

## ETAF Conference on "Will digitalisation make taxation easier?"

On 20 November 2018, many participants from the EU institutions, multiple Member States and several organisations joined the Conference on "Will digitalisation make taxation easier?" proposed by the European Tax Adviser Federation (ETAF) in Brussels.

Main subject of the Conference was the impact of digitalisation on the various European tax systems. In his welcoming address, the ETAF President *Philippe Arraou* highlighted that digitalisation is an opportunity for Member States and that tax professionals will continue having a key role in the new scenario. He also stressed the role of the public administration that should "*provide highly developed digital infrastructure for the tax collecting process and the involved actors*".

As a keynote, *David Boubliil*, member of the cabinet of Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, highlighted the massive changes that the digitalisation brought within the economy and the opportunities connected with the use of digital technologies within the tax system. He stressed that "*digitalisation may carry plenty of benefit for digitally literate taxpayers, but we have to take care of all taxpayers*" and that new digital technologies can be useful for tax administration to process large amount of data in a more efficient way. Finally, he pointed out the fundamental and evolving role played by tax advisers in our tax systems because of the complicated nature of taxation.

The first panel, composed by *David Boubliil*, *Elo Madiste* (Counsellor for Taxation, Permanent Representation of Estonia to the EU), *Michel Van Hoegaerden* (Programme manager at the Federal Public Service of Finance of Belgium) and *Luigi Carunchio* (Dottore Commercialista, Italian chartered accountant) discussed the "Impact of digitalisation on the relation between taxpayers and tax authorities". The debate was opened by *Elo Madiste*, who explained how digitalisation is taking over in Estonia, helping the tax administration to cope with tax declarations. She highlighted that "*nowadays 99% of tax returns are submitted in a digital form and people know how to do it.*" *Michel van Hoegaerden* underlined that in Belgium the target is to have a similar extensive use of electronic declarations. He also pointed out that there is a need to create a partnership between governments and companies in order to integrate the data and information automatically gathered by the government and that he expects that "*the tax advisors will be the front end of all this process*". *Luigi Carunchio* described the new e-invoicing system that will be compulsory in Italy from 1 January 2019, highlighting the risks connected with the privacy of the data contained within the electronic invoices. *David Boubliil* stressed again that the positive impact of digital technologies will be ensured if it is accompanied by common rules that can further support the efficiency of the tax system within the EU.

In the second panel under the title “New digital technologies: challenges and opportunities”, *Caroline Malcolm* (Senior Advisor – Tax and Digitalisation at Centre for Tax Policy Administration, OECD), *Prof. dr. Robby Houben* (Associate Professor at University of Antwerp and counsel Baker McKenzie) and *Riccardo Lambri* (Dottore Commercialista, Tax expert on Digital Assets) offered a very interesting discussion about the possible impact of blockchain in the tax systems and on the risks associated with the flourishing market of cryptocurrencies. As an introduction to the panel, *Riccardo Lambri* provided some explanation on the main topics of the panel: the blockchain technology and cryptocurrencies. *Caroline Malcolm* explained the work that is being currently carried out by the OECD on these topics, pointing out that the blockchain could represent a useful tool for tax administrations to get access on a real-time basis to information on the transactions of multinational groups. She added that next week the OECD will launch a survey on how to tax bitcoin and other cryptocurrencies. *Robby Houben* focused on the risks connected with the use of cryptocurrencies with particular reference to the anonymity that these digital assets grant, which can result in money laundering and tax evasion. He highlighted that the European regulatory framework does not address the issue of abuse in the use of cryptocurrencies, indicating that AMLD5 (the Fifth European Anti-Money Laundering Directive) is already outdated. On this latter point, *Riccardo Lambri* highlighted that the advice that he provides to his clients who invest in cryptocurrencies is to be always completely transparent with the tax authority, for the simple reason that “*we don’t know what might happen in future with these cryptocurrencies’ value and so being transparent today is the tool for being compliant in the future*”.

Overall, the ETAF event offered an excellent outlook for a better understanding on how digital technologies are being implemented in the tax systems of EU Member States and beyond, looking at best practices and possible new developments. It also allowed ETAF to clarify its positive attitude towards new digital technologies and on the role that tax advisers will play in the future in using such technologies to enhance the efficiency of the tax systems within the EU.