

Euro Tax Flash from KPMG's EU Tax Centre

EU direct tax initiatives: 2025 year-end state of play

Issue 572 – December 18, 2025

With the end of 2025 approaching, KPMG's EU Tax Centre took the opportunity to look back on some of the highlights of the year in the EU and international tax world. This special edition of Euro Tax Flash highlights some of the most important international tax developments recorded during in 2025 and notes some of the several initiatives that should be paid attention to will be relevant in 2026.

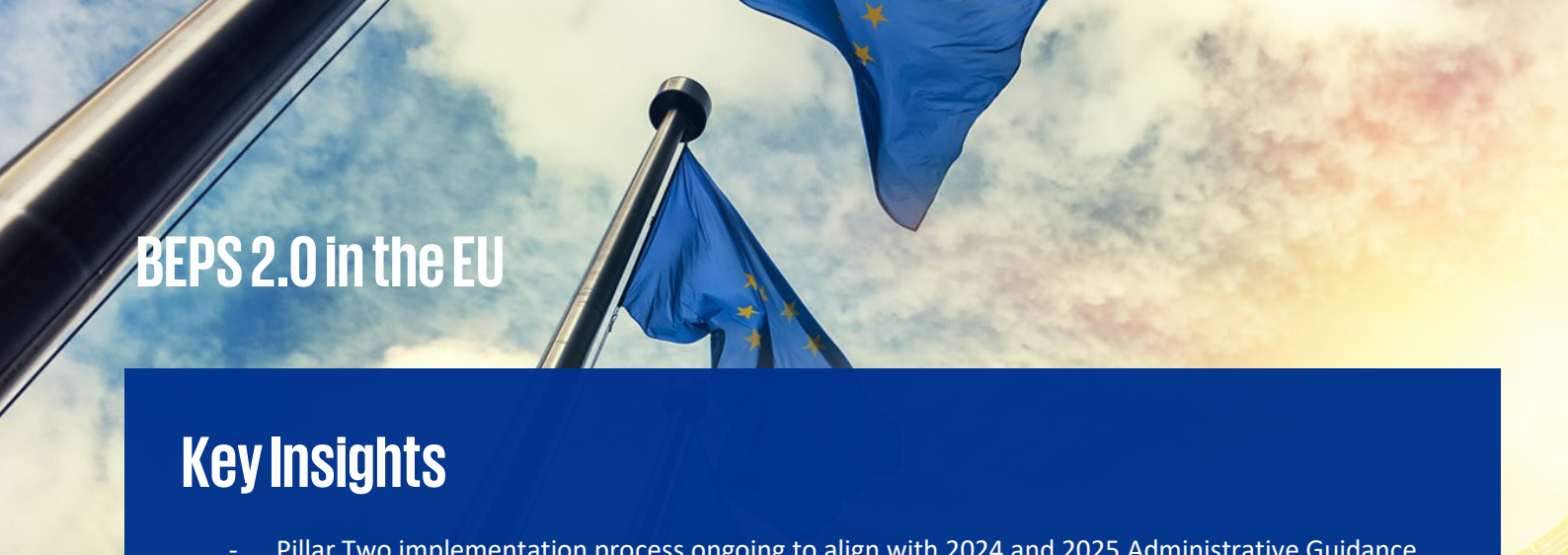


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BEPS 2.0 in the EU

Key Insights

- Pillar Two implementation process ongoing to align with 2024 and 2025 Administrative Guidance. Meanwhile, material changes to the Pillar Two framework are being negotiated at OECD / Inclusive Framework level as part of the Side-by-Side system.
- DAC9 and accompanying Implementing Regulation published in the EU Official Gazette – additional local registration, notification and tax return filing requirements to be considered
- Commission favours global solution on digital taxation – with Amount A on hold, several EU countries considering introducing or strengthening local Digital Services Taxes

EU Minimum Tax Directive (Pillar Two)

EU Minimum Tax Directive at a glance

As previously reported, the EU Minimum Tax Directive (2022/2523) entered into force on December 23, 2022, and required Member States to transpose the rules into domestic law by December 31, 2023.

Member States were generally required to start applying:

- the Income Inclusion Rule (IIR) for fiscal years beginning on or after December 31, 2023, and
- the Undertaxed Profits Rule (UTPR) for fiscal years beginning on or after December 31, 2024.

The Directive allows Member States to defer the application of the IIR and the UTPR up to December 31, 2029, where a maximum number of 12 UPEs are based in that EU Member State. It is important to keep in mind that Member States that do not defer the application for the charging provisions will be required to apply the UTPR with respect to Constituent Entities resident in deferring jurisdictions.

In addition, the EU Directive provides the option for Member States to implement a qualified domestic minimum top-up tax (QDMTT), without specifying an application date.

Following the entry into force of the EU Minimum Tax Directive, the OECD/G20 Inclusive Framework (IF) published a number of additional rules and clarifications that supplement the OECD GloBE Model Rules. In response, EU Member States approved a Council statement on November 9, 2023, reconfirming their political support for Pillar One and Pillar Two of the OECD's BEPS project. The Council statement and the accompanying statement from the European Commission (Commission or EC) also confirm the compatibility of the Safe Harbour rules and the February, July, December 2023 and June 2024 Administrative Guidance agreed by the IF with the EU Minimum Tax Directive. This position was further confirmed in non-binding FAQs published by the European Commission on December 22, 2023.

Status

All EU countries have transposed the EU Minimum Tax Directive into domestic legislation, including Cyprus, Poland, Portugal and Spain that were previously referred to the Court of Justice of the European Union (CJEU) for failing to transpose the Directive into domestic legislation within the deadline set by the Directive. Accordingly, on December 11, 2025, the European Commission announced that it had closed all pending infringement procedures regarding the transposition of the EU Minimum Tax Directive.

The majority of Member States generally apply DMTTs and the IIR for fiscal years starting on or after December 31, 2023¹. The UTPR generally applies one year later, i.e., from December 31, 2024.

One exception is Poland, where the IIR and DMTT apply for financial years starting on or after December 31, 2024, unless an irrevocable election is made by the taxpayer to apply the rules from January 1, 2024. Another exception is Cyprus where the DMTT, applies from January 1, 2025 (IIR applies from January 1, 2024 and UTPR from January 1, 2025 in line with the EU Directive).

Another exception are the five jurisdictions (namely, Estonia, Malta, Latvia, Lithuania, and Slovakia) that have opted to defer the application of the IIR and the UTPR. Slovakia has nevertheless implemented a DMTT for financial years starting on or after December 31, 2023.

It should also be noted that many EU countries are still in the process of implementing supplementary rules included in the different tranches of Administrative Guidance that were published in February, July and December 2023 as well June 2024 and January 2025.

For more details, please refer to the dedicated [KPMG BEPS 2.0 tracker](#) in Digital Gateway, which provides an overview on the status of Pillar Two implementation not only within the EU but also globally. The tracker further indicates some of the variations in terms of how countries incorporate the GloBE rules in their domestic legislation, including the application of the different GloBE Safe Harbours, the applicable accounting standard for DMTT purposes, different registration, filing and payments requirements as well as deadlines.

What to keep in mind

Differences in local implementation and interpretation

Taxpayers operating in the EU will want to continue to monitor how EU Member States incorporate the GloBE rules in their domestic legislation and to what extent differences in local implementation and interpretation arise:

- *DMTT*: there is variation with regard to whether countries make use of QDMTT design options that are permitted under OECD Guidance (e.g., carve-out for certain types of entities, no application of substance-based income exclusion or de-minimis exclusion). Note that stricter criteria apply as per OECD Guidance released in July 2023 for a QDMTT to be eligible for the Safe Harbor. Furthermore, approaches are not harmonized across the EU with regard to whether the QDMTT is computed based on the Local Financial Accounting Standard of the QDMTT jurisdiction (subject to conditions) or based on the consolidation standard.
- *Implementation of Administrative Guidance*: In-scope groups will also want to carefully monitor approaches taken by GloBE jurisdictions in terms of incorporating and applying elements of the OECD Commentary and Administrative Guidance in their legislation. As many Member States have amended or are in the process of amending their domestic Pillar Two legislation, it will be important to monitor whether such amendments introducing aspects of AG published subsequent to the adoption of the EU Directive will be implemented retroactively for 2024 or prospectively for 2025 or 2026 (e.g., Netherlands (for certain provisions), Sweden (with an option for taxpayers to apply the rules retroactively)).
- *Local clarifications*: It is also important to note that additional clarifications and interpretations brought by individual countries may go beyond what is provided by the OECD materials (e.g., Austria, Canada, France, Ireland, Italy, Netherlands, UK) and may lead to application differences. For example, it seems that several Pillar Two implementing jurisdictions take different approaches with respect to the treatment of Pillar Two Joint Ventures, as outlined in the KPMG 'Joint Venture and Pillar Two' [article](#).

Determining whether a jurisdiction's domestic law diverges from the GloBE Model Rules and Commentary may be a crucial exercise when completing the GloBE Information Return (GIR). The accompanying Administrative Guidance to the GIR template (published in January 2025) requires MNE Groups to do so where more than one jurisdiction has taxing rights over another jurisdiction (e.g., in scenarios where the IIR or UTPR applies at the level of different group entities). In those cases, MNE Groups will be required to quantify the differences in Section 3 of the GIR (e.g., quantitative impact of the differences on the GloBE Income, Covered Taxes, GloBE Effective Tax Rate, Substance-based Income Exclusion, Top-up Tax).

¹ Note that the IIRs of 21 EU countries have been awarded transitional qualified status under the Inclusive Framework peer review process. In addition, the DMTTs of 22 EU countries have been awarded transitional qualified status and are considered eligible for the QDMTT Safe Harbour.

Qualified status

Another important aspect to monitor is the outcome of the IF peer review for a common assessment of the "qualified" rules status of jurisdictions' implementation of the DMTT, IIR and UTPR.

The OECD is maintaining a [central record](#) providing the outcome of the Pillar Two transitional peer review process, identifying jurisdictions that have been granted Transitional Qualified Status concerning the local implementation of the DMTT and IIR. According to the latest update (August 18, 2025), 42 IIR regimes have been awarded transitional qualified status (including 21 EU countries). In addition, 43 DMTT regimes have been awarded transitional qualified status and considered eligible for the QDMTT Safe Harbour (including 22 EU countries).

Notably, the central registry notes that an Elective IIR and DMTT for 2024 can be recognized as qualified under certain circumstances (e.g., the Elective IIR and DMTT in Poland received the qualified status). However, it should be noted that an MNE Group cannot claim the QDMTT Safe Harbour if it is not subject to the Elective DMTT.

According to a Q&A document released by the OECD in June 2024, the transitional (simplified) self-assessment procedure allows implementing jurisdictions to self-certify the status of local rules by providing information on the main features of their legislation to the OECD Secretariat. The transitional qualified status of an implementing jurisdiction's legislation will end once the full legislative review is completed. According to the Q&A document, the full legislative review is expected to start no later than two years after the effective date of the legislation. Importantly, the document clarifies that if a jurisdiction loses its qualified status (e.g., following the full legislative review), the effect will not apply retrospectively, thus providing additional certainty to MNE Groups.

Items under negotiation

Finally, as at the date of this publication negotiations were still ongoing at the level of the Inclusive Framework on a number of key proposed changes to the Pillar Two framework, including:

- The Side-by-Side System, which would 'turn off' the application of the IIR and UTPR rules where the UPE of an MNE Group is located in a jurisdiction that essentially imposes minimum taxation requirements with respect to both domestic and foreign income of local MNE Groups headquartered in the jurisdiction. It is expected that the criteria match the attributes of the US tax system.
- A new Substance-based Tax Incentives Safe Harbour, which would allow for certain types of substance-based tax incentives to benefit from a treatment that results in a limited impact on the Effective Tax Rate, likely subject to a cap calculated with reference to certain substance parameters.
- Extension of the Transitional Country-by-Country Reporting Safe Harbour (TSH) for one year (i.e., to all Fiscal Years commencing on or before December 31, 2027 but not including Fiscal Years that end after June 30, 2029).
- A new Simplified ETR Safe Harbour (SESH), which would introduce a permanent Safe Harbour to eventually replace the TSH. It is expected that the SESH would be more detailed than the Simplified ETR Test from the TSH but potentially less complex than the full GloBE Rules, with the calculation based on financial accounting data (rather than Country-by-Country data), subject to a number of adjustments.

Exchange of Top-up tax information returns in the EU (DAC9)

DAC9 at a glance

On May 6, 2025, Council Directive (EU) 2025/872 on Administrative Cooperation to establish a framework for the exchange of Pillar Two information between Member States (DAC9) was [published](#) in the Official Journal of the EU. The Directive entered into force the day after its publication in the Official Journal of the European Union, i.e., May 7, 2025.

The purpose of DAC9 is to introduce a framework for the exchange of Top-up tax information returns filed by groups in scope of Pillar Two with the tax administration of an EU Member State. This allows MNEs to switch from local to central filing in the EU, where the EU UPE or designated filing entity files on behalf of the group in an EU Member State. The Directive includes a dissemination approach for the exchange of information to ensure that Member States only receive the information they need to collect any top-up taxes due in their jurisdiction through one of the available mechanisms, i.e., DMTT, IIR or UTPR, as follows:

- The Member State of the UPE receives the full GIR.
- All Implementing Member States receive the full general section of the GIR.
- QDTT-only Member States, where constituent entities of the MNE are located, receive the general section of the GIR

(excluding high-level summary information section).

- Member States with taxing rights (IIR or UTPR) receive specific jurisdictional sections.

This approach follows that published by the OECD in January 2025.

The DAC9 proposal also introduces a standard template for the Top-up tax information return, which closely follows the template developed by the OECD for the GIR – as published in January 2025.

Status

Member States must transpose the Directive by December 31, 2025. The initial top-up tax reporting deadline is set for June 30, 2026. EU Member States that have opted to delay the implementation of the Income Inclusion Rule (IIR) and Undertaxed Profits Rule (UTPR) must also transpose DAC9 by this deadline.

On July 17, 2025, a Commission [Implementing Regulation](#) was published in the Official Journal of the EU with respect to the automatic exchange of Pillar Two information between Member States under DAC9. The Implementing Regulation lays down a common XML schema, which is closely aligned with the schema released by the OECD in January 2025.

What to keep in mind

It is important to keep in mind that the Directive does not address exchanges with non-EU jurisdictions. The expectation is that Top-up tax information returns filed by in-scope groups outside of the European Union (i.e., by a non-EU UPE or designated filing entity) will be shared with other relevant tax authorities (including in EU Member States) based on exchange relationships activated through the GloBE Information Return Multilateral Competent Authority Agreement (GIR MCAA). The OECD keeps track of jurisdictions that have signed the GIR MCAA (22 jurisdictions as of November 5, 2025) in a [list](#) that is regularly updated.

Note that the EU Minimum Tax Directive (Article 44 (4)), still requires each Constituent Entity in an EU Member State (or the designated local entity on its behalf) to notify its tax administration of the identity of the entity that is filing the Top-up tax information return, as well as the jurisdiction in which the filing entity is located.

Furthermore, it is important to keep in mind that DAC9 does not address any other form of local filing requirements beyond the Top-up tax information return. We therefore recommend that impacted MNEs keep track of local:

- *registration and notification requirements:* several European jurisdictions require registration within the same deadline as for the GIR (i.e., within 15 months of the end of the relevant financial year, and 18 months for the first filings), whilst others required (certain) local Constituent Entities to register with local administration already in 2024 (e.g., Austria, Belgium, Hungary) or in the course of 2025 (e.g., Denmark, France, Germany). Jurisdictions, including Ireland, Isle of Man, Jersey, Liechtenstein, Portugal, and Romania) require local registrations for calendar year taxpayers by December 31, 2025 ;
- *tax returns:* it can be observed that a number of Member States (e.g., Belgium, Czechia, Germany, Hungary, Italy, Slovakia, Spain) have introduced or are in the process of introducing local tax return filing obligations, in addition to the GIR. It appears that EU countries are taking varied approaches to the amount of information required in these local tax returns for DMTT and IIR/UTPR top-up-tax (e.g., Belgium and Czechia appear to require extensive local filings, similar to the GIR, whilst Germany, Slovakia, Spain are considering more condensed returns with reliance on the exchange of GIR information). In some European jurisdictions, the requirement to submit a local return may depend on whether there is an actual top-up tax liability. Finally, deadlines for submitting local tax returns differ among European countries, with some applying the same deadline as for the GIR, whilst others provide for shorter (e.g., Türkiye) or longer deadlines (e.g., the Netherlands);
- *advance payment requirements:* a number of EU countries require in-scope groups to make top-up tax advance payments and submit related declarations in 2025 (e.g., Belgium, Hungary, Italy).

Finally, it is expected that the GIR template and related xml structure would require changes as result of the Side-by-Side Package and the introduction of new Safe Harbour provisions. According to the Directive, future changes to the GIR template will be reflected in the Top-up tax information return via European Commission delegated acts.

Taxation of the digital economy in the EU

Status

The EU Commissioner for Climate, Net Zero and Clean Growth – who is also responsible for taxation, re-confirmed earlier this year that the European Commission continues to favour a multilateral solution on digital taxation.

The Commissioner referred to the discussions on Amount A of Pillar One to reallocate profits of multinational enterprises to market jurisdictions, which are currently on hold. According to the Commissioner, the discussions will be resumed once a Side-by-Side solution on Pillar Two is agreed upon. The Commissioner warned that the proliferation of national or regional measures, as an alternative scenario, would generate fragmentation of the international tax landscape and may create double taxation issues.

Accordingly, national contributions based on a common EU Digital Services Tax (DST) were missing in the EC's July 2025 proposal for a system of EU own resources despite being mentioned in previous communications as a potential EU new own resource. In this context, the Polish Presidency progress report (first half of 2025) noted that whilst several Member States were open to the idea of a new own resource based on a common EU DST, they were not optimistic about its possible introduction in time for the next multiannual financial framework. In addition, the report noted that other EU countries advised caution as its introduction could trigger retaliatory measures by international partners.

Previous Directive proposals for taxing digital business operations have not been withdrawn by the Commission and continue to be referred to as “pending” in the EC 2026 work program:

- *EU DST – 2018*: Proposed coordinated approach to taxing revenues from certain digital services to avoid potential disparities arising within the EU as a result of the unilateral application of digital service taxes.
- *Corporate taxation of a significant digital presence - 2018*: Proposed introduction of a taxable nexus for digital businesses operating within the EU.

What to keep in mind

In light of the stalled discussions on Amount A, some EU countries are exploring ways to introduce local DSTs or potentially strengthen existing local DSTs, including:

- *Belgium*: Based on the Belgian federal government coalition agreement 2025-2029, the Belgian government intends to introduce a DST at the latest by 2027, unilaterally or in an EU context. As such, large multinationals providing digital services in Belgium would be taxable even where they do not have a physical presence in Belgium.
- *France*: End of 2024, two separate proposals for a hike of the French DST from 3 percent to 6 percent or 5 percent, respectively, were discussed in the French Parliament. However, both proposals have been rejected. In September 2025, the French Constitutional Court held that the French DST is consistent with the French constitution. The Court confirmed that taxing revenues from certain digital services is a legitimate legislative choice, and that the design of the DST - its scope, thresholds, territorial attribution method, transitional rule, and rate - does not violate the constitutional principles of equality or fairness in public burdens.
- *Italy*: The Budget Law for 2025 expanded the scope of the Italian DST by eliminating the national revenue threshold of EUR 5.5 million. Consequently, all multinationals with a worldwide revenue of at least EUR 750 million may be subject to DST on revenue from digital services in Italy.
- *Poland*: According to public statements by the Polish Minister of Digital Affairs in March 2025, the Polish government is working on a proposal for a digital tax on either the revenues or the profits of big tech companies in Poland.
- *UK*: In an HMRC report submitted to the UK Parliament in December 2025, it is noted that the UK government's preference remains to implement Pillar One and remove the UK DST. However, the report stresses that until an international agreement is reached, the government plans to keep the UK DST in operation.

Taxpayers operating in the EU may want to closely monitor how the design of existing DSTs evolves, to what extent new DSTs will be introduced across the EU and how these developments may impact trade discussions with international partners. Note that earlier in 2025, a US retaliatory tax was proposed on certain non-U.S. corporations and individuals if their home jurisdiction had adopted taxes on US taxpayers deemed to be discriminatory or extraterritorial. Such taxes potentially would have included taxes imposed under an UTPR, DST, or Diverted Profits Taxes (DPTs). However, following the June 28 G7 statement on a Side-by-Side solution to US concerns on Pillar Two, the proposed new section 899 was removed from the budget reconciliation bill known as the “One Big Beautiful Bill” (OBBB).



Competitiveness and simplification

Key Insights

- DAC recast proposal expected in the second quarter of 2026
- The Unshell proposal will be withdrawn by the Commission. Elements of the proposal might be incorporated into future EU tax disclosure rules, though the extent remains uncertain
- Tax omnibus proposal (including amendments to ATAD, PSD, IRD and Merger Directive) expected in the second quarter of 2026
- ECOFIN Council welcomes EC recommendation on tax incentives, including several reservations
- Recommendation on Savings and Investment Accounts
- Report on tax gaps to support competitiveness and fairer tax systems

EU tax decluttering and simplification agenda

On March 11, 2025, the ECOFIN Council adopted conclusions setting a tax decluttering and simplification agenda with a view to contributing to the EU's competitiveness. The conclusions represent the Council's views and aim to guide the Commission on possible upcoming initiatives in the field of taxation, in the context of improving the EU's competitiveness and reducing administrative and reporting burdens.

With respect to existing EU legislation, the Council conclusions call on the European Commission to reduce the reporting, administrative and compliance burdens and eliminate outdated and overlapping rules by reviewing pieces of regulation that aim to achieve similar objectives and that could therefore be considered redundant. The Council conclusions further propose increased clarity of the tax legislation and a more consistent approach to the application of EU tax rules, for example by developing guidelines in close cooperation with Member States, where relevant.

The Council conclusions propose that this process could take into consideration the EC's evaluation of the Directive on Administrative Cooperation (DAC), in particular in relation to reportable cross-border arrangements (DAC6), as well as the Anti-Tax Avoidance Directive (ATAD). In parallel, throughout 2025, the Commission has also been consulting with Member States, business associations and other stakeholders on several EU Corporate Tax Directives, including the Parent-Subsidiary Directive, the Interest and Royalty Directive, the Merger Directive and the Dispute Resolution Directive. Based on the results of these evaluations and consultation, it is expected that the European Commission's will table two separate legislative proposals:

- a DAC recast proposal (amendments to the DAC); and
- a tax omnibus proposal to amend several EU Corporate Tax Directives (including the ATAD, the Parent Subsidiary Directive, the Interest and Royalty Directive, the Merger Directive, the Dispute Resolution Directive).

Both proposals are expected to be published in the second quarter of 2026.

DAC recast proposal

Expected amendments to the DAC

On November 19, 2025, the European Commission published a report on the DAC evaluation (Council Directive 2011/16/EU).

Whilst the report overall concludes that the DAC provides a robust and well-functioning legal framework, it also outlines the lessons learned from the evaluation exercise and points to a number of action points that the Commission intends to explore to further improve the functioning of the Directive.

According to the report, the EC aims to consolidate the various DAC amendments (DAC1 to DAC9) into a single cohesive text to improve clarity. In addition, the EC will consider action to enhance the coherence of the Directive by eliminating duplications, resolving inconsistencies, and potentially the removal or simplification of reporting requirements that may be unnecessarily burdensome. The EC further intends to develop and publish common EU guidance on previous and future DAC amendments, in cooperation with the Member States, to minimize inconsistent interpretation and application of the DAC by Member States.

With respect to the mandatory disclosure rules under DAC6, the report highlights the EC's intention to clarify and streamline current hallmarks while maintaining the integrity and objectives of the system. Furthermore, the report notes that the EC will assess the possibility of incorporating principles and concepts from the previous Directive proposal to prevent the misuse of shell entities for tax purposes (Unshell) into the mandatory disclosure rules (see below for further details).

The report also calls for stronger penalty regimes and improved processes to automatically reconcile DAC data with national data.

Status

The results of the evaluation report will inform the Commission's decision on proposed amendments to the DAC to be included in the upcoming DAC recast proposal, which is expected to be published in the second quarter of 2026.

On December 16, 2025, the EC [launched](#) a call for evidence and public consultation on the DAC recast proposal. The consultation document builds on the results from the DAC evaluation and seeks further feedback, in particular, on DAC4 (country-by-country reporting) and its interplay with Pillar Two, DAC6 (EU Mandatory Disclosure Rules) and DAC7 (Reporting obligations on platforms operators). The consultation period ends on February 10, 2026.

What to keep in mind

The public consultation offers an opportunity for taxpayers to contribute to the discussions on simplifying reporting rules under the DAC.

At the same time, it should be noted that any changes to the DAC would require unanimous approval by EU Member States in the Council. Based on previous comments by the Cypriot Minister of Finance during the March 2025 ECOFIN meeting, it is expected that the reduction of administrative regulations and reporting burden will be a priority during the Cypriot Presidency in the first half of 2026. However, with respect to DAC4 (Country-by-Country Reporting) and DAC6 (EU Mandatory Disclosure Rules) in particular, it remains to be seen whether consensus among EU countries on substantial simplifications can be achieved:

- **DAC4:** DAC4 follows OECD Action 13 such that coordination with the OECD will be needed to achieve simplifications of the DAC4 reporting requirements. In addition, according to the report, the DAC presents a positive cost-benefit ratio, where the costs associated with the DAC are commensurate with the benefits generated, with the largest share of benefits being attributed to DAC4. In light of the estimated tax benefits resulting from Country-by-Country Reporting information, it seems questionable whether all Member States are able to agree on making substantial amendments to DAC4.
- **DAC6:** The Commission Staff Working Document (SWD) accompanying the report notes that Member States aim to address concerns relating to uncertainty and divergent interpretations with respect to existing DAC6 concepts. However, instead of amending the Directive, Member States seem to favour establishing common non-binding guidance in close cooperation with the Commission. At the same time, there are calls for adding additional hallmarks to DAC6. According to the evaluation report, the Commission will explore the feasibility of adding new hallmarks relating to the substance criteria that were outlined in the Unshell Directive proposal. In addition, the SWD notes that a number of Member States suggested adding hallmarks with respect to, for example, dividend stripping, conduit

structures used for treaty or directive shopping, hybrid mismatches, transfers of intellectual property, transfer pricing mismatches. However, the SWD also notes that other Member States believe that – for the time being, no additional hallmarks are needed, as they still need time to become familiar with the existing hallmarks of DAC6.

Apart from those simplification considerations, experience with discussions on specific levels of penalties also shows that achieving consensus among Member States on a revised penalty framework may also prove to be challenging. Historically, Member States have generally agreed on penalties being effective, proportionate and dissuasive with discretion for countries to decide on the scope and levels of penalties. It should be noted that – with respect to DAC6 – penalties vary significantly between Member States ranging from, for example, a maximum of EUR 20,000 per year in Cyprus to a maximum of EUR 1,100,000 in the Netherlands (applicable from January 1, 2026).

Proposal to prevent the misuse of shell entities (Unshell) - pending withdrawal

Unshell at a glance

On December 22, 2021, the EC issued a proposal for a Directive aimed at fighting the use of shell entities and arrangements for tax purposes (Unshell). The Unshell proposal sets out a list of features, referred to as gateways, to filter entities at risk of being misused for tax purposes. High-risk entities would then be required to report on a series of substance indicators through their annual tax return. Companies failing to meet the substance indicators would be deemed to be ‘shell’ entities, potentially triggering the denial of certain tax benefits that would have otherwise been available under double tax treaties and EU Directives.

Status

The text of the proposal has been the subject of lengthy discussions in the Council working groups. Several compromise texts were submitted, but Member States were unable to reach a consensus on the initiative. The ECOFIN report of June 20, 2025, noted that during the working party discussions in May 2025, it became apparent that analysis of the Unshell proposal in the Council should be discontinued in light of current EU tax simplification efforts – move that was broadly welcomed by delegations.

The Commission’s work program, published on October 21, 2025, confirmed that the Unshell proposal will be formally withdrawn within six months.

What to keep in mind

Whilst the Unshell proposal will be withdrawn and there is uncertainty regarding the extent to which substance requirements will be incorporated into the mandatory disclosure rules as part of the upcoming recast of the DAC, the practice of tax authorities across EU Member States reflects a sustained focus on substance issues.

An internal survey conducted by KPMG’s EU Tax Centre in August 2025, covering KPMG member firms across Europe, showed that the majority of surveyed jurisdictions are experiencing increased scrutiny from tax authorities regarding substance and beneficial ownership matters. The responses revealed that 57 percent of jurisdictions surveyed reported heightened scrutiny from tax authorities on these issues. Among the jurisdictions that did not report increased scrutiny, three (representing 10 percent of those surveyed) have not yet seen a greater focus, but anticipate that this may change in the future. These results are consistent with previous observations, indicating that investigations into substance and beneficial ownership remain prevalent across many European jurisdictions.

The survey also revealed a range of factors that tax authorities typically consider when evaluating economic substance, including (but not limited to):

- the company’s management (i.e., whether key decision-making authority is exercised within the jurisdiction where the company is registered);
- the location where the company’s bookkeeping is carried out;
- the structure of costs and expenditures (i.e., whether expenditures are proportionate to the entity’s operational scope);
- other factors such as the size of the workforce and ownership of premises and equipment.

Nevertheless, these are general considerations, and in most countries, a case-by-case analysis is required.

Against this background, it remains prudent for taxpayers to closely follow evolving administrative practice across the EU, together with jurisprudence from national courts in EU Member States on beneficial ownership, substance, and the application of domestic anti-treaty and anti-directive shopping rules.

Tax omnibus proposal

Expected amendments to Corporate Tax Directives

It is expected that the results of the ATAD evaluation and the consultations on several other EU Corporate Tax Directives (the Parent-Subsidiary Directive, the Interest and Royalty Directive, the Merger Directive and the Dispute Resolution Directive) will inform the Commission's decision on proposed amendments to be included in the upcoming Tax Omnibus proposal.

Status of ATAD evaluation

In July 2024, the European Commission launched a public consultation regarding the ATAD (Council Directive (EU) 2016/1164 as amended by Council Directive (EU) 2017/952).

Under Article 10 of the ATAD, the Commission is required to evaluate the implementation of the ATAD, and report to the Council on the findings. The evaluation of the ATAD therefore aims to assess its implementation (including the individual policy choices made by the Member States, where allowed under the directive), to understand to what extent the objectives of the directive have been achieved, and whether the measures are future proof, or if they require to be amended in the future.

It is intended that the evaluation provides an evidence-based assessment of the ATAD, based on the following five evaluation criteria: effectiveness, efficiency, relevance, coherence with other EU legislation (notably Pillar Two), and the EU added value of ATAD compared to what Member States could have achieved alone.

Interested parties were invited to provide feedback until September 11, 2024. The EC received a total of [49 responses](#), including a response letter submitted by KPMG member firms in the EU, which included the following key comments:

- The interaction of ATAD with the EU Minimum Tax Directive creates an additional level of complexity and has created a risk of double taxation, which should be addressed at EU level. In particular, KPMG recommended that ATAD is amended to exempt from CFC regimes those groups that are in scope of Pillar Two.
- Based on our practical experience with the application of ATAD, KPMG noted a number of areas where further clarity and certainty would be welcomed, such as with regard to the treatment of capitalized interest costs for the purposes of the interest limitation rules, and issues related to group taxation in the context of the anti-hybrid rules.
- KPMG also recommended that the adequacy of the deductibility threshold and de minimis rule and the scope of exclusions for long-term public infrastructure projects are revisited to better reflect the current economic environment and international landscape.

The evaluation report was expected to be published in the fourth quarter of 2025 but was pending at the date of this publication. The evaluation report will reflect findings from a study conducted by a third party in 2025, the results of the public consultations undertaken by the Commission, as well as feedback provided by Member States.

What to keep in mind

It should be noted that any changes would require unanimous approval by EU Member States in the Council. However, as with the upcoming DAC recast proposal, it remains to be seen whether substantial simplifications can be achieved as experience with discussions on simplifications and cutting red tape shows that achieving consensus among Member States may prove to be difficult.

Clean Industry State Aid Framework and Recommendation on Tax Incentives

Recommendation at a glance

On June 25, 2025, the European Commission adopted the Clean Industrial State Aid Framework (CISAF). The initiative provides conditions for certain types of aid measures to be considered compatible with EU State aid rules with the aim of promoting investments in renewable energy, industrial decarbonization, and clean technology manufacturing. The CISAF generally allows aid to be granted in any form, including direct grants and tax advantages (e.g., tax credits and accelerated depreciation). The Framework also lays down specific conditions for State aid schemes in the form of accelerated depreciation granted to incentivize acquisition or lease of clean technology equipment. The framework replaces the Temporary Crisis and Transition

Framework (TCTF) adopted in March 2023, with the CISAF applying as of the adoption date of June 25, 2025, until December 31, 2030.

Subsequently, on July 2, 2025, the European Commission issued a Recommendation on tax incentives to support the Clean Industrial Deal in alignment with the CISAF. The Recommendation set out common guiding principles for Member States to design cost-effective tax measures that stimulate investment in clean technologies and industrial decarbonization. Key instruments suggested for enhancing clean investment include:

- *Accelerated depreciation*: Member States are recommended to incentivize the acquisition or lease of clean technology equipment through accelerated depreciation, up to full and immediate expensing.
- *Tax credits*: Member States are recommended to introduce tax credits supporting the creation of additional manufacturing capacity and tax credits supporting investment in energy efficiency and greenhouse gas emission reduction. From a design perspective, the tax credits should primarily be deducted from the corporate tax liability but could also be offset against other national taxes due (where feasible in national tax systems). The tax credits should also be aligned with the design conditions set out by the EU Minimum Tax Directive with respect to Qualified Refundable Tax Credits.

The Recommendation further refers to design restrictions established by the CISAF, where the accelerated depreciation or tax credit measures involve State aid (i.e., favor certain undertakings or the production of certain goods) to ensure that the measures are considered compatible with the internal market.

Status

As a first step, Member States were invited to inform the European Commission by December 31, 2025 of the measures introduced or announced to implement this Recommendation, as well as of any similar measures already in place and changes to them. The instruments included in the Recommendation are not binding on Member States but serve as a basis for Member States wishing to design such measures, where feasible, in the context of their national tax systems and fiscal policies.

In its October 2025 conclusions, the ECOFIN Council welcomed the EC's Recommendation noting that tax incentives should be seen as one possible element to be considered by each Member State to support clean energy development, industrial decarbonization, and the advancement of clean technologies.

The Council also recognized that Member States have different corporate tax regimes that need to be considered when determining the policy on tax incentives such as those set out in the Commission's recommendations. The Conclusions stress that, in the absence of binding rules at EU level, competence in the field of taxation lies solely with the Member States and underline the importance of flexibility in their application. Whilst noting that some Member States may choose to consider the principles and tax incentives proposed in the Commission's Recommendation, the Council emphasized that each Member State remains free to design, implement, and apply such incentives in line with its own national circumstances, while also taking into account possible budgetary impacts.

What to keep in mind

The EC Recommendation, paired with the new CISAF, expands options for Member States to grant support for certain investments and objectives that would be considered in line with EU State aid rules and the EU's climate goals. Taxpayers operating in the EU may want to monitor closely to what extent individual Member States will choose to make use of the proposed instruments.

One recent example is Hungary, where a new tax allowance will be introduced from January 1, 2026, available for investments that increase manufacturing capacity in clean technologies in accordance with the CISAF requirements.

However, in many other EU countries, budgetary constraints may be a limiting factor in this context. Countries will further need to consider internationally agreed principles (e.g., Pillar Two, BEPS Action 5 and the related review by the OECD Forum on Harmful Tax Practices) that set certain additional boundaries for the design of tax incentives.

Furthermore, some of EU countries may wait for the Pillar Two rules on incentives to settle before making decisions on whether and how to adjust their local tax offerings.

Recommendation on Savings and Investment Accounts

Recommendation at a glance

On September 30, 2025, the European Commission [published](#) a Recommendation on increasing the availability of savings and investment accounts (SIAs) with simplified and advantageous tax treatment (the Recommendation). The initiative encourages Member States to establish or further develop SIAs with the objective of promoting greater retail investor participation in capital markets.

The Recommendation forms part of the broader Savings and Investments Union (SIU) strategy adopted by the Commission on March 19, 2025, which aims to foster citizens' wealth and enhance economic competitiveness in the EU. In this context, SIAs are presented as a practical tool to improve households' access to capital markets and to support investment in the European economy.

Status

The Recommendation is non-binding on Member States and is intended to serve as a blueprint for those wishing to design, refine, or introduce SIA frameworks. It is accompanied by a Commission Staff Working Document and a Frequently Asked Questions webpage, which together set out the rationale for SIAs, the objectives pursued, and the design principles identified by the Commission as best practice.

Member States are encouraged to monitor and evaluate the effectiveness of measures taken to implement the Recommendation, particularly with respect to wealth creation and support for the financing of the European economy. Implementation measures are expected to be reported through SIU monitoring processes, the European Semester, and as part of the midterm review of the SIU strategy scheduled for 2027.

The Recommendation is part of a package of two key initiatives designed to enhance financial literacy and expand investment opportunities for citizens across the EU. The other key initiative — the Financial Literacy Strategy, is specifically targeting the improvement of financial literacy for individuals of all ages and at every stage of life. As part of these measures, the Commission and Member States will, among other measures, establish by Q1 2026 a network of "financial literacy ambassadors" to act as trusted advocates, promote financial awareness campaigns, and help connect EU citizens with reliable initiatives at EU level.

What to keep in mind

The Recommendation reflects the Commission's view that, whilst EU households exhibit relatively high savings rates, a significant proportion of savings remains held in low-yield bank deposits. SIAs are therefore presented as a means to improve individual financial outcomes while simultaneously strengthening the EU's capital markets and supporting strategic priorities such as the green, digital and social transitions.

Although the Recommendation does not require investments held in SIAs to be directed toward EU assets, the Commission refers to the well-documented phenomenon of home bias, whereby retail investors tend to allocate a large share of their portfolios domestically or regionally. As a result, even in the absence of formal restrictions, SIAs are expected to contribute materially to the financing of EU companies and projects. According to the Commission's accompanying materials, increased retail participation in capital markets could, under a best-case scenario, raise investment in EU assets by more than EUR 1.2 trillion over a ten-year period.

The Commission notes that SIA frameworks are already in place in a number of Member States, although their design features vary significantly, and that additional Member States have announced plans to introduce similar schemes from 2026. For jurisdictions with existing frameworks, the Recommendation provides a reference point to review and potentially refine national approaches. At the same time, the non-binding nature of the instrument, together with prevailing budgetary constraints in several Member States, may influence the extent and pace of implementation.

From a market perspective, the potential expansion or refinement of tax-efficient investment accounts may present opportunities for financial service providers and asset managers, particularly in relation to UCITS and exchange-traded funds. Stakeholders may therefore wish to monitor closely how the Commission's recommendations are reflected in national frameworks as the SIU strategy progresses.

Report on tax gaps to support competitiveness and fairer tax systems

Report on tax gaps at a glance

On December 11, 2025, the European Commission published a report on Challenges and opportunities for tax compliance and tax expenditures in the EU – the “Mind the Gap” report.

The report focuses on two main components of the tax gap:

- *Compliance gap*: estimating the amount of uncollected tax revenues due to non-compliance. The compliance gap includes estimates of tax revenues forgone due to tax evasion, tax avoidance, bankruptcy or errors in reporting or payment. It reflects the revenue lost due to taxpayers not fulfilling their obligations under the current tax rules.
- *Policy gap*: reflecting revenue foregone due to policy choices, including tax expenditures such as exemptions, reduced tax rates or thresholds that narrow the tax base.

Findings in relation to the compliance gap

With respect to the compliance gap, the report is accompanied by two technical reports estimating tax gaps for Value Added Tax (VAT) and Corporate Income Tax (CIT). The latter provides a detailed analysis of the CIT compliance gap across 23 EU Member States, Norway, and Iceland. Key takeaways include:

- The (unweighted) average CIT gap amounts to 10.9 percent of collected CIT revenues across the EU Member States.
- The CIT gap is estimated to be below 3 percent in Denmark, Finland and the Netherlands, while other Member States with relatively small gaps include Sweden (3.5 percent), Austria (4.2 percent), and Estonia (5 percent).
- Larger EU economies such as Germany and France reported moderate gaps of 6–7.5 percent.
- Eight Member States recorded CIT gaps above the EU average: Czechia (11.1 percent), Spain (11.9 percent), Hungary (12.3 percent), Latvia (17.9 percent), Italy (19.9 percent), Poland (20.2 percent), Slovakia (26.7 percent), and Romania (43.6 percent).
- Estimates are not available for Ireland, Lithuania, Luxembourg and Malta.

Findings in relation to the policy gap

With respect to the policy gap, key takeaways include:

- The report notes that there are several thousand tax exemptions across the EU Member States (e.g., more than 1,000 tax expenditure provisions in Greece, more than 700 provisions in Portugal, more than 600 in Italy, and more than 400 in France and Poland). At the same time, the report stresses that some Member States have reported only a very low number of tax expenditure provisions and that several other Member States have not provided any information on the number of tax relief provisions.
- According to the report, only a few Member States (e.g., the Netherlands and Austria) have legislation in place that requires regular reviews and assessments of tax expenditures. Some Member States include tax expenditures reviews in their general spending review (e.g., Belgium). In some Member States, the respective independent fiscal council reviews and evaluates tax expenditures (e.g., Spain). Seven Member States report that they review specifically environmentally harmful tax expenditures in the context of their respective green budgeting approaches (Finland, France, Ireland, Italy, Netherlands, Slovakia, Sweden).
- The report concludes that in times of strained public finances, it is vital that these are regularly reviewed to check whether they serve their purpose and deliver value for money.

The background of the top section of the document features a low-angle shot of several European Union flags flying against a bright, cloudy sky. The flags are blue with yellow stars, and the perspective makes them appear to be reaching upwards.

Harmonization and cooperation

Key Insights

- No progress made on BEFIT Directive proposal at Council level.
- Commission to withdraw Transfer Pricing Directive proposal and no progress made on alternative “soft law” approach (in form of EU Transfer Pricing Platform) at Council level.
- Commission to withdraw DEBRA Directive proposal.
- Council adopts FASTER Directive aimed at introducing safer and more efficient withholding tax procedures from 2030.

Business in Europe: Framework for Income Taxation (BEFIT)

BEFIT at a glance

On September 12, 2023, the EC issued a proposal for a Council Directive on Business in Europe: Framework for Income Taxation (BEFIT), which provides common rules for determining the corporate tax base for EU-based entities that are part of a group with global consolidated revenues above a certain threshold. Groups not meeting the threshold requirements could opt into the regime.

According to the proposal, BEFIT group entities would have to calculate their preliminary individual tax result by making several adjustments to their financial accounts. These results would then be aggregated into a single tax base and allocated among the members of the BEFIT group.

During the first seven fiscal years post-implementation, the allocation would be made based on the respective average preliminary taxable results in the prior three fiscal years of the BEFIT group members. The EC notes that this transitional approach could pave the way for a permanent method based on formulary apportionment. Once allocated, EU countries may apply further local adjustments (e.g., base increases, deductions, incentives) to the allocated portion of the BEFIT tax base.

The proposal provides for a one-stop-shop system, where the ultimate parent entity would file a single information return for the BEFIT group with its own tax administration. BEFIT group members would then file an individual tax return with their own tax administration, essentially to reflect the local adjustments. In addition, the proposal would introduce the concept of a ‘BEFIT Team’ to reach consensus on the completeness and accuracy of the BEFIT Information among those tax administrations where the BEFIT group operates in the EU.

Status

The December 2025 ECOFIN report refers to previous ECOFIN reports summarizing discussions on the BEFIT proposal in the Council working group. Previously, several concerns were brought forward by Member States on the interplay with existing tax legislation (including national corporate tax rules, Pillar Two rules, EU anti-abuse measures), as well as on the scope and determination of the preliminary tax result of in-scope groups. In addition, discussions specifically focused on the proposed rules on tax depreciation, timing and quantification, aggregation and allocation of the BEFIT tax base, the “traffic light” system for transfer pricing compliance, and administrative provisions. It was also previously suggested by several Member States to give priority to certain elements of the proposal, as a way forward.

According to the December 2025 report, the Danish Presidency decided to focus on several other tax policy and legislative priorities (including the conclusions on tax incentives to support the Clean Industrial Deal) with an objective of making progress

on those initiatives.

Meanwhile, the European Parliament adopted a resolution endorsing the BEFIT Directive proposal on November 13, 2025. The Resolution broadly supports the main elements but also advances several significant amendments to the Commission's proposal. Note, however, that the legal basis for the BEFIT proposal is Article 115 of the Treaty on the Functioning of the EU, under which the European Parliament has only a consultative role. Therefore, the proposed changes are non-binding on the Council.

What to keep in mind

As the December 2025 ECOFIN report does not include an explicit roadmap for the further steps regarding BEFIT, the future of BEFIT remains uncertain.

However, in his response to the European Parliament's written questionnaire in October 2024, the new Commissioner for Climate, Net-Zero and Clean Growth, Wopke Hoekstra, described BEFIT as a long-term project, which has to be developed by taking into consideration the experiences with Pillar Two.

Transfer Pricing Directive (pending withdrawal)

Transfer Pricing Directive at a glance

The Transfer Pricing (TP) Directive proposal was released together with the BEFIT initiative and aims at achieving a common method of applying the arm's length principle (ALP) and increase legal certainty for taxpayers by harmonizing the interpretation of the OECD TP Guidelines.

The EC proposed to incorporate the OECD arm's length principle and a reference to the 'OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations' into EU law, so that their application is harmonized across the EU. The TP Directive would also provide for the gradual development of common approaches in the EU to the practice of applying TP rules, including rules on primary and corresponding adjustments, the application and selection of appropriate TP methods and TP documentation requirements. In addition, the TP Directive proposal would allow the EC to propose common binding rules to provide for additional visibility for taxpayers regarding what Member States consider acceptable for specified transactions, and Safe Harbour provisions.

Status

The June 2025 ECOFIN report to the Council highlighted that Member States were not able to resolve concerns on the TP Directive proposal and that achieving a compromise on this basis does not seem feasible. Against this background, the Commission 2026 work program noted that it would withdraw within six months Directive proposals whose adoption would no longer be in the general interest in view of their adoption date, lack of progress in the legislative process, potential burden and non-alignment with the EU's priorities, including the TP Directive proposal.

According to the June 2025 ECOFIN report, Member States have previously discussed in parallel the option of establishing a new EU Transfer Pricing Platform aimed at determining consensus-based non-legally binding solutions to practical transfer pricing issues. The report notes that Member States have expressed divergent views as regards fundamental parameters of the platform, including its mandate and structure, the form of working results and the possibility of political commitment to implement and review agreed solutions. Whilst no agreement was reached, the report notes that Member States are 'positively predisposed' to the idea of a consensus-based non-legally binding platform that is aimed at reducing complexity and administrative burdens in the area of transfer pricing.

What to keep in mind

The December 2025 ECOFIN report does not mention any further progress or a roadmap for the further steps regarding the EU Transfer Pricing Platform. As such, the future of such a soft law approach remains uncertain.

Proposal for a debt-equity bias reduction allowance – DEBRA (pending withdrawal)

DEBRA at a glance

On May 11, 2022, the EC issued its proposal for a Directive on a debt-equity balance reduction allowance (DEBRA). The rules would apply to taxpayers that are subject to corporate income tax in an EU Member State and would provide for an allowance in respect of equity increases in a given tax year. In addition, the Directive proposed the introduction of a new limitation on

interest deductibility, which would need to be applied alongside the interest limitation rules under ATAD.

Status

At the ECOFIN meeting on December 6, 2022, it was agreed that the examination of the DEBRA proposal should be suspended until other proposals in the area of corporate income taxation announced by the EC have been put forward. It had been understood that these other proposals relate to the BEFIT initiative; however, DEBRA (or equivalent provisions to address the debt-equity bias) has not found its way into the BEFIT proposal.

Whilst the European Parliament adopted a resolution on DEBRA in January 2024 including some proposed amendments to the EC's initial text, the previous Belgian, Hungarian, Polish and Danish Council Presidencies did not relaunch the initiative. In addition, no reference to the DEBRA Directive proposal was made in previous ECOFIN reports.

Against this background, the Commission 2026 work program noted that it would withdraw within six months Directive proposals whose adoption would no longer be in the general interest in view of their adoption date, lack of progress in the legislative process, potential burden and non-alignment with the Union's priorities, including the DEBRA Directive proposal.

What to keep in mind

As part of the EC's Communication on Savings and Investments Union in March 2025, the EC acknowledged that the tax laws of multiple Member States continue to favour debt financing. In this context, the Commission noted that the DEBRA proposal has not been taken forward by the Council, nor have Member States introduced comparable initiatives at the national level. In the Commission's view, the existing debt bias is in contrast with the objectives of the Savings and Investments Union, which aims to promote equity investments.

Faster and safer excess refund (FASTER)

FASTER at a glance

The FASTER Directive (Council Directive (EU) 2025/50 on faster and safer relief of excess withholding taxes) introduces a harmonized EU framework aimed at improving the efficiency of withholding tax relief procedures on cross-border investment income. The Directive seeks to reduce administrative burdens, improve legal certainty for investors, and strengthen safeguards against tax abuse.

Chapter III of the FASTER Directive, which includes provisions regarding national registers of certified financial intermediaries (CFIs) and the fast-track procedures, amongst others, will not be binding on all Member States. In brief, Member States that meet two cumulative conditions – i) existence of a comprehensive relief at source system (with regards to dividends from publicly traded shares), and ii) low market capitalization, would be allowed to maintain their current withholding tax relief systems. Based on the Belgian Presidency's explanatory note, ten Member States had a market capitalization ratio above the minimum threshold in 2022: Germany, France, Sweden, the Netherlands, Spain, Italy, Ireland, Denmark, Belgium, and Finland. Therefore, all FASTER provisions could be mandatory for these Member States. Since the market capitalization ratio might fluctuate before the rules become effective, the list could be subject to further changes.

Key features include:

- a common EU digital tax residence certificate (eTRC), with common content, regardless of the issuing Member State;
- two fast-track procedures complementing the existing standard refund procedure in each Member State, including: (i) a relief at source system, and (ii) a quick refund system. In-scope Member States will be required to implement one of the two systems (or a combination of both);
- the introduction of National Registers for financial intermediaries that will be able to facilitate the fast-track procedures. Such financial intermediaries will be subject to additional due diligence and common reporting requirements.

Status

Following its publication in the Official Journal, the FASTER Directive entered into force on January 30, 2025. Member States are required to transpose the Directive by December 31, 2028, with the new rules becoming applicable from January 1, 2030.

The Commission has been tasked with developing and adopting multiple implementing acts and one delegated act. To facilitate this process, the Commission has established a working group comprising representatives from industry, advisory firms, and Member States. Based on discussions in the working group, we understand that the timeline that the EC is working towards

for the publication of the acts is the following:

- First implementing act (Q1 2026), will address reporting requirements, quick refund requests, registered owner declarations, and indirect investment requests. The initial deadline pertains solely to the technical IT set-up, with the aim of providing Member States sufficient time to implement the necessary changes. User guides and technical documentation will be published subsequently.
- Delegated act on the capital market ratio (Q1 2026), will provide information essential for identifying Member States subject to the mandatory application of the FASTER Directive.
- Second implementing act (Q3 2026), will cover the introduction of the digital tax residence certificate (eTRC) and the European Certified Financial Intermediary Portal, which will serve as a single electronic access point for financial intermediaries.
- Third Implementing Act (Q4 2026), will outline monitoring requirements.

The development of guidance will proceed in parallel with the implementing acts, with an initial version expected to be agreed upon by Member States in 2027.

What to keep in mind

The FASTER Directive provides flexibility, allowing Member States to determine key design features, including:

- Scope: option to extend the fast-track procedures to interest on securities.
- Relief mechanism: choice between relief at source, quick refund, or a combination of both.
- Reporting model: direct or indirect reporting by financial intermediaries.
- Anti-abuse framework: discretion to select applicable safeguards from a defined list of situations where fast-track benefits may be denied.
- Penalties for non-compliant CIFs and related civil liability.

It therefore remains to be seen how Member States choose to structure the design of FASTER in practice, and whether those not required to apply Chapter III of the FASTER Directive will nevertheless choose to do so. In this context, impacted financial intermediaries will need to closely monitor national implementation choices, as these may significantly affect eligibility conditions, compliance obligations, and access to the fast-track relief mechanisms.

The timeline of the German Withholding Tax Relief Modernisation Act (MiKaDiv), which is scheduled to take effect in 2027, should also be taken into consideration by affected financial intermediaries. MiKaDiv is largely aligned with the FASTER Directive and may effectively shift the deadline for adapting IT systems and amending procedures for CIFs to 2027.



Tax transparency and reporting

Key Insights

- Member States proceed with the implementation of the EU Public CbyC Reporting Directive
- Progress in DAC7 implementation as first reporting deadline has passed
- Member States initiate implementation process of DAC8

EU Public Country-by-Country (CbyC) Reporting

Public CbyC reporting at a glance

The EU Public CbyC Reporting Directive entered into force on December 21, 2021, and introduced a timeline for the adoption of rules that will require multinational groups operating in the EU and that exceed certain size thresholds to publish a set of data, including information on taxes accrued and taxes paid.

EU Member States were required to transpose the Directive into domestic legislation by June 22, 2023. The rules apply, at the latest, as from the commencement date of the first financial year starting on or after June 22, 2024. Individual Member States could nevertheless opt for an early adoption of the rules.

Status

All EU Member States have implemented the EU Public CbyC Reporting Directive. Most EU Member States have aligned the timeline of their local rules with those prescribed under the Directive and therefore apply the reporting obligation with respect to financial years starting on or after June 22, 2024. A notable exception is Romania, where the rules apply for financial years starting on or after January 1, 2023. Two other EU Member States also opted for early adoption: Croatia – starting with financial years commencing on or after January 1, 2024, and Sweden – starting with financial years commencing on or after June 1, 2024.

On December 2, 2024, the Commission's Implementing Regulation, which establishes a common template and electronic reporting formats for the application of the EU Public CbyC Reporting Directive², was published in the Official Journal of the EU (the Regulation).

What to keep in mind

The EU Public CbyC Reporting Directive is a minimum standard and several Member States have expanded the scope of the rules by, for example, requiring additional data points. The Directive has several opt-in clauses, which also lead to differences in the way the provisions were transposed into domestic law. Member States also apply different size thresholds for qualifying subsidiaries / branches, due to currency translations or options available under the EU Accounting Directive.

These options and potential scope extensions will impact in particular non-EU headquartered groups, which generally have reporting obligations in each EU country where they have a qualifying presence. Multinational groups headquartered outside the EU are advised to check the specific thresholds applied by each EU jurisdiction where they have a qualifying presence, to determine if a reporting obligation is triggered. Additionally, as there are no priority rules or guidelines on how the various

² European Commission's Implementing Regulation 2024/2952 from November 29, 2024.

implementing bills interact, non-EU multinational groups should closely monitor deviations from the EU Public CbyC Reporting Directive and analyze how these differences need to be addressed.

For an overview of the various implementation differences across EU Member States please refer to KPMG's EU Tax Centre Public CbyC [implementation tracker](#).

For more information on the public CbyC reporting, please refer to the dedicated KPMG's EU Tax Centre [webpage](#). In addition to comprehensive information on the EU Public CbyC Reporting Directive, the page also includes details on the public CbyC reporting rules in Australia – applicable for reporting years starting on or after July 1, 2024), as well as a comparison of key differences across the various reporting regimes.

Reporting obligations for platform operators (DAC7)

DAC7 at a glance

On March 22, 2021, the Council of the European Union adopted Council Directive (EU) 2021/514 (DAC7), which introduces reporting and automatic exchange of information on income earned by sellers on digital platforms, from 2023 onwards.

The rules impact both EU platform operators, as well as non-EU entities, if facilitating either reportable commercial activities of EU sellers/providers or rental of immovable property located in the EU. Reportable activities comprise of personal services, the sale of goods, as well as the rental of any means of transport and the rental of immovable property.

The reporting obligations apply with respect to cross-border and local commercial activities. Platform operators falling within the scope of DAC7 are required to collect and verify information from sellers/providers operating on their online platform, in line with certain due diligence procedures. Subsequently, certain items of information will be further reported to the sellers/providers and to the relevant tax authority. Such information includes, inter alia, an overview of amounts paid to sellers from the reportable activities, platform fees and commissions incurred.

Status

All EU Member States have transposed DAC7 into their legislation. Some Member States have also provided technical and procedural guidance in respect of the application of the rules in practice.

What to keep in mind

With DAC7 reporting live in all EU Member States, qualifying platform operators need to keep track of the different reporting procedures across the EU and monitor carefully whether potential differences in local implementation and interpretation of the rules impact their local compliance obligations.

Non-EU platform operators should also consider differences between DAC7 and similar reporting regimes in their country of residence (e.g., based on the OECD's Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy). To eliminate double reporting, DAC7 contains rules providing relief from the reporting obligations for non-EU platform operators where the EC has determined that Member States receive equivalent information from non-EU countries that apply similar reporting regimes. Determinations of equivalence – codified in a Commission Implementing Regulations, have been adopted for the United Kingdom, New Zealand, and Canada. The determination of equivalence should only apply provided that the exchange relationship between the non-EU country and the signatory Member States is activated.

Taxpayers should also monitor developments under the DAC recast initiative. While DAC7 was not a substantive part of the Commission's recent evaluation of the DAC, given that the first relevant exchanges only took place in February 2024 and comprehensive statistical data is not yet available, the recast process may nonetheless impact DAC7.

Extending the scope of reporting and information exchange in the EU (DAC8)

DAC8 at a glance

On October 17, 2023, the Council of the European Union adopted amendments to the Directive on Administrative Cooperation (DAC) to introduce, amongst others, provisions for the exchange of information on crypto-assets, as well as amendments to the rules for the exchange of information on tax rulings for individuals (DAC8).

In the case of crypto-assets, DAC8 includes rules on due diligence procedures and reporting requirements for crypto-asset service providers, based on the OECD's Crypto-Asset Reporting Framework (CARF). The rules are aligned with the definitions

included in the Markets in Crypto-Assets (MiCA) Regulation, that regulates the issuance and trading of crypto-assets within the EU. In-scope crypto-asset service providers will be required to collect and verify information from EU clients, in line with specific due diligence procedures. Subsequently, certain information will be reported to the relevant competent authorities. This information would then be exchanged by the tax authorities of the recipient Member State with the tax authorities of the Member State where the reportable user is tax resident. The aim is to increase the ability of tax authorities to determine whether income derived from crypto-asset transactions is correctly declared.

DAC8 further aims to extend the scope of the exchange of information on cross-border rulings to those involving the tax affairs of high-net-worth individuals. Other changes brought by DAC8 include the extension of the automatic exchange of information to cover non-custodial dividend income and requirements to report the Tax Identification Number (TIN) for certain elements where this was not previously prescribed – including, inter alia, for certain categories of income and capital under DAC1, advance cross-border rulings and advance pricing agreements (DAC3), CbYC reports (DAC4) and reportable cross-border arrangements (DAC6).

Furthermore, DAC8 includes a provision aimed at ensuring the effective use of the information acquired through the reporting and exchange of information under the DAC. Member States are required to put in place effective mechanisms to ensure the use of such data.

Status

With the exception of the provisions related to the TIN³, Member States need to transpose DAC8 by December 31, 2025. EU Member States have either already transposed or are generally in the final phases of implementation DAC8.

The rules will become applicable as of January 1, 2026 (with some exceptions). Reporting Crypto-Asset Service Providers (RCASPs) are required to collect information pertaining to transactions of their non-resident investors for the reporting year according to the customer due-diligence obligations of the DAC8. This information is sent by RCASPs to their national tax authorities in the calendar year following the reporting year. The information is then exchanged with tax authorities of the EU country of residence of the non-resident investor within 9 months of the reporting year. Therefore, the exchanges relating to the first reporting year will take place by September 30, 2027. This timeline is aligned with the CARF.

As of December 11, 2025, the CARF was [signed](#) by 54 jurisdictions.

What to keep in mind

DAC8 is an amalgamation of provisions that will impact vastly different stakeholders. Crypto-asset service providers and operators (that provide services to EU clients) should assess whether they are in scope of the new rules and consider how their information collection and reporting systems and processes will need to be updated to meet the new due diligence and reporting obligations.

Furthermore, keep in mind that DAC8 also provides for amendments on the reporting obligations under DAC6 in respect of cross-border arrangements. This includes changes to the notification requirements for intermediaries bound by legal professional privilege and amendments to the information reportable under DAC6.

³ The deadline to comply with the TIN provisions is January 1, 2030, for the categories of income and capital subject to the exchange of information and January 1, 2028 for the other exchanges for which the TIN collection is applicable.



Other EU direct tax initiatives

Key Insights

- EU list of non-cooperative jurisdictions last updated in October 2025. Continued CoCG work on reviewing efficiency of local defensive measures against non-cooperative jurisdictions.
- Foreign Subsidies Regulation continues to produce effects with further in-depth investigations opened by the European Commission.

EU list of non-cooperative jurisdictions

EU list of non-cooperative jurisdictions at a glance

The EU list of non-cooperative jurisdictions, first adopted in the Council conclusions of December 5, 2017, is part of the EU's efforts to curb tax avoidance and harmful tax practices. The list is the result of an in-depth screening of non-EU countries that are assessed against agreed criteria for tax good governance by the Code of Conduct Group ('CoCG' or 'Group'), which is composed of high-level representatives of the Member States and the European Commission.

The current screening criteria focus on:

- *Tax transparency*: automatic exchange of information (AEOI – criterion 1.1), exchange of information on request (EOIR – criterion 1.2), membership to the OECD multilateral convention on mutual administrative assistance in tax matters (criterion 1.3)
- *Fair taxation*: existence of harmful tax regimes (criterion 2.1), existence of tax regimes that facilitate offshore structures which attract profits without real economic activity (criterion 2.2)
- *Implementation of OECD anti-BEPS measures*: commitment to OECD anti-BEPS minimum standards (criterion 3.1), Implementation of the minimum standard on CbYC Reporting to tax authorities (BEPS Action 13 - criterion 3.2)

Jurisdictions that do not comply with all criteria, but that have committed to reform are included in a state of play document – the so-called “grey list” or Annex II. The lists are an on-going project and are updated and revised twice every year.

Status

During 2025, the Council of the EU carried out its regular February and October reviews of the EU list.

Following the February 2025 update, no changes were made to Annex I, which continued to include the following eleven jurisdictions: American Samoa, Anguilla, Fiji, Guam, Palau, Panama, the Russian Federation, Samoa, Trinidad and Tobago, the US Virgin Islands and Vanuatu.

Changes were made to Annex II, which after that review included the following eight jurisdictions: Antigua and Barbuda, Belize, the British Virgin Islands, Brunei Darussalam, Eswatini, the Seychelles, Türkiye and Vietnam.

A further update was adopted in October 2025. Annex I remained unchanged. Changes were, however, made to Annex II, which now includes the following eleven jurisdictions: Antigua and Barbuda, Belize, the British Virgin Islands, Brunei Darussalam, Eswatini, Greenland, Jordan, Montenegro, Morocco, the Seychelles and Türkiye.

The next update of the EU list of non-cooperative jurisdictions is expected to take place in February 2026.

What to keep in mind

It is important for taxpayers to monitor the evolution of the list in light of defensive measures that are being applied by EU Member States against listed jurisdictions in form of e.g., non-deductibility of costs, CFC rules, increased WHT or limitation of participation exemption. The CoCG report submitted to the ECOFIN Council in December 2025 provided a revised state of play of the implementation by Member States of defensive measures against non-cooperative jurisdictions (as at September 30, 2025). In this context, it is important to keep in mind that EU countries may refer to different (local) lists and apply different defensive measures, based on different application timelines and have other varying requirements.

In addition, note that the CoCG is in the process of conducting an in-depth follow-up review of how Member States apply the measures in practice and whether they meet the Group's expectations in terms of efficiency. This additional investigation would offer the CoCG an overview of the practical impact of the defensive measures and could serve as a starting point for potential additional guidance to better coordinate existing measures as well as to introduce new types of defensive measures.

Please further note that the EU list of non-cooperative jurisdictions is also relevant with respect to other EU initiatives:

- The EU list is relevant for the purposes of the EU mandatory disclosure rules under DAC6, whereby recipients of cross-border payments are resident for tax purposes in a jurisdiction that is included in Annex I. Under Hallmark C1b(ii) of DAC6, such payments may trigger a reporting obligation irrespective of whether the transaction is aimed at generating a tax benefit (i.e., the main benefit test does not apply). Note that consensus has not formed among Member States on the point in time at which the list should be tested (e.g., the triggering date, or the reporting date).
- In addition, the EU list has a direct impact on EU Public CbyC Reporting obligations that generally apply in relation to financial years starting on or after June 22, 2024 (exceptions apply). Based on the EU Public CbyC Reporting Directive, relevant data points should be made publicly available on a country-by-country basis for each EU Member State as well as for each jurisdiction listed on Annex I of the EU list of non-cooperative jurisdictions and for each jurisdiction that has been on the grey list (Annex II) for a minimum of two years (i.e., as opposed to disclosure of aggregated amounts, which is the requirement for the rest of non-EU jurisdictions).
- The EU list also impacts the FASTER Directive that aims to establish two fast-track procedures complementing the existing standard refund procedure in each Member States. The fast-track withholding tax procedure will be facilitated by so-called Certified Financial Intermediaries (CFIs) that will be subject to additional due diligence and common reporting requirements. Financial intermediaries established outside the EU may apply for registration as a CFI provided that the third country of residence is neither on (i) Annex I of the EU list of non-cooperative jurisdictions, nor (ii) on the EU list of high-risk third countries (anti-money laundering list (subject to certain additional conditions)).
- The EU list further produces effects outside the tax area, such as in respect of EU Regulation 2021/557, which provides that securitisation special purpose entities (SSPEs) should only be established in third countries that are not listed in Annex I of the EU list, or in the list of high-risk third countries which have strategic deficiencies in their regimes on anti-money laundering and counter terrorist financing.

Finally, according to the CoCG report submitted to the ECOFIN Council in December 2025, the Group also continued reflections on a possible further strengthening of the EU listing process. However, with respect to the design of an additional criterion 1.4 on the exchange of beneficial ownership information, the CoCG report notes that Member States were not able to agree and identify viable solutions. Instead, the report indicates that the Commission should periodically review international developments and that the Group should revisit the matter at a later stage.

Foreign Subsidies Regulation (FSR)

FSR at a glance

On November 28, 2022, the Council of the European Union adopted a Regulation on foreign subsidies distorting the internal market (Foreign Subsidies Regulation – FSR). The Regulation gives the EC powers to investigate financial contributions received in non-EU countries by groups operating in the EU internal market. The Regulation aims to restore fair competition between all undertakings in the EU internal market, complementing the EU State aid rules. Contributions that may be subject to investigation include tax exemptions granted to an undertaking where these are limited, in law or in fact, to one or more undertakings or industries.

Foreign subsidies under the FSR are deemed to exist where a non-EU country provides a financial contribution which generates a benefit for private or public EU-undertakings, whereby the benefit must be limited to one or more undertakings or industries. In this respect, a financial contribution confers a benefit to an undertaking engaging in an economic activity in the internal market, if it could not have been obtained under normal market conditions. The existence of a benefit is to be determined based on comparative benchmarks.

The FSR entails three different tools enabling the EC to investigate financial contributions granted by a public authority in a non-EU country:

- a notification-based tool to investigate concentrations (mergers and acquisitions),
- a notification-based tool to investigate bids in public procurements, and
- a general market investigation tool for investigating all other market situations as well as lower-value mergers and public procurement procedures.

Undertakings in scope will have to notify the EC of:

- mergers and acquisitions where at least one of the merging parties has an EU turnover of at least EUR 500 million and there is a foreign financial contribution of at least EUR 50 million;
- tenders in public procurement procedures, where the estimated contract value is at least EUR 250 million and the bid involves a foreign financial contribution of at least EUR 4 million per non-EU country.

Status

The FSR became applicable on July 12, 2023, and the notification obligation entered into force on October 12, 2023. On June 6, 2023, the EC published non-binding Questions and Answers with respect to the application of the FSR, which were updated on November 22, 2023.

In February 2024, the Commission published a [policy brief](#) offering insights into the first 100 days of the obligation to notify. During that period, the Commission services (DG Competition) had received case team allocation requests and engaged in pre-notification talks with the notifying parties in 53 cases. These cases covered a wide range of sectors, from basic industries to fashion retail and high technologies. Out of these 53 cases, 14 have been formally notified, and nine have been fully assessed. On July 26, 2024, the European Commission published a [staff working document](#), including questions and answers providing initial clarifications on the application of the Foreign Subsidies Regulation.

The FSR continued to produce effects throughout 2025, including:

- an in-depth investigation opened on July 28, 2025, to assess the acquisition of a German chemicals producer by a State-owned oil and gas producer based in the UAE. According to the related press release, the Commission had preliminary concerns that foreign subsidies (e.g., in form of unlimited guarantee) granted by the UAE may have enabled the acquisition at a valuation and financial terms that would not be in line with market conditions, and which could not have been matched by unsubsidized investors.
- an in-depth foreign subsidies investigation opened on December 11, 2025, into a Chinese headquartered group engaging in the production and sale of threat detection systems and the provision of related services within the EU. According to the press release, the preliminary investigation indicated that a number of measures (grants, preferential tax measures, and preferential financing in the form of loans) granted by China may constitute foreign subsidies that have improved the group's competitive position in the internal market and may have negatively affected competition.

Guidance from the EC is expected by January 2026 on how to determinate the existence of a distortion of the internal market, on how the balancing test functions, how the EC applies its power to request notification for initially non-notifiable deals and bids and how the distortion in public procurement is assessed. On July 18, 2025, the EC launched a public consultation on [draft FSR guidelines](#) with an ask for interested parties to provide comments until September 12, 2025.

In addition, the Commission is also working on an FSR review report, which will be published by July 2026. This report, mandated by the FSR, will review the implementation and enforcement of the Regulation. On August 12, 2025, the Commission launched a [public consultation](#) to gather views on specific elements of the implementation and enforcement of the FSR from all interested parties. Furthermore, a [call for evidence](#) was issued seeking more general feedback from all interested parties on the main aims of the FSR review report, its scope and context.

What to keep in mind

Undertakings that operate on the EU single market and that benefit from subsidies in third countries should assess the impact of this Regulation, in particular in light of the EC's power to examine ex officio subsidies granted in the five years prior to the date of application of the rules.

From a tax perspective, it is important to keep in mind that preferential tax treatments and tax advantages in form of

exemptions from ordinary tax regimes, tax holidays or credits (e.g., in relation to profit-based taxes, property taxes, stamp duties, etc.) granted by third countries may be deemed in-scope financial contributions and may need to be taken into account when applying the notification threshold.

During its investigations, the EC may request information and conduct inspections inside and outside the EU. Also note that, where the EC suspects that foreign subsidies distorting the internal market exist, it may initiate a dialogue with the third country concerned and explore options for ending or modifying the relevant subsidies.

In-scope entities should also take note of the notification obligations that may arise on transactions entered into with respect to mergers and acquisitions and public tenders.

ETC Comment:

The EU Tax Centre team would like to take this opportunity to wish you a joyous holiday season and a wonderful New Year! We look forward to continuing to provide updates and insights on EU and international tax developments in 2026, which promises to be another interesting year from a tax perspective.

Additional relevant links

Pillar Two

- [KPMG BEPS 2.0 tracker in Digital Gateway](#)
- [KPMG observations on previous OECD/G20 Inclusive Framework and G7 releases](#)
- [E-News 222 - G20 leaders' declaration and OECD Secretary-General tax report published](#)
- [E-News 220 - CJEU: Dismissal of taxpayer's appeal on the EU Minimum Tax Directive challenge](#)
- [E-News 216 - Updated outcomes of the transitional peer review process \(Pillar Two\)](#)
- [E-News 205 - Release of additional Administrative Guidance on Article 9.1 \(Pillar Two\)](#)
- [KPMG article on Pillar Two and Joint Ventures](#)
- [KPMG article on Pillar Two and tax incentives](#)
- [Euro Tax Flash 533 – EU Pillar Two FAQs](#)

DAC9

- [E-News 221 – List of signatories of the GIR MCAA updated](#)
- [E-News 215 – DAC9 Implementing Regulation published in EU Official Journal](#)
- [E-News 212 – DAC9 published in EU Official Journal](#)
- [Euro Tax Flash 558 – Exchange of Top-up tax information returns in the EU \(DAC9\) – March 7 compromise text](#)
- [Euro Tax Flash 551 - Proposal to incorporate the GloBE Information Return into EU law](#)
- [E-News 205 – Release of revised GloBE Information Return outline and related materials \(Pillar Two\)](#)

Taxation of the digital economy

- [KPMG observations on previous OECD/G20 Inclusive Framework and G7 releases](#)
- [KPMG summary of the taxation of the digitalized economy](#)
- [E-News 220 – European Commission publishes its 2026 work programme](#)
- [E-News 219 – Commissioner Hoekstra answers parliamentary question on the introduction of a European digital tax](#)
- [Euro Tax Flash 566 – EC proposal for a system of EU own resources](#)
- [E-News 214 – Commissioner Hoekstra answers to parliamentary question on the introduction of a European digital tax](#)
- [E-News 211 - Joint Statement issued by Italian and US administrations](#)
- [E-News 207 – Belgium: Federal coalition agreement published including several direct tax measures](#)
- [E-News 205 – Italy: Budget Law for 2025 enacted – Expansion of digital service tax](#)

Unshell

- [E-News 223 – December 2025 ECOFIN report on tax issues released](#)
- [Euro Tax Flash 571 – European Commission publishes report on the evaluation of the DAC](#)
- [E-News 220 – European Commission publishes its 2026 work programme](#)
- [Euro Tax Flash 563 – Conclusions of June 20 ECOFIN meeting](#)
- [KPMG's insights on Beneficial ownership, governance and substance trends across the EU](#)

DAC evaluation / DAC recast proposal

- [Euro Tax Flash 571 – European Commission publishes report on the evaluation of the DAC](#)
- [E-News 220 – European Commission publishes its 2026 work programme](#)
- [Euro Tax Flash 558 - Council conclusions on a tax decluttering and simplification agenda](#)
- [E-News 204 – European Court of Auditors - Report on the design and implementation of ATAD, DAC6 and TDRD](#)
- [E-News 199 – KPMG responds to European Commission public consultation on the DAC](#)

ATAD evaluation / Tax omnibus proposal

- [Euro Tax Flash 558 - Council conclusions on a tax decluttering and simplification agenda](#)
- [Euro Tax Flash 548 - KPMG provides feedback on European Commission evaluation of the Anti-tax Avoidance Directive](#)
- [ATAD Implementation Overview 2024](#)

Recommendation on tax incentives / Clean Industry State Aid Framework

- [E-News 223 – December 2025 ECOFIN report on tax issues released](#)
- [E-News 222 – Hungary: Tax amendments bills enacted \(including Pillar Two and tax incentive changes\)](#)
- [Euro Tax Flash 570 – Council conclusions on tax incentives to support the Clean Industrial Deal](#)
- [E-News 211 - EU Member States express concerns regarding Clean Industry State Aid Framework proposal](#)
- [Euro Tax Flash 565 – EC publishes tax incentive recommendations](#)
- [Euro Tax Flash 564 – EU Commission publishes new Clean Industrial State Aid Framework](#)
- [Euro Tax Flash 558 – Consultation on new Clean Industrial State Aid Framework proposal](#)
- [Euro Tax Flash 556 - EU Clean Industrial Deal – Upcoming new State aid framework and recommendations on tax incentives](#)

Recommendation on Savings and Investment Accounts

- [E-News 219 – Recommendation on Savings and Investment Accounts](#)
- [E-News 211 – European Commission initiates targeted consultation on barriers to EU capital markets integration](#)
- [E-News 209 – Communication on Savings and Investments Union](#)

BEFIT

- [BEFIT Directive - One page summary](#)
- [E-News 223 – December 2025 ECOFIN report on tax issues released](#)
- [E-News 220 – European Commission publishes its 2026 work programme](#)
- [Euro Tax Flash 563 – Conclusions of June 20 ECOFIN meeting](#)
- [Euro Tax Flash 536 – KPMG responds to European Commission public consultation on BEFIT proposal](#)

TP Directive

- [E-News 223 – December 2025 ECOFIN report on tax issues released](#)
- [E-News 220 – European Commission publishes its 2026 work programme](#)
- [Euro Tax Flash 563 – Conclusions of June 20 ECOFIN meeting](#)

DEBRA

- [E-News 223 – December 2025 ECOFIN report on tax issues released](#)
- [E-News 220 – European Commission publishes its 2026 work programme](#)
- [E-News 202 – Commissioner-designate for Climate responds to European Parliament's written questionnaire](#)
- [E-News 190 – European Parliament: Resolution on DEBRA proposal adopted](#)

FASTER

- [E-News 204 – Council adopts the FASTER Directive](#)
- [Euro Tax Flash 541 – Council agrees on new rules for harmonized withholding tax procedures in the EU](#)
- [MiKaDiv postponed until 2027 to facilitate Joint Implementation together with FASTER in Germany](#)

Public CbyC Reporting

- [KPMG public CbyC Reporting tracker](#)
- [KPMG's dedicated public Country-by-Country Reporting webpage](#)
- [E-News 204 - European Commission: Final public CbyC reporting forms published in the Official Journal](#)
- [KPMG Australia – Australian public CbyC reporting – legislation enacted, 'specified jurisdictions' published](#)
- [KPMG Romania - Considerations on Romanian public CbyC reporting requirements](#)

DAC7

- [KPMG's DAC7 Impact & Readiness Quick Check](#)
- [E-News 207 - Public consultation on DAC7 Implementing Regulation](#)

EU list of non-cooperative jurisdictions

- [E-News 223 - ECOFIN Council approves December 2025 Code of Conduct Group conclusion](#)
- [Euro Tax Flash 569 – October 2025 update of the EU list of non-cooperative jurisdictions](#)
- [KPMG's dedicated webpage on defensive measures against non-cooperative jurisdictions webpage](#)

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