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'I/A' ITEM NOTE

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

Subject: Council Directive amending Directive 2011/16/EU on administrative cooperation in the field of taxation
- Adoption

1. A proposal for a Council Directive amending Directive 2011/16/EU on administrative cooperation in the field of taxation¹ was presented by the European Commission on 15 July 2020, as part of the "Package for fair and simple taxation".²
2. The key objectives of this legislative proposal are twofold:
 - to extend the scope of the automatic exchange of information under DAC to the information reported by digital platform operators. Expanding administrative cooperation to this new area is aimed at helping Member States to address the challenges posed by the digitalisation of the economy, given that the characteristics of the digital platform economy make the traceability and detection of taxable events by tax authorities very difficult and lead to a shortfall of tax revenues;

¹ doc. ST 9753/20

² The other two documents of that package are Communication on an 'Action Plan for fair and simple taxation supporting the Recovery Strategy' (doc. ST 9844/20) and Communication on 'Tax good governance in the EU and beyond' (doc. ST 9845/20).

- to amend a number of existing provisions of DAC on exchange of information. In particular, the proposal seeks to improve the notion of foreseeable relevance of information, provisions on requests for information for a group of taxpayers, as well as the rules for using simultaneous controls and allowing the presence of officials of a Member State during an enquiry in another Member State. Moreover, the proposal seeks to insert provisions setting out the framework for the competent authorities of two or more Member States to conduct joint audits.
3. The opinion of the European Economic and Social Committee was adopted on 24 February 2021³. The opinion of the European Parliament was adopted on 10 March 2021.⁴
 4. The Permanent Representatives Committee is therefore invited to suggest that the Council adopt, as an "A" item on the agenda of a forthcoming meeting, the following act, as finalised by the legal/linguistic experts:
 - Council Directive amending Directive 2011/16/EU on administrative cooperation in the field of taxation, set out in doc. 12908/20 FISC 209 ECOFIN 1024 (+REV1(fi)).

³ <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/package-fair-and-simple-taxation>

⁴ P9_TA(2021)0072.