

A look into the EU Tax Focus Authors Forum 2026

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On 16 April 2026, the EU Tax Focus Authors Forum was held at the IBFD premises in Amsterdam to celebrate the second anniversary of the EU Tax Focus. Various panels exchanged views on pressing developments in global tax governance, ongoing efforts toward simplification and decluttering of the EU framework for direct taxation and emerging trends in ECJ direct tax case law.

1. Session 1: The European Union's Role in Global Tax Governance: Competition or Responsibility?

The moderator of the first panel was Carla Valério (IBFD EU Tax Law Study Group) and the debaters were Belema Obuoforibo (IBFD Knowledge Centre), Kasper Dziurdz (Maastricht University) and Madalina Cotrut (University of Economic Studies Bucharest).

The first discussion point concerned pressing international tax or tax policy coordination challenges that require global solutions and the role of the European Union.

Obuoforibo emphasized the role of the European Union in global tax regarding governance, competition and responsibility. She argued that the taxation of the digitalized global economy is of great importance.

The global EU agenda should consist of a multilateral approach and the coordination of the EU tax framework with global standards and norms and focus on nexus, minimum taxation and coordination. For the multilateral approach, she advocated that the European Union should act as a coordinator of multilateral conventions and contribute to a global reform. In addition, the European Union should increase efforts in capacity-building for lower-income countries.

Dziurdz regarded the taxation of the digital economy also as very important. Currently, a proliferation of unilateral measures (i.e. digital services taxes (DST)) exists within the European Union. He favours a discussion at UN/OECD level for a global approach, but not the introduction of an EU-wide DST. It is important to harmonize and coordinate the DSTs to avoid double taxation and realize administrative simplification. The starting point should be the problems that a DST intends to solve, i.e. avoiding that profits are not taxed anywhere, or taxed in the United States but not in the European Union. Therefore, the European Union should explore possibilities to increase its competitiveness. Sovereignty, divergent interests of the EU Member States and the unanimity requirement for EU tax measures may be seen as "bottlenecks".

Finally, it should also be born in mind that DSTs do not tax digital services, but corporate profits. In his view, DSTs constitute a protectionist measure similar to tariffs, which often only target foreign companies.

Cotrut looked into EU developments regarding [Pillar Two](#) including the [Side-by-Side Package](#). A milestone was the [Minimum Taxation Directive \(2022/2523\)](#), which made the Pillar Two provisions for the members of the Inclusive Framework mandatory for all EU Member States. In her view, the European Union took too much action by

implementing the OECD GloBE rules because the OECD is an organization with different objectives than the European Union.

Another example is the implementation of the Side-by-Side Package. No amendments were made to the Directive, but the [Commission](#) issued an [information notice](#) on 12 January 2026 confirming its full implementation by claiming that article 32 of the Directive applies. Cotrut believes that the European Union should focus more on protecting the interests of the Single Market and EU Member States.

Secondly, inter-nation equity and fair international tax revenue allocation versus competitiveness was addressed.

Obuoforibo interprets it as the question how to balance dual responsibility. Taxation in the country where income is derived and a proper allocation of profits is relevant in this respect. Inter-nation equity requires a coordinated approach which supports competitiveness.

Dziurdz emphasized that different views exist on what "fair" allocation means, which the [UN discussions](#) for drafting a Framework Convention show. Vague principles, such as value creation, the benefit principle and the role of supply and demand are used to justify taxation in any jurisdiction to which some kind of connection exists. However, they do not properly solve the allocation issue.

For competitiveness and fairness, different dimensions exist. The European Union regards it not "fair" that taxes on digital services are paid in the United States, while for the United States, it is not "fair" that some EU Member States impose DSTs which de facto are only levied from US enterprises. Concerning Asian jurisdictions, GloBE ensures minimum taxation of Asian headquartered MNEs, and the dimension European Union versus developing countries concerns the wish for more residence versus more source taxation. Dziurdz thinks that the European Union and other countries should prioritize their own interests.

Cotrut held that the European Union should prioritise competitiveness and protection of taxpayers/businesses in the European Union in comparison with other big economies, such as the United States, China and India. The European Union has strong incentives to protect the competitiveness of its internal market, particularly in response to developments around the Side-by-Side Package, which introduces safe harbours and incentives that primarily benefit US headquartered groups or, in the future, China. Under the package, US headquartered groups may avoid top-up taxes, while EU-based groups do not enjoy equivalent protections. This results in a competitive imbalance.

For the limits for the EU to address its own issues, Obuoforibo held that legitimacy, the definition of EU interests in the long-term, the avoidance of fragmentation and the creditability influence are important. The furthering of competitiveness should in her view be based on multilateral trust, sustainability and fairness.

In Dziurdz's view, a compromise must be reached on a trade deal to avoid double taxation, but the interests of other parties limit what the European Union can actually achieve. An important bottleneck is the power imbalance, e.g. between the European Union and the United States and between the European Union and developing countries.

An important aspect is also the protection of global public goods, including a stable climate, clean oceans, international peace and security. A clash concerns the short-term benefits for the European Union versus long-term effects for the whole world.

Cotrut indicated that the EU gave too much power/value to the OECD works that were implemented in the European Union, particularly regarding Pillar Two, which resulted in a high compliance burden. In the future, the European Union should be more careful and better protect the interest of the EU Member Countries.

The Directive also created fictions among EU Member States as various Member States submitted a joint statement to the Commission, urging a 6-year extension of the 2030 deadline for Directive implementation. The Commission has yet to officially reply.

2. Session 2: Simplification and Decluttering of the EU Framework for Direct Taxation: Challenges and Opportunities

The moderator of this panel was Oana Popa (IBFD EU Tax Law Study Group) and the debaters were Francesco de Lillo (IBFD European Knowledge Group), Ivana van der Maas (Forvis Mazars), Katerina Ilieva (IBFD European Knowledge Group) and Ruxandra Vlasceanu (IBFD European Knowledge Group).

With respect to the challenges around decluttering the EU direct tax framework, De Lillo sees room for simplification under the fragmented [ATAD](#) implementation due to options such as the group escape under the interest limitation rules and Model A and B for the CFC. Another example is the non-uniform or inconsistent interpretation of terms as borrowing costs, main purpose and abuse under different directives.

Ilieva observed that the complex [DAC](#) framework creates legal uncertainty due to the fact it has many amendments. Also, different interpretations and penalty levels within Member States exist and data quality issues arise with challenges in taxpayer identification. As simplification possibilities, she envisions realizing a consistent interpretation across Member States, improving data quality without increasing compliance burden, aligning the DAC with other EU legal frameworks and reducing duplication across reporting regimes. She advocates consolidation into one instrument, which should lead to better consistency of the rules.

Vlasceanu noted the lack of coherent digital tools, which increases compliance costs and results in limited interoperability between Member States' systems, a duplication of data and reliance on manual processes. Digitalization can support simplification if it eliminates repetition, rather than digitizing existing inefficiencies. A risk of relocating complexity exists as poorly designed systems may shift the burden from legal interpretation to IT systems, data mapping and software integration. Finally, the fact that digital maturity varies significantly across EU tax administrations results in uneven implementation risks, which undermines simplification objectives.

Van der Maas explained challenges in environmental, social and governance (ESG) reporting to see if there is room for simplification. In taxation, ESG means that various environmental, social and governance factors are linked to how companies are taxed and report their tax position. ESG results in an additional layer of misalignment between frameworks, such as the [Corporate Sustainability Reporting Directive](#) (CSRD), the EU Taxonomy Regulation, tax transparency standards like GRI 207 and practices like the total tax contribution report and taxation. Another challenge is that ESG metrics, including emissions or taxonomy alignment and tax transparency disclosures, do not easily translate into tax treatment or incentives. Moreover, the same or similar tax-related data must be reported multiple times under different formats and for different purposes, resulting in unnecessary compliance burdens. Another problem is that ESG-related tax incentives and transparency expectations differ across Member States, resulting in inconsistent interpretation.

Van der Maas thinks that existing ESG and transparency frameworks could contribute to simplification. The CSRD introduced standardized ESG disclosures, and the EU Taxonomy Regulation provides a shared definition of what qualifies as sustainable activity. Finally, tax transparency frameworks like GRI 207 and Total Tax Contribution reporting already structure how companies explain their tax footprint. Connecting these frameworks would result in simplification, reduce compliance costs, improve comparability and increase legal certainty.

ESG disclosures could directly inform tax reporting, taxonomy alignment could serve as a consistent reference for tax incentives and existing tax transparency disclosures could be reused instead of duplicated.

In addition, the fact that companies must explain their tax position through ESG reports, GRI 207 disclosures and Total Tax Contribution reports in slightly different ways creates confusion. Emerging tools and AI can support simplification by ensuring that the same information is presented in a consistent and coherent way across frameworks.

As simplification and decluttering opportunity, Vlasceanu mentioned that AI could be used as a compliance support tool and not only as an enforcement mechanism. She suggested introducing a central platform for exchanging and reporting DAC information to enhance data reuse, traceability and consistency. Integrated end-to-end digital tax systems could also be beneficial. A key design principle for the future should be to use digitalization to rationalize existing obligations instead of introducing new reporting requirements.

Ilieva favoured a DAC reform resulting in removal of duplication and inconsistencies, a clarifying and streamlining of reporting obligations, a reduction of interpretive discrepancies and the aligning of DAC with other legal frameworks.

De Lillo suggested only using Model A under CFC, using backlists and simplified calculations under Pillar Two and making periodical adjustments of the EBITDA cap, a mandatory group ratio rule and additional exclusions for debt-intensive sectors for the interest barrier.

In his view, the GAAR should be streamlined with those in other directives by EU guidance and ECJ case law. As a last simplification point, he favours a harmonization of domestic measures such as punitive measures for residents of non-cooperative jurisdictions.

With respect to simplification suggestions, Ilieva suggested a harmonized EU Taxpayer Identification Number (EU TIN) to enhance data usability.

Vlasceanu proposed introducing an EU-level “report once” principle, supported by interconnected digital systems to reuse data.

Van der Maas plead to introduce an EU report once framework aligning CSRD, GRI 207 and tax compliance for a consistent and harmonized tax treatment. In addition, leverage should come from taxonomy where sustainable industries are categorized to design ESG-driven tax incentives.

De Lillo favours the establishing of platforms for Member States to discuss and resolve interpretative issues, the use of shared guidance and developing a common performance monitoring framework.

3. Session 3: ECJ Direct Tax Case Law: Trends and Developments

The moderator of this panel was Angelika Xygka (IBFD EU Tax Law Study Group) and the debaters were Filip Krajcuska (IBFD European Knowledge Group), Laura Pakarinen (IBFD European Knowledge Group), Madalina Cotrut (University of Economic Studies Bucharest) and Marnix Schellekens (IBFD European Knowledge Group).

Cotrut gave an overview of ECJ direct case law from 2021 to 2025, from which it follows that Belgium, Germany and Portugal were the most active Member States in direct tax litigation. The mostly invoked legal bases were free movement of capital, freedom of establishment and State aid. Regarding secondary EU tax law instruments, most cases dealt with the [Parent-Subsidiary Directive](#) (PSD) and DAC, while some cases have been submitted on the Minimum Taxation Directive.

As for repeated litigation on “settled” directives, Schellekens expects that the PSD and IRD will continue to generate litigation due to evolving national implementing rules, increasing anti-abuse legislation, revenue pressure

and interaction with newer ECJ case law. He referred to recent cases like [Cockerill](#) and [Banca Mediolanum](#), which show that indirect mechanisms, such as calculation methods and levies, still can undermine the PSD objectives. Thereafter, he indicated that the [Nordcurrent](#) decision significantly refines the PSD GAAR. Abuse is not limited to conduit entities; a life-cycle analysis of arrangements is required and “tax advantages” must be assessed holistically. Pending cases such as [Neo Group](#) point at continued disputes around beneficial ownership, proportionality and group dividend structures.

Krajcuska regarded repeated litigation not as a coincidence but evolution as old directives meet modern anti-avoidance logic and involve through litigation. The [Nordcurrent](#) case entails a shift from the formal structure to substance over a life cycle. This marks a move from static to dynamic abuse analysis. In his view, the ECJ is no longer creating anti-abuse rules, but fine-tuning them.

Pakarinen noted that the litigation under the PSD and IRD has decreased but not disappeared as the limits of the directive are tested. New legislation may be expected from new PSD anti-avoidance rules.

Regarding the practical consequences of ECJ case law, Pakarinen discussed their influence on domestic law as ECJ judgments can trigger direct legislative changes. The [Keava](#) case, concerning the Swedish withholding tax on dividends and foreign pension institutions, led to amendments in Sweden and updated official guidance in Finland.

Krajcuska addressed the [Nordcurrent](#) decision, which gives tax authorities more discretion but also increases the administrative burden and complexity, resulting in higher taxpayer compliance costs, lower legal certainty and more litigation. In addition, the [Erdrich](#) case may lead to a reopening of previously rejected refund requests.

The overall effect is a more resource-intensive tax administration and not a dramatic disruption.

Schellekens views direct practical legislative changes and indirect changes in the administrative mindset. He distinguished between clear statutory incompatibilities corrected by legislative changes (e.g. Sweden after [Keava](#), Italy after [Banca Mediolanum](#), Belgium after [Cockerill](#)) and open-textured concepts such as abuse, beneficial ownership, tax advantage changing audit practices, administrative guidance and evidentiary standards.

As key trend he noted a move away from formal, binary tests, towards fact-driven analysis.

For the future, Cotrut expects more cases on ATAD, the Minimum Taxation Directive, [including C-519/25](#) on the UTPR, and possible infringement proceedings (e.g. [against France for incorrect PSD implementation](#)).

IBFD references:

- > EU tax law developments are reported on the daily IBFD [Tax News Service](#) page.
- > C. Valério and W. Choi, [The Two Sides of the Story: US, EU and the Side-by-Side Agreement](#), EU Tax Focus 4/2026 (16 February 2026), IBFD
- > L. Ambagtsheer-Pakarinen, [28th Regime Moving Forward: Proposal on EU Inc. Unveiled](#), EU Tax Focus 7/2026 (25 March 2026)
- > A. Xygka, [Corporate Tax or Not? The IRAP Puzzle and the Parent-Subsidiary Directive](#), EU Tax Focus (17 June 2025)
- > F. De Lillo, [Towards a Simpler and More Efficient EU Anti-Tax Avoidance Framework: Key Priorities for Future Reform](#), EU Tax Focus (15 May 2025)
- > For IBFD summaries of ECJ judgments, see the [ECJ Case Law](#) IBFD collection.