

Platform for tax Good Governance

The Tax Priorities of the Czech EU Council Presidency

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Main priorities and principles of the work

- Simplification of tax system
- Combating tax evasion and tax fraud
- Removing unjustified tax exemptions
- Strengthening the exchange of relevant information in the EU and beyond
- Addressing the challenges of international business taxation arising from the globalisation and digitalisation of the economy.

Direct Taxation

- Unshell Proposal
- DEBRA
- Pillar 1 and Pillar 2
- Code of Conduct on Business Taxation
- DAC 8

Unshell

- During FR PRES first reading of the proposal took place
- CZ PRES will continue the technical work
- Technically most difficult part of the proposal are the tax consequences and the interaction with existing instruments (DTC, IRD and ATAD)
- CZ PRES will try to accommodate concerns of the MS as regards to additional administrative burden for companies and tax administrations
- The compromise text will be presented on the basis of the comments received by the CZ PRES

DEBRA

- Proposal submitted by the Commission on 11 May
- Discussions in the Council started recently
- Positions of Member States not yet clear
- Negotiations certainly take time
- Difficult to estimate what progress can be achieved during the CZ PRES

Pillar 2

- Technical discussions finalised, no need to reopen it
- General approach planned on the 17 June ECOFIN
- CZ PRES ready to take over the file, if needed
- Sufficient time for implementation

Pillar 1

- Delay at the OECD level
- Not clear yet when the draft Directive implementing Pillar 1 is submitted
- CZ PRES ready to deal with the proposal as a priority once it is published
- Link with the Pillar 2 agreement

Code of Conduct

- Update of the EU list on non-cooperative jurisdictions
- Continuing the discussions on horizontal issues
- Revision of the Code of Conduct
- Council Conclusions expected in October and December

DAC8

- Proposal of the EC is expected in September
- Not dependent on the progress at the level of OECD on the model rules (CARF = crypto-asset reporting framework)
- Other specific proposals for improvements of the cooperation framework expected to be included
- CZ PRES will start the discussions

Indirect Taxation

- Energy Taxation Directive
- VAT in Digital Age Package
- Heavy goods vehicle tax

Energy Taxation Directive

- The legislative proposal tabled in July 2021 as a part of the Fit for 55 package
- Intensive discussions during the SI PRES and FR PRES
- More negotiations still needed (especially under current circumstances)
- Policy debate seems to be more appropriate at later stage
- Link to other legislative proposals

VAT in the digital age

- Proposal of the EC is expected in October
- Package should focus on 3 areas
 - VAT reporting (including e-invoices)
 - Services in platform economy
 - VAT single registration
- CZ PRES will have time only for the introduction of this package
- Maybe there will be time for a first discussion

Heavy goods vehicle tax

- In 2017, EC tabled two proposals amending the directive on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette)
 - 1. amending chapter III on toll
 - 2. amending chapter II on tax
- Amendments to toll have been agreed upon and published in March
- Amendments to tax are still on the table in the Council
- CZ PRES wishes to continue discussions with the aim to reach a general approach
- A general approach would enable MS to abolish this tax

Many thanks! Questions?