

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

2011/0341B(COD) - 29/08/2012 - Legislative proposal

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

**LEGISLATIVE ACT:** amended proposal for a Regulation of the European Parliament and of the Council.

**BACKGROUND:** on 29 June 2011, the Commission adopted a [proposal](#) for the next Multi-Annual Financial Framework for the period 2014-2020, proposing among other things, a new Fiscalis 2020 programme.

The **smooth functioning of taxation systems** in the internal market is dependent on effective and efficient processing of cross-border transactions by national tax administrations, the prevention of and fight against tax fraud and protection of tax revenues. This implies **exchange of large quantities of information between tax administrations**, but also tax administrations working more efficiently and at the same time reducing the administrative, economic and time burden for tax payers involved in cross-border activities. This can only be achieved on the basis of **cooperation between tax administrations** of the Member States and third parties.

Given the **increasing globalisation**, an efficient fight against fraud should equally have an international dimension. Therefore, the programme will also support the exchange of information with non-Member States in the realm of the international agreements concluded with the non-Member States concerned.

The proposed programme is the successor programme of the Fiscalis 2013 programme, which ends on 31 December 2013.

**IMPACT ASSESSMENT :** considering the overall policy context and problems ahead for customs in the next decade, a number of policy options has been analysed and compared:

- **Option 1:** baseline: continuing the programme with the current objectives and design.
- **Option 2:** no continuation of the programme.
- **Option 3:** upgrade the baseline: this option would encompass the baseline scenario tailoring the objectives to the future challenges. It puts additional focus on the fight against tax fraud, avoidance and evasion, working towards a more efficient tax administration, addressing the high administrative burden for taxpayers and tax administrations and considering the cooperation with third countries and third parties.
- **Option 4:** upgrade and cater for new policies: besides addressing the problems described under the Option 3 ", this policy option would offer the means to extend cooperation to new areas that may follow from policy evolution.

The impact assessment identified Option 3 "**Upgrade the baseline**" as the preferred option. It is in line with the proposal for a new budget for Europe 2020 and scores best on acceptability by Member States.

**LEGAL BASIS:** Articles 114, 197 and 212 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the draft Regulation proposes to establish a multi-annual action programme "Fiscalis 2020" covering the period **1 January 2014 to 31 December 2020**.

**Scope:** the proposed Fiscalis 2020 programme will support tax cooperation in the Union clustered around **human networking and competency building**, on the one hand, and **IT capacity building** on the other hand.

- 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 latter enables the programme to fund appropriate IT infrastructure and systems that allow tax administrations in the Union to evolve to fully-fledged e-administrations.

**The scope of the programme has been brought in line with recent Union tax legislation** meaning that it will not only cover VAT, excise duties and taxes on income and capital but also other taxes which are subject of Union tax legislation.

The programme will be open to participation by 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. External experts may also participate in specific actions (e.g. representatives of other authorities, trade, national and international organisations, and possibly other experts), if required to realise the programme objectives.

**Objectives:** these address the problems identified and challenges expected for tax policy and European authorities in the next decade. The specific objective of the programme shall be **to improve the operation of the taxation systems, in particular through cooperation between participating countries, their tax authorities, their officials and external experts**. The programme will have the following **priorities**:

- to support the preparation, coherent application and effective implementation of Union tax law;
- to fight against tax fraud, tax evasion and tax avoidance, in particular by enhancing effective and efficient administrative cooperation and exchange of information
- to contribute to the reduction of administrative burden on tax administrations and compliance costs for taxpayers
- to work towards efficient tax administration, in particular as regards tax compliance, and administrative capacity of tax administrations.
- to enhance a coherent application and implementation of Union tax policy;
- to enhance cooperation with international organisations, other governmental authorities, third countries, economic operators and their organisations with a view to fight against tax fraud, tax evasion and tax avoidance.

The main added value of the programme is generated by enhancing the capacity of Member States in fighting fraud and possibly raising revenue, while cutting costs in developing the tools for these purposes.

**BUDGETARY IMPLICATIONS:** the timing of the review of EU funding programmes is linked to the [proposal for a new Multiannual Financial Framework](#). In accordance with that proposal, this Regulation on the Fiscalis 2020 programme contains a budgetary framework of **EUR 234 370 000** (in current prices) for the period of 2014-2020.

The Fiscalis 2020 programme will be implemented by means of a direct central management mode and in a priority-based manner. Work programmes are established –together with the stakeholders- stipulating the priorities for a specific period.