



Council of the
European Union

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OUTCOME OF PROCEEDINGS

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

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

CODE OF CONDUCT GROUP (BUSINESS TAXATION):

WORK PROGRAMME UNDER THE POLISH PRESIDENCY

1. The Ecofin Council has, on multiple occasions, recognized the positive impact of the Code of Conduct and the efforts of the Group in mitigating harmful tax practices and contributing to the reduction of preferential tax regimes, both within the EU and globally¹. Most recently, in its conclusions of 10 December 2024² the Ecofin Council expressed its appreciation for the Group's efforts and the dedication of its Chair throughout her mandate in advancing the objectives outlined in the Code of Conduct (Business Taxation) and encouraged the Group to continue its valuable work.
2. Furthermore, the Ecofin Council notably:
 - a. endorsed the standstill assessments agreed by the Group and asked the Group to continue monitoring standstill and the implementation of the rollback;
 - b. endorsed the assessments agreed by the Group of actual effects of individual measures as agreed by the Group and asked the Group to continue monitoring the individual measures;
 - c. welcomed the progress achieved by the Code of Conduct Group in the revision of the EU list of non-cooperative jurisdictions in October 2024 and encouraged the Group to maintain an effective dialogue with jurisdictions, monitoring, and screening, to support their compliance with the EU listing criteria and the fulfilment of commitments within the agreed deadline;
 - d. welcomed the adaptation by the Group of the future monitoring for criterion 1.2 in the context of the new Global Forum monitoring and review framework on tax

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

² 16770/24 FISC 271 ECOFIN 1491.

transparency; recognised the continuous monitoring of the progress made by jurisdictions concerned by criterion 2.2 regarding the implementation of the legal framework on Collective Investments Vehicles (CIVs); and acknowledged the extension of the application of criterion 3.2 to jurisdictions that joined the OECD/G20 Inclusive Framework on BEPS as of 1 January 2018 and the request for commitments from the jurisdictions concerned;

- e. welcomed the work on the appropriate selection indicators for future modifications of the geographical scope of the EU list;
- f. called on the Group to continue the work to incorporate beneficial ownership as a fourth transparency criterion;
- g. invited the Group to report back to the Council on its work during the Polish Presidency.

3. Against this background, this note sets out the proposed COCG work programme for the duration of the Polish Presidency of the Council (first semester of 2025).

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 Polish Presidency.

5. The Code of Conduct Group will pursue the work in accordance with the multiannual work package.¹

6. As indicated in the email by the General Secretariat of the Council (GSC) from 13 November 2024, the current mandate of the Chair, Ms. María José Garde will expire on 5 February 2025. The appointment of the Chair for the next period was included in the

¹ 13649/23

agenda of the COCG on 29 January 2025. Relevant information was circulated by the General Secretariat of the Council in advance of that meeting. The Chair was elected for a period of two years. The elected Chair will be assisted by the General Secretariat of the Council and the Commission Services.

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

7. 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.
8. The Group will also continue the monitoring of actual effects of some regimes for which it was decided to have regular monitoring.

III. General discussion on expenditure-based tax incentives

9. The COCG will hold a preliminary discussion on the application of the nexus requirement to expenditure-based tax incentives in Special Economic Zones, with a view to promoting competitiveness in the Union.

IV. Links with third countries

10. The Group will continue to monitor jurisdictions covered by the geographical scope and the implementation of the commitments taken by cooperative jurisdictions.
11. The EU list of non-cooperative jurisdictions for tax purposes will be updated by the Council in February 2025 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.

12. Beyond the topics mentioned above, the Group will also work on:

- a. the monitoring, under criterion 1.2, of the implementation of the international standard on exchange of information on request in the context of the new Global Forum monitoring and review framework on tax transparency,
- b. the future criterion 1.4 on the exchange of beneficial ownership information;
- c. the monitoring of progress made by jurisdictions on amending or abolishing preferential tax regimes under criterion 2.1;
- d. the monitoring of the economic substance requirements for collective investment funds (CIVs), and for companies as well as partnerships under criterion 2.2;
- e. the screening exercise for trusts and fiduciaries and other similar legal arrangements in 2.2 jurisdictions, in cooperation with the Forum on Harmful Tax Practices;
- f. the assessment of commitments under criterion 3.2 of the EU list following the Inclusive Framework Action 13 peer review reports published in September 2024;
- g. the monitoring, on an annual basis, of all Inclusive Framework jurisdictions which have not yet been asked for commitments on criterion 3.2 by the COCG due to non-relevance or opt-outs from the peer review process in either 2024 or preceding years;
- h. the review of the methodology used for selecting jurisdictions in relation to the geographical scope;
- i. the preparation for the annual monitoring of the tax defensive measures applied by Member States against listed jurisdictions, which is scheduled to take place in the second half of 2025.

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

V. Organisation of work

14. It is scheduled to organise three meetings of the Code of Conduct Group (on 29 January, 30 April and 11 June 2025), supported by the subgroups (on 14 January, 23 January, 26 February, 26 March and 22 May 2025), 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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