



IAFEI Weekly Update

Knowledge, Resources, News, and Announcements

This is an issue of IAFEI Weekly Update for the week of April 7, 2025.

Valued All IAFEI Board members, ExCom members & Advisory Committee members:

The following interesting articles and useful information await you in this issue. I hope you enjoy reading them.

My special thanks to Conchita (CLM) , Piergiorgio (PGV), and Nobu (NTA) for their contributions.

Please feel free to circulate this Weekly Update within your organization. I am hoping that this Weekly Update may increase the value of IAFEI membership. If you have any suggestions, or recommendations, or would like to participate to provide articles, please do not hesitate to contact me.

Thank you for your continuous support and I would love to hear from you.

P.S. (Reposted from Issue 11)

The IAFEI 1st Quarter ExCom Meeting was held on Monday, March 17th. Before distributing the official minutes, I would like to share two key topics discussed during the meeting.

IAFEI Website Renewal

A big majority of the members agreed that the website should be revamped to make it more attractive to visitors by leveraging new technology. While I shared one quotation, it was not sufficient to make a final decision. Therefore, we agreed to allow three weeks for further proposals. Each member organization is encouraged to seek potential providers who can offer a compelling quotation. [The deadline for submission is April 8, 2025.](#)

IAFEI DAY in Chinese Taiwan

IAFEI DAY will take place on **Friday, October 17th**, and **Saturday, October 18th**, in Taipei. The ExCom Meeting and Annual Board Meeting will be held as part of this program in a hybrid format. Detailed information will be shared as it becomes available. Please make arrangements to attend either physically or virtually.

Tsutomu Mannari (TMA)
Chairman of IAFEI

(Total 13 pages)

Upcoming Events

Date	Time	Event
April 2025	T.B.N.	<p>GLOBAL CFO Round e-Table GEOPOLITICS AND LAW – Critical Issues for CFOs</p> <p><u>Speakers:</u></p> <p>Piergiorgio Valente, Chair Overall Technical Committee IAFEI Andrea Borroni, Prof. Comparative Law, Member of 3H Association Guido Perboli, Prof. of Decision Making and Artificial Intelligence, Member of 3H Association (to be confirmed) Fabio Zambardino, Prof. of Private Law and Integration Processes, Member of 3H Association et al.</p>
May 7, 2025 (Wednesday)	3 p.m. Vietnam 4 p.m. Philippines, China, Chinese Taipei 5 p.m. Japan 10 a.m. CET	<p>Technical Webinar</p> <p><u>Speakers:</u></p> <p>Wilson Tan, Head of Financial Reporting Working Group, IAFEI Technical Committee Roel E. Lucas, Partner Assurance, SyCip Gorres Velayo & Co.</p>
May 2025	T.B.N.	<p>GLOBAL CFO Round e-Table GLOBAL TAX CONTROVERSIES – Critical Issues for CFOs.</p> <p><u>Speakers (to be confirmed):</u></p> <p>Piergiorgio Valente, Chair Overall Technical Committee IAFEI Steeff Huibregtse, Chief Executive Officer Transfer Pricing Associates BV Stella Raventos-Calvo, Tax Lawyer, Former Chair of Fiscal Committee at CFE Tax Advisers Europe Federico Baridon, Associate VAT Partner, Crowe Valente</p>
June 2025	T.B.N.	<p>Special Webinar & Presentation IAFEI Day 2025 in Chinese Taiwan: A Road Map</p> <p><u>Speakers:</u></p> <p>Jennifer Wang, Area President for Asia IAFEI David Chou</p>

July 2025	T.B.N.	GLOBAL CFO Round e-Table INTERNATIONAL POLICY CHALLENGES – Critical Issues for CFOs. <u>Speakers (to be confirmed):</u> Piergiorgio Valente , Chair Overall Technical Committee IAFEI Aleksandar Ivanovski , Director of CFE Tax Advisers Europe Stella Raventos-Calvo , Tax Lawyer, Former President AEDAF Federico Baridon , Associate VAT Partner, Crowe Valente
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You are welcome to visit our **official website** www.iafei.org

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■ 01 **BUSINESSEUROPE** | Press Release | April 3, 2025 **Reciprocal US tariffs undermine the Transatlantic economy**

Reacting to the US announcement of so-called “reciprocal tariffs”, BusinessEurope Director General Markus J. Beyrer said: “The US decision to impose an additional 20% tariff on EU products will harm businesses and consumers on both sides of the Atlantic. The Transatlantic economy is the largest and most important in the world. These tariffs will increase costs and harm the relationship ... (... ...)

[View the Complete Press Release >>>](#)

(↑ Contributed by NTA)

■ 02 **OECD** | Education and Skills Newsletter | March 2025 **Technical Papers : Survey of Adult Skills 2023 Data Analysis Manual**

The 2023 Survey of Adult Skills, a product of the OECD Programme for the International Assessment of Adult Competencies (PIAAC), provides a comprehensive overview of adults' literacy, numeracy, and adaptive problem-solving skills – skills that are fundamental for personal, economic, and societal development. These key information-processing skills provide the foundation for access to employment, higher wages and continuous learning, while enabling individuals to navigate the complexities of their personal and civic lives.

The Survey of Adult Skills 2023 Data Analysis Manual constitutes a resource for researchers interested in working with data from the Survey of Adult Skills. It describes the content and the availability of PIAAC datasets, provides guidance on the methodological aspects of the survey that must be taken into account in the analysis, and presents the available statistical softwares and tools that researchers can use.

This Data Analysis Manual is a companion volume to Do adults have the skills they need to thrive in a changing world? Survey of Adult Skills 2023, which reports initial results from the 31 countries and economies that participated in the latest edition of the Survey of Adult Skills and collected data in 2022/23. (... ...)

[View the Abstract in Browser + Download PDF >>>](#)

(↑ Contributed by CLM)

■ 03 **BUSINESSEUROPE** | Headlines | January 30, 2025 **Unlocking the full potential of AI in the workplace**

How can the EU raise its game on artificial intelligence (AI)? How can AI make workplaces more productive and engaging? These were key questions discussed at our workshop on AI at Work and Algorithmic Management on 28 January. The event featured insights from Roxana Minzatu, European Commission Executive Vice-President for Social Rights and Skills, Quality Jobs and Preparedness and Mikael Vetterskog, CEO of Fårbo Mekaniska. (... ...)

[Read the Newsletter >>>](#)

(↑ Contributed by PGV)

■ 04 **EESC** European Economic and Social Committee | February 26-27, 2025 (reposted) **Opinion on "Strengthening the results orientation of post-2027 cohesion policy"**

At its 594th plenary session, held on 26-27 February 2025, the European Economic and Social Committee (EESC) adopted an exploratory opinion at the request of the Polish Presidency **on Strengthening the results orientation of post-2027 cohesion policy – challenges, risks and opportunities.**

The EESC stresses the need for a results oriented approach to ensure cohesion policy continues to deliver tangible benefits while reducing inequalities and promoting sustainable competitiveness.

(... ...)

[View in Browser >>>](#)

(↑ Contributed by PGV)

■ 05 **Bloomberg** | Opinion | April 4, 2025 **Money Stuff : The Tariffs Have Some Math** Matt Levine

Welp | I do not want to write about the tariffs, because there is a pretty overwhelming consensus that they are bad, and that consensus strikes me as correct, so what can I add? "Trump Tariffs Wipe Out \$2 Trillion From US Stock Market," reports Bloomberg. "Wall Street analysts anguish over 'Liberation Day,'" reports FT Alphaville. "You Can NOT Be Serious!," writes my Bloomberg Opinion colleague John Authers.

Perhaps there is something interesting about the "reciprocal" tariff formula, which notionally tariffs countries based on the "unfair tariff disparities and non-tariff barriers" that they impose on US goods, but which actually tariffs countries based on their trade surplus with the US. Bloomberg's Josh Wingrove reports:

In a statement published Wednesday night to explain its methodology for tariffs that rocked the globe, the United States Trade Representative detailed a formula that divides a country's trade surplus with the US by its total exports, based on data from the US Census Bureau for 2024. And then that number was divided by two, producing the "discounted" rate. China, for instance, had a trade surplus of \$295 billion with the US last year on total exports of \$438 billion — a ratio of 68%. Divided by two according to Trump's formula, that yielded a tariff rate of 34%. (... ...)

[Read the Article >>>](#)

(↑ Contributed by CLM)

06 **BUSINESSatOECD** | Update | January 2025 What OECD Business Is Talking About

- USCIB : [USCIB Leads Coalition in Urging Biden Administration to Preserve Investor Safeguards in Trade Agreements](#)
- BDO (The Voice of German Industry): [2025 Bundestag Election: A New Agenda for Growth](#)
- Keidanren (Japan Business Federation): [Meeting with Finnish Prime Minister Olpo and his delegation](#)
- COPARMEX : [1st Message from Juan José Sierra Álvarez, National President of Coparmex](#)
- CPC : [CPC Announces Consensus Duo For 2025-2026 Period](#)
- ek (Confederation of Finnish Industries) : [The difficult economic situation is reflected in the number of summer jobs](#)
- VBO FEB : [Pierre Wunsch, Governor of the National Bank of Belgium, invited to the FEB](#)

[View the Complete Update >>>](#)

(↑ Contributed by PGV)

07 **OECD** | Newsletter | April 2, 2025 R&D spending growth slows in OECD, surges in China

Research and experimental development (R&D) expenditure in the OECD area grew by 2.4% in inflation-adjusted terms in 2023, down from 3.6% in 2022, according to the newly updated OECD Main Science and Technology Indicators. At 8.7%, growth in R&D expenditure in China continued to surpass that of the OECD area, the United States (1.7%) and the European Union (1.6%) in 2023. (... ...)

[Read More and Explore the Data >>>](#)

(↑ Contributed by CLM)

08 **OECD** | Newsletter | April 2, 2025 Income-based tax incentives for R&D and innovation (IBTIs)

In 2023 over half of OECD countries offered income-based tax incentives for R&D and innovation, which reduce the tax burden on the income that firms generate from their innovation activities. Our blog draws on the latest OECD evidence in this area to highlight the key categories of IBTIs and their use. (... ...)

[Read the Blog >>>](#)

(↑ Contributed by CLM)

■ 09 **WORLD BANK GROUP** | Press Release | March 24, 2025 **Foreign Direct Investment Relocations and Political Risk.**

Overlapping global crises have impacted foreign direct investment flows. Our World Bank expert unpacks what these changes mean for investors and the developing world.

Kosovo Becomes a Donor to the International Development Association of the World Bank

SPRISTINA, March 24, 2025—The Republic of Kosovo has become an official donor to the World Bank's International Development Association (IDA) with a paid-in contribution of \$1.4 million. IDA is the World Bank's fund for 78 low-income countries. Projects funded by IDA boost economic growth, build resilience and improve people's lives across the countries it supports. Kosovo's commitment comes as multiple crises take a disproportionate toll on low-income countries. Kosovo is also among the 78 countries that borrow from IDA, but the country has experienced steady economic progress since independence, with a nearly 50% increase in per-capita income and a 35% reduction in the poverty rate. The most recent IDA projects in Kosovo will support investments that facilitate trade and more efficient transport and support financial stability and inclusion. (... ...)

[Read the Press Release >>>](#)

(↑ Contributed by CLM)



Headlines

30 January 2025

Unlocking the full potential of AI in the workplace

How can the EU raise its game on artificial intelligence (AI)? How can AI make workplaces more productive and engaging? These were key questions discussed at our workshop on AI at Work and Algorithmic Management on 28 January. The event featured insights from Roxana Minzatu, European Commission Executive Vice-President for Social Rights and Skills, Quality Jobs and Preparedness and Mikael Vetterskog, CEO of Fårbo Mekaniska.



Minzatu highlighted that algorithms in the workplace can boost efficiency but also raise risks, be subject to bias, lack transparency, or undermine workers' trust. Therefore, "we must ensure AI is ethical and human-centric, especially when AI is used to manage people", she said. Our Director General, Markus J. Beyrer, spoke about the transformative potential of AI: "AI can boost competitiveness, productivity, innovation, scientific progress, the green transition, and improvements in working conditions". He emphasised that these benefits are especially critical as Europe faces structural labour and skills shortages caused by an ageing population, and stressed the need for investment and legal certainty to unlock AI's full potential.

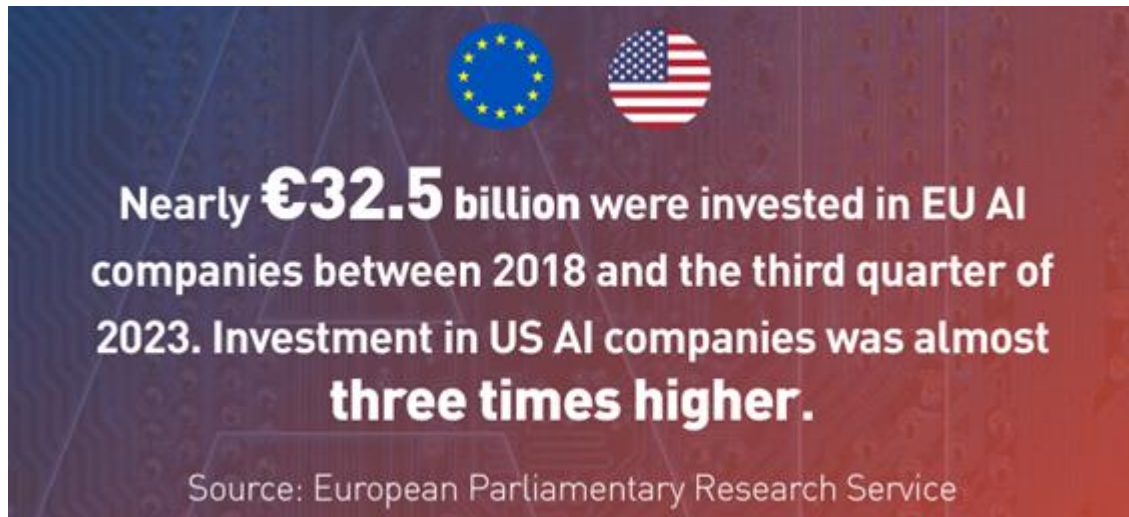
"We need better public-private partnerships, a better ecosystem to support innovation and entrepreneurship, and training and education to ensure we have the right skills," he stated. Mikael Vetterskog, CEO of Fårbo Mekaniska, shared his company's experience with AI, showcasing how implementing it in areas such as production processes, administration, and certification led to increased productivity and greater job satisfaction for workers at his company. The workshop continued with a World Café, where other industry experts shared best-practices of successful AI implementation in their respective companies.

How to reinvigorate EU competitiveness: Exchanges with EVP Séjourné and Commissioner Roswall



On 28 January our President Fredrik Persson and Director General Markus J. Beyrer met with European Commission Executive Vice-President Stéphane Séjourné to discuss the most pressing challenges European companies face. They stressed that the Clean Industrial Deal and the Omnibus proposal must deliver tangible improvements - reducing regulatory burdens, closing the energy cost gap, accelerating permitting procedures, facilitating investments, and fostering innovation. Yesterday, President Persson also met with Jessika Roswall, European Commissioner for Environment, Water Resilience, and a Competitive Circular Economy, to exchange views. He emphasised that reducing the regulatory burden, without calling the green transition into question, improving market conditions for secondary raw materials and a competitive water resilience strategy will be key ingredients for success.

Did you know?



Quote of the week

"BusinessEurope, the pan-European employers' association, called for urgency in delivering 'meaningful changes for companies in their daily operations'."

BusinessEurope [press release](#) quoted in [The Guardian](#) today following the publication of the EU Competitiveness Compass by the European Commission.



BusinessEurope's input on Carbon Border Adjustment Mechanism (CBAM) simplification

27 January

Read our [position paper](#).

Upcoming events

4 February

[The EU|UK Forum Annual Conference 2025](#)

12 February

[EU-Japan Business Round Table](#) (DG

Markus J. Beyrer participates)

6-7 March

[European Energy Efficiency Conference 2025](#)

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(Reposted from: [BUSINESSEUROPE Headlines, January 30, 2025](#))

Bloomberg Opinion

Money Stuff



Matt Levine

Welp

I do not want to write about the tariffs, because there is a pretty overwhelming consensus that they are bad, and that consensus strikes me as correct, so what can I add? “Trump Tariffs Wipe Out \$2 Trillion From US Stock Market,” [reports Bloomberg](#). “Wall Street analysts anguish over ‘Liberation Day,’” reports [FT Alphaville](#). “You Can NOT Be Serious!,” writes my Bloomberg Opinion colleague [John Authers](#).

Perhaps there is something interesting about the “reciprocal” tariff formula, which notionally tariffs countries [based on](#) the “unfair tariff disparities and non-tariff barriers” that they impose on US goods, but which *actually* tariffs countries based on their trade surplus with the US. Bloomberg’s [Josh Wingrove reports](#):

In a statement published Wednesday night to explain its methodology for tariffs that rocked the globe, the United States Trade Representative detailed a formula that divides a country’s trade surplus with the US by its total exports, based on data from the US Census Bureau for 2024. And then that number was divided by two, producing the “discounted” rate.

China, for instance, had a trade surplus of \$295 billion with the US last year on total exports of \$438 billion — a ratio of 68%. Divided by two according to Trump’s formula, that yielded a tariff rate of 34%.

Two related points here. [11] One is the quite *explicit* assumption — from [the USTR statement](#) — “that persistent trade deficits are due to a combination of tariff and non-tariff factors that prevent trade from balancing.” That is, if a country exports more goods to the US than it imports from the US, that is *necessarily* unfair, and if you can’t find a tariff that explains the disparity, you can simply assume a secret mystery tariff:

While individually computing the trade deficit effects of tens of thousands of tariff, regulatory, tax and other policies in each country is complex, if not impossible, their combined effects can be proxied by computing the tariff level consistent with driving bilateral trade deficits to zero. If trade deficits are persistent because of tariff and non-tariff policies and fundamentals, then the tariff rate consistent with offsetting these policies and fundamentals is reciprocal and fair.

I guess the word “fundamentals” appears there: A country could export more goods to the US than it imports from the US for fundamental reasons, not *just* tariffs and non-tariff protectionist policies. But “offsetting the fundamentals” is also “reciprocal and fair.” So for instance you could crudely characterize a portion of the trade between Vietnam and the US as (1) Vietnamese wages are lower than US wages, so Vietnamese people make sneakers and t-shirts that they sell to the US cheaply for dollars and (2) the

US financial system is big, so Vietnamese people invest those dollars in US financial assets. We are good at making financial assets, they are good at making low-cost clothing, so we trade. To Trump *this is necessarily unfair* and we must stop it. My Bloomberg colleague [Joe Weisenthal writes](#):

Now we're slapping massive tariffs on them, but the question is ... to what end? Do we think there are hundreds of thousands of people in the US eager to work in sneaker and t-shirt factories at the wages that sneaker and t-shirt factories pay? Are there people eager to work in sneaker factories even at 'good' wages? Do we think that the US has the level of robotic capability to replace these factories without having to hire a lot of workers? And if not, what is the administration trying to accomplish?

Now my biases are obvious: I am a financial columnist because I find finance delightful, and a world in which the US gives people finance and gets back inexpensive goods strikes me as good for the US. We give them entries in computer databases, they give us back food and clothing: That is a magical deal for us! Clearly people disagree, and I suppose some of that disagreement is plausible, but I also think that Weisenthal is right about the sneaker factories.

The second point I would make here is that, if you read the USTR statement, it actually prints a formula. Bloomberg reports that it is "a formula that divides a country's trade surplus with the US by its total exports." The country's surplus is its exports minus its imports, so the formula can be rewritten "Tariff = (exports to US - imports from US) divided by (exports to US)," or in symbols:

$$\tau = \frac{m - x}{m}$$

Where tau is the "correct" tariff rate, m is US imports from the country (its exports to the US) and x is US exports to the country (its imports from the US). And then you "discount" the correct rate by 50% to get the Trump tariffs.

The USTR does not print that formula. It [prints this one](#):

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \varphi * m_i}$$

Source: Office of the United States Trade Representative

Don't worry about the delta in front of the tau, or the subscript *i*'s; those are just decoration. [2] More substantively, the USTR has added an epsilon and a phi to the denominator of the equation. What do those parameters represent? Well, epsilon represents "negative 4," and phi represents "0.25." If you multiply them together you get negative 1. So it's the same equation as I wrote — surplus divided by exports — but with some extra Greek letters. [3]

Why did the USTR write a minus sign as "epsilon times phi"? Well, there is an explanation. Epsilon is "the elasticity of imports with respect to import price," phi is "the passthrough from tariffs to import price," and they happen to exactly offset: A 1% increase in tariffs increases import prices by 0.25%, which reduces import demand by 1%. So a tariff equal (in percentage terms) to the country's trade surplus with the US will exactly eliminate that surplus. The USTR cites some studies *not* finding those results, [4] and then makes up numbers for convenient arithmetic. But exactly eliminating the country's trade surplus (the US trade deficit) is the stated goal. The [Financial Times reports](#):

Oleksandr Shepotylo, an econometrician at Aston University, Birmingham, which recently modelled the effects of a global trade war, said the use of economic formulas merely gave the USTR document "a sense of being linked to economic theory", but it was in fact divorced from the reality of trade economics. "The formula . . . gives you a level of tariff that would reduce [the] bilateral trade deficit to zero. This is an insane objective. There is no economic reason to have balanced trade with all countries," he said. "So in this sense, this policy is very unorthodox and cannot be defended at all."

Well, yes. I just like that they made up the numbers to get an exact negative 1. Again, I am a financial columnist, and I have a patriotic appreciation for the US's export industry of finance, and two of that industry's most popular products are:

1. Sprinkling some Greek letters on your work to add visual interest, and
2. Making up parameters to solve for the result you want.

Even in this tariff announcement, you see the US leaning into its comparative advantage.

(Reposted from: [Bloomberg Opinion, April 4, 2025](#))