

# “Let’s talk about tax”

*a grasp of the key international tax developments and how they impact the GC’s role*

# Who we are



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# Challenges for Digital Platform Operators as DAC7 Looms

**Countries agree to extend digital services tax freeze through 2024**

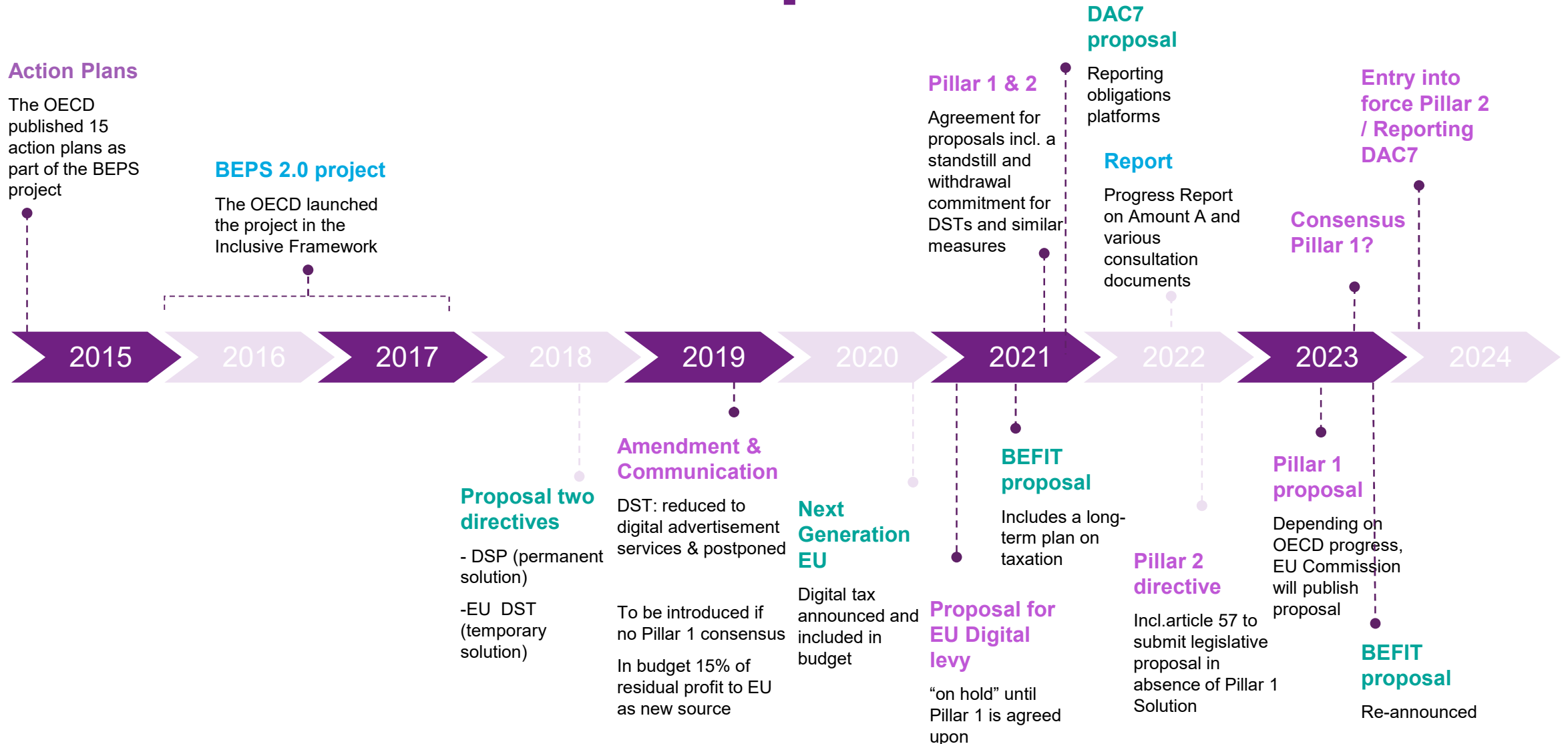


2024 Dutch  
Minimum Tax Act  
(Pillar 2)

**European Commission unveils long-awaited BEFIT proposal**

**130 countries back global minimum corporate tax of 15%**

# International Tax Developments



# DAC 7: Reporting Obligations

# DAC 7 Reporting Obligations

## Background

- Rise of the platform economy
- Visibility of income for tax authorities
- Creating level playing field

## Platform

- Any software that enables sellers to be connected to users to carry out a relevant activity

## Relevant Activity

- Sale of Goods
- Provision of personal services
- Rental of immovable property in the EU
- Rental of means of transport

## Obligations

- Sellers information
- Income generated
- Exemption to sellers

## Reporting Deadline

- Per Calendar Year
- First Deadline: 31 January 2024
- Retaining Obligation of 7 years

## Penalties

- Up to EUR 900,000



# Impact/ Role General Counsel

## Compliance

- 1. Create Awareness** within the organization about the DAC 7 reporting obligations in combination with other legal obligations (e.g., GDPR monitoring)
- 2. Reporting** how to deal with non-EU GDPR rules?
- 3. Retention** the information under DAC 7 must be kept for at least seven years (Netherlands), will be different in other jurisdictions



# BEFIT- Business in Europe: Framework for Income Taxation



# BEFIT

## Proposal

- Business in Europe: Framework for Income Taxation

## Reduce compliance

- The main goal of BEFIT is to reduce the compliance burden of MNE's

## EU tax base

- Computation of tax base
- Aggregation of the tax base
- Allocation of the tax base

## Scope

- MNE Group with a minimum revenue of EUR 750 million
- Only for group entities located in the EU

## Expected Timeline

- Proposed to enter into force on 1 January 2028



# Pillar One / Digital Services Tax

# Pillar One/Digital Services Tax

## WHY?

*Redefine international taxation by reallocating taxing rights*

## SCOPE

*>20bio / >750mio consolidated revenue + >10% local profit  
or 20mio + provision digital services*

## KEY CHALLENGES

*Compliance / Increased tax burden or even double taxation /  
International + local / Disputes*

## TIMELINE

*Local DSTs already in force\* / Pillar One likely 2025*

# Impact/Role General Counsel

## Tax Policy

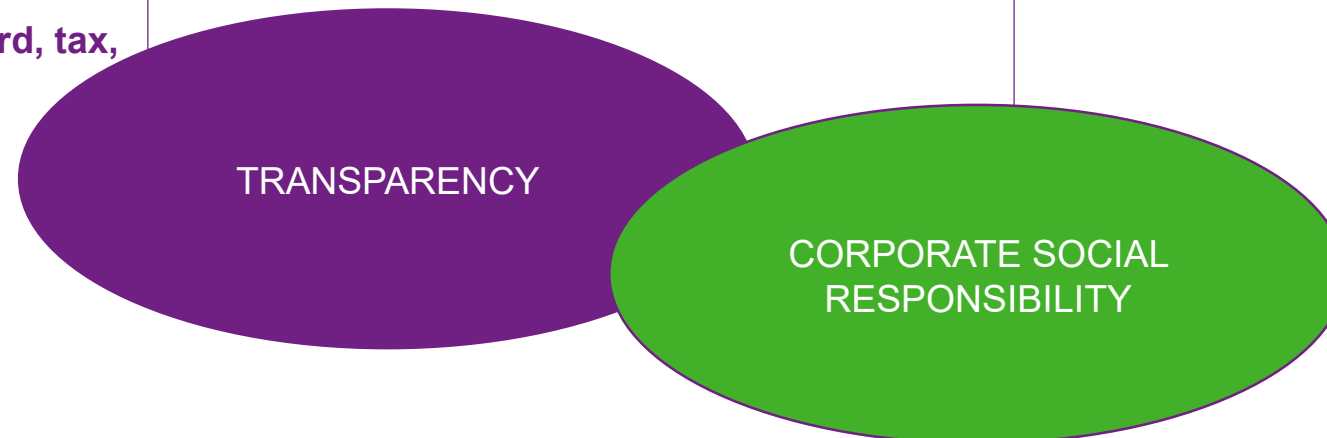
- **Open consultations - tax positions** taken may **impact the company** as a whole (e.g. qualification of services / pricing / employment). Sometimes published.
- **Lobby** - Must be **coordinated** and may **impact the company** a whole. But **good opportunity** to make changes (e.g. Canada / Italy).
- **Goal: reduction of DST / CIT**
- **GC can 'bridge' between the board, tax, legal and public affairs**
- **Limits?**

## Redefine services

- **Participate/initiate working group on scoping/redefinition of services**
- **Amendments to agreements / contracts**
- **Goal: reduction of DST**
- **Limits?**

## Restructuring

- **Change in Transfer Pricing Policy**
- **Global Restructuring**
- **Goal: reduction of DST / CIT**
- **Limits?**



# Pillar Two / Global Minimum Tax

# Pillar Two / Global Minimum Tax 15% effectively

## WHY?

*Redefine international taxation by reallocating taxing rights +  
Ensure minimum level of 15% effectively*

## SCOPE

*>750mio consolidated revenue and <15% effective tax rate*

## KEY CHALLENGES

*Compliance / Increased tax burden / International + EU +  
local / Disputes*

## TIMELINE

*Preparation = now / entry into effect 1 2024*

# Global Minimum Tax - explained

## What is it?

- Multinationals with > EUR 750 million consolidated revenue pay an effective tax rate (GloBe ETR) of at least 15% in each jurisdiction they operate in.
- This is achieved by allowing countries to impose top-up taxes in situations where an MNE is taxed below 15%.
- If a jurisdiction does not levy additional tax, other jurisdictions (such as the jurisdiction of the ultimate parent entity) are able to tax the company's profits in that jurisdiction.

## Who are in scope?

The global minimum tax rules apply to **MNE groups with revenues of at least EUR 750 million per annum.**

This will be subject to limited exclusions:

- **a de minimis**, which will exclude jurisdictions where the group has **revenues of less than EUR 10 million** and profits of less than EUR 1 million from the GloBE calculation;
- a limited exclusion for groups in the early stages of international expansion (<EUR 50 million tangible assets overseas and operating in no more than five other jurisdictions); and
- exclusions for pension funds, investment entities, and governmental and intergovernmental organizations.

## When will it enter into effect?

- **Book years commencing on or after 31 December 2023**
- **First filing:** 30 June 2024 (18)
- **First payment:** 31 October 2024 (20)

# Impact/ Role General Counsel

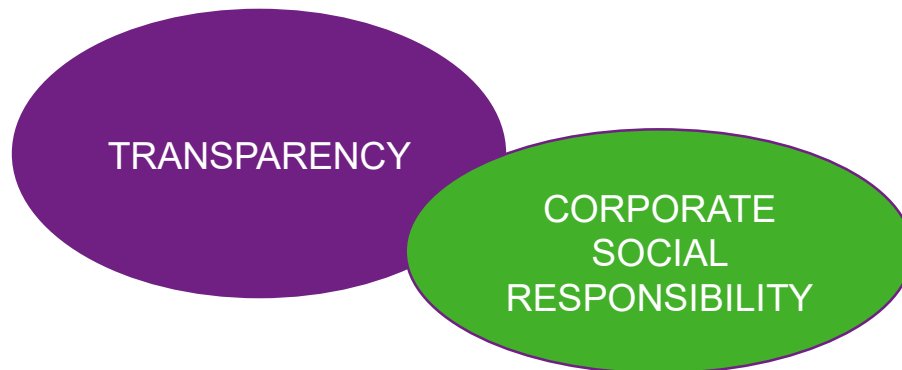
## Compliance

The OECD provided a standardized information return. Work to date has focused on the identification of a comprehensive set of data that includes:

1. **General information about the group**
2. **Corporate structure**
3. ETR computation and top-up tax
4. Top-up tax allocation and attribution

## Tax Planning

- There are **tax planning opportunities**.....that require legal documentation and may impact the financial position of the company
- GC should monitor and where possible assist with legal team
- **Limits?**





**Lucky you. All assessed  
companies are in scope!**

**Work to do! (...we can help! 😊)**

# IMPACT OF KEY TAX CHALLENGES

Potentially applicable

Not (yet) applicable

Company	Pillar One/ Digital services tax	Pillar Two / Global Minimum Tax	DAC 7 / Reporting obligation platforms	BEFIT (2028)
ABN AMRO				
Basic-Fit		EUR 749,4mio!! [2022 FS]		
BearingPoint Holding				
Booking.com				
Elastic				
Fluke Europe				
Harman				
Mattr				
MCi	No financial info	No financial info	No financial info	No financial info
Mitsubishi Turbocharger & Engine Europe				
NIS ad Novi Sad				
Nutreco				
Omni Bridgeway				*(expectation)
Reckitt				
Roku				
Uber				
VEON				
Vopak				

DENTONS

# ESG: a helping hand to prepare you for 2024

Grow | Protect | Operate | Finance

# Are you a ...?

1

*Listed company*

2

*'Large' company with:*



*EUR 40 million+ turnover*



*EUR 20 million+ on balance sheet*



*250+ employees*



## Environmentalists sue Dutch airline KLM for 'greenwashing'

FIFA made false claims about carbon neutrality at Qatar World Cup, regulator says



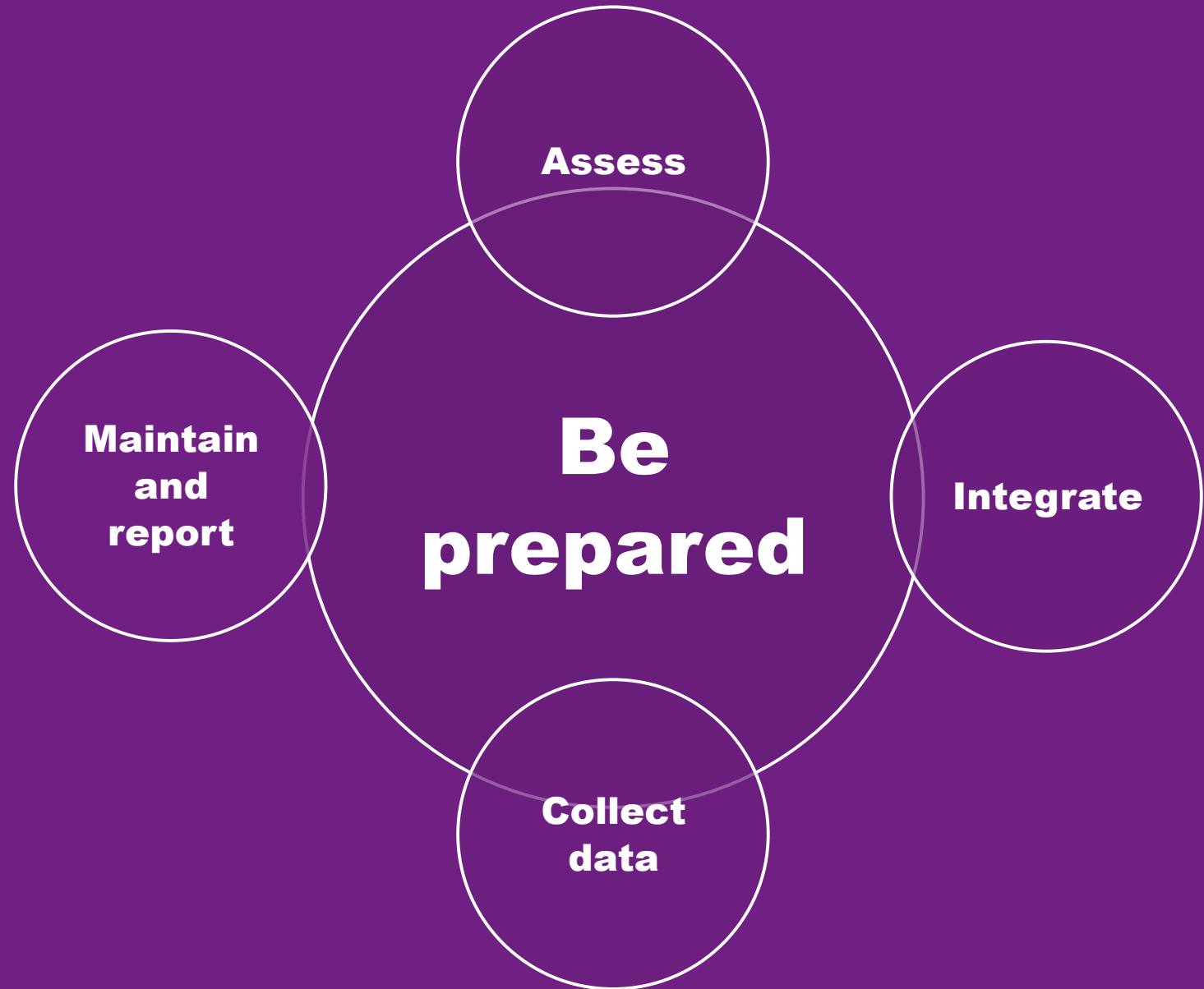
40% of firms' environmental claims could be misleading



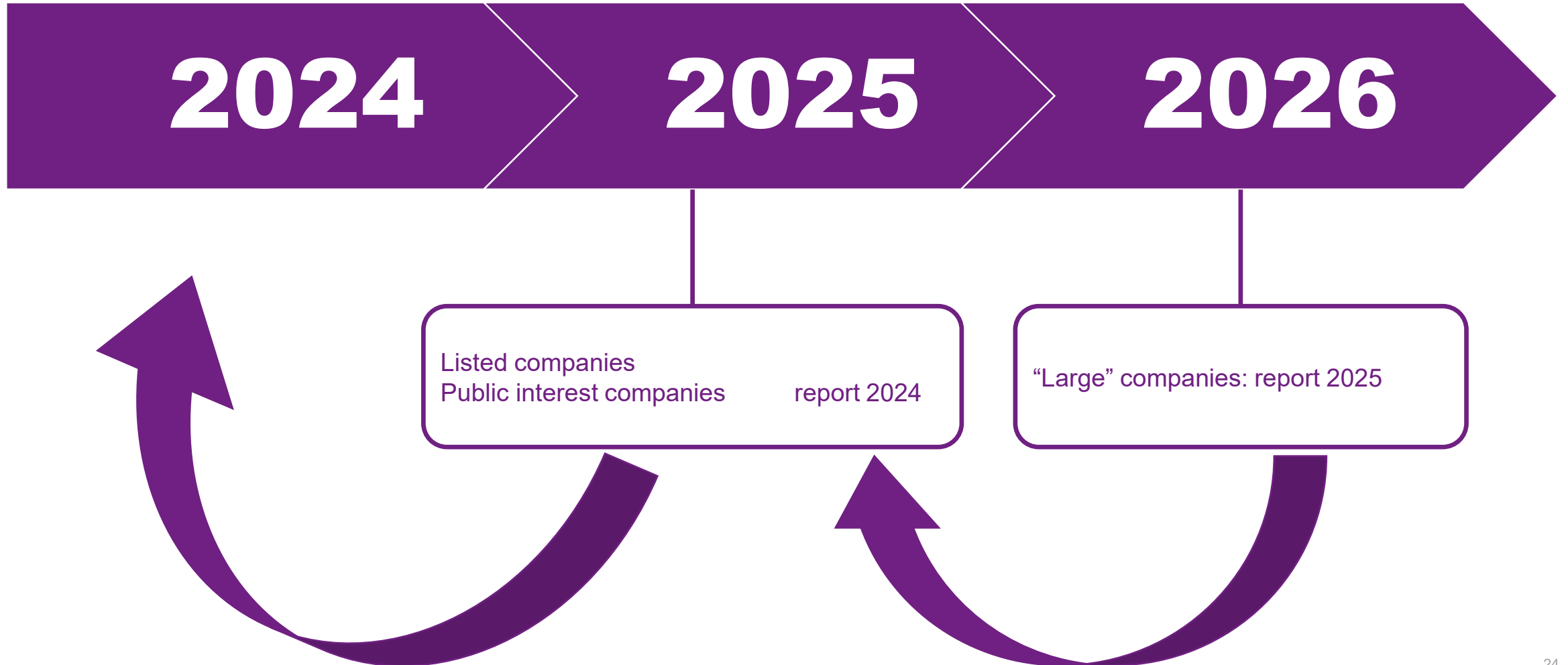
# The legal framework



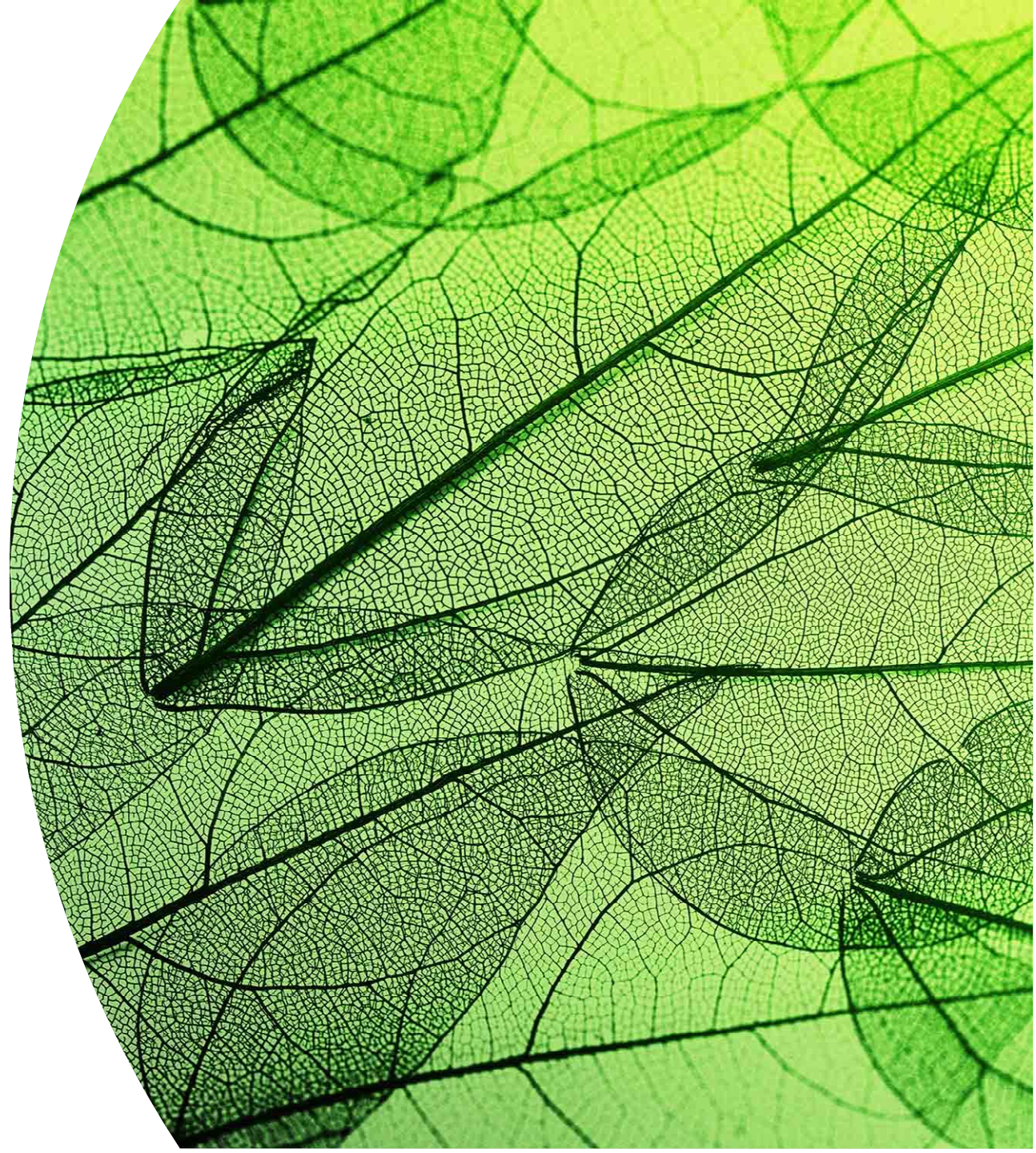
# When?



# Timeline







**Just to remind you...**