



Council of the  
European Union

**Brussels, 1 October 2024  
(OR. en)**

**13998/24**

**FISC 183  
ECOFIN 1080**

### **OUTCOME OF PROCEEDINGS**

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From: General Secretariat of the Council  
To: Code of Conduct Group (Business Taxation)  
Subject: Code of Conduct Group (Business Taxation)  
- Work Programme under the Hungarian Presidency

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Delegations will find attached the work programme under the Hungarian Presidency as agreed by the Code of Conduct Group (Business Taxation).

  

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

**WORK PROGRAMME UNDER THE HUNGARIAN PRESIDENCY**

1. The Ecofin Council on a number of occasions acknowledged the positive effect of the Code of Conduct and the work of the Group on reducing harmful tax practices and the decrease of preferential tax regimes both at the EU level and globally<sup>1</sup>. Most recently, in its conclusions of 21 June 2024<sup>2</sup> the Ecofin Council welcomed the progress achieved by the Code of Conduct Group during the Belgian Presidency, in particular with regard to the standstill and rollback notifications, the revision of the EU list of non-cooperative jurisdictions in February 2024 and the work on further strengthening the Code of Conduct for business taxation.
2. Furthermore, the Ecofin Council notably:
  - a. endorsed the progress reached in the assessment of standstill and rollback notifications by the Group and asked the Group to continue monitoring standstill and the implementation of the rollback;
  - b. welcomed the work of the Group on enhancing notifications under the standstill procedure and endorsed the Guidance on the notification of preferential tax measures under paragraph E of the Code of Conduct;
  - c. invited the Group to continue an effective dialogue with jurisdictions and monitoring, so that jurisdictions continue to fulfil their respective commitments and comply with the EU listing criteria in accordance with the agreed deadlines;

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<sup>1</sup> Council conclusions of 8 December (16361/23), 16 June 2023 (10157/23), 17 October 2023 (13879/23), 14 February 2023 (6378/23), 24 February 2024 (6776/24).

<sup>2</sup> 11465/24 FISC 142 ECOFIN 751

- d. welcomed in particular the progress made by jurisdictions that completed the reform of their foreign-source income exemption (FSIE) regimes within the suggested deadline and the ongoing dialogue with some other jurisdictions that are in the process of reforming their FSIE regime;
- e. noted the progress in three jurisdictions with respect to the implementation of the AEOI standard (criterion 1.1) and two jurisdictions with respect to the standard for exchange information on request (criterion 1.2); welcomed the reforms of preferential tax regimes in jurisdictions (criterion 2.1), and acknowledged the progress made with no or only nominal tax jurisdictions in the context of monitoring the implementation of economic substance requirements under criterion 2.2; welcomed the progress with relevant jurisdictions regarding the implementation of the country-by-country reporting (CbCR) anti-BEPS minimum standard (criterion 3.2);
- f. recognised the work of the Group on the past and future evaluation of the application by the Member States of defensive measures in the tax area towards non-cooperative jurisdictions and endorsed the Guidance for monitoring the implementation of tax defensive measures and the relevant questionnaire set out in Annex II to the report;
- g. appreciated the progress concerning future criterion 1.4 on beneficial ownership information and called on the Group to continue the work to incorporate beneficial ownership as a fourth criterion on tax transparency;
- h. welcomed the beginning of the screening of new jurisdictions in scope of the EU list;
- i. invited the Group to report back to the Council on its work during the Hungarian Presidency.

3. Against this background, this note sets out the proposed COCG work programme for the duration of the Hungarian Presidency of the Council (second semester of 2024).

## **I. General aspects**

4. The revised Code of Conduct for business taxation set out in the Resolution of the Council and the representatives of the governments of the Member States meeting within the Council of 8 November 2022 applies from 1 January 2023 and constitutes a mandate for the work during the Hungarian Presidency.
5. The Code of Conduct Group will pursue the work in accordance with the multiannual work package.<sup>3</sup>

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

6. The COCG will monitor developments in administrative practices of Member States, continue the review of the tax measures notified by Member States under the standstill and rollback process.
7. The Group will also continue the monitoring of actual effects of some regimes for which it was decided to have regular monitoring.

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<sup>3</sup> 13649/23

### III. Links with third countries

8. The Group will continue to monitor jurisdictions covered by the geographical scope and the implementation of the commitments taken by cooperative jurisdictions. The Group will also continue the screening process of the three new jurisdictions included in the geographical scope<sup>4</sup>, including requests for commitments if the case.
9. The EU list of non-cooperative jurisdictions for tax purposes will be updated by the Council foreseeably in October 2024 with the following objectives:
  - remove from Annex I jurisdictions that addressed pending issues;
  - list in Annex I jurisdictions which do not comply with the requirements of the EU listing criteria, or have declined to undertake appropriate commitments to comply with the EU listing criteria;
  - remove from Annex II jurisdictions that fulfilled their commitments;
  - include in Annex II jurisdictions which have undertaken commitments to cooperate with the EU and to take the necessary steps towards complying with one or more EU listing criteria that their systems have been found to be inconsistent with.
10. Beyond the topics mentioned above, the Group will also work on:
  - a. the implementation of criterion 1.1 following the publication of the 2024 Global Forum peer review reports on automatic exchange of information
  - b. the impact of the new Global Forum monitoring and peer review process on exchange of information on request under criterion 1.2 of the EU list;
  - c. the future criterion 1.4 on the exchange of beneficial ownership information;
  - d. the screening exercise for trusts and fiduciaries in 2.2 jurisdictions, in cooperation with the Forum on Harmful Tax Practices;

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<sup>4</sup> Brunei Darussalam, Kuwait and New Zealand.

- e. the monitoring of economic substance requirements for collective investment funds (CIVs) and partnerships under criterion 2.2;
- f. the assessment of commitments under criterion 3.2 of the EU list following the Inclusive Framework Action 13 peer review report expected in the autumn of 2024.
- g. the review of the methodology used for selecting jurisdictions in relation to the geographical scope.

11. The Chair will continue the procedural/political dialogue with jurisdictions, as necessary.

#### **IV. Other**

12. The Group intends to continue the work at the technical level to evaluate possible impacts of the international agreement that was reached on a minimum effective taxation (OECD Pillar 2) on its work, including on the EU listing criteria.

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

13. It is scheduled to organise two meetings of the Code of Conduct Group (on 25 September and 26 November 2024), supported by the subgroups (on 5 July, 11 September, 8 November 2024), as appropriate, to make progress on items falling within its remit and report to the Council before the end of this Presidency.

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