

# **FOCUS AREA**

# **TAX**



**ACCOUNTANCY  
EUROPE.**

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# TAX



In the new EU mandate, Accountancy Europe looks forward to connecting with EU decision-makers on tax matters. Our tax priorities for the new EU term have two pillars.

## 1 RESTORING TRUST IN THE TAX SYSTEM

Citizens no longer trust the tax system. Restoring this trust will require the contribution of all stakeholders: taxpayers, tax advisors, tax administrations and governments. Accountancy Europe is committed to play its part in rebuilding trust.

### ETHICS



Tax avoidance scandals are increasingly in the spotlight. We need to re-think approaches to tax planning by taxpayers and their advisors – including within the accountancy profession.

Accountancy Europe will work on the role that ethics should play in professional behaviour and in the wider tax system. We will share good practices and raise the discussion within the profession and beyond. This will link to taxation as a matter of corporate social responsibility and corporate governance.

### TRANSPARENCY



Greater tax transparency by companies towards tax authorities will help create evidence-based tax rules. Also transparency to the general public on what taxes companies pay will help restore trust in the tax system.

Accountancy Europe has participated in devising a tax disclosure standard for companies that choose to improve their tax transparency. We will contribute to this and other tax transparency initiatives at the international level to improve tax reporting's quality and comparability.

### ENHANCED COOPERATION



Cooperative compliance is one way to enhance relations between taxpayers and tax administrations. Under cooperative compliance, taxpayers receive greater certainty from tax authorities about their tax affairs in exchange for being more transparent and using internal controls to back that up. Tax authorities can then direct their limited resources towards non-compliant taxpayers.

Accountancy Europe will raise awareness on and contribute to EU-level initiatives on cooperative compliance. We will also reflect on how to best tailor cooperative compliance to benefit SMEs.

## 2 BUILDING A RESILIENT FUTURE TAX SYSTEM

The tax system is not designed to deal with the challenges from environmental crises technological developments and new business models. Accountancy Europe will join stakeholders in building an international tax system that is resilient for the future and can fulfill its objectives.

### SUSTAINABILITY



To address the climate crisis, the tax system needs to:

- finance and foster investment in transitioning to a circular economy
- incentivise more sustainable behaviour and practices
- internalise the costs of environmental degradation – whether through CO<sub>2</sub> taxation, CO<sub>2</sub> certificate trading or other measures

Accountancy Europe will help to lead the change, together with other stakeholders and the EU institutions. There are many possible approaches, including: shift the tax burden away from labour to pollution and resource consumption; and to create a more sustainable VAT system.

### TECHNOLOGY



Technology can enable easier compliance and tax reporting. However, new digitalised business models, new forms of short-term or long-distance labour and automation all challenge the current tax system.

Accountancy Europe will support adjusting the tax system to new realities brought about by technological leaps. We will harness professional accountant's experience and expertise to inform and inspire the direction of these discussions.

### SMES



Navigating both direct and indirect tax obligations is difficult and costly for SMEs. The tax system can also enhance SME growth, for example, through simplified tax procedures and tax incentives specifically for SME financing.

Accountancy Europe will seek to ensure that tax rules – including on VAT – are proportionate, fit for purpose and support the success of Europe's SMEs.

## STAY IN CONTACT

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### ABOUT ACCOUNTANCY EUROPE

Accountancy Europe unites 51 professional organisations from 36 countries that represent close to 1 million professional accountants, auditors and advisors. They make numbers work for people. Accountancy Europe translates their daily experience to inform the public policy debate in Europe and beyond.

Accountancy Europe is in the EU Transparency Register (No 4713568401-18).