EOTI GLOBAL TAX ROUND-UP

June 2026

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TAX INITIATIVE

INTRODUCTION

June 2026 brought significant developments in international taxation, as governments, multilateral institutions, and tax authorities intensified efforts to improve transparency, strengthen domestic revenue mobilisation, and modernise tax administration. From OECD-led reforms to notable African tax initiatives, the month reflected a growing emphasis on cooperation, digitalisation, and the effective implementation of international tax standards.

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EUROPEAN COMMISSION LAUNCHES DIRECT TAX SIMPLIFICATION PACKAGE

On 24 June 2026, the European Commission unveiled its long-awaited Tax Simplification Package, a major legislative initiative aimed at modernising the EU's direct tax framework and reducing unnecessary compliance burdens on businesses operating across the Single Market. The package sits within the Commission's wider Competitiveness Compass and Better Regulation Agenda, which seeks to make the EU a more attractive investment destination by cutting administrative red tape while preserving strong safeguards against tax fraud, avoidance, and evasion.

At the heart of the package is the Direct Tax Omnibus Directive, which proposes amendments to several existing EU tax directives. Rather than creating new tax rules, the proposal simplifies and harmonises existing legislation — removing outdated provisions, eliminating overlapping reporting requirements, and reducing tax obstacles that discourage cross-border investment. A notable proposal is the removal of withholding taxes on certain cross-border payments of dividends, interest, and royalties between associated EU companies, a move expected to facilitate the free movement of capital and improve access to finance within the Single Market. Alongside the Omnibus Directive, the Commission also proposed a recast of the Directive on Administrative Cooperation (DAC) to streamline tax reporting obligations and improve information exchange between Member States.

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EUROPEAN COMMISSION LAUNCHES DIRECT TAX SIMPLIFICATION PACKAGE

While maintaining robust mechanisms to combat tax avoidance and evasion, the revised framework aims to reduce duplication in reporting requirements and lower compliance costs for businesses and tax administrations alike. The Commission estimates the package could generate approximately €7.9–8 billion in annual savings for businesses across the EU, including more than €3.2 billion in recurring administrative cost savings. These savings feed into the Commission's broader objective of cutting administrative burdens by 25% for all businesses and 35% for SMEs by 2029 — freeing up resources for innovation, expansion, and job creation rather than regulatory compliance.

From a policy perspective, the package reflects a broader global trend: tax reform is increasingly focused not only on raising revenue but on building systems that are simpler, more predictable, and better aligned with economic competitiveness. As jurisdictions worldwide, including several African countries, continue modernising their tax systems, the EU's approach may serve as a useful benchmark for balancing efective administration with a business-friendly regulatory environment

Track: International Tax | Tax Policy | Corporate Tax

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KENYA ADVANCES DIGITAL TAXATION AND FISCAL REFORM THROUGH THE FINANCE ACT 2026

Kenya's Finance Act 2026 was signed into law by President William Ruto on 23 June 2026. Generally, it took effect on 1 July 2026, reaffirming the government's commitment to expanding the tax base in response to an increasingly digital economy. The Act amends Kenya's tax framework across income tax, value added tax (VAT), excise duty, and tax administration — reforms intended to improve revenue mobilisation, enhance compliance, and build a more efficient, technology-driven tax syste

The reforms also reinforce Kenya's ongoing investment in digital tax administration — electronic filing systems, data-driven compliance monitoring, and improved taxpayer services. Over the past decade, Kenya has emerged as one of Africa's leading jurisdictions in leveraging technology to improve tax administration, making it a useful reference point for other African revenue authorities pursuing similar reforms.

Track: Tax Administration | Digital Economy Taxation | Indirect Tax

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MOROCCO HOSTS THE 11TH AFRICA TAX SYMPOSIUM: ADVANCING AFRICA'S VOICE IN INTERNATIONAL TAX POLICY

In June 2026, Rabat, Morocco, hosted the 11th Africa Tax Symposium, one of the continent's leading forums on international taxation. Organised by the International Bureau of Fiscal Documentation (IBFD) in collaboration with regional and international partners, the symposium convened tax administrators, policymakers, judges, academics, legal practitioners, corporate tax professionals, and representatives of international organisations to examine emerging trends in global taxation from an African perspective. The event underscored Morocco's growing role as a strategic hub for international tax dialogue and reinforced Africa's rising influence in shaping global tax governance.

Held under the theme "Trends in International Taxation – An African Perspective," the symposium tackled some of the most pressing issues confronting African tax systems today. Discussions explored the implementation of the OECD/G20 Two-Pillar Solution, with particular emphasis on the practical implications of the Global Minimum Tax (Pillar Two) for African economies. Delegates also examined recent developments in transfer pricing, treaty interpretation, dispute prevention and resolution, taxation of the digital economy, exchange of information, and the growing importance of tax certainty in attracting sustainable foreign investment — with particular attention to how African jurisdictions can implement international standards while safeguarding domestic revenue interests and addressing the unique challenges facing developing economies. Beyond the technical discussions, the symposium served as a platform for strengthening collaboration among African revenue authorities, governments, and tax professionals.

Track: International Tax | Transfer Pricing | Tax Policy | Africa Focus

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GLOBAL FOCUS INTENSIFIES ON BEPS IMPLEMENTATION AS PILLAR TWO ENTERS THE OPERATIONAL PHASE

Throughout June 2026, governments, tax authorities, and international organisations continued shifting their attention from designing international tax reforms to implementing them. At the centre of these efforts is the OECD/G20 Base Erosion and Profit Shifting (BEPS) Project, particularly the practical application of the Global Anti-Base Erosion (GloBE) Rules under Pillar Two. With years of policy negotiation behind them, jurisdictions are now focused on ensuring the global minimum tax operates consistently across borders, with emphasis on administrative guidance, reporting frameworks, and practical compliance tools for multinational enterprises (MNEs).

A significant milestone during the month was the OECD's release of the 2026 Consolidated Commentary to the GloBE Model Rules, incorporating all agreed administrative guidance issued since Pillar Two's introduction. The updated commentary clarifies the interpretation and application of the Global Minimum Tax, helping tax administrations and multinational businesses navigate complex implementation issues. Alongside this, the OECD published additional technical guidance on the GloBE Information Return (GIR), including practical instructions on using the XML reporting scheme for the first filing cycle, and a common understanding among implementing jurisdictions to facilitate centralised filing and exchange of GloBE information. These measures aim to promote consistency,

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GLOBAL FOCUS INTENSIFIES ON BEPS IMPLEMENTATION AS PILLAR TWO ENTERS THE OPERATIONAL PHASE

minimise administrative burdens, and reduce the risk of double taxation or conflicting interpretations across jurisdictions.

The OECD also continued supporting countries through the Global Minimum Tax Implementation Toolkit, which gives policymakers and tax administrators practical guidance on implementing the GloBE Rules effectively. The toolkit outlines best practices for legislative design, tax administration, stakeholder engagement, and risk management — recognising that successful implementation requires not only legal reform but robust administrative capacity. Together, these developments signal that the international tax community has entered a new phase, one in which operational efectiveness, tax certainty, and coordinated implementation take precedence over policy design.

Track: BEPS | International Tax | Corporate Tax | Global Minimum Tax

KEY TAKEAWAYS

June's developments point to three major global tax trends:

☆ Governments are increasingly prioritising simplification of tax systems while maintaining robust compliance standards.

☆ International cooperation continues to drive reforms in transparency, transfer pricing, and the implementation of the Global Minimum Tax.

☆ Tax administrations, particularly in developing economies, are investing more heavily in capacity building, digitalisation, and cross-border collaboration to strengthen domestic revenue mobilisation.

Collectively, these developments reinforce the continuing evolution of the international tax landscape toward greater cooperation, transparency, administrative efficiency, and sustainable tax policy.

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