Confédération Fiscale Européenne (CFE)

General Features

01 November 2016

Representatives from the CIOT attended the recent meetings of the CFE in Warsaw in September. The meetings that were held were those of the General Assembly, the Fiscal Committee and the Professional Affairs Committee.

The CFE was founded in 1959 and today embraces 26 national organisations from 21 European countries, representing, with its member organisations, more than 200,000 tax advisers. Notwithstanding the result of the EU referendum in June, the CIOT (and we understand, ICAEW Tax Faculty, who jointly with us represent the UK) remain committed to the CFE, which is a European organisation which contributes to discussions in OECD as well as EU forums and is not limited by membership of the EU. We will be hosting the CFE General Assembly and related events in September 2018 in London, jointly with the ICAEW. More information can be found on the CFE website.

Professional Affairs Committee

The CFE Professional Affairs Committee meeting held on 22 September 2016 included discussions on the following.

Code of Conduct

The European Parliament has called upon the Commission to present a Code of Conduct for tax advisers (amongst others). During the discussion points made included:

- Who is the enemy? It is not qualified tax professionals and we should not act as if we are the enemy.

- While accepting we are not to blame the public thinks we are and we need to be aware of and address that.
- We all have codes of conduct and it would be very difficult to align them.
- Tax authorities need to be more open and honest about whom they are trying to tackle.
- Is it still enough to say if it is legal it is OK? While we cannot say precisely what is acceptable and what is not we do need to recognise the issue.
- If there is to be a universal code of conduct who will police it and what would be the consequences of breaching it (especially for the unqualified/unregulated)?
- Need to remember that it is always the client's decision – we tell them what the law is, advise of the consequences of a particular course of action and they then decide what to do. We act in the client's interest and not the public interest.

The conclusion was that a one size fits all code of conduct was not a sensible idea. CFE will not make formal representations nor be provocative to the Commission but instead look to brief MEPs on what tax advisers do so that they better understood our role and behaviours. CFE will however follow the discussion so as to be ready to take action as and when necessary.

PAC conference 18 November 2016 –Involving tax advisers in fighting tax avoidance – what will change?

The PAC conference in Ljubljana has attracted a number of senior speakers from the Commission and OECD amongst others. The topic is an interesting one and members are asked to encourage attendance. Ray McCann, vice president of the CIOT, has agreed to speak and his very relevant experience at HMRC and in practice has been gratefully received by CFE.

Commission initiatives to remove obstacles to cross border services

This item was mostly of interest to those member states where the profession is regulated. The Czech Republic gave as an example of a challenge to cross border

services an instance where a Czech tax adviser tried to register a Czech client on line for VAT in Germany. The application was declined because Germany decreed that the tax advice was being given in Germany despite it being given on line in the Czech Republic.

Anti-money laundering and Panama papers

AML – 4th Directive (4MLD)

It was agreed it would be sensible to share information about the registers required under 4MLD. It was felt that this will be a sensitive issue for small and medium-sized enterprises.

Panama papers

In the UK there have been no prosecutions but the civil penalties regime for enablers of offshore evasion may bring more cases to light. Anti-money laundering supervisors have been asked to write to their supervised population and enquire whether they have had any involvement with Mossack Fonseca.

In Belgium there is a specialist tax brigade looking in to the matter.

In Spain the tax authorities are considering whether to take action against the advisers.

Model taxpayer charter

Members are encouraged to make use of the charter.

Fiscal Committee

The Fiscal Committee meets for a joint session of the Direct Tax and Indirect Tax Sub-Committees and the opportunity was taken in that session to consider the likely future work of the Fiscal Committee. In particular it was noted that the first meetings of the new working groups set up by the Fiscal Committee were meeting. These working groups are focussing on BEPS, Transfer Pricing and CCCTB.

Other topics discussed were:

- Platform for Tax Good Governance, Aggressive Tax Planning and Double Taxation. The CFE was reappointed to the Platform earlier this year and continues to be fully engaged with its work. Current topics being considered by the Platform are tax treaties between member states and developing countries, double tax dispute resolution mechanisms, hybrid mismatches in relation to third countries and counter-measures against non-cooperative jurisdictions.
- VAT Expert Group. The CFE is also on the VAT Expert Group and there was a brief report of recent meetings and the papers being produced by that group. There was also a report from the fiscalis seminar on VAT held in Dublin on 12-14 September 2016
- EU Anti-Tax Avoidance Package
- BEPS update
- CCCTB
- National updates of recent changes

General Assemby

The General Assembly is, in effect, the management body of the CFE. The meeting dealt with the election of new officials of the CFE (including the new President who will be Piergiorgio Valente (Italy) for a two-year term starting on 1 January 2017), approving the financial statements of the CFE and considered applications from prospective new member organisations to the CFE.