



Council of the  
European Union

**Brussels, 10 July 2019  
(OR. en)**

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### **OUTCOME OF PROCEEDINGS**

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From: General Secretariat of the Council  
To: Code of Conduct Group (business taxation meeting)  
Subject: Code of Conduct Group (business taxation)  
- Work Programme under the Finnish Presidency

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Delegations will find attached the work programme under the Finnish Presidency as agreed by the Code of Conduct Group (business taxation) meeting of 10 July 2019.

**CODE OF CONDUCT GROUP (BUSINESS TAXATION):**

**WORK PROGRAMME UNDER THE FINNISH PRESIDENCY**

1. In its conclusions of 14 June 2019 (doc. 10340/19), the Council notably:
  - a. invited the Group to continue its work under its multiannual work package 2018 (doc. 10420/18);
  - b. endorsed the reorganization of the subgroup's mandates;
  - c. asked the Group to continue monitoring standstill and the implementation of the rollback;
  - d. invited the Group to continue its work on the elaboration of a draft guidance on notional interest deduction regimes for Member States that would wish to implement such a regime;
  - e. encouraged the Group to seek coherence with the OECD in respect of international tax good governance standards and listing criteria;
  - f. invited the Group to continue monitoring that jurisdictions fulfil their respective commitments and comply with new EU listing criterion 3.2 in accordance with the agreed deadlines;
  - g. invited the Group to resume discussions on further coordinated defensive measures in the tax area against non-cooperative jurisdictions, without prejudice to Member States' obligations under EU and international law;
  - h. invited the Group to report back to the Council on its work during the Finnish Presidency.
  
2. Against this background, this note sets out the proposed work programme under the Finnish Presidency of the Council (2nd semester of 2019).

## **I. Monitoring of standstill and the implementation of rollback**

3. The Group will assess Poland's notional interest deduction regime (PL011) and Investment Zone (PL013) regimes, whilst the standstill review of Malta's new patent box (MT015) and Romania's profit tax exemption for companies with innovation and R&D activities (RO008) will remain on hold until the relevant national legislation is adopted.
4. The Group will finalise its draft guidance on notional interest deduction regimes.
5. A new round of standstill and rollback notifications will be launched at the end of 2019.

## **II. Links with third countries**

6. The Group will continue monitoring the implementation of the commitments made by jurisdictions, notably those with an end of 2019 deadline, and standstill in respect of newly identified regimes in jurisdictions covered by the geographical scope.
7. The EU list of non-cooperative jurisdictions for tax purposes will be updated following the end of the general "two out of three" exception for transparency criteria
8. The Commission services will carry out before the end of 2019 an initial screening to establish how many similar Foreign Source Income Exemption regimes to those already identified fall within the scope of the EU listing process.

9. The Group will conclude the screening of Argentina, Mexico and Russia, on the basis of reports by the Commission services, and send out letters seeking commitment, if and where appropriate.
10. The Group will discuss the relevance of EU criteria for developing countries without a financial centre.
11. The Group will monitor the revision of the terms of reference of the OECD Global Forum and assess consequences for EU's future criterion 1.4 on exchange of beneficial ownership information.
12. Following bilateral discussions between the Chair and the FHTP Chair and Secretariat, the Group will attempt to reach a convergence between EU's criterion 2.2 and OECD FHTP's standard for no/only nominal tax jurisdictions.
13. The Chair will furthermore continue procedural/political dialogue with some jurisdictions, as necessary, and hold a coordination meeting with the Chairs and secretariats of the OECD Global Forum, Forum on harmful Tax Practices (FHTP) and Inclusive Framework on BEPS

### **III. Anti-abuse and defensive measures**

14. The Group will resume discussions on the draft guidance on further coordinated defensive measures in the tax area against listed jurisdictions.

#### **IV. Monitoring the implementation of agreed guidance**

15. In line with the COCG agreed priority list (doc. 6603/18), the Group will assess Member States' compliance with the 2013 Guidance on intermediate (financing, licensing) companies, on the basis of Member States' responses to a questionnaire.

#### **V. Organisation of work**

16. It is proposed that there should be four one-day meetings (on 10 July, 13 September, 24 October and 14 November 2019) to enable the Code of Conduct Group to provide a report before the end of this Presidency.
17. The Finnish Presidency of the Council is furthermore planning to organise four meetings of the two subgroups to make progress on items falling within its remit.