

Call for Evidence on Simplifying EU rules on direct taxation – omnibus

Brussels, 30 March 2026

P8719

Identification number
EC register 4817795559-48

Introduction

Pearle*-Live Performance Europe, representing over 13,000 organisations and companies in the music, performing arts, and live events sectors, welcomes the Commission's objective of simplifying and clarifying EU tax rules to reduce administrative burdens and improve the business environment in Europe.

For the live performance sector, tax complexity is not merely a technical compliance issue. In practice, it creates real obstacles to cross-border cultural activity within the internal market. The sector is largely made up of SMEs, non-profit organisations, publicly supported institutions, and highly mobile workers operating on a project basis. These actors often face legal uncertainty, administrative burdens and cashflow pressures that are disproportionate to the nature and scale of their activities.

Comments

At the outset, Pearle* notes that the current Omnibus initiative is framed around a defined set of EU direct tax instruments. While we support simplification in this field, it is important to stress that the simplification agenda should not overlook the practical cross-border tax obstacles faced by operators in sectors such as live performance.

Although the instruments covered by this initiative mainly concern corporate taxation, they are also part of a broader effort to reduce administrative burdens, improve legal clarity and address double taxation in the internal market. In that respect, they are relevant to the live performance sector. The corporate tax directives aim to eliminate double taxation in certain cross-border situations, such as dividend or royalty payments. This shows the EU's broader commitment to preventing double taxation. In the live performance sector, however, double taxation of artists' income remains a regular problem in practice.

Likewise, the Anti-Tax Avoidance Directive rightly aims to address abusive tax behaviour. In parallel, Article 17 of the OECD Model Tax Convention, which specifically concerns artistes and sportspersons, was originally developed to respond to tax avoidance concerns, including situations involving residence in tax havens. In practice, however, its effects go much further and impact more than 90% of the live performance sector. While the EU has no general competence over income taxation, the reality of cross-border artist taxation can create obstacles to the free movement of workers and services, as well as concerns regarding equal treatment across the EU.

Finally, Pearle* considers that the principles underlying Council Directive (EU) 2017/1852 on tax dispute resolution mechanisms, notably the need for effective remedies in cross-border

tax disputes, are also relevant in this context. For many operators in the live performance sector, the core problem is not the absence of rules, but the fact that existing procedures are often too fragmented, slow or complex to provide effective relief in practice.

Therefore, Pearle* recommends that the Commission:

- 1) Ensure that tax simplification addresses practical double taxation and withholding tax challenges, affecting cross-border cultural activity, including where dispute-resolution mechanisms are not workable in practice for smaller operators.**

In the live performance sector, the most significant tax barriers arise in the cross-border taxation of performances and artistic services. In practice, withholding tax regimes applicable to non-resident artists and related documentation requirements often create excessive compliance costs, long delays to obtain tax credit, and a real risk of double taxation.

Although these issues are often rooted in bilateral tax treaty practice, including the special allocation rule in **Article 17 of the OECD Model Tax Convention**, they are directly relevant to the objectives of this initiative aiming to simplify and reduce administrative burdens in the EU with 35% for SMEs, because they illustrate where cross-border taxation remains burdensome, fragmented and difficult to administer in practice.

We encourage the Commission to use the Omnibus exercise and the broader tax simplification agenda to identify how EU law and EU-level coordination can better prevent lawful cross-border activity from being caught in unnecessary layers of tax compliance. The objective of eliminating double taxation is already embedded in parts of the EU direct-tax framework, and the same practical logic should inform simplification for highly mobile sectors.

- 2) Promote standardised, digitalised and proportionate administrative procedures across Member States for proving tax residence, obtaining exemptions, and claiming relief or credit from tax withheld abroad.**

In our sector, as a recently published report among Pearle* members reveals, organisations need to analyse bilateral tax rules on a case-by-case basis for each cultural engagement, obtain tax residence certificates repeatedly, verify country-specific exemption conditions, submit tax credit claims and wait many months for exemption certificates or refunds. This is resource-intensive for all operators, but especially disproportionate for SMEs, non-profit organisations and publicly funded cultural bodies, affecting respectively the artists themselves.

Pearle* recommends that the Commission promote common administrative templates and more interoperable procedures across Member States, including standard forms to prove fiscal residence, claim relief at source, request foreign tax credit documentation, and obtain withholding tax certificates. Simplification should not be limited to substantive tax rules; it should also address the **procedural architecture through which those rules are applied**. This would be consistent with the broader purpose of the initiative, which is to reduce administrative costs and burdensome procedures without undermining legitimate policy objectives.

- 3) Introduce or encourage more proportionate treatment for short-term and small-scale cross-border cultural activity, including simplified procedures or *de minimis* thresholds for temporary performances and touring.**

The live performance sector is characterised by short engagements, temporary mobility, and frequent cross-border cooperation involving relatively small margins for each of the cross-border cultural services. Yet the tax compliance burden is often the same regardless of the scale or duration of the activity. Organisations report that a single concert, festival appearance or short tour can trigger extensive withholding tax analysis, residency documentation, adviser costs and lengthy post-performance recovery procedures. They are, overall, considered disproportionate and discouraged by the high administrative burden. As a result, organisations and small cultural operators will sometimes renounce claiming tax credit and accept the impact of double withholding tax.

Pearle* calls on the Commission to examine how simplification measures could support a more proportionate approach to temporary and low-value cross-border activity, especially where workers are employees, and the engagement is clearly short-term in nature.

4) Make tax dispute resolution genuinely accessible in practice for smaller taxpayers and not only for large multinational groups.

Council Directive (EU) 2017/1852 aims to provide an effective and efficient framework for resolving tax disputes in the Union and explicitly concerns disputes involving double taxation. For the live performance sector, this objective is highly relevant. In theory, solutions may exist; in practice, however, smaller operators often cannot use them because the amounts at stake in individual cases are too small to justify complex, lengthy and adviser-heavy procedures, even though the cumulative impact on cross-border activity is substantial.

Pearle* therefore encourages the Commission to examine whether existing dispute-resolution mechanisms are sufficiently accessible, timely and comprehensible for SMEs, non-profit bodies and public-interest cultural organisations. A framework that is formally available but practically unusable does not deliver effective simplification.

5) Complement legislative simplification with targeted guidance and clearer interpretation for cross-border cultural activity.

A recurrent challenge in the cultural sector is that uncertainty does not stem only from the complexity of the legal texts themselves, but also from inconsistent interpretation and limited expertise at the administrative level. Different advisers, promoters and tax authorities often provide different answers to the same question, particularly on the application of withholding tax rules, expense deductions, proof requirements and invoicing treatment.

Hence, Pearle* recommends that simplification be accompanied by practical guidance tailored to sectors with frequent short-term cross-border activity, including clearer contact points in national administrations. This would directly support the Commission's stated objective of reducing burdens arising from lack of clarity and divergent interpretation.

6) As part of the wider EU tax simplification agenda, address VAT and invoicing difficulties affecting cultural operators.

Besides the above, Pearle* also wishes to underline that VAT remains a major source of confusion and disproportionate burden in the live performance sector, particularly regarding reverse charge, invoicing of cross-border services, and the treatment of non-commercial cultural organisations. Council Directive 2006/112/EC already provides the broader legal framework for VAT, including rules on exemptions and reduced rates, but the sector continues to report legal uncertainty and inconsistent interpretation in practice.

In this context, Pearle* calls on the Commission to, in parallel with the present initiative, provide more tailored guidance on the VAT treatment of cross-border cultural services and to consider how cultural operators, especially public and non-profit bodies, can be given clearer and more workable options within the existing VAT framework.

Conclusion

In conclusion, Pearle* supports measures that make cross-border taxation clearer, faster and easier to manage. This includes common EU forms for fiscal residence, exemption claims and foreign tax credits, more standardised withholding tax certificates, simpler procedures for short-term cross-border cultural activity, accessible dispute-resolution mechanisms, and tailored guidance on cross-border taxation and VAT for the cultural and live performance sectors.

For the live performance sector, the main challenge is the tax burden created by fragmented, slow and uncertain procedures around cross-border work. Simplification should therefore consider how organisations can comply with the rules in practice without disproportionate cost, delay or double taxation.

Pearle* believes this initiative should lead to a tax framework that is more workable for highly mobile sectors such as live performance and better supports cross-border cultural activity within the internal market.