



Brussels, 6 November 2017

### 1. EU Commission launches public consultation on fair taxation of the digital economy

On 26 October 2017 the European Commission published a [Questionnaire on the fair taxation of the digital economy](#). The objective of the questionnaire is to obtain input from interested stakeholders on how best to define an approach to the taxation of the digital economy, which is based on fairer and more effective taxation and create a level playing field across businesses.

The Questionnaire follows the publication of the Communication on "[A Fair and Efficient Tax System in the European Union for the Digital Single Market](#)" on 21 September containing proposed short-term solutions for more effective taxation of the digital economy.

### 2. OECD publishes responses received to public consultation the challenges of the digitalised economy

The OECD has published the [responses received](#) to the public consultation of the challenges of the digitalised economy. As part of the ongoing work being carried out by the OECD Taskforce on the Digital Economy a public consultation was held on 1 November at University of California, Berkeley. The public discussion examined in particular:

#### **Digitalisation, Business Models & Value Creation**

- This session discussed the impact of digitalisation on business models with a particular focus on structures of business models, data collection and analysis and the role of user-engagement and customer participation.

#### **BEPS Implementation**

- This panel discussed the implementation of BEPS and specifically the impact of BEPS measures on highly digitalised business models.
- It also discussed the implementation and impact of new guidance and mechanisms to apply VAT/GST on foreign suppliers of intangible services.

#### **Policy Challenges and Tax options**

- Discussed the range of potential tax options available to deal with the direct tax challenges of the digital economy.

The Discussions are available online at this [LINK](#)

### 3. Paradise Papers

The International Consortium of Investigative Journalists ("ICIJ") published a fresh batch of leaked documents related to off-shore activities of individuals and companies named "Paradise Leaks". The disclosures reportedly contain information related to tax avoidance schemes employed by Apple, Nike and Facebook, fund flows into off-shore structures, use of off-shore trusts for tax avoidance purposes, companies incorporated in secrecy jurisdictions, entities that hold assets and investments in shares and stocks as well as private individuals shielding their identity. 14.4 million files were obtained by the German newspaper Süddeutsche Zeitung, and subsequently shared with ICIJ. The 'Paradise Papers' leaks come as world's second biggest data leak with 1.4 TB of data, preceded only by the "Panama Papers" in 2016 amounting to 2.6 TB. The Lux Leaks files of 2014 amounted to 4.4 GB of tax rulings from Luxembourg.

The data reveal investment payments from the private estate of Queen Elizabeth II into a Cayman Islands fund, off-shore dealings of President Donald Trump cabinet members and donors, Russian portfolio investments in Facebook, Twitter and tech start-ups by individuals close to President Vladimir Putin, as well as a tax avoiding Cayman Islands trust managed by an aide to the Canadian Prime Minister Justin Trudeau.

Following the publications of previous leaked documents, new transparency initiatives at global and EU level have been pursued, including formation of EU Parliament's Committees of Inquiry, new beneficial ownership transparency requirements. Additionally, at EU level, the EU Commission commenced State aid investigations into multinational companies' tax arrangements with EU governments on basis of 'market information' contained in the LuxLeaks revelations.

#### **4. ECOFIN Meeting 7 November**

EU Finance Ministers will meet in Brussels tomorrow, 7 November. Top of the tax agenda is a discussion on the new [EU proposals to reform the EU VAT system](#) published by the European Commission in October. It is hoped that agreement can be reached on these proposals.

As a result of the so-called Paradise Papers the Ministers will now also discuss the proposed EU Blacklist of non-cooperative jurisdictions.

#### **5. November tax events and seminars**

##### **CFE Professional Affairs Conference on 24 November in Prague, Czech Republic**

CFE, the European association of tax advisers, and the Czech Chamber of Tax Advisers (KDPCR) are delighted to invite you to the 10th Professional Affairs Conference '*Tax is Going Digital – Are Tax Advisers Ready?*' We hope that you will join us on 24 November 2017 in Prague, the Czech Republic as we discuss digitalisation of tax services, opportunities for the tax profession arising therefrom and the evolution of artificial intelligence.

Please follow [this link](#) for further information on the programme, registration, accommodation and social programme details.

##### **Accountancy Europe is hosting ATO seminar on GST on 13 November**

Accountancy Europe is hosting on 13 November in Brussels the Australian Tax Office (ATO) information seminar on the goods and services tax (GST) law changes that apply from 1 July 2018 to low value imported goods sold to consumers in Australia. The Australian Taxation Office (ATO) is organising a series of business information seminars in key locations around the world. The international sessions are designed for online marketplaces, merchants and re-deliverers that supply these goods, and also for advisers and tax professionals.

Please follow this [link](#) for registration and further information on this information seminar.

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*The selection of the remitted material has been prepared by  
Aleksandar Ivanovski/ Mary Dineen/ Filipa Correia / Piergiorgio Valente*

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