

EFB November Monthly Update

1. Proposal for a Council Directive on Business in Europe: Framework for Income Taxation (BEFIT)

On the 12th of September 2023, the European Commission adopted a package of initiatives to reduce tax compliance costs for large cross-border businesses in the EU.

There is a vote foreseen in February 2024 in the European Parliamentary committee.

More information on the file's legislative procedure can be found [here](#).

2. Corporate Sustainability Due Diligence Directive (CSDDD)

The European Commission published a proposal for a Directive on Corporate Sustainability Due Diligence (CSDDD) on the 23rd of February 2022. According to the European Commission, the proposal aims to "... foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance."

On the **22nd of November 2023**, the **fourth trilogue on the CSDDD** was held in Strasbourg.

On the **29th of November 2023**, according to Dods monitoring, the European Parliament's JURI Committee was briefed on the state of play of the CSDDD trilogues. The most recent trilogue has resulted in the following outcomes:

- Significant progress made regarding the process companies must follow.
- The European Parliament advocated for an ambitious penalties regime, including fines for non-compliance up to at least 5% of turnover.

Scope

- On the scope of companies to be included, and of human rights and environmental harm, or the extent to which companies should look at their value chains, **some progress was reached but more work remains to be done to achieve an agreement.**

Duty of Care for directors

- This provision was met with near-total opposition from Member States.

Harmonization

- For the EPP, the issue of the level of harmonization still needs to be further discussed.

Member States continue to push to exclude the financial sector.

Next trilogue is due to take place in mid-December.

For more information on the CSDDD, visit the file's legislative observatory [here](#).

3. Anti-money laundering Authority (AMLA)

The **draft proposal for a regulation establishing a new EU AML/CFT Authority (AMLA)**, was previously adopted by MEPs in the Committee on Economic and Monetary Affairs (ECON) and Committee on Civil Liberties, Justice and Home Affairs (LIBE) on 28th of March 2023.

The **next trilogue** (interinstitutional negotiations taking place between the European Parliament, European Commission, and the Council) for this proposal will take place on the **7th of December 2023**.

Although we do not have specific information on what is being discussed within the trilogues, we will continue to follow their progress.

4. Proposal for a Council Directive on Business in Europe: Framework for Income Taxation (BEFIT)

On the 12th of September 2023, the European Commission adopted a package of initiatives to reduce tax compliance costs for large cross-border businesses in the EU.

On the **4th of December 2023**, the European Parliament's ECON Committee discussed the draft BEFIT report.

The rapporteur for the file proposed:

- reducing the turnover threshold for companies that would have to comply with this legislation to 40 million euro rather than the Commission's original proposal of 750 million.
- It was noted that BEFIT must play a key role in reducing the administrative burden and red tape for companies.

- During the discussion, some called for the legislation to be in alignment with the Pillar 2 Directive.
- There were also calls for more information to be given by the Commission on the BEFIT teams which would be established through this proposal.

For more information on the file, visit its legislative observatory [here](#).