

Action programme for taxation (Fiscalis 2020), 2014-2020

2011/0341B(COD) - 09/11/2011 - Initial legislative proposal

PURPOSE: to establish an action programme for customs and taxation in the European Union for the period 2014-2020 (FISCUS).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: the multi-annual action programmes for customs and taxation which applied before 2014 have significantly contributed to facilitating and enhancing cooperation between customs and tax authorities respectively within the Union.

Given the synergies between the programmes applicable before 2014 and in line with the commitment of the Commission to reduce the number of programmes as laid down in "[A budget for Europe 2020](#)", **the customs and tax cooperation programmes should be replaced by one single programme.** The establishment of a single programme will permit more simplification and coherence while the possibility of setting up activities within the separate fields of customs and taxation is preserved.

IMPACT ASSESSMENT: a number of policy options have been analysed and compared in the impact assessment for each of the current programmes.

Common policy options:

- (1) Baseline: continuing the programmes with their current objectives and design.
- (2) No continuation of the programme: both programmes would be discontinued.

Specific policy options for the Customs area.

- (3) Increased support to EU legal obligations such as the Modernised Customs Code (MCC).
- (4) Increased support to EU legal obligations and financial support for technical capacity building.
- (5) Increased support to EU legal obligations with a maximised shared IT environment.

Specific policy options for the taxation area:

- (6) Upgrade the baseline.
- (7) Upgrade and cater for new policies.

The impact assessments lead to the following recommendation:

- **for Customs, Option 3, the "Increased support to EU legal obligations such as the Modernised Customs Code (MCC)" option is the preferred option.** This policy option covers the deployment of new IT systems as defined in EU customs legislation, gradually introducing a shared development model for the IT systems and modernising the underlying governance, architecture and technology.

- **for taxation, Option 6, the "Upgrade the baseline" option is the preferred one.** Compared to the present programme, this option puts additional focus on the fight against tax fraud, avoidance and evasion, addressing the high administrative burden for taxpayers and tax administrations and envisages cooperation with third countries and third parties. This policy option requires only a marginally higher budget compared to the present Fiscalis programme.

LEGAL BASIS: Articles 33 and 114 of the Treaty on the Functioning of the European Union.

CONTENT: the proposed programme will support the **cooperation between the customs and tax authorities** and other parties concerned. It is the successor programme of both the [Customs 2013](#) and [Fiscalis 2013](#) programmes which end on 31 December 2013.

The proposed FISCUS Programme will support: (i) customs and tax cooperation in the Union clustered around human networking and competency building; and (ii) IT capacity building.

The **first cluster** allows for the exchange of good practices and operational knowledge amongst the Member States and other countries participating in the programme. The **second cluster** enables the programme to fund cutting-edge IT infrastructure and systems that allow customs and tax administrations in the Union to evolve to fully-fledged e-administrations.

Scope: for customs related aspects, the scope of the programme is specifically oriented towards the functioning of the EU Customs Union. For the taxation related aspects, the programme has been brought in line with recent Union tax legislation meaning that it will not only cover VAT, excised duties and taxes on income and capital but also other taxes which are subject of EU tax legislation.

Participation: the FISCUS Programme will be open for participation to the Member States, candidate countries and potential candidates. Countries of the European Neighbourhood Policy will also have the option of taking part in the Programme under certain conditions. Lastly, 'external experts' might also participate in specific actions (e.g. representatives of other authorities, trade, national and international organisations, and possibly other experts).

Specific objectives: in order to provide an adequate answer to the future challenges in the customs and tax area in the Union, the following specific objectives have been defined for the programme:

- to support the preparation, coherent application and effective implementation of Union law in the fields of customs and taxation;
- to contribute to the efficient functioning of customs and tax authorities by improving their administrative capacity and reducing the administrative burden;
- to prevent fraud and tax evasion and to enhance competitiveness, safety and security by enhancing cooperation with international organisations, other governmental authorities, third countries, economic operators and their organisations;
- to strengthen the competitiveness of European businesses through the facilitation of trade and the reduction of compliance costs;
- to protect the financial and economic interests of the European Union and its Member States through the fight against fraud and tax evasion;
- (for the Customs Sector) to support customs in protecting citizens and the economy in terms of safety and security, and in protecting the environment.

New joint action tools: steering groups (only new for taxation) will perform activities of a coordinating nature and be usually composed of all interested Participating Countries. **Expert teams** are structured forms of cooperation, pooling expertise and/or addressing specific operational activities. Lastly, **actions for public administration capacity building** will support customs and tax authorities that face particular difficulties, be it lacking knowledge, expertise, organisational or any other deficiencies.

As regards the European Information Systems, the new programme defines "**Union components**" as IT assets and services which concern some or all of the Member States and are owned or acquired by the Commission. These Union components are described in Annex 2 point 4 of the proposed act.

The "**national components**" are all components which are not "Union components". They are developed, installed and operated by Member States, and thus subject to the funding and responsibility of Member States.

BUDGETARY IMPLICATIONS: this Regulation on the FISCUS Programme contains a budgetary framework of **EUR 777 600 000** (in current prices) for the period of 2014-2020.