



Council of the
European Union

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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Conclusions on the progress achieved by the Code of Conduct (Business Taxation) Group during the Spanish Presidency
-Approval

1. In accordance with its mandate, the Code of Conduct Group (COCG) reports regularly to the Council on the progress of its work. The latest 6-monthly report of the COCG to the Council is set out in document 15757/23 + ADD 1-12.
2. Draft Council conclusions on the progress achieved by the COCG during the Spanish Presidency were examined at the meeting of the Code of Conduct (Business Taxation) Group on 22 November 2023. All delegations support the text set out in the Annex.
3. The Permanent Representatives Committee is therefore invited to recommend that the Council (Ecofin) approve these conclusions as an 'A' item on 8 December 2023.

Council conclusions
on the progress achieved by the Code of Conduct (Business Taxation) Group
during the Spanish Presidency

The Council of the European Union:

1. WELCOMES the progress achieved by the Code of Conduct Group during the Spanish Presidency, in particular with regard to the revision of the EU list of non-cooperative jurisdictions in October 2023; APPROVES the Group's report as set out in 15757/23 + ADD 1-12; ENDORSES the new multiannual work package set out in doc. 13649/23.
2. ENDORSES the standstill assessments agreed by the Group and ASKS the Group to continue monitoring standstill and the implementation of the rollback; WELCOMES the ongoing discussions concerning the notification process; ENDORSES the assessments of actual effects of individual measures as agreed by the Group and ASKS the Group to continue monitoring individual measures;
3. WELCOMES 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 in the EU and globally; CALLS on 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;

4. WELCOMES 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; also WELCOMES 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 and with relevant jurisdictions regarding the implementation of the country-by-country reporting (CbCR) anti-BEPS minimum standard (criterion 3.2) and regarding the implementation of exchange of information on request (criterion 1.2);
5. WELCOMES the progress concerning the future criterion 1.4 on beneficial ownership information; CALLS on the Group to continue the work to incorporate beneficial ownership as a fourth criterion on tax transparency;
6. CALLS on the Group to keep working on the evaluation of defensive measures in the tax area towards non-cooperative jurisdictions, in accordance with the agreed Guidance, and report to the Council on further progress in these matters;
7. ENDORSES the extension of the geographical scope of the EU screening and listing exercise as from 2024 which was agreed by the Group;
8. INVITES the Group to engage with relevant jurisdictions which have not yet been assessed for the country-by-country reporting (CbCR) anti-BEPS minimum standard (criterion 3.2);
9. INVITES the Group to report back to the Council on its work during the Belgian Presidency.