

EBIT

Input to Europe's direct tax policy

Annual Work Programme 2020

www.ebit-businessstax.com

INTRODUCTION

Dear Sir / Madam,

In the European Union (EU) there is still no Single Market on Taxation. In practice, multinational enterprises (MNEs) doing business in the EU need to navigate through 28 (soon 27) different sovereign national tax systems and administrative requirements and diverging interpretations of EU direct tax law.

The direct tax landscape within the EU and beyond is changing rapidly and fundamentally, and in fact more and faster than ever before as is shown by some examples below.

At the EU, the new Von der Leyen Commission started on 1 December 2019 on a quest for “Fair and effective taxation”. New EU Tax Commissioner Gentiloni’s mission will be: “to ensure that tax policies are fair, fit for the digital economy and make it easier for businesses and people to work across borders. We will need to adapt our tax systems to a changing labour market and new and emerging business models.”

EU Commission President Von der Leyen wants the EU to:

- Support international efforts to find solutions for Digital Taxation; or if that proves impossible by Q4 2020, to go it alone at EU level;
- Adopt the CCCTB;
- Step up the fight against tax fraud, tax evasion and tax avoidance;
- Develop stronger measures to combat harmful tax regimes around the world
- Introduce EU qualified majority voting for tax issues (now: unanimity).

Related to this, in the light of ongoing leaks and disclosures regarding corporate tax abuses, the debate on MNE tax transparency isn’t going away in Europe but actually leading to growing demands for Tax transparency and accountability. The EU’s draft Directive for Public Country-by-Country Reporting is still on, not off, the table of the Council of the EU.

The OECD/Inclusive Framework are jointly working on a fundamental global tax policy

revision effort (“BEPS 2.0”) with the aim to reach international consensus by the end of 2020. The implementation of “BEPS” in countries is ongoing.

On 19 August 2019, the US Business Roundtable announced the release of a new Statement on the Purpose of a Corporation signed by 181 leading CEOs who dropped the shareholder-first principle and committed to leading their companies for the benefit of all stakeholders – customers, employees, suppliers, communities and shareholders.

On 5 December 2019, the Global Reporting Initiative (GRI), an independent international sustainability impacts standard-setting body, published the world’s first voluntary public global standard for comprehensive tax disclosures: *GRI 207*. If a reporting organisation has identified Tax as a material topic, it will be required to report on *GRI 207* from 1 January 2021 onwards. Earlier adoption of *GRI 207* is encouraged, even if a reporting organisation cannot yet meet all the requirements. Global investors, civil society groups, labour organizations and other stakeholders have signalled their support for this new Tax standard as it would help address their growing demands for tax transparency.

These important developments in 2019 pose challenges and opportunities to MNEs and their tax functions. Corporates and financial institutions are therefore advised to closely monitor and proactively input to policy-making initiatives and the debate on:

- OECD/IF joint work to come to a new global tax framework by the end of 2020
- Tax challenges arising from digitalisation
- EU directives: CC(C)TB, public CBCR, etc.
- Implementation of BEPS: ATAD, DAC, etc.
- Harmful Tax Competition/EU Code Group
- EU Blacklist
- EU law: fiscal State aid, Treaty freedoms
- Tax transparency and reporting, tax governance, co-operative compliance, etc
- EU Institutions
- Digital transformation of tax administrations

Do you also want to help modernise Europe’s direct tax policy but don’t find the time? Then joining EBIT may be just what you were looking for!

WHAT IS EBIT ALL ABOUT?

Established in 2001 with the help of PwC and at the specific request of a number of companies, EBIT is a high-level but informal cross-industry working group of Senior Tax Executives from Europe-based companies whose aim is to help streamline and modernize Europe’s direct tax policy. EBIT aims to help eliminate remaining tax barriers that hamper cross-border economic activity in the Single Market, and deliver business messages based on real-life experiences and examples to achieve practical progress.

EBIT spans the following business sectors:

- Aerospace and defence
- Airlines
- Asset management
- Beverage products
- Commercial building
- Consumer packaged goods
- Earth moving equipment
- Electronics
- Food & feed
- Food containers
- Global internet and entertainment
- Healthcare equipment
- Medical devices
- Oil & gas
- Pharmaceuticals
- Data and Analytics
- Retail
- Tobacco products.

BENEFITS OF JOINING EBIT:

- Receiving daily email alerts enabling you to keep really up to date on the latest EU and OECD direct tax developments: a ‘must’ for businesses in the current, game-changing context!
- Being part of a high-level business advocacy group for large corporate taxpayers from across industry sectors that collectively

submit input to EU and OECD direct tax policy-makers

- Meetings with the EU and OECD
- Flexible time- & cost-efficient approach
- Regular networking with business peers
- Easy access to PwC experts and networks.

EBIT also enables you to gain a better understanding of the Brussels tax policy scene and EU decision-making processes.

JOINING EBIT IS VERY EASY!

It suffices to send an e-mail to EBIT’s Secretariat (see below) with your contact details, your company’s VAT number and invoicing address. You can become a member straight away or opt for a free trial membership. More information is available in the present Annual Work Programme 2019 and on the [EBIT website](#).

EBIT can be contacted via its Secretariat PwC through Bob van der Made, by telephone: +31 6 13096296; or by email: bob.vandermade@pwc.com

I hope to see you soon in Brussels!

Yours sincerely,



Bob van der Made | EBIT Secretariat | PwC

EBIT - A TRIED AND TESTED APPROACH

EBIT’s Members have been engaging in ongoing technical dialogue & cooperation, and a mutually-beneficial, “two-way education” process with EU and OECD tax policy-makers since December 2001.

EBIT WAYS OF WORKING

The “EBIT *Light*” approach developed by PwC is time- and cost-efficient and highly flexible.

EBIT works on the basis of a proposed Annual Work Programme with an ex ante budget for the next calendar year, which is prepared by EBIT’s Secretariat (PwC). The Annual Work Programme builds on our extensive experience with this project. The Annual Work Programme serves as the (only) EBIT framework engagement letter. Membership is immediately activated after a confirmation email to the Secretariat, which informs the other Members of EBIT. Membership can easily be terminated by sending an email to the Secretariat to this effect, and you will only be asked to pay the normal fee for the last running quarter during which you have terminated your EBIT membership.

The proposed Annual Work Programme is sent initially to all EBIT current Members for comments and approval within an agreed indicated timeline. If no objections are raised (or no further comments received) from EBIT’s Members, the proposal is assumed to have been tacitly approved and adopted by common agreement by all the Members of EBIT.

All of the above is aimed at keeping EBIT’s project management and administration as “light” as possible, hence the EBIT “*Light*” approach, which was introduced by PwC in 2004 upon the specific request of the Members of EBIT, applies.

EBIT Membership is a corporate membership. EBIT works via regular e-mail communication, conference calls, and on average two round-table meetings which are usually held at PwC’s Brussels office for a purely logistically practical reason. EBIT always operates on a consensus

basis: the Members remain at all times in full control of the project. EBIT’s collective input or messaging to policymakers, the press, etc., always reflects the collective views of EBIT only, hence EBIT output cannot be construed as an opinion or point of view of any individual Member of EBIT or of PwC. For practical purposes, PwC, acting as the Secretariat for EBIT, organises the group’s work but the Members have the last say. Members agree to:

- Attend, actively participate in the EBIT Senior Tax Executives Round-tables and conference calls organised by the Secretariat
- Duly reply to EBIT Secretariat requests for comments, review and sign-off, to ensure EBIT’s objectives can be achieved
- Represent EBIT at EU or OECD etc conferences, seminars and public consultation meetings.

Importantly, each EBIT corporate Member contributes to EBIT’s work as a function of their own time and availability. If the primary EBIT contact person cannot attend a Round-table Meeting, an *alternate* person should attend the meeting or call. NB: A critical mass of companies in meetings is crucial for managing the high expectations of EU and OECD tax policymakers of EBIT, and getting the most out of your EBIT Membership!

EBIT SECRETARIAT - ROLE OF PwC

- PwC acts as EBIT’s Secretariat but it is not a Member of EBIT
- PwC facilitates the Group’s practical organization and work, hosts & chairs the plenary meetings, and coordinates and submits the collective and consensus-based position papers (i.e. neither on behalf of any of the individual EBIT Members, nor on behalf of PwC) arranges speakers (EU Institutions, OECD, World Bank, etc.) for EBIT’s plenary meetings
- PwC operates a daily tax news service
- PwC provides tax technical assistance (not tax advice) and strategic communication advice to EBIT as a whole, but not to any of the individual EBIT Members
- PwC ensures overall project management quality control.

OBJECTIVES / DELIVERABLES 2020

- ☑ Building on EBIT’s reputation and credibility as a leading Brussels-based business representative
- ☑ Raising awareness and technical understanding of EU and OECD policy-makers of direct tax legislative issues from the perspective of large corporate taxpayers from many industry sectors
- ☑ Effective and efficient project coordination
- ☑ Facilitating productive meetings with key policymakers or politicians from the EU Institutions and the OECD
- ☑ Reporting on relevant tax policy developments
- ☑ Leveraging on PwC networks and specialists
- ☑ Ensuring compliance with EU Transparency Register rules

EBIT ACHIEVEMENTS IN 2019

- ☑ EBIT comments on the OECD Public Consultation Document Addressing Tax Challenges of the Digitalisation of the Economy – 6 March 2019
- ☑ EBIT comments on the OECD Secretariat’s proposal for a “Unified Approach” under Pillar I – 12 November 2019
- ☑ EBIT comments on the OECD Public Consultation Document titled Global Anti-Base Erosion Proposal (“GloBE”) - Pillar II – 2 December 2019
- ☑ **EBIT dinner meeting with Pawel Wisniewski, Political Advisor to MEP Dariusz Rosati** (EPP, Poland) on 29 January 2019 in Brussels
- ☑ **EBIT Sr. Tax Executives Roundtable** on 30 January 2019 in Brussels:

Agenda & speakers:

- **EBIT Project Update by EBIT Secretariat & meeting chair** - Bob van der Made, Senior EU Adviser & Sr. Project Manager, PwC Netherlands

- **OECD / International Framework Tax Policy Update** - David Bradbury - Head of the Tax Policy and Statistics Division | Center for Tax Policy and Administration, OECD
- **European Commission Direct Tax Policy Update** - Uwe Ihli, Head of Sector, Unit D1, Company Taxation Initiatives, DG TAXUD, European Commission
- **Blockchain for Tax and Tax Governance Developments:** Eelco van der Enden, Partner, Tax Administration Consulting, PwC Netherlands
- **World Bank Global Tax Team Update on Tax Administration Developments, Co-operative Compliance/ICAP** - Jonathan Leigh Pemberton, Senior Tax Consultant and Member of the World Bank’s Global Tax Team
- **EU Fiscal State Aid Update:** Jonathan Hare, Co-Chair PwC’s State Aid Working Group, Partner, EUDTG PwC United Kingdom

OTHER ACHIEVEMENTS

- ☑ Effective and timely monitoring of EU and OECD developments via EBIT’s cutting-edge email alert service
- ☑ Deepening and broadening EBIT’s relations with key policy-makers at the EU (European Commission, European Parliament) and the OECD’s CTPA, national permreps, NGOs and other stakeholders
- ☑ Cutting edge direct tax intelligence gathering
- ☑ Several coordinating EBIT Conference Calls
- ☑ Targeting of interested companies at the specific request and on behalf of EBIT’s collective Members
- ☑ Full compliance with EU Transparency Register (regular updates)
- ☑ Regular updates of the EBIT 1-page Flyer
- ☑ Managing & updating the EBIT website: ebit-businessstax.com

PAYMENT TERMS & CONDITIONS

To simplify the (quarterly) invoicing process and enhance the marketing appeal of EBIT Membership, the Secretariat works with a fixed basic membership fee since 2016.

In 2019, EBIT was again able to build further on its reputation as one of the most recognised European-wide direct tax business representations and a useful and credible technical sounding board composed of senior business tax executives, which represent many different industry sectors, for policy-makers and politicians at the EU in Brussels and the OECD in Paris.

The proposed budget for 2020 reflects PwC’s ongoing commitment to improve on our delivery as EBIT’s Secretariat. Special lower fees for EBIT project management and administration continue to apply.

The proposed basic EBIT Membership fee for 2020 is based on our prior multi-annual experience with EBIT (since 2001) and is fully in line with last year’s annual EBIT budget. The proposed EBIT “Light” quarterly Membership fee 2020 is composed as follows:

1. A fixed basic membership fee of EUR 2,500 per quarter per corporate Member;
2. A (small) variable fee (divided equally among all Members) for Secretariat expenses reasonably incurred in achieving EBIT’s objectives, e.g. stakeholder lunches;
3. Additional expertise commissioned to the Secretariat by EBIT’s Members outside the Annual Work Programme is budgeted separately on a time-spent basis. This relates for instance to the Secretariat’s coordination and submission on behalf of the Group on public consultations of the Commission or the OECD, the organisation of any extra meetings or conference calls, payment and reimbursement of keynote speakers in connection with EBIT Senior Tax Executives Roundtable meetings and the targeting of interested companies on behalf of EBIT’s Members.

NB1: From experience, the EBIT Membership fee for 2020 is estimated at roughly EUR 11,950 per (corporate) Member annually (invoicing on quarterly basis).

NB 2: This type of project needs to be flexible and is partly driven by external factors e.g. tax policy agenda changes, limited availability of EU & OECD officials and policy-makers, political sensitivities, etc. There can be no guarantee of the final result. PwC accepts no liability in connection with EBIT. PwC will carry out this project to the best of its ability and strives to achieve the desired outcomes in collaboration with Members whereby the following is assumed:

- Full commitment and cooperation of EBIT Members with the Secretariat
- Additional expertise commissioned by Members is budgeted separately
- If the real-time spent is likely to exceed the ex-ante budgeted fee significantly we will inform EBIT Members and propose additional budget. EBIT Members can always comment on the use of the budget.

PwC will notify EBIT Members if we consider that this Joint Business Relationship is no longer compatible with our position as their auditor.

ANNEX I: EBIT Secretariat – PwC resources (indicative)

<p>Bob van der Made Leading PwC's efforts as EBIT Secretariat Sr. EU Adviser-Brussels (TAX) EU Direct Tax Tax Reporting & Strategy Tax Administration Consulting, PwC Netherlands</p> <p>Phil Greenfield Global Tax Policy Network, PwC United Kingdom</p> <p>Stefaan de Baets Senior Counsel, PwC Belgium</p> <p><i>With additional support from other PwC Tax Partners and Senior PwC specialists where appropriate</i></p>	<p>Bob is the Project Manager responsible for EBIT from A-Z, including stakeholder management, chairing & organising EBIT meetings & calls, leading the coordination, drafting & submission process around EBIT position papers, operates the daily EBIT news service, is responsible for billing & compliance, leverages PwC networks</p> <p>Phil provides specialised technical OECD BEPS and tax policy expertise, participates in EBIT conference calls and meetings, and co-drafts EBIT position papers</p> <p>Stefaan provides specialised technical OECD BEPS and Transfer Pricing expertise, participates in EBIT conference calls and co-drafts EBIT position papers</p> <p><i>Including inter alia international PwC Partners: Stef van Weeghel (PwC Engagement Partner for the EBIT project, Global Tax Policy and Administration Network Leader), Eelco van der Enden, Jonathan Hare, Aamer Rafiq, Emmanuel Raingard, Isabel Verlinden, Hein Vermeulen, Edwin Visser, Arne Schnitger</i></p>
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ANNEX II: EBIT’s Corporate Members

COMPANY	CONTACTS	POSITION
AIRBUS GROUP	Guillaume de la Villeguérin	Head of Tax & Customs
BP	Jurgen De Moor	Assistant Tax Director, European Tax Manager
CATERPILLAR	Chad Withers	Chef Tax Officer
	Pierre de Pena	Regional Tax Director
C-BRANDS	Janet Stewart	Senior Vice-President, Tax
	Michael Becka	Vice-President, International Tax
DEUTSCHE LUFTHANSA	Christian Lehmann	Director Tax Policy and Procedural Law
DIAGEO	Claire Jordan	Global Head of Tax
	Lisa Rose	Head of EU Affairs, Corporate Relations
	Matthew Hardy	Tax Director Africa & Asia
	Linda Hendriks / Annemieke Hof	Senior Tax Manager Europe
GSK	David Gordon	Senior VP, Global Head of Tax
	Jane Gill	UK Tax Director
HUAWEI	Leo Li	Vice President Global Tax
	Tony Merlo	Head of Global Tax Policy & Controversy
	Daniele Troisi	Director Global Tax Policy
	Simon Schofield	Global Tax Solutions Director
	Carine Stoffels	Senior Manager Tax Policy
	Boudewijn van Looij	Senior Manager Global Tax Policy
INTERNATIONAL PAPER	Francois Hinck	Tax Director EMEA
JTI	Marco Ramaekers	Head of Tax
	Biljana Ivošević	EU Tax Director
	Marc Crutzen	Tax Director
NASPERS	Robbert Hoyng	Group Tax Director
	Serge de Reus	Group Head of Tax
RELX	Dominic Mathon	Head of Group Taxation
	Jules Genee	Tax Director
PEPSICO	Sarah McGill	Senior Vice-President - Tax
	Hamish Walker	
PFIZER	Lillian Kessler	Vice President International Tax
	Carolina Perez	Senior Tax Counsel
	André B. Petrunoff	Vice President International Tax
PROCTER & GAMBLE	Christoph Wissmann	Associate Director Tax Policy Europe
SCHRODERS	Tim McCann	Group Head of Tax
	Christopher Austin	Tax Director
SHV GROUP	Ruud Wieggers	Head of Tax Nutreco
	Thom Coenen	International Tax Manager Nutreco

2020 EBIT “Light” - Annual Work Programme

TUPPERWARE	Josef Hajek	Senior VP, Tax & Government Affairs
UTC	Ross Kearney	Corporate VP, Tax
	Stuart Bottomley	Senior Director, European Tax
	Gregory Marshall	Director, International Tax

