



Foreign Investors Council



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University of Belgrade Faculty of Law • The Serbian Fiscal Society • American Chamber of Commerce in Serbia • Foreign Investors Council
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CONFERENCE ON THE EU MINIMUM CORPORATE INCOME TAX DIRECTIVE AND ITS IMPACT ON NON-MEMBER COUNTRIES

24 November 2023

Grand Hall of the Serbian Academy of Arts and Sciences
Kneza Mihaila St. 35, Belgrade

On 12 December 2022, the EU adopted the Council Directive on ensuring a global minimum level of taxation for multinational groups operating within the EU. Member States are required to transpose the Directive into their national tax legislation by the end of 2023, so that the new tax framework is applicable as of 1 January 2024. With this historic move, the EU is taking the lead on the implementation of OECD's Pillar Two initiative, one of the most important tax developments in the previous decade. The key driver behind the so-called global minimum tax is the intention to limit tax competition by setting the floor for effective taxation levels in jurisdictions around the globe.

The Directive introduces a minimum effective tax rate of 15%, calculated based on a specific set of rules. It is directed at large corporate groups with either a parent company or a subsidiary situated in an EU Member State, provided that the group's combined revenues surpass EUR 750 million. Corporate groups with an effective tax rate below the newly established minimum in any of the jurisdictions in which they operate will have to pay a top-up tax to bring its effective tax rate up to the minimal 15%. This payment is to be enforced by way of the so-called Income Inclusion Rule in the jurisdiction in which the parent company is resident. Alternatively, if the parent is based in a non-EU jurisdiction which has not implemented the described taxation framework, Member States in which the group entities are based will collect the top-up tax on the basis of a backstop rule, the so-called Undertaxed Payment Rule. The amount of top-up tax to be collected will be determined on the basis of a formula relying on employees and assets of the group in the relevant jurisdiction.

The new global minimum taxation framework, which will be established on the basis of the said Directive represents a significant challenge not only for large corporate groups operating in the EU, but also for non-EU jurisdictions whose corporate income tax policy relies on low nominal and even lower effective tax rates, among which is Serbia.

Due to the evident relevance of the topic the Serbian Fiscal Society, the University of Belgrade Faculty of Law in cooperation with the American Chamber of Commerce in Serbia, the Foreign Investors Council and GIZ will organize a conference dedicated to the topic of the EU minimum corporate income tax directive and its impact on non-member countries. The conference will include two distinct parts:

- In the first part of the Conference, emphasis will be on the in-depth analysis of the issues associated with the introduction of the EU minimum corporate income tax directive and the impact it will have on non-member countries,
- The second part will focus on the discussion of the policy choices available to non-member countries, such as Serbia, and the position investors may have on them.

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PROGRAM

14:00 Welcome note on behalf of the Serbian Fiscal Society – Prof. Svetislav V. Kostić (Serbian Fiscal Society/University of Belgrade Faculty of Law).

14:05 Key note address from Academician Prof. Emeritus Pavle Petrović, President of the Serbian Fiscal Council.

14:15 Key note address from Prof. Emeritus Dejan Popović, President of the Serbian Fiscal Society: *Reflections on the impact of the EU minimum corporate income tax directive on Serbia's policy of attracting FDIs via tax holidays supported by tax sparing clauses in its tax treaties*

14:30 I session

Chairs: Prof. Emeritus Dejan Popović (University of Belgrade Faculty of Law), Prof. Gordana Ilić-Popov (University of Belgrade Faculty of Law), Igor Lončarević (KPMG)

- Prof. Leopoldo Parada (University of Leeds): *The EU minimum corporate income tax directive and emerging economies: challenges and policy responses.*
- Prof. Aitor Navarro (Max Planck Institute for Tax Law and Public Finance, München): *Optimal policy responses to the EU minimum tax directive by third countries not aligned with Pillar Two.*

15:30 Coffie break

15:45 II session

- Chairs: Prof. Gordana Ilić-Popov (University of Belgrade Faculty of Law), Prof. Emeritus Dejan Popović (University of Belgrade Faculty of Law), Igor Lončarević (KPMG)
- Prof. Rita Szudoczky (Vienna University of Economics and Business (WU Wien)): *Covered taxes under the EU minimum corporate income tax directive.*

- Prof. Vikram Chand (University of Lausanne): *The EU minimum corporate income tax directive and tax incentives.*
- Prof. Svetislav V. Kostić (University of Belgrade): *Direct subsidies as a policy choice in light of the EU minimum corporate income tax directive.*

17:15 Coffie break

17:30 III session – Policy debate

Chairs: Prof. Svetislav V. Kostić (University of Belgrade Faculty of Law), Prof. Vikram Chand (University of Lausanne)

Panelists:

- Mukesh Butani, Managing Partner of BMR Legal Advocates (India)
- Igor Lončarević, Partner KPMG, Member of the Board of Governors of the American Chamber of Commerce in Serbia
- Dragan Drača, Partner PwC, Chair of the Foreign Investors Council Taxation Committee (Serbia)
- Jan Roderick van Abbe, Partner Deloitte, International and M&A Tax Deloitte Dubai (United Arab Emirates).

18:45 Closing of the conference

The number of available seats is limited so please register by sending us an e-mail to office@sfd-ifa.rs.

For those who are interested in our conference, but are unable to attend on site, we can provide a Webex link. In case you wish to follow the conference on-line please register by sending us an e-mail to office@sfd-ifa.rs.

When registering please expressly indicate if you wish to follow the conference on site or on-line.

Pursuant to the registration you will receive a confirmation of registration. Confirmations will be sent within 48 hours from registration.

Registration will be possible until 21 November 2023.