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OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
To:	Delegations
No. prev. doc.:	7825/19
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Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing the 'Fiscalis' programme for cooperation in the field of taxation - Common understanding

I. INTRODUCTION

1. On 8 June 2018 the Commission adopted the proposal for a Regulation of the European Parliament and of the Council establishing the Fiscalis programme for cooperation in the field of taxation¹ as one of the proposals related to the Multiannual Financial Framework (hereinafter MFF).
2. The proposal was examined in the Working Party on Tax Questions (Fiscalis). Coreper confirmed the partial general approach at its meeting on 28 November 2018.² The partial general approach included bracketed provisions³ that were still under consideration and that are expected to form part of horizontal negotiations on the MFF.

¹ 9932/18 + ADD 1-3.

² 14208/18 and 14209/18.

³ Recital 18, Article 4 and Article 5.

3. The European Economic and Social Committee delivered its opinion on 17 October 2018.⁴
4. In the European Parliament, the Committee report was voted in the ECON Committee on 4 December 2018 and confirmed in plenary in January 2019.
5. Two trilogues were held on 23 January and 21 March 2019.

II. STATE OF PLAY

6. The document presented in the Annex reflects the state of play of negotiations reached at the last trilogue. While this reflects a common understanding between the European Parliament and the Council on the progress of negotiations, it is without prejudice to the final outcome of the negotiations on the full text.
7. It is understood that elements in brackets in the text were left outside of the scope of the negotiations at this stage, as they require the completion of negotiations on the MFF for the Council to be able to establish its position.
8. It is also to be noted due to this being a horizontal issue for the EP no common understanding has been reached on the provisions on the adoption of work programmes and delegated acts, i.e. Articles 13(2) and recital 14. These provisions are also bracketed. In addition square brackets with (...) are inserted into Article 17 for the exercise of delegation. Co-legislators need to revert to those provisions at a later stage.
9. Work will resume with the European Parliament once the Council has a mandate on all elements of the proposal.
10. For ease of reference, the changes introduced at the trilogue, as compared to the Commission proposal, are marked in the text in ***bold underline***.
11. On 27 March 2019 the Permanent Representatives Committee confirmed the common understanding as set out in the Annex to this note.

⁴ 14207/18

PE-CONS No/YY - 2018/0233(COD)

REGULATION (EU) 2019/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

establishing the 'Fiscalis' programme for cooperation in the field of taxation

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 114 and 197 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee⁵,

Acting in accordance with the ordinary legislative procedure,

⁵ OJ C [...], [...], p. [...].

Whereas:

- (1) The Fiscalis 2020 programme, which was established by Regulation (EU) No 1286/2013 of the European Parliament and of the Council⁶ and is implemented by the Commission in cooperation with the Member States and associated countries, and its predecessors have significantly contributed to facilitating and enhancing cooperation between tax authorities within the Union. The added value of those programmes, including as regards the protection of the financial and economic interests of Member States of the Union and of taxpayers, has been recognised by the tax authorities of the participating countries. The challenges identified for the next decade cannot be tackled if Member States do not look beyond the borders of their administrative territories *and* cooperate intensively with their counterparts.

⁶ Regulation (EU) No 1286/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme to improve the operation of taxation systems in the European Union for the period 2014-2020 (Fiscalis 2020) and repealing Decision No 1482/2007/EC (OJ L 347, 20.12.2013, p. 25).

- (2) The Fiscalis 2020 programme offers Member States a Union framework within which to develop those cooperation activities, and which is more cost-effective than if each Member State were to set up individual cooperation frameworks on a bilateral or multilateral basis. It is therefore appropriate to ensure the continuation of that programme by establishing a new programme in the same area, the Fiscalis programme (the ‘Programme’).
- (3) In providing a framework for actions which supports the single market, fosters Union competitiveness and protects the financial and economic interests of the Union and its Member States, the Programme should contribute to: ***supporting tax policy and the implementation of Union law relating to the field of taxation***; preventing and fighting tax fraud, tax evasion, ***aggressive tax planning and double non-taxation***; preventing and reducing unnecessary administrative burden for citizens and businesses in cross-border transactions; ***supporting fairer and more efficient tax systems***; achieving the full potential of the single market and fostering ***fair competition in the*** Union; supporting a joint Union approach in international fora ***and supporting administrative capacity building of tax authorities, including by modernisation of reporting and auditing techniques; as well as supporting training their staff in this regard.***

- (4) This Regulation lays down a financial envelope for the Programme, which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁷, for the European Parliament and the Council during the annual budgetary procedure.
- (5) In order to support the process of accession and association by third countries, the Programme should be open to the participation of acceding and candidate countries as well as potential candidates and partner countries of the European Neighbourhood Policy if certain conditions are fulfilled. It may also be open to other third countries, in accordance with the conditions laid down in specific agreements between the Union and those countries covering their participation *in* any Union programme.
- (6) Regulation (EU, Euratom) **2018/1046** of the European Parliament and of the Council⁸ (the ‘Financial Regulation’) applies to this Programme. It lays down rules on the implementation of the Union budget, including the rules on grants, prizes, procurement and reimbursements of external experts.

⁷ OJ C 373, 20.12.2013, p. 1.

⁸ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (7) The actions which applied under the Fiscalis 2020 programme have proven to be adequate and should therefore be maintained. In order to provide more simplicity and flexibility in the execution of the Programme and thereby better deliver on its objectives, the actions should be defined only in terms of overall categories with a list of illustrative examples of concrete activities, *such as meetings and similar ad-hoc events, including, where appropriate, presence in administrative offices and participation in administrative enquiries, project-based structured collaboration including, where appropriate, joint audits, and IT capacity building, including, where appropriate, the access by tax authorities to interconnected registers. Where appropriate, actions should also aim at addressing priority topics in order to fulfil the objectives of the Programme.* Through cooperation and capacity building, the Fiscalis programme should also promote and support the uptake and leverage of innovation to further improve the capabilities to deliver on the core priorities of taxation.
- (8) Given the increasing mobility of taxpayers, the number of cross-border transactions and the internationalisation of financial instruments *and the resulting increased risk of tax fraud, tax evasion and aggressive tax planning*, which go well beyond the Union borders, adaptations of or extensions of European electronic systems to third countries not associated to the Programme and international organisations could have an interest for the Union or the Member States. In particular, they would avoid the administrative burden and the costs implied by developing and operating two similar electronic systems for, respectively, Union and international exchanges of information. Therefore, when duly justified by such an interest, adaptations of or extensions to European electronic systems for cooperation with third countries and international organisations should be eligible costs under the Programme.

- (9) Considering the importance of globalisation ***and the importance of combating tax fraud, tax evasion and aggressive tax planning***, the Programme should continue to provide the possibility of involving external experts within the meaning of Article 238 of the Financial Regulation. Those external experts should mainly be representatives of governmental authorities, including from non-associated third countries, ***including least developed countries***, as well as representatives of international organisations, economic operators, taxpayers and civil society. ***Least developed country should be understood to mean a non-EU country or territory eligible to receive official development assistance in accordance with the relevant list made publicly available by the Development Assistance Committee of the Organisation for Economic Cooperation and Development and based on the United Nations' definition. The selection of experts in expert groups should be based on the Commission decision of 30.5.2016 establishing horizontal rules on the creation and operation of Commission expert groups. As regards experts appointed in their personal capacity for acting independently in the public interest it should be ensured that they are impartial, that there is no possible conflict of interests with their professional role and that information about their selection and participation is publicly available.***

- (10) In line with the Commission's commitment to ensure the coherence and simplification of funding programmes, set out in its Communication of 19 October 2010 entitled ‘The EU Budget Review’⁹, resources should be shared with other Union funding instruments if the envisaged actions under the Programme pursue objectives that are common to various funding instruments, excluding however double financing. Actions under the Programme should ensure coherence in the use of the Union's resources supporting tax policy and tax authorities.
- (10a) *For the sake of cost-effectiveness, the Fiscalis Programme should exploit possible synergies with other Union measures in related fields, such as the Customs Programme, the EU Anti-Fraud Programme, the Single Market Programme and the Reform Support Programme.*
- (11) Information Technology (IT) capacity building actions are set to attract the greatest part of the budget under the Programme. Therefore, specific provisions should describe, respectively, the common and national components of the European electronic systems. Moreover, the scope of actions and the responsibilities of the Commission and the Member States should be clearly defined. *To the extent possible, there should be interoperability between the common and national components of the European electronic systems and synergies with other electronic systems of relevant Union programmes.*

⁹ COM(2010)0700.

- (12) Currently, there is no requirement to draw up a Multi-Annual Strategic Plan for Taxation ('MASP-T') for creating a coherent and interoperable electronic environment for taxation in the Union. In order to ensure coherence and coordination of IT capacity building actions, the Programme should provide for the creation of such a MASP-T, ***a planning tool, which should be compliant with and should not exceed the obligations stemming from the relevant legally binding Union acts.***
- (13) This Regulation should be implemented by means of work programmes. In view of the mid to long-term nature of the objectives pursued and building on experience gained over time, work programmes should be able to cover several years. The shift from annual to multiannual work programmes, ***each covering no more than 3 years,*** will reduce the administrative burden for both the Commission and Member States.
- [(14) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred to the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.^{10]}

¹⁰ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (15) Pursuant to paragraph 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016 , there is a need to evaluate this programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Instrument on the ground. ***The interim and final evaluations, which should be performed no later than four years after the start of the implementation or completion of the Programme respectively, should contribute to the decision-making process of the next Multiannual Financial Frameworks. The interim and final evaluations should also address the remaining obstacles to the achievement of the Programme's objectives and make suggestions for best practices. In addition to the interim and final evaluations, as part of the performance reporting system, annual progress reports should be issued to monitor the progress made. Those reports should include a summary of the lessons learnt and, where appropriate, of the obstacles encountered, in the context of the activities of the programme that have taken place in the year in question.***
- (15a) ***The Commission should organise regular seminars of tax administrations with representatives of beneficiary Member States to discuss issues and suggest potential improvements related to the objectives of the Programme, including the exchange of information between tax administrations.***

- (16) In order to respond appropriately to changes in tax policy priorities, the power to adopt acts in accordance with Article 290 *TFEU* should be delegated to the Commission in respect of amending the list of indicators to measure the achievement of the specific objectives of the Programme. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(17) In accordance with **Regulation (EU, Euratom) N° 2018/1046 of the European Parliament and of the Council** (the ‘Financial Regulation’), Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹¹, and Council **Regulation** (Euratom, EC) No 2988/95¹², **Council Regulation** (Euratom, EC) No 2185/96¹³ and **Council Regulation** (EU) 2017/1939¹⁴, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities, **including** fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (**‘the EPPO’**) may investigate and prosecute fraud and other criminal offences **against** the **Union’s** financial interests as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹⁵. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union’s financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO **in respect of those Member State participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939**, and the European Court

¹¹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

¹² Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p. 1).

¹³ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.96, p. 2).

¹⁴ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor’s Office (**‘the EPPO’**) (OJ L 283, 31.10.2017, p. 1).

¹⁵ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

of Auditors (*ECA*) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

- (17a) *Third countries which are members of the EEA may participate in Union programmes in the framework of the cooperation established under the EEA agreement, which provides for the implementation of the programmes by a decision under that agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation to grant the necessary rights for and access to the authorizing officer responsible, OLAF, as well as the European Court of Auditors to comprehensively exert their respective competences.***
- [(18) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 *TFEU* apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 *TFEU* also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.]

- (19) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation. ***The eligible costs will be determined in function of the nature of the eligible actions. The coverage of travel, accommodation and subsistence costs for participants to meeting-type activities or cost linked to the organisation of events should be of utmost importance, so that the participation of national experts and the administration in joint actions is ensured.***
- (20) Since the objective of this Regulation cannot be sufficiently achieved by the individual Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (21) This Regulation replaces Regulation (EU) No 1286/2013 of the European Parliament and of the Council, which should therefore be repealed,

HAVE ADOPTED THIS REGULATION:

CHAPTER I
GENERAL PROVISIONS

Article 1

Subject matter

1. This Regulation establishes the 'Fiscalis' programme for cooperation in the field of taxation (*the* 'Programme').
2. It lays down the objectives of the Programme, the budget for the period 2021-2027, the forms of Union funding and the rules for providing such funding.

Article 2
Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'taxation' means matters, including the design, administration, enforcement and compliance, relating to the following taxes and duties:
- (a) value added tax provided for in Council Directive 2006/112/EC¹⁶;
 - (b) excise duties on alcohol provided for in Council Directive 92/83/EEC¹⁷;
 - (c) excise duties on tobacco products provided for in Council Directive 2011/64/EU¹⁸;
 - (d) taxes on energy products and electricity provided for in Council Directive 2003/96/EC¹⁹;
 - (e) other taxes and duties referred to in Article 2(1)(a) of Council Directive 2010/24/EU²⁰ in so far as they are relevant for the single market and for administrative cooperation between the Member States;

¹⁶ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

¹⁷ Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages (OJ L 316, 31.10.1992, p. 21).

¹⁸ Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco (OJ L 176, 5.7.2011, p. 24).

¹⁹ Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity (OJ L 283, 31.10.2003, p. 51).

²⁰ Council Directive 2010/24/EU of 16 March 2010 concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures (OJ L 84, 31.3.2010, p. 1).

- (2) 'tax authorities' means the public authorities and other bodies, which are responsible for taxation or tax-related activities;
- (3) 'European electronic systems' means electronic systems necessary for taxation and for the execution of the missions of tax authorities;
- (4) 'third country' means a country that is not member of the Union;

Article 3

Programme objectives

1. The Programme has the general ***objectives of supporting*** tax authorities and taxation to enhance the functioning of the single market, ***of fostering*** Union competitiveness and ***fair competition in the Union, of protecting*** the financial and economic interests of the Union and its Member States, ***including protecting those interests from tax fraud, tax evasion and tax avoidance, and of improving tax collection.***

2. The Programme has the specific objective to support tax policy *and the implementation of Union law relating to the field of taxation; to foster tax cooperation, including exchange of tax information;* and *to support* administrative capacity building, including human competency and the development and operation of the European electronic systems.

[Article 4

Budget

1. The financial envelope for the implementation of the Programme for the period 2021 – 2027 shall be EUR 27000000 in current prices.
2. The amount referred to in paragraph 1 may cover expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Programme and evaluating the achievement of its objectives. It may moreover cover expenses relating to studies, meetings of experts, information and communication actions, in so far as they are related to the objectives of the Programme, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Programme.]

[Article 5

Third countries associated to the Programme

The Programme shall be open to the following third countries:

- (a) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (b) countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries, provided that those countries have reached a sufficient level of approximation of the relevant legislation and administrative methods to those of the Union;

- (c) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country to any Union programme, provided that the agreement:
- ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation;
 - does not confer to the third country a decisional power on the Programme;
 - guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.]

Article 6

Implementation and forms of EU funding

1. The Programme shall be implemented in direct management in accordance with the Financial Regulation.
2. The Programme may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes, procurement and reimbursement of travel and subsistence expenses incurred by external experts.

CHAPTER II

ELIGIBILITY

Article 7

Eligible actions

1. Only actions implementing the objectives referred to in Article 3 shall be eligible for funding.

2. Actions referred to in paragraph 1 shall include the following:
- (a) meetings and similar ad-hoc events;
 - (b) project-based structured collaboration;
 - (c) IT capacity building actions, in particular the development and operation of European electronic systems;
 - (d) human competency and capacity building actions;
 - (e) support and other actions, including:
 - (1) studies *and other relevant written material*;
 - (2) innovation activities, in particular proof-of-concepts, pilots and prototyping initiatives;

- (3) jointly developed communication actions;
- (4) any other **relevant** action provided for in the work programmes referred to in Article 13, which is necessary for attaining or in support of the objectives set out in Article 3.

Possible forms of **relevant** actions referred to in points (a), (b) and (d) are presented in a non-exhaustive list in Annex **I**.

Priority topics for actions are presented in a non-exhaustive list in Annex III.

- 3. Actions consisting in the development and operation of adaptations or extensions to the common components of the European electronic systems for cooperation with third countries not associated to the Programme or international organisations shall be eligible for funding when they are of interest to the Union. The Commission shall put in place the necessary administrative arrangements, which may provide for a financial contribution from the third parties concerned to these actions.

4. Where an IT capacity building action referred to in point (c) of paragraph 2 concerns the development and operation of a European electronic system, only the costs related to the responsibilities entrusted to the Commission pursuant to Article 11(2) shall be eligible for funding under the Programme. Member States shall bear the costs related to the responsibilities entrusted to them pursuant to Article 11(3).

Article 8

Participation of external experts

1. Wherever beneficial for the achievement of the actions implementing the objectives referred to in Article 3, representatives of governmental authorities, including those from third countries not associated to the Programme pursuant to Article 5, ***including from least developed countries, and, where relevant,*** representatives of international and other relevant organisations, of economic operators and organisations representing economic operators and of civil society may take part as external experts to actions organised under the Programme.

2. Costs incurred by the external experts referred to in paragraph 1 shall be eligible for reimbursement under the Programme in accordance with the provisions of Article 238 of the Financial Regulation.
3. The external experts shall be selected by the Commission, ***including from experts proposed by the Member States***, based on their skills, experience and knowledge relevant to the specific action ***on an ad-hoc basis, based on needs***.

The Commission shall assess, inter alia, the impartiality of those external experts and the absence of conflict of interests with their professional responsibilities.

CHAPTER III

GRANTS

Article 9

Award, complementarity and combined funding

1. Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.
2. An action that has received a contribution from another Union programme may also receive a contribution under the Programme, provided that the contribution do not cover the same costs. The rules of each contributing Union programme shall apply to its respective contribution to the action. The cumulative funding shall not exceed the total eligible costs of the action and the support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

3. In accordance with Article 198(f) of the Financial Regulation, the grants shall be awarded without a call for proposals where the eligible entities are tax authorities of the Member States and of the third countries associated to the Programme as referred to in Article 5 of this Regulation, provided that the conditions set out in that Article are met.

Article 10

Co-financing rate

1. By derogation *from* Article 190 of the Financial Regulation, the Programme may finance up to 100 % of eligible costs of an action.
2. The applicable co-financing rate where actions require the awarding of grants shall be set out in the multiannual work programmes referred to in Article 13.

CHAPTER IV
SPECIFIC PROVISIONS FOR IT CAPACITY BUILDING ACTIONS

Article 11
Responsibilities

1. The Commission and the Member States shall ensure jointly the development and operation, including the design, specification, conformance testing, deployment, maintenance, evolution, security, quality assurance and quality control, of the European electronic systems listed in the Multi-Annual Strategic Plan for Taxation referred to in Article 12.
2. The Commission shall, in particular, ensure the following:
 - (a) the development and operation of common components as established under the Multi-Annual Strategic Plan for Taxation provided for in Article 12;
 - (b) the overall coordination of the development and operation of European electronic systems with a view to their operability, interconnectivity and continuous improvement and their synchronised implementation;

- (c) the coordination at Union level of European electronic systems with a view to their promotion and implementation at national level;
- (d) the coordination of the development and operation of European electronic systems as regards their interactions with third parties, excluding actions designed to meet national requirements;
- (e) the coordination of European electronic systems with other relevant actions relating to e-Government at Union level;

3. The Member States shall, in particular, ensure the following:

- (a) the development and operation of national components as established under the Multi-annual Strategic Plan for Taxation provided for in Article 12;
- (b) the coordination of the development and operation of the national components of European electronic systems at national level;

- (c) the coordination of European electronic systems with other relevant actions relating to e-Government at national level;
- (d) the regular provision to the Commission of information regarding the measures taken to enable their respective authorities or economic operators to make full use of European electronic systems;
- (e) the implementation at national level of European electronic systems.

Article 12

Multi-Annual Strategic Plan for Taxation (MASP-T)

1. The Commission *and the Member States*, shall draw up and keep updated a Multi-Annual Strategic Plan for Taxation, *aligned with relevant legally binding Union acts*, listing all tasks relevant for the development and operation of European electronic systems and classifying each system, or part thereof, as:
 - (a) a common component: a component of the European electronic systems developed at Union level, which is available for all Member States or identified as common by the Commission for reasons of efficiency, security and rationalisation;

- (b) a national component: a component of the European electronic systems developed at national level, which is available in the Member State that created such a component or contributed to its joint creation;
 - (c) or a combination of both.
- 2. The Multi-Annual Strategic Plan for Taxation shall also include innovation and pilot actions as well as the supporting methodologies and tools related to the European electronic systems.
- 3. Member States shall notify the Commission of the completion of each task allocated to them under the Multi-Annual Strategic Plan for Taxation referred to in paragraph 1. They shall also regularly report to the Commission on progress with their tasks.

4. No later than 31 March of each year, the Member States shall submit to the Commission annual progress reports on the implementation of the Multi-Annual Strategic Plan for Taxation referred to in paragraph 1 covering the period 1 January to 31 December of the preceding year. Those annual reports shall be based on a pre-established format.
5. No later than 31 October of each year, the Commission shall, on the basis of the annual reports referred to in paragraph 4, establish a consolidated report assessing the progress made by Member States and the Commission in the implementation of the plan referred to in paragraph 1 and make that report public.

CHAPTER V
PROGRAMMING, MONITORING, EVALUATION AND CONTROL

Article 13

Work programme

1. The Programme shall be implemented by multiannual work programmes referred to in Article **110** of the Financial Regulation.
- [2. The multiannual work programmes shall be adopted by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 18(2).]

Article 14

Monitoring and reporting

1. Indicators to report on progress of the Programme towards the achievement of the specific objectives set out in Article 3 are set in Annex **II**.

2. To ensure effective assessment of progress of the Programme towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 17 to amend Annex *II* to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.
3. The performance reporting system shall ensure that data for monitoring programme implementation and results are collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds.

Article 15

Evaluation

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process. ***Evaluations shall be made publicly available by the Commission.***
2. The interim evaluation of the Programme shall be performed once there is sufficient information available about the implementation of the Programme, but no later than four years after the start of the programme implementation.

3. At the end of the implementation of the Programme, but no later than four years after the end of the period specified in Article 1, a final evaluation of the Programme shall be carried out by the Commission.
4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 16

Protection of the financial interests of the Union

Where a third country participates in the Programme by a decision under an international agreement or by virtue of any other legal instrument, the third country shall grant the necessary rights and access required for the authorising officer responsible, the European Anti-Fraud Office (OLAF) *and* the European Court of Auditors to comprehensively exert their respective competences. In the case of *the* OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, provided for in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF).

CHAPTER VI
EXERCISE OF THE DELEGATION AND COMMITTEE PROCEDURE

Article 17

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in [...] Article 14(2) shall be conferred on the Commission until 31 December 2028.
3. The delegation of power referred to in [...] Article 14(2) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement *of 13 April 2016* on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
- [6. A delegated act adopted pursuant to Article 14(2) shall enter into force if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.]

Article 18

Committee procedure

1. The Commission shall be assisted by a committee referred to as the "Fiscalis Programme Committee". That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

CHAPTER VII
TRANSITIONAL AND FINAL PROVISIONS

Article 19

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the Programme, and its actions and results. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

Article 20

Repeal

Regulation (EU) No 1286/2013 is repealed with effect from 1 January 2021.

Article 21

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation (EU) No 1286/2013, which shall continue to apply to the actions concerned until their closure.
2. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under its predecessor, the Regulation (EU) No 1286/2013.
3. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 4(2), to enable the management of actions not completed by 31 December 2027.

Article 22

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

For the Council

The President

The President

ANNEX I

Non-exhaustive list of possible forms of actions referred to in points (a), (b) and (d) of the first sub-paragraph of Article 7(2)

Actions referred to in points (a), (b) and (d) of the first sub-paragraph of Article 7(2) may take the forms, among others, of:

- (a) As regards meetings and similar ad-hoc events:
- Seminar and workshop, generally attended by all countries and at which presentations are made and participants engage in intensive discussion and activity on a particular subject;
 - Working visit, organised to enable officials to acquire or increase their expertise or knowledge as regards tax policy;
 - Presence in administrative offices and participation in administrative enquiries;

(b) As regards structured collaboration:

- Project group, generally composed of a limited number of countries, operational during a limited period of time to pursue a predefined objective with a precisely defined outcome, including coordination or benchmarking;
- Task force, namely structured forms of cooperation, with a non-permanent or permanent character, pooling expertise to perform tasks in specific domains or carry out operational activities, possibly with the support of online collaboration services, administrative assistance and infrastructure and equipment facilities;
- Multilateral or simultaneous control, consisting in the coordinated checking of the tax situation of one or more related taxable persons organised by two or more countries, including at least two Member States, with common or complementary interests;

- Joint audit, consisting in the joint checking of the tax situation of one or more related taxable persons by a single audit team composed of two or more countries, including at least two Member States, with common or complementary interests;
- Any other form of administrative cooperation established by Directive 2011/16/EU, Regulation (EU) 904/2010, Regulation (EU) 389/2012 or Directive 2010/24/EU;

(d) As regards human competency and capacity building actions:

- Common training or development of eLearning to support the necessary professional skills and knowledge relating to tax;
- Technical support, aimed at improving administrative procedures, enhancing administrative capacity and improving tax administrations' functioning and operations by initiating and sharing good practices.

ANNEX II

Indicators

Specific objective: support tax policy, tax cooperation and administrative capacity building, including human competency and the development and operation of the European electronic systems.

1. Capacity Building (administrative, human and IT capacity):

1. Union Law and Policy Application and Implementation Index (Number of actions under the Programme organised in this area and recommendations issued following those actions)
2. Learning Index (Learning modules used; number of officials trained; quality score by participants)
3. Availability of European electronic systems (in time percentage terms)
4. Availability of the Common Communication Network (in time percentage terms)

5. IT simplified procedures for the national administrations and economic operators (number of registered economic operators, numbers of applications and number of consultations in the different electronic systems funded by the Programme)

2. Knowledge sharing and networking:

6. Collaboration Robustness Index (degree of networking generated, number of face-to-face meetings, number of on-line collaboration groups)
7. Best Practices and Guideline Index (number of actions under the Programme organised in this area; percentage of tax administrations that made use of a working practice/guideline developed with the support of the Programme)

ANNEX III

In line with the specific and general objective of the Programme, the actions referred to in Article 7 may focus, among others, on the following priority topics:

- (a) supporting the implementation of Union law in the field of taxation, including training of staff in that regard, and helping to identify possible ways to improve administrative cooperation, including recovery assistance, between tax authorities;*
 - (b) supporting the effective exchange of information, including group requests, the development of standard IT formats, the access by tax authorities to beneficial ownership information and the improvement of the use of the information received.*
 - (c) supporting the effective operation of mechanisms of administrative cooperation and exchange of best practices between tax authorities, including best practices on recovery of taxes;*
 - (d) supporting digitalisation and updating of methodologies in tax administrations;*
 - (e) supporting the exchange of best practices for combating VAT fraud.*
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