



CFE EVENTS

CFE Professional Affairs Conference on 22 November 2013 in Milan: Change of climate in taxation – Are you prepared for extended responsibilities?

International and EU action against “harmful tax practices” is extending the concept of abuse of law. Hitherto legal structures are increasingly moved into a grey area. The loss of legal certainty resulting from this for tax payers is not merely a side effect of governments’ desire for more flexibility in defending their tax bases and finding ways to increase tax collection. Indeed it is intended as a deterrent for taxpayers and their advisers.

Will an advice given today be considered abusive in the future? Tax advisers do not only have to adapt their daily practice to this changing environment, but they also have to worry about consequences from past advice given to clients. Tax advisers have to manage not only the risks clients face but also their own risks. There may be civil liability to clients for advising too aggressively but also for not informing them of tax planning opportunity. Further threats include exclusion from public sector work, disciplinary sanctions and even criminal penalties.

READ MORE (click to open):

CFE Website: [EN](#) / [Blog](#)

DIRECT TAX

European Commission to set up expert group on taxation of the digital economy

On 23 October 2013, the European Commission issued a call for applications for the selection of six members of an ad hoc “Commission Expert Group on Taxation of the Digital Economy”. Members would be appointed in their personal capacity and are required to have a strong qualification or professional background in the area of policy development and

implementation, digital economy and/or tax policy analysis. The group will meet up to six times until June 2014. Applications can be sent until 8 November 2014.

READ MORE (click to open):

Commission decision: [EN](#) [FR](#) [DE](#)

Call for applications: [EN](#) [FR](#) [DE](#)

European Council Conclusions welcoming the decision (see para 4): [EN](#)

OECD is investigating into strategies to artificially avoid PE Status

On 22 October 2013, the OECD Committee on Fiscal Affairs, as a part of measure 7 of the OECD BEPS Action Plan (see [CFE European Tax & Professional Law Report July 2013](#)), invites interested parties to send by 15 November 2013 a short description of strategies that might result in the artificial avoidance of the PE status.

Action 7 of the BEPS Action Plan aims at changing the definition of PE status to prevent abuses. According to the Action Plan, one way to avoid PE status is the use of commissionaire arrangements and the specific activity exemptions. In many countries, the interpretation of the treaty rules on agency-PE allows contracts for the sale of goods belonging to a foreign enterprise to be negotiated and concluded in a country by the sales force of a local subsidiary of that foreign enterprise without the profits from these sales being taxable to the same extent as they would be if the sales were made by a distributor. In many cases, this has led enterprises to replace arrangements under which the local subsidiary traditionally acted as a distributor by “commissionaire arrangements” with a resulting shift of profits out of the country where the sales take place without a substantive change in the functions performed in that country. Similarly, as the Action Plan explains, multinationals may artificially fragment their operations among multiple group entities to qualify for the exceptions to PE status for preparatory and ancillary activities.

The OECD has set up a “Focus Group on Preventing the Artificial Avoidance of the PE Status”, composed of tax officials from various OECD and non-OECD

DIRECT TAX

countries to examine the results of this consultation when considering proposals for changes to the definition of permanent establishment.

READ MORE (click to open):

OECD news release : [EN](#) [FR](#)

BEPS Action Plan: [EN](#)

OECD publishes comments received on transfer pricing consultations

The OECD has published the comments received on its two public consultations on (1) the “Revised Discussion Draft on Transfer Pricing Aspects of Intangibles” and (2) its “White Paper on Transfer Pricing Documentation”, both opened on 30 July 2013 ([see CFE European Tax & Professional Law Report July 2013](#)).

The OECD has also released the draft agenda for the 12/13 November public consultation meeting on transfer pricing which will consider comments received on the two consultations. It will also devote time to a discussion of the transfer pricing aspects of the BEPS Action Plan. Webstreaming of the meeting is planned.

READ MORE (click to open):

Intangibles : [EN](#)

Documentation: [EN](#)

Draft agenda for November meeting: [EN](#)

November meeting, check [here](#) for web streaming link (as of early November)

Commission asks France for equal treatment when taxing sales of precious metals

French tax legislation allows taxpayers resident in France to choose between two tax options for the sale of precious metals. The first is to pay tax on the

amount of capital gains realised at the progressive personal income tax rate, in accordance with the standard rules. The second is to pay a flat-rate tax of 16% on the total amount of the sale.

Non-residents, however, are obliged to pay the flat-rate tax. In certain cases this can lead to higher taxation, particularly when no capital gain is realised. A distinction of this nature constitutes a restriction on the free movement of capital.

The Commission’s request takes the form of a reasoned opinion. The Commission entered into this second stage in the infringement procedure, as the Commission has not received notification that measures have been taken to amend this situation, despite such commitment from France given after a letter of formal notice sent in April 2011. If there is no satisfactory response within two months, the Commission may decide to take France to the EU Court of Justice.

READ MORE (click to open):

Press release, October infringement package: [EN](#)
(most EU languages available)

INDIRECT TAX

Commission proposes standard EU VAT return

On 23 October 2013, the European Commission presented its proposal for a standard VAT return. The return would be harmonised to the extent that

- there would be 26 defined categories of information member states may require from businesses,
- 5 of these “boxes” would be mandatory,
- Returns would have to be filed on a monthly basis (quarterly for micro-enterprises)
- There would be no more recapitulative annual VAT returns
- Electronic filing would be possible.

Member states could still require that returns be filed in their language.

The standard VAT return would be mandatory, meaning all businesses and member states would have to adapt. The Commission did not pursue the idea of an optional EU VAT return in addition to the existing national VAT returns. Despite the adaptation costs, the Commission hopes that there will be long-term

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savings amounting to € 15 billion per year and a reduction of the uncollected amount of VAT (VAT gap).

The Commission hopes that the standards VAT return will be used as of 2017. This however requires unanimous adoption of the proposal by EU member states.

READ MORE *(click to open)*:

Directive proposal COM(2013)721: [EN](#) [FR](#) [DE](#)

Press release: [EN](#) (all EU languages)

Implementation plan: [EN](#)

Impact assessment: [EN](#)

Summary impact assessment: [EN](#) [FR](#) [DE](#)

New VAT rules for e-businesses and telecoms - Commission publishes guidelines

On 23 October 2013, the Commission published practical guidelines to prepare businesses for the new VAT rules for telecoms and e-services which will enter into force in 2015. The aim is to help businesses to be fully prepared on time for the change-over, whereby VAT will be charged where the customer is based, rather than where the seller is. A One Stop Shop will enable telecoms, broadcasting and e-services businesses comply with all of their VAT obligations in all Member States from their country of registration.

Today's guidelines focus on the information that will be requested to register and account for VAT, the formats in which it will be requested, the submission deadlines, and all practical details on the payments. The Commission hopes that with this information, businesses will be able to properly prepare their processes and configure their IT tools to collect the information that they will have to submit from February 2015. Additional guidelines on the new place of supply rules have been announced for 2014.

READ MORE *(click to open)*:

Guidelines: [EN](#)

Press release: [EN](#) [FR](#) [DE](#)

Commission launches consultation on VAT for public bodies and exemptions in the public interest

On 14 October 2013, the European Commission opened a public consultation on the review of existing VAT legislation on public bodies and tax exemptions in the public interest. In previous communications and studies, the European Commission has expressed some scepticism towards the justification of special VAT treatment of public bodies and public interest activities, due to resulting distortions in competition, added complexity in the VAT system and changing activities of certain public entities due to privatisation. Comments to the Commission may be submitted by 14 February 2014.

READ MORE *(click to open)*:

Consultation website: [EN](#) (DE, FR available)

Consultation paper: [EN](#) [FR](#) [DE](#)

Commission fights before ECJ for tax exemptions of EU institutions

On 17 October 2013, the European Commission decided to take Belgium to the European Court of Justice for not granting tax exemptions to the European institutions situated in Belgium. The Union's Protocol on Privileges and Immunities states that the institutions are exempted from indirect taxes or sales taxes by the governments of the Member States in which they are established when they make substantial purchases for their official use. The purpose of the exemption is to prevent a member state hosting an institution on its territory from benefiting from this and obtaining a tax advantage by imposing taxes that are financed by all the Member States' contributions to the EU budget. A parallel case on the amounts already paid by all the institutions is currently pending before the Belgian courts.

READ MORE *(click to open)*:

Press release: [EN](#) (FR DE NL available)

Buying online: information on taxes, excise and customs duty for consumers

The European Commission has published an online

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overview on VAT, excise and customs duties consumers will have to pay when purchasing goods and services online cross-border, depending on the type of goods or services or country they are buying from.

READ MORE (click to open):

“Buying online” website: [EN](#)

Advocate General: Spanish tax on retail sales of fuel is contrary to EU law

A Spanish transport company has challenged the compatibility with EU law of a Spanish tax (‘the IVMDH’) levied on the consumption of petrol, diesel, fuel oil and paraffin, in addition to excise duty. According to Spanish law, the revenue generated from the IVMDH will flow to the Comunidades Autónomas (regions of Spain) and has to be spent on health or environmental matters.

The EU Excise Duty Directive leaves Member States the right to introduce or maintain indirect non-harmonised taxes on products that are already subject to rules regarding excise duty, under two conditions: (i) that the tax at issue pursues a specific, non-budgetary purpose; and (ii) that it complies with the rules applicable to excise duty or VAT as far as determination of the tax base, calculation of the tax, chargeability and monitoring of the tax are concerned.

Advocate General Wahl finds that the IVMDH does not fulfil a specific purpose, as it pursues the same objective as the already harmonised excise duty on mineral oils, which consists of reducing the social (health and environmental) costs resulting from the consumption of hydrocarbons.

The Advocate General also sees no indication that the structure of the IVMDH is designed specifically to discourage the consumption of hydrocarbons or to encourage the use of some other less harmful product.

With regard to the use of the tax, the revenues collected must be allocated to specific measures. The general allocation of tax revenue from the IVMDH to health and environmental measures does not suffice to prove that the tax pursues a non-budgetary purpose, as there is no direct link.

Secondly, the Advocate General considers that the IVMDH does not comply with the general scheme of

excise duty or VAT as far as determination of chargeability is concerned. This is so because the IVMDH is levied at a point in time which does not coincide with the requirements set by either EU legislation on chargeability of excise duty or that on VAT. Unlike excise duty, which becomes chargeable once the product leaves the last tax warehouse, and VAT, which is charged at each stage of the production and distribution process, the IVMDH is charged when hydrocarbons are sold to the consumer.

Spain has also requested the Court to limit the temporal effects of the judgment in the event that it finds the IVMDH to be contrary to EU law, so that the judgment would only produce effects in the future and not affect taxes levied in the past. Such exception can be considered if there is a risk of serious economic repercussions, which, according to the Advocate General, cannot be ruled out given the considerable sums involved (an estimated €13 billion). However, the fact that Spain appears to have knowingly taken the risk of introducing this legislation whose compatibility with EU law had already been doubted, to the detriment of the end-user and the internal market, would speak against granting an exemption.

READ MORE (click to open):

Press release: [EN](#) [FR](#) [DE](#) [EL](#) [ES](#) [IT](#) [PT](#)

Advocate General Opinion: [check here for availability](#)

ADMINISTRATIVE COOPERATION AND FIGHT AGAINST TAX FRAUD

Switzerland signs OECD Multilateral Convention

On 15 October 2013, Switzerland has become the 58th country to sign the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

The Multilateral Convention provides for all forms of mutual assistance: exchange on request or spontaneously, tax examinations abroad, simultaneous tax examinations and assistance in tax collection, while including provisions on protecting taxpayers’ rights. It also includes the option to undertake automatic exchange where an agreement between the Parties interested in such form of assistance exists. Having assured the support of the G20, OECD is hoping that automatic exchange will become the new international standard.

ADMINISTRATIVE COOPERATION AND FIGHT AGAINST TAX FRAUD

READ MORE (*click to open*):

Multilateral Convention on OECD website: [EN](#) [FR](#)

OTHER TAX POLICY

European Commission releases three Papers on tax reforms

In October 2013, the European Commission has published three papers on tax reform produced by its services: Paper 37 deals with “Tax Reforms and the Capital Structure of Banks”, paper 38 lists “Tax Reforms in EU Member States - Tax policy challenges for economic growth and fiscal sustainability” and paper 39 is titled “Recent Reforms of Tax Systems in the EU: Good and Bad News”.

READ MORE (*click to open*):

Paper 37: [EN](#)

Paper 38: [EN](#)

Paper 39: [EN](#)

OECD recommends reform of R&D tax systems

On 10 October 2013, the OECD published a report on reforming research and development (R&D) tax incentives to boost innovation and drive economic growth. Such tax incentives are used by most OECD governments but also by countries like China, India and South Africa. The report finds that over a third of all public support for business R&D in the OECD is via tax incentives. Multinational enterprises benefit the most, as they can use tax planning strategies to maximise their support for innovation. This could create an unlevel playing field that disadvantages purely domestic and young firms. The OECD estimates that countries currently risk foregoing significant tax revenues in their drive to boost investment but do not see a commensurate rise in innovation in their economy.

Important aspects of tax schemes that should be reviewed include the scope of eligible R&D, the firms that qualify and the treatment of large R&D performers. This is important as in many countries the current schemes may be more costly than intended, particularly as tax relief has become more generous in recent years and the full cost is not always transparent as these incentives are considered “off budget” as a tax expenditure.

OECD analysis also suggests that well-designed direct support for young firms, such as grants and contracts, may be more effective in stimulating R&D than previously thought, given that many young firms do not (yet) make enough profit to fully benefit from R&D exemptions in the form of tax expenditures.

The tax rules that enable multinationals to shift profits from intellectual assets, such as patents, are currently being reviewed as part of the OECD’s BEPS Action Plan.

The report also suggests that some countries should review the stringency of their bankruptcy laws. Intellectual property rules would also need updating, especially to avoid an erosion of patent quality. Greater mutual recognition and comparability of rules internationally would help.

READ MORE (*click to open*):

OECD news release: [EN](#) [FR](#)

Report: Supporting Investment in Knowledge, Capital, Growth and Innovation: [EN](#)

OECD presents working papers on fiscal devaluation and growth- and equity-friendly fiscal consolidation

The OECD has published two working papers titled “Fiscal Devaluation – Can it Help to Boost Competitiveness?” and “How to Achieve Growth- and Equity-friendly Fiscal Consolidation?”, respectively.

Since in a monetary union, nominal exchange rate devaluation is not an option, governments have been considering so-called fiscal devaluation, i.e. a shift from employers’ social security contribution to value added tax, as an alternative means to restore competitiveness. The related working paper discusses the potential benefits and drawbacks of such a reform and investigates under which circumstances it would have the intended effects. It argues that a fiscal devaluation can have transitory effects, but that such policy tool cannot be a substitute for deeper structural reforms of labour, product and financial markets.

OTHER TAX POLICY

The second paper proposes a method for choosing the instruments of consolidation so that they contribute to the goals of promoting near-term activity, long-term growth, equity, and global rebalancing. This is illustrated with simulations for 31 OECD countries and accompanied by a range of alternative scenarios. The simulations highlight that half of OECD countries can reduce excess debt mainly through moderate adjustments to instruments (such as subsidies, pensions or property taxes) that have at most limited side-effects on other policy objectives. A smaller number of countries face more difficult choices, having to either make bigger adjustments in areas where spending cuts or tax hikes are least harmful or to rely significantly on consolidation instruments with substantial adverse side-effects. The OECD considers that these trade-offs can to a large extent be alleviated through structural reforms in the delivery of public services and in taxation.

READ MORE (click to open):

Working Paper on Fiscal Devaluation: [EN](#)

Working Paper on Fiscal Consolidation: [EN](#)

European Commission workshop suggests critical review of tax expenditures

On 23 October 2013, the European Commission's Directorate-General for Economic and Financial Affairs hosted a workshop on "the use of tax expenditures in times of fiscal consolidation". Invited experts presented a number of scientific findings and experience from countries suggesting that member states should review their various tax expenditures in personal and corporate income tax which, apart from significantly reducing the state's revenue, complicate the tax system, often fail to achieve any behavioural goals they have been introduced for and in many cases have regressive effects. There was a general view that the threshold for evidence of expected benefits of tax expenditures should be high and the search for alternative policy responses should be comprehensive, including non-tax options like direct subsidies.

Already the definition if tax expenditure causes difficulty as there is no generally agreed concept of what should "normally" be included in the tax base, if there was no exemption.

Despite such difficulties and large differences in outcomes between various surveys, figures from a number of countries suggest that the amount the revenue has lost due to tax expenditures is substantial and has increased over the past decades, just as the number of tax expenditures.

Regressive effects arise especially where personal income tax rates are strongly progressive, as only high-income taxpayers are able to take full advantage of the expenditures. Where the law is so complex that a taxpayer needs professional tax advice to benefit from expenditures, this adds to regressiveness. A third aspect is that the shortfall in revenue is often compensated through indirect taxes which are generally flat taxes.

As to specific tax expenditures, it was noted that generous research and development (R&D) tax expenditures often lead to a relabeling of expenses as R&D (and may have the side effect of driving up costs in R&D). Especially the benefit of tax expenditures to help SMEs was questioned, given the (too) wide diversity in SMEs.

Among possible solutions mentioned were a minimum corporate income tax and a 10% limit of deductions from gross income in personal income tax.

As to the political dimension, speakers named the problem that tax expenditures are little transparent to the public, as they do not appear on the expenditure side of the budget, although they limit the state's ability to spend, just as ordinary expenditures. Being visible only to those who profit from a tax expenditure but invisible to those who have to pay a higher tax to compensate for the shortfall of revenue, tax expenditures are popular in the public perception and therefore politically very difficult to abolish.

Further complicating a reduction of tax expenditures is the fact that these are often used as an instrument in tax competition for investment between countries.

The Commission recommended that governments carry out and publish ex-ante and ex-post assessments of tax expenditures and refrain from introducing new examples in their tax systems, adding that very complex systems offer more possibilities of avoidance. As in tax systems, various tax expenditures often complement or compensate for one another, it is advised that member states look at tax expenditures in bundles when deciding on abolishing them.

READ MORE (click to open):

Programme: [EN](#)

STATE AID

Commission: debt write-off for ailing Slovak company was incompatible with EU state aid rules

Following a judgment by the EU Court of Justice (ECJ) (case C-73/11 P) on its previous decision, the European Commission has adopted on 16 October 2013 a new decision confirming that a debt write-off granted by the Slovak tax authorities to the company Frucona Košice was incompatible with EU state aid rules.

When in 2004, the company was in financial difficulties, it asked its creditors for an arrangement under the applicable insolvency legislation. The Slovak tax authorities agreed to a write-off of 65% of the company's tax debt, an amount equalling € 11 million. The Commission considers the non-payment of taxes an undue economic advantage leading to distortion of competition and therefore orders the company to pay the due amounts with interest. Frucona contends that the state acted as any private creditor would have done, to recover at least part of the debt, and that bankruptcy proceedings would have been less advantageous.

Public interventions in companies can be considered free of state aid when they are made on terms that a private operator would have accepted under market conditions. Aid to a company in difficulty may be found compatible with the internal market if the company has realistic prospects for becoming profitable again and takes measures to offset the distortions of competition triggered by the state aid but as the Commission asserts, Frucona did not present any genuine restructuring plan.

The Commission's original decision to ask Frucona to pay the tax debt had been confirmed by the General Court but was successfully challenged in an appeal before the ECJ, which found the original Commission decision to be ill-founded as the Commission had failed to take into account the duration of the bankruptcy proceedings. The ECJ has referred the case back to the General Court where it is still pending.

READ MORE *(click to open)*:

Press release : [EN](#) (FR DE SK available)

ECJ judgment (case C-73/11 P): [EN](#) (all EU languages)

Case in State Aid Register: [SA.18211](#)

Commission authorises phasing-out of Belgian biofuel support scheme

On 16 October 2013, the European Commission has found a 12-months phasing-out of excise duty reductions granted by Belgium to seven biofuel producers to be in line with EU state aid rules.

The Belgian biofuel support scheme dates back to 2005 and has been approved by the Commission for a period ending on 30 September 2013. Changes in the biofuel market and new sustainability criteria in EU law have made a change of the Belgian scheme necessary.

The producers under the scope of the current scheme will continue to benefit from the reduction until 30 September 2014 for a limited volume of biofuels, so as to ensure a smooth transition towards a new biofuel support scheme to be put in place in 2014.

READ MORE *(click to open)*:

Press release : [EN](#) (FR DE NL available)

Case in State Aid Register : [SA.35073](#)

Commission investigates into Gibraltar's corporate tax regime

On 16 October 2013, the European Commission opened an in-depth investigation to verify whether the current Gibraltar corporate tax regime selectively favours certain categories of companies, in breach of EU state aid rules. The Commission will in particular examine the exemption for passive income such as royalties and interest from corporate tax. The opening of an in-depth investigation gives interested third parties an opportunity to submit comments on the measures under assessment; it does not pre-judge the outcome.

The Gibraltar corporate tax scheme is based on the territorial principle: all activities deriving from or accrued in Gibraltar are taxed. However, there exists an exemption for passive income (i.e. dividends, royalties and certain types of interest), which is no longer subject to tax in Gibraltar irrespective of where the source of the income is located.

Upon a complaint from Spain about the tax scheme, claiming that it would continue to grant a selective advantage to offshore companies through the combined effect of the territorial system and the tax exemption for passive income and following a preliminary investigation, the Commission considers that the tax exemption for passive interest and royalty income

may involve state aid because it departs from the general corporation tax system. This could grant a special advantage to the particular group of companies that produce this type of income. Unlike for dividends – the exemption of which can be justified by the need to avoid double taxation – the Commission has, at this stage, found no valid justification for such an exemption. The investigation will be carried out despite a recent change of the Gibraltar tax law repealing the exemption for inter-company loan interest.

READ MORE (click to open):

Press release: [EN](#) (FR DE ES available)

Case in State Aid register (not yet available): [EN](#)

ACCOUNTING

EP rapporteur (cautiously) introduces the idea of country by country reporting of profits, taxes and subsidies

Following the introduction of country-by-country reporting of tax payments by companies in the extractive industry in the 26 June 2013 review to the EU Accounting Directive (2013/34/EU) and the European Commission's proposal to include elements of non-financial and diversity information disclosure in the annual reports of all large companies and groups (COM(2013)207 of 16 April 2013), the rapporteur for the latter dossier in the European Parliament, conservative Italian MEP Raffaele Baldassarre, has introduced the idea of extending disclosure to profits generated, taxes on profits paid and public subsidies received, on a country-by-country basis.

It should be noted however that the rapporteur does not directly propose an inclusion of these categories in the current Directive but only suggest that the European Commission should consider such changes in any future review of the Directive. These amendments have been introduced to accommodate the European Council which, in its conclusions published on 22 May 2013, called for examination of the Directive proposal with a view to ensuring country-by-country reporting by large companies and groups (see [CFE European Tax & Professional Law Report June 2013](#)). Mr Baldassarre's explanatory statement points at problems that enterprises could face where disclosing such payments is against the law, that disclosure may put into question agreements reached with the tax authorities, or may lead to competitive

disadvantages. One can expect that other MEPs will seek to include a disclosure requirement in the current revision of the Directive, not merely in the review clause.

READ MORE (click to open):

European Council conclusions of 22.05.13: [EN](#)

Draft Baldassarre report: [EN](#) (all EU languages)

EVENTS

Commission to organise Brussels Tax Forum on VAT

The European Commission DG TaxUD will host its "Brussels Tax Forum" on "an efficient VAT system" on 18 November 2013. Registration is already closed but the Commission is currently considering making webstreaming available.

READ MORE (click to open):

Brussels Tax Forum: Programme, further information and registration: [EN, DE, FR](#)

PROFESSIONAL QUALIFICATIONS

European Parliament adopts revised Professional Qualifications Directive

On 9 October 2013, the European Parliament's plenary adopted the compromise amendments on the review of the Professional Qualifications Directive (see **CFE European Tax & Professional Law Report June 2013**) by 596 to 37 votes, with 31 abstentions. The EU Council is expected to adopt the Directive at one of its next meetings. The implementation period for member states will be two years.

READ MORE *(click to open)*:

Text adopted (not yet consolidated): **EN** (all EU languages)

Commission asks for interest of professions in „European Professional Cards“

On 23 October 2013, after the adoption of the revised Professional Qualifications Directive by the European Parliament on 9 October 2013, the European Commission published a call for expression of interest in the introduction of the European Professional Card.

The Directive provides for the possible introduction of "European Professional Cards" for professions where there is significant cross-border mobility or potential for such mobility, sufficient interest expressed by the relevant stakeholders and regulation of the profession or education and training in a significant number of member states.

If professional cards are introduced for a profession, professionals will be free to obtain such card but there will be no opt-out for member states, irrespective of whether or not they regulate the profession or they favour such Cards.

European Professional Cards have the advantage for the professional of speeding up recognition procedures in case of permanent mobility, including a tacit recognition of his qualification if the competent authority of the host member state fails to take a decision within the times limits set out in the Directive.

Apart from concerns about client protection in the event of tacit authorisation, there have been worries that in non-regulated countries that state authorities would be entrusted with issuing professional cards

which could lead to an increase in state control of the profession.

Any reactions are expected by 22 November 2013.

READ MORE *(click to open)*:

Call for expression of interest: **EN FR DE**

Chart on the functioning of the card: **EN**

CROSS-BORDER SERVICES

Commission comments on restrictions to cross-border services and announces action plan for screening qualification requirements

For the European Commission's communication and staff working paper of 2 October 2013, please consult the **CFE European Tax & Professional Law Report August/September 2013**.

ANTI MONEY LAUNDERING

EP Committees reach solution in fight over anti money laundering competence

On 10 October 2013, the competence struggle between the European Parliament's Committees on Civil Liberties, Justice and Home Affairs (LIBE) and Economic and Monetary Affairs (ECON) over the 4th Anti Money Laundering Directive dossier was resolved, resulting in joint competence of the two Committees. The initial rapporteur, MEPs Judith Sargentini (NL, Greens) from the LIBE, and Krišjānis Kariņš (LV, EPP) from the ECON will now be jointly responsible. The competence struggle had blocked EP progress on the dossier for several months.

Already on 19 June 2013, the ECON had adopted its opinion on the proposal (see **CFE European Tax & Professional Law Report July 2013**). The revised timetable now envisages the joint Committees' vote on 22 January and the plenary vote on 11 March 2014.

CFE PUBLICATIONS



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European Professional Affairs Handbook for Tax Advisers

This second edition contains the regulatory requirements for providing professional tax services and the relevant contact points in 23 European countries, the impacts of EU policy, legislation and case-law on professional regulation, facts on how the tax profession is organised across Europe and current developments and trends in professional affairs.

[READ MORE \(click to open\):](#)

Order at [IBFD](#) / more information: [CFE Website](#)

Towards greater fairness in taxation - A Model Taxpayer Charter

The draft Model Taxpayer Charter presented by CFE, AOTCA and STEP (see [CFE European Tax & Professional Law Report May 2013](#)), can be downloaded on the CFE website. The full publication including the study on the status quo of taxpayer rights and responsibilities on 37 countries is available at a reduced price of € 30 (including shipping) for the members of CFE member organisations.

[READ MORE \(click to open\):](#)

Text of the draft Model Taxpayer Charter: [EN](#)

Dedicated CFE website: [EN](#)

If interested, please contact the CFE Office in Brussels: [Order](#)

IMPRESSUM

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