

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

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The Commission presented its report on the final evaluation of the Fiscalis 2013 programme, the multiannual Community action programme to improve the operation of the taxation systems in the internal market.

The evaluation study was carried out by an external consultant (*Ramboll Management Consulting AS*), assisted in the process by the steering group composed of the relevant Commission staff and representatives of four participating countries. The evaluation covered the entire duration of the programme (years 2008-2013) and all types of activities.

The programme which ran for six years had an overall financial envelope of EUR 156.9 million. Almost 75% of the Fiscalis 2013 budget was allocated to the development and maintenance of **the trans-European IT systems**, spanning all EU Member States. The responsibilities were distributed across the national administrations and the European Commission.

Conclusions: the report concluded that Fiscalis 2013 made a contribution to better functioning of the internal market and undoubtedly **reduced and/or prevented fraud and tax evasion**. The key findings could be summarised as follows::

- the IT systems on VAT (**VIES**) supported national administrations in identifying fraud and became an essential part of the Member States' tax administrations' toolbox in conducting VAT risk analysis;
- **VIES-on-the-web** directly reduced lead-time for validation of the VAT numbers of their trading partners, reducing compliance costs by an estimated EUR 160 million on the side of national tax administrations and a similar amount for the economic operators;
- the Excise Movement and Control System (**EMCS**) made the fraudulent behaviour more difficult, risky and costly, thanks to the real time monitoring and instant verification of the authorised operators;
- **standard e-Forms** in the area of VAT and direct taxation helped the tax officials in calculating the correct tax liability;
- the **e-Forms** and **platforms for secured exchange** (CCN/CSI) streamlined, simplified and improved quality of the electronically exchanged information;
- the **joint actions** allowed the national administrations to share their expertise and experience;
- **EUROFISC** provided tax officials with an important channel to promote and facilitate multilateral and decentralised cooperation, permitting targeted and swift actions to combat specific types of fraud;

- **multilateral Controls** allowed Member States to identify additional tax due of an approximate value of EUR 3.26 billion and led, together with the provisions of **automatic exchange of information** under the Savings Directive, to the creation of a ‘compliance effect’ amongst taxpayers;
- the Member States would have not been able to individually develop and maintain more effective, efficient and inter-operable IT systems;
- Fiscalis 2013 programme allowed to **reduce the administrative costs and burdens**: i) through standardising exchange of information, ii) by providing platforms for secured exchange, and iii) by providing common IT systems.

Recommendations: on the basis of gathered evidence, the evaluators put forward several recommendations with the view to improving the programme’s operations:

- to raise awareness of (future) Fiscalis programmes, the objectives and the outputs;
- the programme should provide a description of the National Coordinator’s role and responsibilities, and participating countries should ensure that National Coordinators have sufficient support and resources to fulfil their role;
- the Commission should continue to: i) play an active role in facilitating collaboration on national IT applications between Member States; ii) develop central applications which can be used by all Member States; iii) explore further integration between taxation and customs procedures;
- Fiscalis should focus more on reducing burden on the taxpayers and increase programme activities targeting this objective.

The Commission will undertake a dedicated exercise to **address the recommendations and draw up an action plan for their implementation and follow-up**, taking into consideration their character, influence on the programme and possible timeline for their implementation (e.g. during the life of the programme or in the forthcoming legislative cycle).