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**COMMUNICATION FROM THE COMMISSION  
TO THE EUROPEAN PARLIAMENT**

**pursuant to Article 294(6) of the Treaty on the Functioning of the European Union**

**concerning the**

**position of the Council on the adoption of a Regulation establishing the 'Fiscalis'  
programme for cooperation in the field of taxation**

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**1. BACKGROUND**

Date of transmission of the proposal to the European Parliament and 8 June 2018  
to the Council  
(document COM(2018) 443 final – 2018/0233 COD):

Date of the opinion of the European Economic and Social 17 October 2018  
Committee:

Date of the position of the European Parliament, first reading: 17 April 2019

Date of transmission of the amended proposal: N/A

Date of adoption of the position of the Council: 10 May 2021

**2. OBJECTIVE OF THE PROPOSAL FROM THE COMMISSION**

On 8 June 2018, the Commission adopted a proposal for a Regulation of the European Parliament and of the Council establishing the 'Fiscalis' programme for cooperation in the field of taxation. The proposed programme continues the Fiscalis 2020 programme and its predecessors, which contributed significantly to facilitating and enhancing cooperation between tax authorities within the Union. The new programme will continue to support national tax authorities and improve the implementation of tax policy, including administrative cooperation.

The EU objectives of fighting against tax fraud, tax evasion and tax avoidance, improving tax fairness and transparency as well as supporting the functioning of the internal market and competitiveness cannot be achieved by the Member States alone.

In this regard, common rules, coordination and cooperation between Member States' tax authorities are fundamental in order to achieve these objectives and face all related challenges. Such a high degree of cooperation and coordination can only be achieved with a centralised approach, ideally at Union level.

The Commission proposal aims to support tax policy and tax authorities in increasing tax transparency and enhancing administrative cooperation, inter alia, through exchange of relevant tax information, by providing means and financial support for administrative and information technology (IT) capacity building activities as well as operational cooperation.

The programme will concentrate the EU intervention on setting up efficient mechanisms (and the indispensable IT tools) for administrative cooperation, aiming at providing national tax authorities with effective tools to fight against tax fraud, tax evasion and tax avoidance.

Within the framework of the administrative cooperation, the relevant European electronic systems, which enable Member States' tax authorities to exchange information, are important features. The Fiscalis programme will provide Member States with financial and technical support for those electronic systems, in the framework of administrative cooperation in the taxation area in the European Union.

In this regard, the Commission and the Member States will ensure that the European electronic systems referred to in Chapter IV of the proposal are adequately developed and operated. They will regularly coordinate their respective interventions and agree on all aspects necessary to ensure the operability, interconnectivity and continuous improvement of the European electronic systems.

A major part of the proposed budget will be dedicated to IT capacity building activities, although the proposed programme includes meetings and similar ad-hoc events, project-based structured collaboration and human competency and capacity building actions, in which Member States and their officials may participate on a voluntary basis. The overall aim of those actions is to enhance administrative cooperation and improve the administrative capacity of Member States in the area of taxation.

### **3. COMMENTS ON THE POSITION OF THE COUNCIL**

The position of the Council as adopted in the first reading fully reflects the agreement reached between the co-legislators on 26 March 2021 (as confirmed on 30 March 2021). The main points of this agreement include the following:

- The duration of the programme is from 1 January 2021 until 31 December 2027.
- The general objectives of the programme are: supporting tax authorities and taxation to enhance the functioning of the internal market; fostering Union competitiveness and fair competition in the Union; protecting the financial and economic interests of the Union and its Member States, including protecting those interests from tax fraud, tax evasion and tax avoidance; and improving tax collection. The specific objectives of the programme are: supporting tax policy and the implementation of Union law relating to taxation; fostering cooperation between tax authorities, including exchange of tax information; and supporting administrative capacity building, including human competency and the development and operation of the European electronic systems.
- The financial envelope for the implementation of the Programme is EUR 269 000 000 in current prices.
- The adoption of the work programmes by implementing acts and a shift from annual to multiannual work programmes, each covering no more than 3 years.
- The importance to exploit possible synergies with other Union measures in related fields, such as the Customs Programme, the Union Anti-Fraud Programme, the Single Market Programme, the Recovery and Resilience Facility and the Technical Support Instrument.
- The acknowledgement that the interim and final evaluations should address the remaining obstacles to the achievement of the objectives of the programme and

make suggestions for best practices. As part of the performance reporting system, annual progress reports should be issued to monitor the progress made and include a summary of the lessons learnt and, where appropriate, of the obstacles encountered.

- The Commission is expected to organise regular seminars of tax administrations with representatives of beneficiary Member States to discuss issues and suggest potential improvements related to the objectives of the Programme, including the exchange of information between tax administrations.
- The clarification that representatives of governmental authorities from third countries not associated to the programme which may be invited as external experts in actions organised under the programme may include representatives from least developed countries.
- A non-exhaustive list of priority topics to be addressed by specific actions (Annex III).
- Retroactive application of the programme as of 1 January 2021.
- The entry into force of the Regulation on the day of its publication and its application from 1 January 2021.

The Council agreed to make a statement on transparency and on annual exchanges of views with the European Parliament and the Commission on the lessons learnt from the Fiscalis programme.

The Commission supports the agreement reached, which paves the way for a swift adoption of the new programme. The programme will continue to support Member States tax policy and tax authorities by providing means and financial coverage for administrative and information technology (IT) capacity building activities and operational cooperation.

#### **4. CONCLUSION**

The Commission accepts the position taken by the Council, which fully reflects the agreement reached by the co-legislators on 26 March 2021 (as confirmed on 30 March 2021).