

# Fiscalis 2013: Community programme to improve the operation of taxation systems in the internal market

2006/0076(COD) - 20/06/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the resolution drafted by Hans-Peter **MARTIN** (NI, AUST), and made some amendments to the proposal establishing a Community programme to improve the operation of taxation systems in the internal market (**Fiscalis 2013**).

The main amendments were as follows:

- a new part recital states that in the internal market, the effective, uniform and efficient application of Community law is essential for the functioning of taxation systems, in particular for the protection of national financial interests by combating tax evasion and tax avoidance, avoiding distortions of competition and reducing burdens on administrations and taxpayers. Achieving such an effective, uniform and efficient application of Community law is a matter for the Community, acting in partnership with the Member States;

- participation in activities such as multilateral inspections, seminars and project groups, working visits, training activities and other actions necessary for the achievement of the programme's objectives should be on a voluntary basis;

- a definition of 'multilateral control' was introduced: ' a co-ordinated control of the tax liability of one or more related taxable persons, organised by two or more participating countries including at least one Member State, and who have common or complementary interests';

- participating countries shall be represented by officials;

- the specific objectives of the Programme shall be: a) in respect of value added tax and excise duties : (as Commission proposal); b)in respect of taxes on income and on capital : to secure efficient and effective information exchange and administrative cooperation, including the sharing of good administrative practices; and to enable officials to achieve a high standard of understanding of Community law and of its implementation in Member States; c) in respect of taxes on insurance premiums to improve co-operation between administrations, ensuring better application of the existing rules; and in respect of candidate and potential candidate countries, to meet the special needs of those countries so that they take the necessary measures for accession in the field of tax legislation and administrative capacity;

- the work programme shall be based on a schedule of actions envisaged for the budgetary year concerned and the expected breakdown of the funds. The work programme shall be published on the Commission's website, and will contain indicators for the Programme objectives referred to in the legislation, which shall be used for the mid-term and final evaluations of the Programme ;

- Parliament wanted to see greater involvement from the Member States in the Communication and information exchange systems ;

- participating countries should choose from among the multilateral controls organised by them those whose costs are to be borne by the Community. After each such control an evaluation report shall be submitted to the Commission;

- visiting officials shall be bound by the same rules of professional secrecy and transparency as national officials;
- information resulting from programme activities shall be shared between participating countries and the Commission insofar as it contributes to the achievement of the programme's objectives;
- Parliament stated that the financial framework referred to in the legislative proposal must be consistent with the ceiling for Heading 1A of the new multiannual financial framework and points out that the annual amount will be laid down during the annual budgetary procedure, pursuant to the provisions of Point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the European Commission on budgetary discipline and sound financial management;
- the Community will bear, inter alia, the costs of other activities provided for in Article 1(2)(f), up to a maximum of 5% of the overall cost of the programme;
- the share of administrative expenditure shall, in general, not exceed 5 % of the overall cost of the Programme, including administrative expenditure attributed to the Commission;
- the provisions of Articles 108 to 120 of the Financial Regulation shall apply to all grants within the meaning of those articles which are awarded pursuant to this Decision. In particular, a prior written agreement within the meaning of Article 108 of the Financial Regulation and its detailed implementing rules shall be concluded with the beneficiaries, who shall state their agreement to an audit by the European Court of Auditors into the use made of the financing granted. Such audit may be performed without prior notice;
- the Commission shall submit the following reports: by 31 July 2011 at the latest, a mid-term evaluation report and a communication on the desirability of continuing the Programme, accompanied, where appropriate, by a proposal; and by 31 July 2014 at the latest, the final evaluation report.