

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!*

**Work Programme
2022**

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 in Europe has continued to change dramatically in 2021 as evidenced by important EU and OECD tax policy initiatives and developments such as:

- The EU Commission’s Communication on EU Business Taxation for the 21st Century in July 2021 which set out its strategic vision and plans until 2024.
- Withdrawal of the DST, SDP, CCCTB, and EU Digital Levy in 2021.
- The EU’s Public Country-by-Country Reporting Directive (amending the EU Accounting Directive) came into effect on 21 December 2021, following political agreement between the EU Parliament and Council in June 2021.
- The regular public hearings and output of the European Parliament’s permanent committee on tax matter (FISC).
- The regular revision of the EU’s List of non-cooperative jurisdictions for tax purposes, and ongoing work of the Code of Conduct Group (Business Taxation).
- The October 2021 political agreement on the OECD/IF’s Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy and follow-up public consultations.
- The European Commission’s tax policy package of 22 December 2021:
 - a draft Directive to implement the OECD/Inclusive Framework (IF) Pillar Two 15% minimum effective tax rate in the EU
 - a draft Directive on measures to prevent the misuse of shell entities for tax purposes (‘ATAD3’); and
 - Proposals for EU Own Resources: CBAM, a revised ETS and on Pillar One.

These tax policy developments reflect the fundamental reforms of the international tax rules underway in Europe and globally. They also reflect the emergence since the last financial crisis of an increasingly complex European tax landscape with growing interest from investors, civil society, politicians and policy- and lawmakers, as well as academics, in tax as a tool for socio-economic cohesion and long(er)-term value creation. Many EU governments are running unprecedented deficits and are keen to address tax avoidance and tax evasion and are using tax as an instrument to enforce behavioral change (e.g. the European Green Deal). Tax is clearly no longer only about compliance but also change management, CSR and (multi-)stakeholder engagement. Tax must now also be seen in the context of the ambitious ESG commitments made by many businesses and governments to achieve the UN’s Sustainable Development Goals in 2030. There is also the new reality of tax as an ESG metric.

The US Business Roundtable and the International Business Council of the World Economic Forum see a paradigm shift since September 2019 from a shareholder-centric economic system to a stakeholder-centric economic model. What is more, many CEOs and CFOs increasingly view climate protection and reduced corporate impact on society and the environment as critical to the success and long-term viability of their businesses. The EU’s incoming Corporate Sustainability Reporting Directive (CSRD) will also likely mean mandatory ESG tax reporting standards within the EU in the next 3 years or so. A growing number of MNEs in Europe have started to report annually on tax on a voluntary basis already, for instance using the GRI:207 Tax standard, i.e., they disclose beyond what is strictly required by law. Increasingly, these reports are accompanied by statements from external accountants providing a degree of assurance on the quality of the reporting.

The above trends and developments pose important challenges as well as opportunities for MNEs. MNEs are advised to monitor these trends and developments very closely and to proactively engage with the EU’s Institutions and the OECD and other relevant stakeholders.

EBIT KEY AREAS OF INTEREST

- The EU’s and the OECD’s strategic tax agenda affecting large MNEs based and doing business in Europe, and roll-out of the political and legislative initiatives, trends and developments mentioned on the previous page.
- Implementation, impact and compliance with EU rules and legislation, in particular EU Directives (DAC, PSD, ATAD, etc.)
- OECD BEPS and EU law.
- Tax transparency, tax and ESG reporting
- EU fiscal State Aid, EU treaty freedoms, CJEU case law and doctrine.
- Cooperative compliance and I-CAP.
- Transfer Pricing & arm’s length discussion.
- Dispute resolution.
- The European Green Deal.
- Digital transformation.
- Tax and trade.
- Latest EU and OECD intel.

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. These MNEs aim to help streamline and modernize Europe’s direct tax policy, eliminate remaining tax barriers that hamper cross-border business activity in Europe’s Single Market, and to deliver MNE business messages based on real-life experiences and examples to achieve practical progress.

EBIT’S SPAN OF BUSINESS SECTORS

- Aerospace and defence
- Asset management
- Beverage products
- Commercial building
- Consumer packaged goods
- Earth moving equipment
- Electronics
- Energy / Oil & Gas
- Food & feed
- Global internet and entertainment
- Healthcare equipment
- Medical devices
- Pharmaceuticals
- Publishing
- Retail

- Tobacco products.

BENEFITS OF JOINING EBIT

- Being part of a reputed, high-level business group from across industries that inputs to EU and OECD direct tax policymakers.
- 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!
- Meetings with the EU and OECD.
- Flexible, time- and cost-efficient project coordination and management.
- Regular networking with business peers.
- Technical support from and easy access to PwC experts.

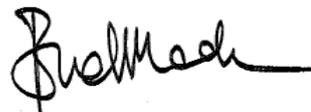
JOINING EBIT IS VERY EASY!

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 first. For more on Membership, see this document (also on: ebit-businessstax.com). It suffices to send an e-mail to EBIT’s Secretariat with your contact details, company VAT number and invoicing address.

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

I hope to see you soon in Brussels - or online!

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 (until 1 July 2022)

EBIT has been working 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. NB: PwC sent a statement to EBIT’s Members on its involvement in EBIT as secretariat per e-mail on 1 March 2022, and another note per email on 23 June 2022.

This Work Programme serves as the (only) EBIT framework engagement letter. Membership is immediately activated after a confirmation email to the Secretariat which will inform the other Members of EBIT without delay. 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 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. The “EBIT Light” approach is time- and cost-efficient and highly flexible.

EBIT Membership is a corporate membership. EBIT works via regular e-mail communication, conference calls, and one or two roundtable meetings per year. Since the COVID pandemic, online roundtable meetings also have become a(n) (fall-back) option. EBIT operates on a

consensus basis: the EBIT 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. As Secretariat for EBIT PwC 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 cannot attend a Roundtable or call, an *alternate* should attend the meeting or call. A critical mass of companies in meetings is crucial for managing the high expectations of EU and OECD policymakers of EBIT and getting the most out of your membership!

EBIT SECRETARIAT

- 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 stakeholder engagement, arranges speakers for EBIT’s plenary meetings
- PwC operates a daily tax news service
- PwC provides tax technical support (not tax advice) and strategic communication advice to EBIT as a whole but not to the individual EBIT Members
- PwC ensures overall project management quality control.

OBJECTIVES / DELIVERABLES

- ☑ 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 2021

- ☑ EBIT Response to the European Commission’s Questionnaire on debt equity bias reduction allowance (DEBRA) – October 2021
- ☑ Additional comments to the EBIT response to the European Commission’s Questionnaire on debt equity bias reduction allowance (DEBRA) – October 2021
- ☑ EBIT Response to the European Commission’s Questionnaire on fighting the use of shell entities and arrangements for tax purposes – August 2021
- ☑ Additional comments to the EBIT response to the European Commission’s Questionnaire on fighting the use of shell entities and arrangements for tax purposes – August 2021
- ☑ EBIT Comments on Proposed Changes to Commentaries in the OECD Model Tax Convention on Article 9 and on Related Articles – May 2021
- ☑ EBIT written comments on the European Commission’s questionnaire on an EU Digital Levy – April 2021

- ☑ Additional comments to the EBIT response to the European Commission’s questionnaire on an EU Digital Levy – April 2021
- ☑ EBIT written comments on the OECD’s public consultation document: BEPS Action 14: Making Dispute Resolution More Effective – January 2021

☑ EBIT (Online) Sr. Tax Executives Roundtable 14 June 2021:

- **EBIT project update**
Bob van der Made, Chair, EBIT Secretariat, Sr. Adviser EU-Brussels, PwC Netherlands
- **Update: European Commission’s tax policy (BEFIT)**
Uwe Ihli, Head of Sector Company Initiatives & CCCTB, and administrator Niall Casey DG TAXUD, EU Commission
- **Update: G7/G20 & OECD/IF Pillar One and Two**
Phil Greenfield (PwC UK) and Stefaan de Baets (PwC Belgium) - PwC Global Tax Policy team
- **OECD Pillar Two & EU Law -**
Emmanuel Raingeard (PwC France), Jonathan Hare (PwC UK) and Claudio Valz (PwC Italy) - PwC EU Direct Tax Group Network
- **ESG & Tax**
Eelco van der Enden, PwC Global ESG TLS Platform Leader (PwC Netherlands)
- **EU Foreign Subsidies & EU State Aid**
Emmanuel Raingeard (PwC France), Jonathan Hare (PwC UK) and Claudio Valz (PwC Italy) - PwC EU Direct Tax Group Network

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 2021, 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 reflects PwC’s commitment to 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 2022 is based on that of 2021 and 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 2022 is estimated roughly between EUR 12,5k-15k per Member annually, although this depends on the input required on the EU’s and OECD’s tax policy agenda and 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, and of any other relevant changes.

EBIT Secretariat PwC resources

<p>Bob van der Made Senior Adviser EU-Brussels EU Direct Tax Group Network ESG and Tax, PwC Netherlands</p> <p>Phil Greenfield Senior Manager, Global Tax Policy PwC United Kingdom</p> <p>Stefaan de Baets Senior Counsel PwC Belgium</p> <p>Stef van Weeghel Partner, PwC Global Tax Policy Leader, PwC Netherlands</p> <p><i>With the additional support from other PwC international tax specialists as appropriate</i></p>	<p>Bob leads PwC's efforts as EBIT's Secretariat; EBIT Project Manager, including organising and chairing EBIT calls and meetings and coordination of the work of the group, operating the daily EBIT news service, managing EBIT's relations with the EU and the OECD and other relevant stakeholders, overall QRM, and leveraging PwC's network.</p> <p>Phil provides specialised global tax policy expertise, participates in EBIT conference calls and meetings, co-drafts EBIT position papers, and QRM</p> <p>Stefaan provides specialised technical OECD BEPS and Transfer Pricing expertise, participates in EBIT conference calls, co-drafts EBIT position papers, and QRM</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
Carlyle	Clare Copeland	Managing Director, Tax
Caterpillar	Chad Withers	Chief Tax Officer
	Pierre de Pena	Regional Tax Director
Diageo	Claire Jordan	Global Head of Tax
	Matthew Hardy	Tax Director Africa & Asia
	Linda Hendriks, Annemieke Hof	Senior Tax Manager Europe
	Lisa Rose	Head of EU Affairs, Corporate Relations
GSK	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	Zhanna Klyukanova	Senior Manager EMEA Tax
Johnson and Johnson	Kris Bodson	Senior Director EMEA Taxation and Policy
	David Kavanaugh	Senior Director of Federal Affairs
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	Director, Tax
	Iwan Hofs	Senior Director European Tax
	Peter Allis	International Tax Director
Pfizer	Lillian Kessler	Vice President International Tax
	Tricia Brosnan	Vice President Global Tax Operations
	Iwan Hofs	Senior Director European Tax
	Ruth Meehan	Senior Director – Finance planning
	Jordi van den Heiligenberg	Tax Counsel
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

EBIT “Light” – ongoing work Programme 2022

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
Vattenfall	Anders Tegelberg	Head of Tax

