments to Directive 2006/112/EC on rates of VAT.
- On the framework for administrative cooperation in the area of taxation, the Council stated that technical work should continue on the more efficient and better-targeted use of information collected through administrative cooperation. In this regard, it is expected that the Commission will, in 2022, bring forward a legislative proposal on further revisions to the DAC, concerning exchange of information on crypto-assets.
- Finally, the Council highlighted the work of the Code of Conduct Group throughout the Slovenian Presidency, with an additional meeting of Fiscal Counsellors/Attachés planned for December 2021 in order to prepare discussions for the next update to the EU list of non-cooperative jurisdictions in February 2022.

For more information on the ECOFIN meeting, please refer to the ECOFIN meeting webpage.

For more information on the EU's "Fit for 55" package, please refer to KPMG's dedicated webpage.

Council agrees negotiating mandate on transparency of crypto-asset transfers

On December 1, 2021, the EU ambassadors at the Council of the EU agreed on a mandate on how to take forward negotiations with the European Parliament on a proposal to enhance the level of transparency associated with crypto-asset transfers. The proposal is intended to align EU legislation with the key standards of the OECD Financial Action Task Force and is part of a package of legislative measures, presented by the Commission on July 20, 2021, to strengthen EU anti-money laundering provisions. The aim of the proposal is to oblige crypto-asset service providers to collect and make accessible full information about the sender and beneficiary of crypto-asset transfers.

For more information, please refer to the Council press release.

EUROPEAN PARLIAMENT

Directive on public Country-by-Country Reporting published in Official Journal of the EU

On December 1, 2021, the text of Directive (EU) 2021/2101 (of November 24, 2021) introducing "public" country-by-country (CbC) reporting for certain undertakings and branches was published in the Official Journal of the EU. According to the published text:

- The Directive will enter into force on the twentieth day following the date of its publication — i.e., the entry into force will be on December 21, 2021.
- EU Member States then have until June 22, 2023 to transpose the Directive into domestic legislation.
- The rules will apply, at the latest, from the commencement date of the first financial year starting on or after June 22, 2024.
- The deadline for publishing the report on income tax information (as provided for under the Directive) is 12 months from the balance sheet date of the financial year for which the report is drawn up. For calendar year taxpayers, the first reporting year will be financial year 2025, and the report will be due by the end of December 2026.

Additional information about the EU's public CbC reporting rules is available on a dedicated KPMG webpage.

European Parliament Subcommittee on tax matters (FISC) hearing on EU tax agenda

On November 30, 2021, the European Parliament sub-committee on tax matters (FISC) held a public meeting with EU Commissioner for Economy, Paolo Gentiloni, on the EU Commission's tax agenda for 2022. Key issues discussed at the meeting included:

- A proposal for a new EU directive on shell entities, i.e. legal entities in the EU with limited presence or economic activity, used for tax purposes.
- The status and scope of the EU list of non-cooperative jurisdictions, including a request from the European Parliament for the list to be expanded to capture no or zero-tax jurisdictions. The Commissioner noted that the EU would take the lead in this area but would like to achieve a consistent global approach.
- A revised draft mandate for the EU Code of Conduct Group (discussed at the ECOFIN meeting on December 7, 2021).
- Proposals for revisions of the Directive on Administrative Cooperation (DAC) to cover crypto assets (DAC8) and future revisions to DAC to make it more efficient.
- The EU Commission proposal designed to rebalance the mix between debt and equity financing (DEBRA); and
- Commission proposals for BEFIT which will be launched in 2023 and discussed during an upcoming EU tax symposium on the "EU tax mix on the road to 2050" which will take place in 2022.

For more information, please refer to the European Parliament press release.

At the November 30, 2021 hearing, the FISC sub-committee also discussed proposed amendments to the following draft own-initiative reports:

- "Fair and simpler taxation supporting the recovery strategy" which is the European Parliament's response to the European Commission's 2020 Action Plan. The amendments to the draft report call for greater certainty for taxpayers, simplification of compliance and a reduction of compliance costs for taxpayers.
- Amendments to "The impact of national tax reforms on the EU economy" draft report which contains European Parliament legislative recommendations for effective marginal tax rate competition, DEBRA, an EU taxation scorecard and tax incentives for R&D activities.

- Draft report on a European Withholding Tax framework which has been prepared as MEPs seek to contribute to the European Commission's proposal on a European withholding tax framework which is expected in late 2022. The report includes recommendations on the use of blockchain to verify information efficiently and the creation of a register of entities that qualify for tax treaty relief.

For more information on the FISC own-initiative reports, please refer to E-News Issue 141.

OECD and other International Institutions and Research Centers

OECD

OECD publishes revenue statistics for 2020

On December 6, 2021, the OECD published the 2021 edition of its publication "Revenue Statistics". The publication provides a comparative analysis of the impact of COVID-19 on tax revenues across OECD jurisdictions and finds that government support measures helped stabilize tax revenues by reducing bankruptcies and protecting employment. The report also shows that jurisdiction's tax-to-GDP ratios ranged from 17.9 percent (Mexico) to 46.5 percent (Denmark) in 2020, while the average OECD tax-to-GDP ratio was 33.5 percent in 2020, a slight rise of 0.1 percent on the 2019 figure.

For more information, please refer to the OECD press release.

OECD/G20 Inclusive Framework Agreement on BEPS 2.0 – digital services taxes update

On November 22, 2021, the United States and Turkey reached a compromise agreement in relation to the interplay of the Turkish national digital services taxation (DST) with Pillar 1. By conclusion of this agreement, Turkey joined five other European jurisdictions that have already reached the agreement under the same terms (see E-News Issue 141).

The agreement allows Turkey to maintain its DST rules until Pillar 1 enters into force. The US will terminate additional tariffs on Turkish goods and the DST liability that accrues for US companies during the interim period will be creditable against future income taxes accrued under Pillar 1.

For more details, please refer to the US Department of Treasury press release.

OECD releases 2020 MAP statistics

On November 22, 2021, the OECD released the latest mutual agreement procedure (MAP) statistics covering all the members that joined the Inclusive Framework prior to 2021 (118 jurisdictions). The following trends were identified:

- MAP cases remain very concentrated, with the top 25 jurisdictions accounting for 955 of new cases in 2020;
- Competent authorities adapted to the COVID-19 pandemic, with MAP remaining available throughout the pandemic, as MAP requests went digital which had not been possible before;
- There was a near 15 percent rise in transfer pricing cases;

- Approximately 5 percent fewer cases were closed in 2020 when compared with 2019;
- Outcomes remained generally positive with approximately 75 percent of cases fully resolved;
- Cases still take time: approximately 35 months for transfer pricing cases and 18 months for other cases on average.

For more details, please refer to the TaxNewsFlash article.

Multilateral Instrument updates

On November 25, 2021, Belgium, Estonia, the Netherlands and Qatar deposited new notifications under the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI), subsequent to their ratification:

- Estonia confirmed the completion of its internal procedures for the entry into effect of the MLI provisions with respect to seven of its tax treaties;
- the Netherlands added its tax treaty with Belgium as affected by the MLI. The Netherlands' consolidated list of reservations and notifications now includes 82 tax treaties.
- Qatar added its tax treaties with Georgia, Kazakhstan and Tunisia as affected by the MLI. Qatar's consolidated list of reservations and notifications now includes 79 tax treaties.
- Belgium added a notification with respect to its tax treaty with the Netherlands.

For more information, please refer to the OECD press release.

EU Tax Observatory

EU Tax Observatory* publishes report on tax competition

On November 24, 2021, the EU Tax Observatory published a report on “New Forms of Tax Competition in the European Union”. The report focuses on tax competition faced by individuals in the EU with a particular focus placed on specific preferential regimes of taxation for new domiciled taxpayers in EU Member States. The report also discusses whether tax competition is harmful, the dangers of increased tax competition within the EU and general trends in corporate taxes in the EU. The report also makes a number of policy recommendations including recommending an expansion of the mandate of the Code of Conduct Group and to limit carve-outs from the OECD global minimum tax.

For more information, please refer to the EU Tax Observatory report.

*According to its public website, the EU Tax Observatory is an independent research laboratory hosted by the Paris School of Economics.

Local Law and Regulations

Cyprus

Extension of DAC6 submission deadline and guidance on DAC6 penalties published

On November 22, 2021, the tax authorities in Cyprus announced a final extension for filing of information on reportable cross-border arrangements. The new DAC6 submission deadline, for filing without administrative penalties, has been extended to January 31, 2022. In addition, on November 10, 2021, the tax authorities published guidance on the imposition of DAC6 penalties providing for, i.a., a general annual penalty cap at EUR 120,000.

For more details, please refer to a tax alert prepared by KPMG in Cyprus.

Denmark

Changes to Danish transfer pricing documentation requirements

On November 25, 2021, legislation was enacted to update Danish transfer pricing documentation rules. The new rules require the transfer pricing documentation to be submitted to the Danish tax agency within 60 days of the due date for filing the tax return.

For a thorough overview of the Danish transfer pricing documentation rule amendments, please refer to the TaxNewsFlash article.

Estonia

Estonia published guidance on the taxation of nonresident income

On November 18, 2021, the Estonian Tax and Customs Board published guidance in respect of the taxation of non-resident income. The guidance includes clarifications on:

- the payroll taxation of employees on a business trip (non-resident) and posted workers (non-resident) to Estonia when the employer is a foreign company (non-resident);
- the payroll taxation of resident employees and non-resident employees in Estonia when the employer is an Estonian company or a non-resident acting as an employer in Estonia or a non-resident’s permanent establishment in Estonia;
- the tax exemptions for residents in the European Economic Area.

The guidance is applicable from January 1, 2022.

France

Removal of French digital services tax subject to the implementation of the Two-Pillar Solution

On November 29, 2021, the French Minister of Economy and Finance clarified that the progressive removal of the French digital services tax as agreed upon in the compromise agreement between five European jurisdiction and the US of October 21, 2021 (as previously covered in E-News Issue 141) will be completed only once the OECD Two-Pillar tax reform has been implemented.

In the compromise agreement it was stated that transitional measures would apply starting January 1, 2022, until the earlier of December 31, 2023 or the date of entry into force of a multilateral convention implementing Pillar 1.

Germany

Tax proposals in new federal government's coalition agreement

On November 24, 2021, the Social Democrats (SPD), the Greens (Bündnis 90 / Die Grünen), and the Free Democrats (FDP) issued their coalition agreement which includes a large number of separate tax proposals, such as the introduction of a reporting obligation for domestic tax arrangements of companies with a turnover greater than EUR 10 million (currently out of scope for the purposes of the EU mandatory disclosure rules).

For more details, please refer to a report prepared by KPMG Germany.

Greece

Greece publishes a revised list of non-cooperative jurisdictions for the 2020 tax year

On November 23, 2021, the Greek tax authorities published the Greek national list of non-cooperative jurisdictions for the 2020 tax year. The list includes the following jurisdictions:

Anguilla, Antigua and Barbuda, Barbados, Benin, Botswana, Burkina Faso, Cambodia, Chad, Djibouti, Dominica, Eswatini, Gabon, Ghana, Guatemala, Guinea, Guyana, Haiti, Honduras, Ivory Coast (Cote d' Ivoire), Jordan, Kazakhstan, Lesotho, Liberia, Madagascar, Maldives, Mali, Mauritania, Namibia, Niger, Oman, Palau, Panama, Papua New Guinea, Paraguay, Philippines, Rwanda, Seychelles, Sint Maarten, Tanzania, Thailand, Togo, Trinidad and Tobago and Vanuatu.

In addition, Kenya (from January 1 to October 31, 2020) and Montenegro, Mongolia, and Cape Verde (from January 1 to April 30, 2020) are considered to be non-cooperative jurisdictions for part of the tax year 2020.

According to Greek defensive measure rules, expenses that are paid to tax residents in such non-cooperative jurisdictions are not deductible for income tax purposes. An exception is provided where the taxpayer can prove that these expenses refer to ordinary transactions without the objective to shift profits for tax avoidance or evasion purposes.

For more details on defensive measures adopted by EU Member States against non-cooperative jurisdictions, please refer to KPMG's Summary of proposed or enacted measures.

Hungary

2022 draft tax reform bill

On November 23, 2021, the Hungarian Government submitted a draft bill to the Hungarian Parliament which contains a number of temporary and permanent changes to the Hungarian tax code with effect from January 1, 2022. Key measures include:

- A reduction in the rate of small business tax from 11 percent to 10 percent;
- A temporary extension for 2022 of the restrictions on local taxes which provide that:
    - the rates of local taxes cannot be increased;
    - provisions covering allowances and deductions cannot be tightened; and
    - no new local taxes can be introduced.

The draft tax bill (in Hungarian) is available here.

Iceland

Tax proposals in new federal government's coalition agreement

On November 28, 2021, the newly elected Icelandic Government published its agreed platform for the new coalition government. Key tax measures in the document include:

- Elimination of inappropriate and unsound incentives for the establishment of private limited companies;
- Strengthening of tax investigations;
- Support for OECD proposals for an agreed global minimum tax;
- Support for international co-operation against tax evasion and tax havens;
- Review of taxation of the tourism sector with a focus on broadening the tax base and ensuring non-discrimination among market actors; and
- Development of a comprehensive policy on the development, framework and taxation of aquaculture.

Italy

Tax authorities clarify transfer pricing documentation requirements

On November 26, 2021, the Italian tax authorities issued a Circular clarifying transfer pricing documentation requirements as amended by a legislative measure of November 23, 2020. Clarifications were made with regards to:

- Criteria to assess the adequacy of the documentation;
- Specific documentation requirements for certain services, permanent establishments and small and medium-sized enterprises;
- Structure and content of the Master and Local File;
- Application of administrative penalties;
- Reporting language;
- Filing procedure and requirements.

Jersey

Profit taxation of Cannabis Companies

On November 24, 2021, Jersey adopted the Income Tax Regulations 2021, as part of the Jersey Government plan for 2020 to 2023, which will result in the taxation of the profits of companies in the cannabis industry at a rate of 20 percent for the 2022 assessment year onwards.

In calculating the profits chargeable to the new tax, cannabis companies should be able to deduct expenses and capital allowances in line with the same business tax principles applied to other companies.

Netherlands

Netherlands extension of temporary relief measures for COVID-19

On November 26, 2021, the Dutch caretaker government announced additional relief measures in response to the coronavirus (COVID-19) pandemic. These include an extension of payment deferrals and the retention of a reduced rate of late-payment interest (0.01 percent) for an additional six months.

For more information, please refer to TaxNewsFlash.

Netherlands beneficial ownership registration requirements for trusts

On November 23, 2021, the Upper House of the Dutch Parliament adopted a bill that (as previously covered in E-News issue 143) provides for beneficial ownership registration requirements for trusts and similar legal arrangements, as required under Article 31 of the Fifth Anti-Money Laundering Directive.

As a next step, the bill (in Dutch) will be signed by the King of the Netherlands and published in the Dutch Official Gazette.

Report of the Conduit Companies Committee

On November 22, 2021, the Government-appointed Conduit Companies Committee released a 103-page report (in Dutch) containing 15 recommendations to tackle tax avoidance through the use of conduit companies. Recommendations include beneficial ownership registration, additional information-exchange measures and further research on the relationship between conduits entities, money laundering and tax evasion. The Dutch Deputy Minister of Finance responded and highlighted upcoming EU measures for shell companies and noted that the next government should consider improving information exchange provisions.

For more details please refer to a tax alert prepared by the KPMG member firm in the Netherlands.

Poland

”Polish Deal" tax reform package published in the Official Gazette

On November 23, 2021, the tax bill implementing the so-called “Polish Deal” tax package was published in Official Journal No. 2105/21.

As previously reported – see E-News 141, the bill includes significant corporate income tax changes which generally have an effective date of January 1, 2022.

For more information, please refer to a report prepared by KPMG Poland.

Portugal

Guidance concerning advance pricing agreements and transfer pricing documentation

On November 26, 2021, two ministerial orders were published that provide updated guidance concerning the process and procedures for advance pricing agreements and concerning transfer pricing documentation requirements.

For detailed information please refer to a report prepared by KPMG Portugal.

Slovakia

Minister of Finance presents features of future tax reform

On November 16, 2021, the Slovak Minister of Finance presented the third package of a forthcoming tax reform referred to as "Tax Revolution". Key income tax measures include:

- reduction of the general corporate income tax rate from 21 percent to 19 percent;
- accelerated depreciation of productive assets (additional deduction of up to 50 percent);
- introduction of an optional group taxation.

The press announcement is available here (in Slovak).

United Kingdom

UK launches public consultation on revised mandatory disclosure rules

On November 30, 2021, HMRC released a public consultation in respect of draft regulations providing for revised mandatory disclosure rules. The deadline for submissions is February 8, 2022.

The consultation deals with the implementation of the OECD model mandatory disclosure rules for common reporting standard (CRS) avoidance arrangements and opaque offshore structures. As previously covered in Euro Tax Flash issue 439, the regulations will replace similar EU rules introduced previously.

For more information, please refer to the consultation.

KPMG Insights

EU tax perspectives webcast – Wednesday, December 8

The international tax landscape is changing and the European Union is not only responding to international developments and adapting to the new reality, but also committed to a challenging timeline for additional tax policy measures.

Against this backdrop, we are delighted to invite you to our "EU tax perspectives" webcast, during which the panel of KPMG professionals will share their insights on some of the latest developments from across the EU affecting multinational groups operating in Europe. Please access the event page to register.

The path ahead for BEPS Pillar 1 and 2 implementation – Tuesday, December 14

Tax leaders around the world will soon have the opportunity for more detail and clarity around Pillar 1 and Pillar 2 implementation developments, with an extensive release expected from the Organization for Economic Co-operation and Development's on their Inclusive Framework expected at the end of November.

As part of the Future of Tax & Legal webcast series, KPMG International will host a session on Tuesday, December 14, 20201 focusing on "The path ahead for BEPS Pillar 1 and 2 implementation". Join the webcast for a deep dive that will explore the report in-depth and unpack key considerations for multinationals. Please access the event page to register.

The KPMG Great Tax Climate Debate webcast playback

On Thursday, November 18, 2021, KPMG hosted "The KPMG Great Tax Climate Debate" which brought together leading thinkers to debate the role tax can play in the climate agenda in a substantive yet entertaining discussion of the issues and tackle tough questions, such as:

- How can tax policy help from a practical perspective? Who bears the cost?
- Can the right tax policies drive sufficient behavioral change?
- What sectors are facing the most pressure? Where might compromise be needed?

A replay of the webcast is available here.

BEPS 2.0: Impact of the proposals for the Middle East

The OECD BEPS 2.0 project proposed a two-pillar approach to international tax reform, with Pillar Two focusing on the introduction of a Global Minimum Tax rate of 15 percent. KPMG Lower Gulf has prepared a summary of the new global minimum tax of 15 percent will affect groups with a consolidated turnover in excess of EUR 750 million in the Middle East. For more information, please refer to the KPMG Lower Gulf dedicated webpage.

Navigating Tax Transparency

With environmental, social and governance (ESG) rising on leadership agendas globally, tax practices and governance are becoming critical ESG measures, with tax transparency often being used as a key metric for demonstrating a responsible attitude towards tax. KPMG Tax Impact Reporting has prepared a range of supports and leading technology solutions to assist tax departments to accurately compile information on a company's tax footprint and manage compliance with tax transparency standards and changes.

For more information, please refer to the dedicated KPMG webpage.

KPMG Insights on the EU Green Deal

The KPMG Virtual Center of Excellence (VCOE) for Excise and Environmental Taxes and KPMG member firm professionals developed a set of materials on the EU Green Deal. For further details please refer to the dedicated KPMG umbrella page, or to KPMG's EU Green Deal Policy Guide which has been developed to summarize the key takeaways from each of the reforms in the European Commission's 'Fit for 55' package of carbon reform measures.

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Key links

- Visit our website for earlier editions

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