

EBIT

Input to Europe's direct tax policy

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

Annual Work Programme 2021

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 27 different sovereign national tax systems and administrative requirements and diverging interpretations of EU direct tax law.

The direct tax landscape is changing in ways more fundamental and faster than ever. The increased public scrutiny of tax is taking place against the backdrop of globalization and the continued impact of the 2008 financial and economic crisis, and, since 2020, the socio-political and economic turmoil unleashed by the COVID-19 health crisis. Governments are running truly unprecedented deficits and government debt levels are skyrocketing. There are growing nationalist tendencies in some of the world’s largest economies regarding tax and trade. At the same time, there are renewed calls for more international coordination post-COVID to reduce the increasingly corrosive effects of corporate tax avoidance and harmful tax practices on countries’ revenues and tax bases. The German EU Presidency stated in July 2020 that it has become clear that for policymakers today the main solution for this is more intensive administrative cooperation and enhanced transparency through the exchange of information.

Citizens and civil society groups, who were already very concerned about fair taxation of MNEs, have now become even more concerned about the unconditional COVID-19 State support packages handed out to MNEs. This has led to increased polarization in the tax debate and calls from civil society to make such support to MNEs conditional on their good tax governance, which includes no longer being allowed to be registered in ‘tax havens’.

In the EU, the European Commission presented its action plan for fair and simple taxation supporting the recovery strategy and on tax good governance in the EU and beyond in July 2020. It features 25 tax initiatives to be implemented by 2024 in both the indirect tax

and direct tax areas around the EU’s twin objective of fighting tax evasion and making taxation simple and easy.

In November 2020, the (ECOFIN) Council adopted Conclusions on the EU’s priorities and guidance to the EU’s Commission for the coming years regarding EU action on taxation, including addressing the challenges of the digitalisation of the economy, enhancing administrative cooperation between the EU-27 tax authorities and promoting tax good governance in the EU and beyond. The Council stated that fair and effective taxation systems in EU Member States are central to the sustainable recovery of the EU from the COVID-19 crisis, requiring tax policies that generate revenues for both national and EU budgets. Such fair and effective tax systems can also support a smooth transition towards the policy goals of sustainable competitiveness, the EU’s Green Deal and digitalisation in a global economy. The Council welcomed the significant progress made at the level of the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) on updating the international corporate taxation framework and confirmed its continued support for this work, aimed at reaching a global consensus-based solution at the latest by mid-2021. The Council expressed the willingness of the EU and its Member States to look into the possibilities for implementing the global agreement in line with EU law as soon as possible. EU leaders will assess the issue in March 2021.

Meanwhile, the developments and debate around integrating climate-related and other Environmental, Social and Governance-related factors into mainstream corporate disclosures and governance, has accelerated. The EU is rapidly advancing the non-financial reporting agenda and there is momentum within business. Business leaders are also embracing enhanced disclosures and accountability linked to a broader conception of value creation.

These important developments pose significant challenges to MNEs, but also opportunities. MNEs are advised to monitor this very closely and proactively engage with EU and OECD policymakers and other relevant stakeholders.

EBIT KEY AREAS OF INTEREST

- Follow-up to EU’s Tax Package for Fair and Simple Taxation supporting the EU’s post-COVID recovery strategy, incl. planned new EU-level taxes (‘Own Resources’) managed by the Commission: plastics tax, digital levy, ‘financial contribution linked to the corporate sector or a new CCTB’ (‘Single Market Tax’), FTT levy, Emissions Trading System levy (possibly linked to carbon border adjustment mechanism)
- EU strategy for business tax for the 21st century, work of the Code of Conduct Group (business taxation), incl. the EU’s blacklist
- Work of the EU Parliament’s permanent Subcommittee on Taxation (“FISC”)
- OECD/Inclusive Framework on BEPS Pillars One and Two, and their implementation at EU level, unilateral DST measures (EU and other countries)
- Implementation, impact and compliance re EU legal acts, proposals/directives e.g. ATAD, DAC (tax rulings, CbCR, DAC6), CC(C)TB and public CbCR
- OECD BEPS and EU law aspects
- Ongoing EU State Aid cases concerning tax rulings and tax regimes
- EU treaties, freedoms, CJEU jurisprudence
- EU cooperative compliance and I-CAP
- ESG, tax transparency, corporate reporting
- Work of the new Commission expert group on Transfer Pricing
- Dispute resolution
- Digital transformation
- Tax and trade
- EU decision-making, Brussels tax scene.

WHAT IS EBIT ABOUT?

Established in 2001, EBIT is a high-level but informal cross-industry working group of senior tax executives of Europe-based MNEs. Their aim is to help streamline and modernize Europe’s direct tax policy, eliminate remaining tax barriers hampering cross-border activity in Europe’s Single Market and deliver business messages based on real-life experiences and examples to achieve practical progress.

EBIT SPAN OF BUSINESS SECTORS

- Aerospace and defence
- Asset management

- Beverage products
- Commercial building
- Consumer packaged goods
- Earth moving equipment
- Electronics
- Food & feed
- Global internet and entertainment
- Healthcare equipment
- Medical devices
- Oil & gas
- Pharmaceuticals
- Publishing
- Retail
- Tobacco products.

BENEFITS OF JOINING EBIT

- Daily email alerts enabling you to keep really up to date on the latest direct tax developments - a ‘must’ for MNEs in today’s game-changing context!
- Being part of a reputed, high-level business group from across industries that inputs to EU and OECD direct tax policymakers
- Meetings with the EU and OECD
- Flexible time- & cost-efficient approach
- Regular networking with business peers
- Easy access to PwC’s experts and network.

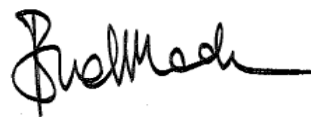
JOINING EBIT IS VERY EASY!

It suffices to send an e-mail to EBIT’s Secretariat with your contact details, company VAT number and invoicing address. You can become a Member straight away or opt for a trial period. For more on Membership, see this work programme or: ebit-businessstax.com.

EBIT can be contacted via its Secretariat through Bob van der Made (bob.vandermade@pwc.com).

I hope to see you soon in Brussels!

Yours sincerely,



Bob van der Made | EBIT Secretariat | PwC

EBIT: 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* projected budget for the calendar year, which is based on previous years. 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 introduced by PwC in 2004 at the request of the Members of EBIT applies.

EBIT Membership is a corporate membership. EBIT works via regular e-mail communication, conference calls, and one or two roundtable meetings per year, which have usually been held at PwC’s Brussels office for purely practical reasons. Post-COVID, online roundtable meetings also have become an option. EBIT 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 as Secretariat for EBIT organises the group’s work but the Members have the last say. EBIT Members agree to:

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

Importantly, each EBIT corporate Member contributes to EBIT’s work as a function of their time and availability. If the primary EBIT contact person cannot attend a Roundtable 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 for 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 and chairs the plenary meetings, coordinates and submits the position papers on behalf of EBIT (i.e. neither on behalf of any of the individual Members nor of PwC) to the EU and OECD, coordinates EBIT’s stakeholder engagement, arranges speakers 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

2021

- ☑ Building on EBIT’s reputation and credibility as a leading Brussels-based voice for business
- ☑ Raising awareness and understanding of EU and OECD policymakers of technical direct tax issues from the perspective of MNEs from across the industry
- ☑ Effective & efficient project coordination
- ☑ Productive meetings with relevant policymakers and politicians from the EU’s Institutions and the OECD
- ☑ High-quality reporting on relevant direct tax policy developments
- ☑ Leveraging on PwC’s experts and network
- ☑ Complying with EU Transparency Register rules

EBIT ACHIEVEMENTS IN 2020

- ☑ EBIT written comments on the OECD’s public consultation document: “Reports on the Pillar One and Pillar Two Blueprints” – December 2020
- ☑ EBIT written comments on the OECD’s public consultation document: “BEPS Action 14: Making Dispute Resolution Mechanisms More Effective – 2020 Review” – December 2020
- ☑ EBIT Member Eva Luthi (SCHRODERS) participated on behalf of EBIT in the OECD’s BEPS 13 Review Public Consultation (virtual) meeting on 13 May 2020 in the panel on “Topics concerning the scope of CbC reporting” – May 2020
- ☑ EBIT written comments on the OECD’s public consultation document: Review of Country-by-Country Reporting (BEPS Action 13) – March 2020
- ☑ EBIT received an invitation from the European Commission’s DG TAXUD for a workshop in Brussels to share views with stakeholders on Cooperative Compliance – February 2020
- ☑ Will Morris, Chair of the Business at OECD’s Committee on Taxation and Fiscal

Policy, and PwC’s Deputy Global Tax Policy Leader, shared his perspectives on international tax developments with EBIT Members over dinner on 26 February 2020 in Brussels

☑ EBIT Sr. Tax Executives Roundtable 27 February 2020 in Brussels:

Agenda & speakers:

- **EBIT project update**
Bob van der Made, Sr. Adviser EU-Brussels (Tax), PwC Netherlands | EBIT Secretary & Chair of the meeting
- **Update on the European Commission’s direct tax policy**
Benjamin Angel, Director for Direct Taxation, DG TAXUD, European Commission
- **The experience of the Finnish EU Council Presidency**
Sami Koskinen, Fiscal Counsellor, Permanent Representation of Finland to the EU
- **Update on OECD/Inclusive Framework policy developments – EBIT Member Christoph Wissmann, Associate Director Tax Policy Europe, PROCTER & GAMBLE, temporarily assigned to Business at OECD’s Business and Industry Advisory Committee**
- **Sustainability reporting standards: developments and (potential) impact on tax**
Eelco van der Enden, Partner, Tax Administration Consulting, PwC Netherlands
- **‘GRI-207: Tax 2019’: the first public global standard for comprehensive tax disclosures**
Mia D’Adhemar, Senior Manager, Sector Program, Global Reporting Initiative
- **EU State Aid Update**
Co-chairs of PwC’s State Aid Working Group, and Partners, Jonathan Hare, PwC UK and Emmanuel Raingeard, PwC France

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
- ☑ Compliance with the EU Transparency Register (regular updates)
- ☑ Managing & updating the EBIT website

EBIT 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 2020, EBIT was again able to build further on its reputation as one of the most recognised voices of large MNEs in Europe from across the industry on direct taxation, and as a useful and credible technical sounding board to EU and OECD policymakers and other stakeholder groups.

The proposed budget for 2021 reflects PwC’s enduring commitment to improve on our delivery as EBIT’s Secretariat. Special lower fees for EBIT project management and administration continue to apply.

The proposed EBIT “Light” quarterly Membership fee 2021 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. (The total amount is shared equally among

the Members and depends on the number of Members);

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 EBIT Secretariat’s coordination and submission of EBIT’s Comments on public consultations of the European Commission or the OECD, extra meetings or conference calls, payment and reimbursement of keynote speakers in connection with EBIT’s Senior Tax Executives Roundtable meetings, and targeting of interested companies on behalf of the Members. (The total amount is shared equally among the Members and depends on the number of Members)

NB1: From experience, the Membership fee for 2021 is estimated roughly between EUR 12,5k-15k per Member annually, although this depends on the number of Members of EBIT.

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 and 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 the Members and propose additional budget. Members can always comment on the use of the budget.

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

EBIT Secretariat – PwC resources (indicative)

<p>Bob van der Made Senior Adviser EU-Brussels EU Direct Tax Group ESG and Tax 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>Stef van Weeghel Partner, PwC Global Tax Policy Leader, PwC Netherlands</p>	<p>Bob leads PwC's efforts as EBIT's Secretariat. He is the Project Manager responsible for EBIT from A-Z, including organising and chairing EBIT meetings and calls and coordinating the work of the group, the daily EBIT news service, relationship management with the European Institutions and the OECD and other relevant stakeholders, and leveraging PwC's network.</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>PwC EBIT Engagement Partner</p>
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EBIT 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	VP, International Tax
Diageo	Claire Jordan	Global Head of Tax
	Matthew Hardy	Tax Director Africa & Asia
	Linda Hendriks, Annemieke Hof	Senior Tax Manager Europe
GSK	Lisa Rose	Head of EU Affairs, Corporate Relations
	David Gordon	Senior VP, Global Head of Tax
	Jane Gill	UK Tax Director
Huawei	Terry Lin Wei	Head of Tax Planning
	Clive Baxter	Head of Tax Policy and Controversy
	Carine Stoffels	Director Tax Policy
	Boudewijn van Looij	Senior Manager Global Tax Policy
International Paper	Francois Hinck	Tax Director EMEA
Johnson and Johnson	Kris Bodson	Senior Director EMEA taxation and policy
	David Kavanaugh	Senior Director of Federal Affairs

2021 EBIT “Light” - Annual Work Programme

JTI	Marco Ramaekers	Head of Tax
	Roopa Aitken	EU Tax Director
	Marc Crutzen	Tax Director
Naspers /Prosus	Serge de Reus	Group Head of Tax
	Kristel Tijsterman	Group 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 and Gamble	Christoph Wissmann	Senior Director International Tax Policy
Raytheon Technologies	Ross Kearney	Corporate VP, Tax
	Stuart Bottomley	Senior Director, European Tax
	Stephen Marinan	VP, International Tax
	Staci R Nicholson	Senior Director, Tax – Transfer Pricing
RELX	Dominic Mathon	Head of Group Taxation
	Jules Genee	Tax Director
Schroders	Tim McCann	Group Head of Tax
	Christopher Austin	Tax Director
	Eva Luthi	Transfer Pricing Lead, Compliance and Analytics
SHV Group	Ruud Wieggers	Head of Tax Nutreco
	Thom Coenen	International Tax Manager Nutreco

