

EBIT

Input to Europe's direct tax policy

Annual Work Programme 2017

www.ebit-businessstax.com



INTRODUCTION

Dear Sir / Madam,

In the European Union (EU) there is still no internal market on taxation. In practice, multinational companies doing business in Europe need to navigate through 28, soon 27, different sovereign national tax regimes and administrative requirements, and widely differing interpretations of EU law and Directives.

EU Tax Commissioner Moscovici told MEPs in January 2016 that: “2016 should be the year of corporate tax reform and fiscal transparency”. And indeed, the Commission has kept its word and produced an unprecedented number of tax proposals in 2016, some of which were adopted by the ECOFIN Council in record-breaking time (e.g. ATAD I, DAC3-5). However, EU direct tax policy-making and international tax competition will no doubt continue to be hot topics in the EU in 2017 within the context of:

- Pending and planned EU legislative and non-legislative initiatives to combat “aggressive” tax planning, tax avoidance and tax evasion within the EU and beyond
- The 3 Game-changing, ‘seismic’ events which occurred in 2016: the Brexit vote, the EU Commission’s fiscal State aid with recovery decision on Apple in Ireland, and the election of Mr. Trump as the next U.S. President
- European Commission fiscal State aid investigations targeting in particular tax avoidance structures and the use of tax rulings concerning the application of the transfer pricing rules and the arm's length standard under the EU’s State aid rules

- The ongoing work of the EU Parliament’s Committee of Inquiry to investigate alleged contraventions and maladministration in the application of Union law in relation to money laundering, tax avoidance and tax evasion (PANA), as well as the EU Parliament’s standing Economic and Monetary Affairs Committee (ECON)
- Reform of the EU’s Code of Conduct Group (Business Taxation)
- OECD/G20 BEPS implementation
- Germany’s Presidency of the G20 in 2017, which has listed tax as a priority

Corporates and financial institutions are therefore advised to closely monitor and actively input on behalf of business to the ongoing initiatives of the EU’s Institutions, the OECD’s CTPA, the G20/G7, the UN, and NGOs, on issues such as:

- BEPS / “aggressive” tax planning, tax avoidance and tax evasion
- Harmful tax competition
- Tax Certainty (EU and OECD)
- EU fiscal State aid rules and EC fiscal State aid decision-making practice
- The EU Directives
- CJEU direct tax case law & doctrine
- Tax transparency and (public) CBCR
- Transfer Pricing
- Cooperative Compliance

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!

2017 EBIT “Light” - Annual Work Programme

WHAT IS EBIT ALL ABOUT?

Established in 2001 with the help of PwC at the request of a number of companies, EBIT is a high-level but informal cross-industry working group of around 20 Senior VPs of Tax and Tax Directors from European based companies (see Annex).

EBIT works to eliminate tax barriers and offers practical solutions to EU and OECD policy makers to help businesses operate more efficiently across Europe.

EBIT spans the following business sectors:

- aerospace and defence
- aircraft engine manufacturers
- airlines
- asset management
- beverage products
- commercial building
- conference organisers
- earth moving equipment
- electronics
- food & feed
- food containers
- healthcare equipment
- oil & gas
- pharmaceuticals
- publishing
- retail, and
- 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, influential pan-European business working group which helps large corporate taxpayers from across a considerable number of different industry sectors to collectively input to EU and OECD initiatives

- Regular access to and meetings with key EU and OECD policy-makers
- Time and cost efficient dedicated project-management by PwC, and a flexible approach
- Regular networking with business peers
- Easy access to PwC experts and networks

EBIT also enables you to develop a better understanding of the Brussels environment: EU decision- and policy-making on TAX, and the politics behind it.

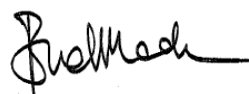
JOINING EBIT IS VERY EASY !

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 can be found in the present Annual Work Programme 2017 and on the [EBIT website](#).

EBIT can be contacted via its Secretariat PwC: Tel.: +31 6 13 09 62 96; or Email: bob.van.der.made@nl.pwc.com

I hope to see you soon in Brussels.

Yours sincerely,



Bob van der Made | PwC | EBIT Secretariat

2017 EBIT “Light” - Annual Work Programme

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 and 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 full final quarter during which you terminated your membership.

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

All of the above is geared towards keeping the EBIT project management and administration as “light” as possible, hence the EBIT “*Light*” approach, which was developed and adopted by PwC in 2004 at

the specific request of the Members of EBIT.

EBIT membership is a corporate membership. EBIT works through regular e-mail communication, conference calls and two round-table meetings which are usually held at PwC’s Brussels office for purely practical reasons. 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 and cannot be construed as an opinion or point of view of any individual Member of EBIT or PwC.

For practical purposes, the Secretariat organises the group’s work but the Members have the last say. The Members are understood to agree to:

- Actively participating in the Round-table meetings and conference calls organised by the Secretariat and duly replying to relevant group correspondence
- Co-drafting, reviewing and collective sign off on EBIT output
- Representing EBIT at public consultations of the EU or OECD, international conferences, seminars, workshops, etc.

Each EBIT Member contributes to EBIT’s activities as a function of their time and availability. If the regular or primary corporate EBIT contact cannot attend themselves, Members will endeavour to put forward an *alternate contact* to attend calls or meetings. NB: A critical mass of EBIT Members during meetings is crucial for managing the high expectations of EU and OECD tax policymakers of EBIT - and for getting the most out of your corporate Membership!

2017 EBIT “Light” - Annual Work Programme

EBIT SECRETARIAT - ROLE OF PwC

PwC’s role in EBIT is limited. PwC is not a Member of EBIT, PwC only acts as Secretariat. This role includes:

- Project administration and management, i.e. facilitating all practical aspects of EBIT's work, including organizing round-table meetings with keynote speakers from the EU’s Institutions, the OECD and other relevant stakeholders, Conference calls, consensus input provided to the EU and OECD, relations with the EU, the OECD and other relevant stakeholders, EBIT marketing, promotion, and online presence
- Operating a daily tax news email alert service
- Providing tax technical assistance (not tax advice) and public affairs/communication advice to the group as a whole, but not to any individual members, and ensuring quality control.

OBJECTIVES & DELIVERABLES - 2016

- ☑ Ensuring EU and OECD policy-makers awareness and understanding of direct tax legislative issues from the perspective of large multinational corporate taxpayers from a wide range of industry sectors
- ☑ Building on EBIT’s reputation and credibility as a leading Brussels-based business representative
- ☑ Effective and efficient project coordination
- ☑ Facilitating two productive meetings with key policymakers or politicians from the EU’s Institutions and/or the OECD
- ☑ Reporting on relevant tax policy developments

- ☑ Leveraging on PwC networks and specialists
- ☑ EBIT compliance with EU Transparency Register rules

EBIT’S ACHIEVEMENTS - 2016

EBIT position papers submitted:

- ☑ **European Commission** Public Consultation on the **Relaunch of the CCCTB** - 8 January 2016
- ☑ **European Commission** Public Consultation on **Improving Double Taxation Dispute Resolution Mechanisms** - May 2016
- ☑ **OECD BEPS Action 4:** Elements of Design & operation of Group Ratio Rule –August 2016
- ☑ **OECD BEPS Action 7:** Add. Guidance on the Attribution of Profits to PEs –September 2016
- ☑ **OECD BEPS Action 8-10:** Revised guidance on Profit Splits –September 2016

Informal EBIT dinner, 28 June 2016

- with special guests: MEP Luděk Niedermayer (CZ, EPP) and Petra Prášilová

EBIT Spring Round-table, 29 June 2016

- **Chair & EBIT project update:** day chair on behalf of the EBIT Secretariat: Bob van der Made, Sr. Advisor EU Public Affairs-Brussels (TAX), EUDTG, PwC Netherlands
- **Update EU Joint Transfer Pricing Forum:** Isabel Verlinden, PwC Global Transfer Pricing Leader, PwC Belgium
- **Update EC’s direct tax policy:** Stephen Quest, Director-General, DG TAXUD, European Commission, and Ms. Ioanna Mitroyanni, TAXUD Unit D.1: Company Tax Initiatives, European Commission

2017 EBIT “Light” - Annual Work Programme

- **Update OECD BEPS deliverables & implementation:** Mark Johnson, Senior Policy Advisor, BEPS Action 4, CTPA, OECD
- **Update EU State aid & tax rulings:** Sjoerd Douma, Director, PwC Netherlands, EUDTG, State Aid Working Group, and Jonathan Hare, Partner, PwC UK, EUDTG, State Aid Working Group
- **Country-by-Country Reporting: OECD vs EU?:** Andrew Packman, Tax Partner, PwC UK
- **Tax Administration of the Future: trends & implications for business:** Eelco van der Enden, PwC Global Tax Administration Consulting and EMEA Tax Strategy Operations practices, Partner, PwC Netherlands
- **Tax Disclosures and public CBCR:** Eelco van der Enden, PwC Global Tax Administration Consulting and EMEA Tax Strategy Operations practices, Partner, PwC Netherlands

OTHER ACHIEVEMENTS in 2016:

- *EBIT daily email alert service*
- *Deepening and broadening relations with key EU and OECD, as well as with other relevant stakeholders.*
- *Wide distribution of EBIT's submissions to MEPs, OECD CTPA, EU civil servants, national fiscal attachés...*
- *Several EBIT Conference Calls*
- *Compliance with the EU's Transparency Register*
- *New EBIT website: ebit-businessstax.com*

EBIT Fall Round-table, 2 December 2016

- **Chair & EBIT Project Update:** day chair on behalf of the EBIT Secretariat: Bob van der Made, PwC Sr. Advisor EU Public Affairs-Brussels (TAX), EUDTG & Global Tax Policy, PwC Netherlands
- **PwC Update on EU Fiscal State Aid** Sjoerd Douma, Chair of PwC's State Aid Working Group, EUDTG, PwC Netherlands
- **Informal discussion on EU Fiscal State Aid** - With Ms. Julia Rapp, Case Manager, Unit, Tax Planning Practices, Dir. H - State Aid: General Scrutiny and Enforcement, DG COMP, European Commission
- **Update European Commission's direct tax policy:** Uwe Ihli, Head of Sector, Unit D1, Corporate Tax Directives and CCCTB, DG TAXUD, European Commission
- **Update OECD BEPS deliverables & implementation:** Jefferson Vanderwolk, Head of the Tax Treaties and Transfer Pricing division, CTPA, OECD

PAYMENT TERMS & CONDITIONS

In 2016, EBIT has consolidated and built on its reputation as a unique and proactive business coalition. EBIT is firmly recognised by several leading EU and OECD policymakers as one of the most influential business representations in the area of direct tax in Europe. The proposed budget for 2017 reflects this major achievement, as well as PwC’s ongoing efforts to improve on its delivery as Secretariat whereby special lower fees for administering EBIT apply.

The EBIT membership fee is payable on a quarterly basis, and is normally paid at the end of each quarter. The basic fee in this proposal is set ex-ante for the time likely to be spent by the Secretariat for running EBIT based on prior experience. The proposed annual budget for 2017 is in line with preceding annual EBIT budgets. To simplify the quarterly invoicing process and make it more predictable for Members, and for EBIT marketing purposes, the Secretariat works with a fixed basic membership fee since 2016. The proposed EBIT “Light” quarterly membership fee is composed as follows:

1. A fixed basic membership fee of EUR 2,400 per quarter per corporate Member; and
2. A (small) variable fee that is divided equally among all Members for Secretariat expenses reasonably incurred in achieving EBIT’s objectives, e.g.: catering, stakeholder lunches, etc.
3. Any 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 facilitation of written responses to public consultations of the EC or OECD, organisation of additionally requested

meetings or conference calls, the payment and reimbursement of keynote speakers in connection with EBIT meetings and targeting on behalf of Members.

This type of project needs to be flexible and is partly driven by external factors e.g. policy agenda changes, the availability of officials, policy-makers, politicians. 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 outcome in collaboration with EBIT’s Members, whereby the following will be assumed:

- The full commitment and cooperation of Members with the Secretariat
- Any additional expertise commissioned by Members is budgeted separately
- If the Secretariat’s real-time spent is likely to exceed the ex-ante budgeted fee significantly, PwC will inform Members timely and propose additional budget. Members can always comment on the use of the budget.

PwC will notify audit clients who are a Member of EBIT immediately, if it considers that this relationship is no longer compatible with our position as their auditor.

Interested companies can join EBIT directly or enjoy a free-trial Membership with free access to the EBIT daily email alert service.

SECRETARIAT EX ANTE RESOURCES | BUDGET BREAKDOWN 2017

<i>Resources</i>	<i>Project Management</i>	<i>Suggested activity / days</i>	<i>Fee/day (€)</i>	<i>Total days</i>	<i>Total (€)</i>
Bob van der Made Senior Advisor EU Public Affairs-Brussels, PwC EU Direct Tax Group (EUDTG) and Global Tax Policy Network PwC Netherlands	Bob is the EBIT Project and Engagement Manager responsible for the day-to-day running of the EBIT Secretariat, the daily email tax alert service, relations with EU and OECD, overall quality control & assurance, and specialist EU public affairs expertise	Day-to-day project management (9) Daily email alerts (11) Organising meetings and conference calls (3) Relations with EU and OECD (4) EBIT promotion (2) Billing (2) Work programme (2)	3,450	33	113,850
Stef van Weeghel PwC Global Tax Leader, EUDTG Chair PwC Netherlands International Tax Partner	Stef is the EBIT Engagement Partner in charge of quality assurance	Quality control and assurance and leveraging on PwC experts and networks (2)	3,750	1	3,750
Phil Greenfield Sr. Tax Manager, Global Tax Policy Network PwC United Kingdom	Phil provides specialist OECD BEPS and tax policy expertise	Preparation and participation in meetings, and conference calls (3)	3,450	3	10,350
Sjoerd Douma Tax Director Chair PwC State Aid Working Group, PwC EUDTG PwC Netherlands	Sjoerd provides specialist EU direct tax law and fiscal State aid expertise	Preparation and participation in meetings (2)	3,600	2	7,200
Jonathan Hare International Tax Partner Chair PwC CCCTB WG Group, State Aid Working Group and EUDTG PwC United Kingdom	Jonathan provides specialist EU direct tax law and fiscal State aid expertise	Preparation and participation in meetings and conference calls (2)	3,750	1	3,750
Eelco van der Enden, PwC Global Administration Consulting Leader and EMEA Tax Strategy Operations	Eelco provides specialist Tax Administration Consulting, TRS, and Cooperative Compliance expertise	Preparation and participation in meetings and leveraging PwC networks (1)	3,750	1	3,750
Edwin Visser PwC Tax Policy Leader EMEA, International Tax Partner PwC Netherlands	Edwin provides specialist OECD and EU tax policy expertise	Participation in meetings and leveraging PwC networks (1)	3,750	1	3,750
					Total: 146,400

ANNEX: EBIT’S Corporate Members

COMPANY	CONTACTS	POSITION
AIRBUS GROUP	Guillaume de la Villeguérin	Head of Tax & Customs
	Axel Thiele	VP, Head of Tax
	Bénédicte Roué	International Tax Senior Manager
	Sonja Hoelzel	Head, International Tax Affairs
BP	Jurgen De Moor	Assistant Tax Director, European Tax Manager
CATERPILLAR	Giles A Parsons	Senior Tax Director, European Tax Policy
C-BRANDS	Janet Stewart	Senior Vice-President, Tax
	Steve Axler	Vice-President, Tax
DEUTSCHE LUFTHANSA	Christian Lehmann	Director Tax Policy and Procedural Law
DIAGEO	Claire Jordan	Global Head of Tax
	Wim Peters	European Tax & Global Transfer Pricing Director – Group Tax
	Matthew Hardy	Tax Director Africa & Asia
	Alan Butler	Public Affairs Director, Corporate Functions
	Constance Balsamo	Head, EU Internal Market
GSK	Melissa J Geiger	Senior VP and Global Head of Tax
	Tim Woodthorpe	Head of UK Tax and Tax Policy - Global Tax
HUAWEI	Jamie Elliott	Tax Management Department
	Justin Su	Tax Management Department
	Simon Schofield	Global Tax Solutions Director
	Hendrik-Jan Bogers	Director Global Tax Policy
INFORMA GROUP	Glyn Fullelove	Group Tax Director
	Owen O’Hagan	Senior International Tax Manager
INTERNATIONAL PAPER	Francois Hinck	Tax Director EMEA
JTI	Marco Ramaekers	Head of Tax
	Nathalie Laks	Global Transfer Pricing Director
	Julie Caygill	Tax Director
RELX GROUP	Paul Morton	Head of Group Tax
	Jules Genee	Tax Director
ROBECO	Marc Steinbusch	Vice President - Senior Tax Specialist
PEPSICO	Sarah McGill	Senior Vice-President - Tax
PFIZER	Lillian Kessler	Vice President, International Tax
	Carolina Perez	Senior Tax Counsel
SCHRODERS	Tim McCann	Group Head of Tax
	Christopher Austin	Tax Directors
SHV GROUP	Ruud Wieggers	Head of Tax Nutreco
	Thom Coenen	International Tax Manager Nutreco

2017 EBIT “Light” - Annual Work Programme

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

