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COMMISSION STAFF WORKING DOCUMENT

Fiscalis Programme Annual Progress Report 2021

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1. EXECUTIVE SUMMARY

The present report provides an overview of the progress achieved in 2021 by the Fiscalis programme, the main results, the issues arisen and the lessons learned.

The Fiscalis programme aims at supporting tax authorities to enhance the functioning of the internal market, foster competitiveness, fight tax fraud, tax evasion and tax avoidance and improve tax collection.

2021 was the first year of implementation of the new Fiscalis programme under the Multiannual Financial Framework 2021-2027¹. It was also a **year of transition** from the previous Fiscalis 2020 programme, whose unused budget continued to fund activities also in the course of 2021².

Despite the particular circumstances linked to the Covid-19 pandemic and the delays in the adoption of the Fiscalis programme Regulation, the programme achieved significant results, among which one of the most important is the contribution to the implementation of the **VAT e-commerce package** that came into effect on 1st July 2021.

2. POLITICAL AND REGULATORY CONTEXT

In its **work programme 2021**³, the Commission set the initiatives⁴ aimed at making Europe healthier, fairer and more prosperous, while accelerating its long-term transformation into a **greener economy, fit for the digital age** and the **economic recovery** subsequent to the Covid-19 pandemic.

As part of the EU policies, **tax policies** play an instrumental role in implementing the Commission's political objectives, particularly in supporting **green** and **digital transition**, promoting **social fairness** and prosperity, reinforcing **social justice** while promoting **economic growth**.

In 2021, Commission services' activities contributed to the EU agenda for economic recovery and long-term growth, including digital and green transitions. In line with the Commission priorities, and notably the political priority '**an Economy that works for people**', reflected also in the **Commission Work Programme for 2021**⁵ and the specific objectives set out in the **DG TAXUD Strategic Plan 2021-2024**⁶, in the **DG TAXUD Management Plan 2021**⁷, 5 main priorities were identified, of which, those relevant to taxation are:

- **supporting the EU's recovery programme,**
- **green taxation,**
- **corporate tax reform,**
- **fight against customs and tax fraud.**

In light of the above objectives, the **Fiscalis programme** has proved to be an important tool for Member States by providing them with support to administrative cooperation, tax-debt recovery, exchange of information, improvement of tax good governance, fight against tax fraud and evasion.

¹ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the Multiannual Financial Framework for the years 2021 to 2027.

² In 2021, activities took place under both Fiscalis 2020 and the new Fiscalis programme.

³ https://ec.europa.eu/info/publications/2021-commission-work-programme-key-documents_en

⁴ The initiatives proposed address the six priorities identified in the Commission Political Guidelines, being: a European Green Deal, an Economy that works for people, a Europe fit for the digital age, protecting our European way of life, a stronger Europe in the world, a new push for European democracy.

⁵ https://ec.europa.eu/info/publications/2021-commission-work-programme-key-documents_en

⁶ https://ec.europa.eu/info/publications/strategic-plan-2020-2024-taxation-and-customs-union_en

⁷ https://ec.europa.eu/info/system/files/management-plan-taxud-2021_en.pdf

The Fiscalis programme is the new EU cooperation programme in the field of taxation. It represents a continuation of the earlier generation of programmes that have significantly contributed to facilitating and enhancing cooperation between tax authorities within the Union.

The new programme has been established by the **Regulation (EU) 2021/847⁸** and provides national tax administrations with a framework to cooperate and exchange information and expertise in the field of taxation within the period 2021-2027. In line with Article 5 of the Regulation, the programme is open to the participation of **third countries** on condition that specific agreements are in place. The **overall budget** allocated for the period 2021-2027 amounts to EUR **269 000 000**.

The delays in the negotiations of the MFF 2021-2027 that were concluded in December 2020, along with the subsequent time needed for the co-legislators to finalise negotiations on the outstanding provisions in the Fiscalis programme regulation, resulted into its adoption only during the course of 2021. More precisely, Regulation (EU) 2021/847 entered into force on 28 May, while the Financing Decision and the first Work Programme, which, as a novelty from the previous programme is now multi-annual (2021-2023), were adopted in July 2021.

Following the entry into force of the regulation, preliminary contacts with interested third countries were launched towards the end of 2021, paving the way for the negotiations to take place in 2022.

The delays in the adoption of the MFF and the subsequent late adoption of the Fiscalis regulation led the Commission to proceed with a cautious approach by limiting the budget related to IT projects, giving the priority to the maintenance of the existing systems (in order to guarantee business continuity), instead of funding new developments. The inevitable negative impact of the unavailability of the new Fiscalis budget on the IT related investments was nevertheless alleviated by the reallocation of the Fiscalis 2020 collaborative activities budget to the IT budget line. Due to the restrictions to travels and physical meetings still in place in the Covid-19 context, collaborative activities mainly took place in an online format with no or rather limited financial costs. This allowed employing the 2020 programme unused budget to cover the maintenance of the existing IT systems in the absence of the funds under the new Fiscalis regulation (which became available only in July). The funds of the 2020 Fiscalis programme therefore continued to be used for both IT projects and general collaborative actions, respectively until July and November 2021.

The Fiscalis programme pursues the **general objectives⁹** of supporting tax authorities and taxation to enhance the functioning of the internal market, foster the competitiveness of the Union and fair competition in the Union, protect 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 to improve tax collection.

The **specific objectives¹⁰** of the programme are to support tax policy and the implementation of Union law relating to taxation, to foster cooperation between tax authorities, including exchange of tax information, to support administrative capacity building including as regards human competency and the development and operation of European Electronic Systems.

⁸ Regulation (EU) 2021/847 of the European Parliament and of the Council of 20 May 2021 establishing the 'Fiscalis' programme for cooperation in the field of taxation and repealing Regulation (EU) No 1286/2013.

⁹ See Article 3.1 Regulation (EU) 2021/847

¹⁰ See Article 3.2 Regulation (EU) 2021/847

As regards the monitoring and reporting requirements, a new **Performance Measurement Framework (PMF)** will be used for the new programme, whose core indicators are included in Annex II of Regulation (EU) 2021/847. Article 14 of Regulation (EU) 2021/847 empowers the Commission to adopt delegated acts to amend Annex II, to review or complement the indicators, where considered necessary and to supplement the Regulation with provisions on the establishment of a monitoring and evaluation framework.

In addition, considering that in 2021, in the absence of the budget of the new programme, the budget of the Fiscalis 2020 programme was still employed, the PMF related to the Fiscalis 2020 programme will be used to report about the actions implemented in 2021 under the previous programme.

3. IMPLEMENTATION OF FISCALIS PROGRAMME'S SPECIFIC OBJECTIVES AND PROGRAMME'S ACTIVITIES

The Fiscalis programme provides financial support to a range of actions aimed at achieving the general and specific objectives. Article 7 and Annex 1 of the regulation define the eligible actions, which can be divided into three main categories, as detailed in Annexes II and III of the present report:

- a) **General Collaborative Actions including expert teams**¹¹
- b) **European Electronic Systems (EES)**¹²
- c) **Human Competency Building**¹³

All the above-mentioned actions contributed to the achievement of the objectives described in the following chapters.

3.1 Support tax policy and the implementation of Union law relating to taxation; foster administrative cooperation and exchange of tax information between tax authorities

3.1.1. General collaborative actions (excluding expert teams)

In 2021, general collaborative actions under the Fiscalis 2020 programme were continued until the end of November, based on the extension of their grant agreement until 30 November 2021. The grant agreement for the general collaborative actions under the new Fiscalis programme was signed on 2nd December, allowing the commencement of the activities on 1st December (with a retroactive application), thus avoiding any disruption of activity.

A detailed presentation of the general collaborative actions is contained in figure 2 and tables 8 and 9 of Annex II and figure 2 and table 3 of Annex III of the present report.

Collaborative actions under both programmes aiming at **supporting administrative tax cooperation** represented the most significant part of activities. Overall, there were in total 66 collaborative actions organised under this objective.

¹¹ General collaborative actions include seminars, workshops, project groups, bilateral or multilateral controls, PAOEs, working visits, expert teams, capacity building activities, studies, communication projects and any other activity in achieving the programme's objectives. Expert teams are a collaboration tool that aims to pool resources across Member States, used in particular to support the development and implementation of IT systems.

¹² IT systems that interconnect tax authorities and allow information to be exchanged rapidly and by secure electronic means for which the largest share of programme funding is devoted for development, implementation, improvement and operation.

¹³ These activities include training materials and e-Learning modules to support human capacity building.

Fighting tax fraud, tax evasions and aggressive tax planning were the objectives pursued by 62 actions, these consisting of a variety of action types.

Facilitating the implementation of Union law relating to taxation was the objective of 30 actions, by securing exchange of information; enhancing the administrative capacity of participating countries; reducing tax authorities' administrative burden and taxpayers' compliance costs.

✓ ***EU Cooperative compliance programme***

*Among the **main achievements** of 2021, the **Fiscalis programme** provided a substantial contribution to the **EU Cooperative compliance programme**, which was announced by the Commission in its **Action Plan for fair and simple taxation supporting the recovery strategy**¹⁴.*

*The aim of the **EU Cooperative compliance programme** is to facilitate and promote tax compliance by taxpayers based on greater cooperation, trust and transparency between taxpayers and tax administrations. In this regard, the programme funded a project group that produced two specific guidelines, namely, the **Guidelines for Cooperative Compliance for Medium and Small Enterprises (CC MAS Framework)** and the **Guidelines on European Trust and Cooperation Approach (ETACA)**. In order to assess the implementation, evaluate and review the documents, two dedicated pilot projects are to be established with the support of the programme.*

✓ ***EU AIAC Community***

*Another important result concerns the creation of the European Union Advanced International Administrative Cooperation Community, **EU AIAC Community**, which was officially launched in February 2022. The EU AIAC Community is composed of Member States representatives. It covers advanced international administrative cooperation instruments (AIAC) that involve controls and administrative enquiries with a cross-border dimension. . The EU AIAC Community will help addressing another need indicated in the **Commission's Tax Action Plan for fair and simple taxation supporting the recovery strategy**, where the European Commission advocates for more focus on tackling **tax avoidance and evasion**. Improving **tax cooperation** between Member States is essential to combat tax avoidance and evasion.*

*The **novelty** and **usefulness** of this project is testified by the broad competences covered by the EU AIAC Community, which covers existing, new and future administrative cooperation tools. In addition, these cooperation tools are available for all tax areas such as VAT, excise duties, direct taxation and recovery of claims. In 2021, the programme supported the preparatory works, including the drafting of specific operative guidelines,*

Aside these two key achievements, numerous other activities were performed in 2021. For example, in the field of **Automatic Exchange of Information (AEOI)**, various project groups continued their operations despite the limitations posed by the Covid-19 restrictions. A **report** containing solutions for the uniform submission of statistical data was delivered in the context of the work aimed at establishing a validation tool of the statistical data and on mapping of the IT tools for elaborating statistical data. Furthermore, work on the development of a **Direct Taxation AEOI Data Analysis Tool** resulted in **final report**, complemented with an **implementation plan** for developing the tool on AEOI. This work will be conducted by a dedicated expert team, **DATANA ET**, due to begin in in the first half of 2022.

3.1.2. Expert teams

In addition to the general collaborative actions, in 2021 seven **expert teams** operated, five of which were established under the **Fiscalis 2020 programme**. The list of expert teams operational in 2021 and their objectives is detailed in table 2 of Annexes II and III of this report.

Expert teams contributed to the objective of **fighting against tax fraud, tax evasion and tax avoidance** and to **improve tax collection**, by supporting the development and implementation of IT tools. In this regard, they proved to be instrumental in **securing exchange of information, supporting administrative cooperation and enhancing administrative capacity**.

With regard to the most relevant results achieved in 2021, worthy of mention are the following two expert teams, which, despite the difficulties posed by the Covid-19 restrictions and the necessary rearrangements of the working procedures, delivered according to their mandates.

✓ *Expert team for Excise Duty Calculator (EDC ET)*

*The team released an **Excise Duty Calculator**, developed by four Member States. The IT tool can be used by the Member States or private individuals to calculate the amount of excise duties involved. In this regard, it is worth highlighting that financial support will be needed for the **running and maintenance of the tool**, for which a sustainable solution has still to be found.*

✓ *Expert team of Mobile Application for EMCS controls (Excise Control and Movement System) m-EMCS*

*This expert team delivered the **mobile application for EMCS controls**, which provides mobile access to e-AD data from national EMCS ensuring fast access to trustful EMCS information for control purposes to officers during road controls or at the premises of economic operators. A concern arisen following the delivery of the mobile application regards its dissemination and its availability to all Member States that did not participate to the expert team. To this end, further funding, adequate information and training on the proper use of the mobile application have been identified as the upcoming challenges.*

3.2. Develop, implement and operate the European Electronic Systems for taxation

In 2021, the Commission continued operating an important portfolio of European Electronic Systems (EES), aimed at supporting tax authorities **in fighting against tax fraud, tax evasion and tax avoidance**, by enabling a **secure exchange of information** between Member State tax administrations, enhancing administrative cooperation between them and improving their administrative capacity. IT systems played a central role in facilitating the **digitalisation of public administration and tax collection**.

More specifically, the **European Electronic Systems** supported by the programme interconnect tax authorities and allow information to be exchanged rapidly and by secure electronic means. In addition, the European Electronic Systems allow the use of a common format that can be recognized by all Member States and thus facilitate the coexistence of the different national taxation systems in the EU.¹⁵

¹⁵ In 2021, the Fiscalis programme maintained compliance to the provisions of the General Data Protection Regulation, providing collaborative fora for the Member States together with the Commission to improve the understanding on the data protection principles, rules and requirements and to contribute to the establishment of data protection arrangements directly linked with the large number of Union IT systems under the joint controllership of the Commission and the Member States.

The functioning of these systems is enabled by a closed and secure **Common Communication Network**¹⁶ (CCN), which serves as the underlying infrastructure. It facilitates the reliable exchange of information between national administrations and between national administrations and the Commission.

In 2021, the particular circumstances related to the Covid-19 pandemic and the delay in the entry into force of the new Fiscalis programme regulation, led to a conservative approach in the implementation of the IT activities, focusing mainly on the maintenance of the IT systems rather than on the development of new functions, in order to ensure business continuity.

As shown in tables 1, 3 and 7 of Annex II and tables 1 and 3 of Annex III of the present report, the majority of the programmes funding in 2021 was devoted to implementing, improving, operating and supporting the EES for taxation. In this regard, the programme covered the cost of acquisition, development, installation, maintenance and the day-to-day operation of the Union components of EES.

In 2021, **27** systems and related applications were in operation. The majority continued or developed the activities initiated in the previous year. In particular, the DAC 6, e-FCA (e-Forms central application) and Transaction Network Analysis, (TNA) had several releases.

Among the key achievements obtained in 2021 in terms of **IT systems'** deployment and development and **related IT joint actions**, the entry into force on 1 July 2021 of the **VAT e-commerce package** represents **the most important one**. The VAT e-commerce package introduced a number of changes to the Value-Added Tax (VAT) rules governing the taxation of cross-border business-to-consumer e-commerce activity in Europe¹⁷. In this regard, the Fiscalis programme provided extensive support by means of several activities.

In particular, the programme supported the **finalisation of the IT implementation** of this package by funding the extension of the **VAT Mini One Stop Shop (MOSS)** to a **One Stop Shop (OSS)** and the introduction of two new simplification measures, namely, the **Import One Stop Shop (IOSS)** and the **Special Arrangements**. Moreover, the programme funded dedicated **projects groups** aimed at implementing and testing in each Member State the initiative, a **communication campaign** and **e-learning activities** aimed at providing information on the functioning of the One Stop Shop to businesses as well as to officials in the Member States.

Worthy of mention are also the results achieved with the **TNA system**, funded by the programme, which enabled **Eurofisc** to generate for the first time **detailed statistics on cross-border VAT fraud**, including monetary values. Part of these statistics were also made public by the Commission¹⁸. Additionally, in autumn 2021, the work to extend TNA to fraud related to cars, boats and planes and the Customs Procedure 42¹⁹ was initiated.

The feedback received from the Member States, confirmed that TNA has provided **valuable support** in the **detection of suspicious cases** of VAT fraud. The system has been operationally reliable and continuously improving. It has lowered the administrative burden on the side of the Member States while delivering good results in swift exchange of targeted information on VAT fraud.

¹⁶ Including both CCN/CSI and CCN2.

¹⁷ These measures aim to simplify the declaration and payment of VAT due on distance sales of low value goods imported into the EU. In addition, the VAT e-commerce package also provided for the deemed supplier liability of marketplaces and platforms, in cases where they facilitate distance sales of goods imported into the EU with an intrinsic value not exceeding €150 and where they facilitate intra-EU cross border supplies when the supplier is not established in the EU. Individual sellers on marketplaces do not have to register for VAT, as the platform will be responsible for paying the VAT due on sales from its platform.

¹⁸ https://ec.europa.eu/taxation_customs/taxation-1/vat-and-administrative-cooperation_en

¹⁹ Customs Procedure No 42 is a customs procedure that allows for a VAT-free importation of goods in a Member State if it is followed by a B2B VAT exempted supply to another Member State. The scheme is often abused and it happens that the goods are diverted to the black market free of VAT.

Moreover, in 2021, a case study on TNA was conducted as part of the overall evaluation of Fiscalis 2020 programme confirming the success of the TNA in achieving its goals.

With regard to the direct taxation, a new version of **DAC6 (v1.2.0)** was made available in May 2021. As regards the first automatic exchanges of information, the initial deadline set by the Directive 2018/822/EU to 31 October 2020 was deferred by Directive 2020/876/EU to 30 April 2021, due to the Covid-19 pandemic. Moreover, in 2021 some IT developments were introduced in order to adapt some functionalities, ensure compliance with the GDPR requirements, and address some improvements requested by the Member States.

3.3. Support administrative capacity building including human competency

In addition to the EES and the general collaborative actions, the programme funded capacity building activities, including human competency enhancement, as depicted in tables 1 and 10 of Annexes II²⁰. The programme covered the development cost of the common training materials, including e-Learning modules.

In 2021, the majority of the activities were held online due to the restrictions relating to the Covid-19 pandemic.

Among the initiatives organised under the programme, the following are worthy of note:

- **eLearning courses** on eFCA for direct taxation, and on EMCS;
- **NanoLearnings** (small learning courses of no more than 5 minutes) covering subjects such as VAT Transactions, OSS principles and procedures, Customs Territory vs VAT Territory;
- **Train the Trainers (ToT)** on “interactive online eLearning methods and tools”, an online course organised within the Common learning event programme, (CLEP) project on the initiative of some Member States to respond to the need to adapt to new working methodologies caused by the Covid-19 pandemic.

Within the competency framework for taxation (TaxComp^{EU}), in 2021, a Reference Training programme was delivered with the required support to Member States for its implementation by means of specific tools (such as workshops, country interviews, strategic partnership agreements and high-level implementation plan, webinars, etc.).

In 2021, the Commission procured 52 new eLearning linguistic versions (corresponding to 7 new modules²¹) and there were 8761 downloads²².

Finally, it is to be noted that the majority of the collaborative actions have an educational or knowledge building and knowledge sharing element.

²⁰ For the reporting of the training and eLearning activities, the Fiscalis 2020 covers the period January-December 2021 since Member States report on an annual basis.

²¹ More precisely, there were 7 new modules and the following language versions: 10 of EMCS Core Business and 7 of the 5 modules on EMCS Advanced Business Training Programme.

²² Since May 2021 the Customs & Tax EU Learning Portals were launched, courses can be followed online. As a result, it is still possible to download the courses, however the majority of people follows the courses online. Through the Learning portal it is possible to measure the number of completed courses which provide more realistic indicator of the use of the courses.

4. COMPLEMENTARITIES WITH OTHER POLICIES AND PROGRAMMES

4.1. With other DG TAXUD initiatives

In 2021, the programme activities contributed to the implementation of the **Commission initiatives in the field of taxation**, including the **VAT e-commerce package** and the **Communication on Business taxation for the 21st Century**²³ by means of dedicated general collaborative actions or IT systems²⁴.

In the same vein, the programme funded **a study on the VAT in the digital age**. This included two online workshops (three days long) gathering more than 150 participants representing the Member States, the business community and other stakeholders (such as academics), to discuss the future VAT digital transition. Those events were highly appreciated by participants and were seen as a best practice for future work on legislative initiatives.

Additionally, synergies with the Customs 2020 programme²⁵ and the new **Customs Programme**²⁶ were maintained in accordance with the recital²⁷ of the Fiscalis Regulation envisaging complementarities with other EU programmes.

In this regard, the programme funded three project groups that addressed broader policy aspects working in synergies with the Customs programme, namely in the field of data protection compliance, IT Technology & Infrastructure, fighting fraud related to Customs Procedure 42 with Surveillance 3 data.

4.2. With other policies

Taxation can have an important impact on consumer choices and can be a powerful tool to steer social behaviour to a healthier and more sustainable path.

During the reporting period, EU tax policies were also instrumental in supporting the EU's high-priority objectives in other policy areas. The programme contributed to addressing the Commission key priorities, such as “**An economy that works for people**” and “**A Europe Fit for the Digital Age**”, including by providing continuous support to the EU Heads of Tax Administrations (**TADEUS**) network established to respond to the jointly identified priorities.

In the context of the EU priority to **promote digital transition**, the programme funded dedicated project groups addressing security concerns around cloud and delivering specific guidelines. In the field of **Enterprise Risk Management**, an **IT risk maturity model** to be used in the enterprise risk management by the Member States was released.

Moreover, in line with the Commission commitments to deliver on the **digital priorities**, the Commission continued to explore new modern and emerging solutions such as blockchain, artificial intelligence, chatbot and data analytics through the programme's funded actions.

Additionally, in relation to the **recovery strategy** and to the '**European semester**', the Commission contributed to enhancing the administrative capacity of national administrations, by means of the **EU Competency Framework for tax**, funded by the programme.

²³ COM (2021) 251 final of 18.5.2021.

²⁴ For example, 7 project groups were funded for the implementation of the VAT e-commerce.

²⁵ Regulation (EU) No 1294/2013

²⁶ Regulation (EU) No 444/2021

²⁷ Recital 11 of Regulation (EU) 2021/847

As a novelty introduced by the Fiscalis Regulation²⁸, synergies and complementarities with other EU programmes are encouraged.

Potential synergies have been identified with the **Union Anti-Fraud Programme**²⁹, the **Single Market Programme**³⁰, the **Recovery and Resilience Facility**³¹ and the **Technical Support Instrument**³².

As an example of the interconnection between different Commission's programmes, at the occasion of the TADEUS plenary meeting held in June 2021, the heads of tax administrations were encouraged to make use of the **Technical Support Instrument**, for implementing national components of EU-wide IT systems and for risk analysis.

This resulted in the possibility for the project group on the "**Estimations of Tax Gap on PIT/SSC, CIT, MTIC fraud and VAT e-commerce**" to explore the use of a multi-country project within the framework of the **Technical Support Instrument**.

4.3 Complementarities with other international organisations

In 2021, the programme funded an initiative that contributed to align some OECD and EU standards by developing an IT risk model in the field of "**Tax Administration Enterprise Risk Management collaboration**". The **IT risk maturity model** can be used in the enterprise risk management by the Member States administration and be equally used together with the Enterprise Risk Management, maturity model (ERM) OECD model.

5. CONCLUSIONS AND LESSONS LEARNED

5.1 Strengths identified and confirmed by indicators

Despite the restrictions related to the Codiv-19 pandemic and the delays in the adoption of the new Fiscalis programme, business continuity was guaranteed in the main sectors concerned and positive results were achieved. In this regard, a major achievement was related to the **VAT e-commerce package**, the implementation of which was supported by numerous actions financed by the programme. The launch of the package went smoothly without major operational problems. In the same vein, the collection of the VAT for the first six months was in line with the expectations, resulting in no relevant VAT gap.

More broadly, the Fiscalis programme has proved to be instrumental in supporting and contributing to the implementation of EU policy priorities. In particular, in the context of the EU priority to promote **digital transition**, the programme funded activities aimed at addressing security concerns associated with the cloud and supported IT Collaboration.

Moreover, it provided substantial support to tax authorities in dealing with an **increased volume of data available** by means of dedicated project groups, for developing frameworks, best practices and IT tools to improve the use of data available.

In addition to the IT systems to exchanging information among tax authorities, the programme facilitated the use of other **platforms**, such as Programme Information and Collaboration Space, (PICS) and

28 Recital 11 of Regulation (EU) 2021/847

29 Regulation (EU) 2021/785

30 Regulation (EU) 2021/690

31 Regulation (EU) 2021/241

32 Regulation (EU) 2021/240

Activity reporting Tool, (ART), provided by the Commission for the benefit of the different stakeholders involved.

Furthermore, in line with the priority “**An Economy that works for people**”, the Fiscalis programme enhanced the exchange of information and supported the administrative cooperation, in particular by means of the **Eurofisc network**, which obtained significant results in analysing and detecting fraud schemes.

Additionally, the programme facilitated the establishment of the **EU AIAC Community**, which encompasses the advanced international administrative cooperation instruments (AIAC) including controls and administrative enquiries with a cross-border dimension.

In the same vein, the programme contributed to **fight tax fraud, tax evasion and aggressive tax planning**, by funding actions that supported the **automatic exchange of information (AEOI)** on administrative cooperation in the field of direct taxation, thus addressing the Commission **recovery strategy’s objective**.

5.2 Weaknesses identified by indicators, areas to improve

While the vast majority (86.1%³³) of the programme participants reported that they were passing on the information obtained and sharing the results gained via programme activities within their administration, the cascade effect seems to be rather limited as the generated knowledge stays mainly with the officials directly involved in programme activities. National administrations and programme activity participants should be encouraged to spread the information more broadly to ensure that the information reaches the relevant managerial levels.

A recent Commission evaluation³⁴ on administrative cooperation in the field of direct taxation highlighted that there is still scope to increase the **quality and the use of tax data exchanged among Member States**. Therefore, despite the numerous actions aimed to improve the exchange of data funded by the programme, there is still room for improvement.

In some cases, **VAT frauds** are linked to **fraud relating to customs duties**, which undermine fair burden sharing between taxpayers as well as a fair national contribution to the EU budget. In the field of **e-commerce**, where customs and tax authorities will have at their disposal massive volumes of data and information systems, synergies between tax and customs authorities become particularly crucial. In this regard, synergies with the **Customs programme** as well as the **Antifraud programme** should be encouraged.

On the other side, the experience of some of the expert teams has shown that Member States should ensure a steady commitment throughout the whole duration of the project in order to avoid disruption in the activities and impacting other participants to the project. To avoid wasting programme’s budget, time and resources of the involved participating countries, Member States should ensure an efficient uptake and deployment of the products once they are delivered and guarantee that the products are properly used, while ensuring a timely maintenance and update.

³³ Based on the Event assessment survey

³⁴ SWD (2019) 327 Evaluation of Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC https://ec.europa.eu/taxation_customs/system/files/2019-09/2019_staff_working_document_evaluation_on_dac.pdf

In particular the **expert team for Excise Duty Calculator and m-EMCS**, highlighted the need to carefully take in to consideration **sustainability and continuity in the medium and longer term of the results obtained**, once the financial support of the programme is no longer available. Subsequent activities can entail running and maintenance costs, dissemination of the results among all eligible actors, adequate and update training, these all requiring further heed and commitment.

On a related note, the experience of the **expert teams CESOP and the EU cooperative compliance pilot project for larger companies** highlighted the issue of limited buy-in of some Member States in engaging in activities that require active involvement.

6. ANNEXES:

- Annex 1 Acronyms and definitions
- Annex 2 Fiscalis 2020 programme's budget, performance indicators and supplementary information (for activities carried out during 2021)
- Annex 3 Fiscalis programme's budget, performance indicators and supplementary information

6.1. Annex 1: Acronyms and Abbreviations

| Abbreviation | Meaning | Description |
|--------------|--|---|
| AEOI | Automatic Exchange of Information | Cross-border sharing of information by tax administrations under the DAC directives. |
| AFF | Action Follow up Form | Outputs and results of actions are monitored through action follow up forms (AFF). The action managers complete these forms yearly, over the duration of an action. |
| ART | Activity Reporting Tool | IT tool used to manage activities carried out under the Customs and Fiscalis programmes. |
| CCN/CSI | Common Communications Network - Common Systems Interface | Member State tax administration gateway to secure and fast exchange of data and information. |
| DAC | Directive on Administrative Cooperation | <p>Mandatory Automatic Exchange of Information under Directive 2011/16/EU on Administrative Cooperation in the field of taxation in relation to specific categories:</p> <ul style="list-style-type: none"> – income from employment, pensions, directors fees, income and assets from immovable property and life insurance (DAC1), – income and assets on financial accounts (DAC2), – advance cross-border tax rulings and advance pricing arrangements (DAC3), – country-by-country reporting of multinational enterprise groups (DAC4), – information in the Ultimate Beneficial Owners UBO-registers currently established in all Member States (DAC 5), – potentially aggressive cross-border tax planning schemes (DAC6). |
| EAF | Event Assessment Form | Follow-up at the level of the participants for the joint actions is done through event assessment forms (EAF) distributed at a |

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| | | specific interval after the end of the activity or for long lasting activities, yearly, during the activity itself. |
| eFCA | e-Forms Central Application | Common application to support the exchange of information between Member States for VAT, recovery and direct taxation through a central portal. |
| EES | European Electronic systems | IT systems supported by the Fiscalis programme to interconnect tax authorities and allow information to be exchanged rapidly and by secure electronic means. |
| EIS | European Information Systems | European Information systems supported by the Fiscalis 2020 programme interconnect tax authorities and allow information to be exchanged rapidly and by secure electronic means. |
| EMCS | Excise Movement Control System | Computerised system for monitoring the movement of excise goods under duty suspension within the EU. It records, in real-time, the movement between authorised consignors and consignees, of alcohol, tobacco, and energy products for which excise duties have still to be paid. |
| ET | Expert team | Eligible action under the Fiscalis 2020 and the Fiscalis programme supporting enhanced operational collaboration, either on a geographic or on a thematic basis. |
| FPG | Fiscalis Project Group | Eligible action under the Fiscalis programme composed of representatives of a limited number of participating countries. It is operational during a limited period of time for the purpose of pursuing a predefined objective with a precisely defined outcome, including coordination or benchmarking. |
| F2020 | Fiscalis 2020 programme | EU cooperation programme in the field of taxation established by Regulation (EU) No 1286/2013, covering the period 2013-2020. |
| Fiscalis programme | Fiscalis programme | EU cooperation programme in the field of taxation established by Regulation (EU) 2021/847, covering the period 2021-2027. |
| General collaborative action | General collaborative action | Any programme activity under the Fiscalis programme that is used to bring officials from Tax administrations together to realise the objectives of the programmes. A general collaborative action consist of meetings and similar ad hoc <u>events</u> such as <u>seminars</u> and <u>workshops</u> , <u>working visits</u> , <u>presence in administrative offices</u> and |

| | | |
|--------------------|---|--|
| | | <u>participation in administrative enquiries</u> and project-based structured collaboration such as <u>project groups</u> , <u>task forces</u> , <u>multilateral</u> or <u>simultaneous control</u> , joint audits, any other form of administrative cooperation. |
| JA | Joint Action | Any programme activity under the Fiscalis 2020 programme that is used to bring officials from Tax administrations together to realise the objectives of the programmes. Joint actions consist of seminars, workshops, working visits, project groups, expert teams, actions for public administration capacity building, Multilateral Controls, administrative cooperation actions, studies, communication projects. |
| MANITC expert team | Managed IT Collaboration | Expert team launched in order to pool EU Member States resources to strategically and efficiently manage and implement the IT Collaboration initiatives in the field of taxation. |
| MAWP | Multiannual Work Programme | The Multiannual Work Programme (MAWP) for 2021, 2022 and 2023 constitutes the operational framework for the implementation of the Fiscalis programme and the expected results in relation to the Union policy projects, a breakdown of the budget per type of action and the co-financing rate of grants. |
| MFF | Multiannual Financial Framework | The multiannual financial framework (MFF) is the financial planning tool of the European Union (EU), and gives an overview of its priorities from a budgetary perspective. |
| MLC | Multilateral Controls | Multilateral Controls or MLC actions consist of coordinated controls of the tax liability of one or more related taxable persons, organised by two or more Member States with common or complementary interests. |
| MOSS | Mini-One-Stop-Shop | Mini One Stop Shop (MOSS) system contributes to reducing the administrative burden on tax administrations and compliance costs for those taxpayers active in the telecommunications, broadcasting and electronic services and established within the Union, as it allows fulfilling their VAT obligations in a single place of compliance instead of in each country of the economic activity. |
| N/A | Not available | Data not available |
| PAOE | Presences in administrative offices / participation in administrative enquiries | PAOEs consist of one Member State requesting to be present in another Member States' offices and/or during administrative |

| | | |
|--------------------|--|--|
| | | enquiries carried out in the territory of the requested Member State. |
| PICS | Programmes Information and Collaboration Space | Collaboration platform for tax and customs professionals working in administrations across Europe. |
| PMF | Performance Measurement Framework | Results based monitoring system as part of the performance reporting system It focusses on progress of the Programme towards the achievement of the specific objectives in terms of outputs and results. |
| Registry messages | Registry Messages | The trader VAT number is checked against the construction rule of the destination Member State. |
| SEED | System for Exchange of Excise Data | Register of economic operators, which traders can consult in part, to check whether a given excise number is valid and what categories of goods the operator in question is authorised to trade. It is a core component of the EMCS, as it allows Member States' administrations to validate authorisations of traders before giving them permission to move any excise goods under duty suspension. |
| TEDB | Taxes in Europe Database | Database publicly available and searchable online containing information on the main taxes in the EU Member States. It is intended to act as a single reference point for harmonised and comparable taxation information on taxation. |
| TNA | Transaction Network Analysis | Custom-built software that interconnects Member States' tax IT platforms under which cross-border transaction information can be quickly and easily accessed and suspicious VAT fraud can be reported nearly in real time whose core software was developed by the Commission. |
| TNA II expert team | Taxation Identification Number II expert team | Follow up of the first TNA expert team expected to carry out studies and perform technical and development tasks that require specific business knowledge or access to Eurofisc operational data. |
| TOD messages | Turnover Data messages | Each Member State must collect on a monthly basis (or less frequently) the recapitulative statements issued by intra-community suppliers on its territory. The monthly recapitulative statement of a given supplier corresponds to the total value of his supplies to each of his purchasers in any other Member State, together with their intra-community VAT identification numbers. |

| | | |
|------|---|--|
| VAT | Value Added Tax | Indirect tax on consumption imposed on the value added of goods and services established by Directive 2006/112/EC. |
| ToW | TIN-on-the-Web | System providing a web-enabled interface allowing end-users to verify Taxes Identification Number (TIN) via the Internet for any Member States. It is operational since 2012. |
| VIES | VAT Information Exchange System | Search engine (not a database) owned by the European Commission. The data is retrieved from national VAT databases when a search is made from the VIES tool. |
| VoW | VIES-on-the-Web - VIES (VAT Information Exchange System) on the web | The On-the-web electronic mean of validating VAT-identification numbers of economic operators registered in the European Union for cross border transactions on goods or services. |

6.2. Annex 2: Fiscalis 2020 budget performance indicators and supplementary information (for activities carried out during 2021)

2021 was the first year of implementation of the new programme Fiscalis and it was also a year of transition from the previous Fiscalis 2020 programme. Due to the delays in the adoption of the Multiannual Financial Framework 2021-2027 and the subsequent late adoption of the Fiscalis Regulation, in the absence of the budget of the new programme (which became available only in July), the Fiscalis 2020 programme unused budget continued to be used for both IT projects and general collaborative actions, respectively until July and November 2021. Also the training activities have been covered by the Fiscalis 2020 budget till the end of December 2021.

Therefore, the PMF related to the Fiscalis 2020 programme, will be used to report about the actions implemented under the previous programme³⁵.

1: Budget

Table 1: Committed expenses per year and main action categories (in euros).

For European Electronic Systems and other service contracts (studies): 2020 budget was committed in 2021 via a global commitment done at the end of 2020 to be able to bridge the gap between the end of the former programmes and the adoption of the new MFF and related Financing Decision.

For collaboration activities (including expert teams), external experts and the remaining service contracts, there were no new commitments done during 2021 related to the budget of the Fiscalis 2020 programme. All activities continued in 2021 based on commitments done in 2020.

| | 2021 |
|--|--|
| European Electronic Systems | 190 663.72 |
| Collaboration activities (including expert teams) | 0 |
| Other service contracts³⁶ | 0 (training) 1 262 916.37 (studies) |
| External experts | 0 |
| TOTAL | 1 453 580.09 |
| AWP-Financing Decision | 0 |

³⁵ Expenses in the year 2021 were split between the Fiscalis 2020 and the Fiscalis programme's budgets. For actions under the Fiscalis 2020 budget, the previous Performance Measurement Framework (PMF) applies. Collaborative actions under the Fiscalis 2020 finished on 30 November 2021. Reporting therefore covers the period January-November 2021 for collaborative activities. Reporting for training and eLearning under Fiscalis 2020 covers the period January-December 2021 since Member States report on an annual basis. Reporting for IT systems under Fiscalis 2020 covers the period January-June 2021.

³⁶ Including training, studies, communication, information support, programme management support and IT collaboration support.

2 - General collaborative actions and expert teams (Source: ART)

Figure 1: Overview of participants per country in 2021 (all joint actions all objectives)

Total number of participants: 4 530

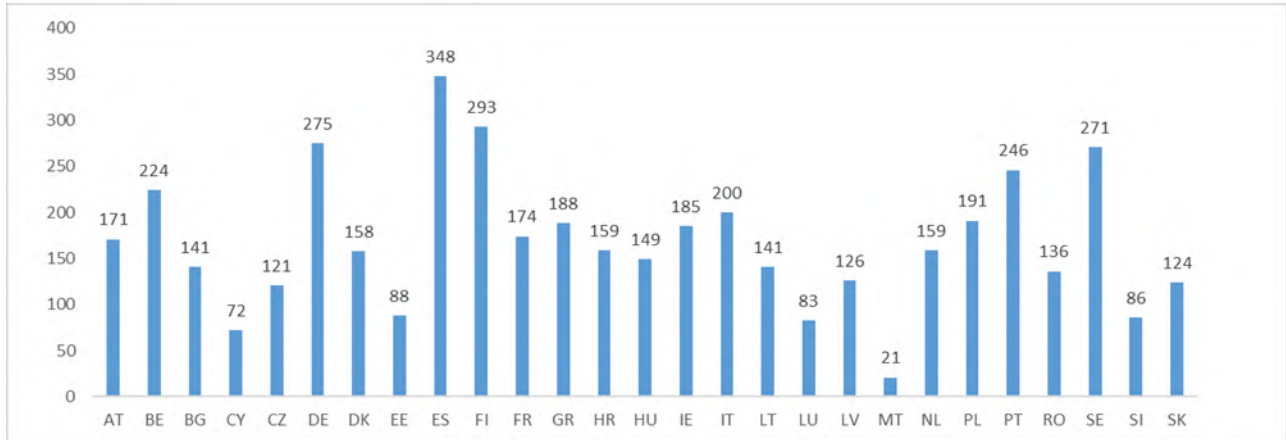


Figure 2: Overview of activity types and number of participants per activity type

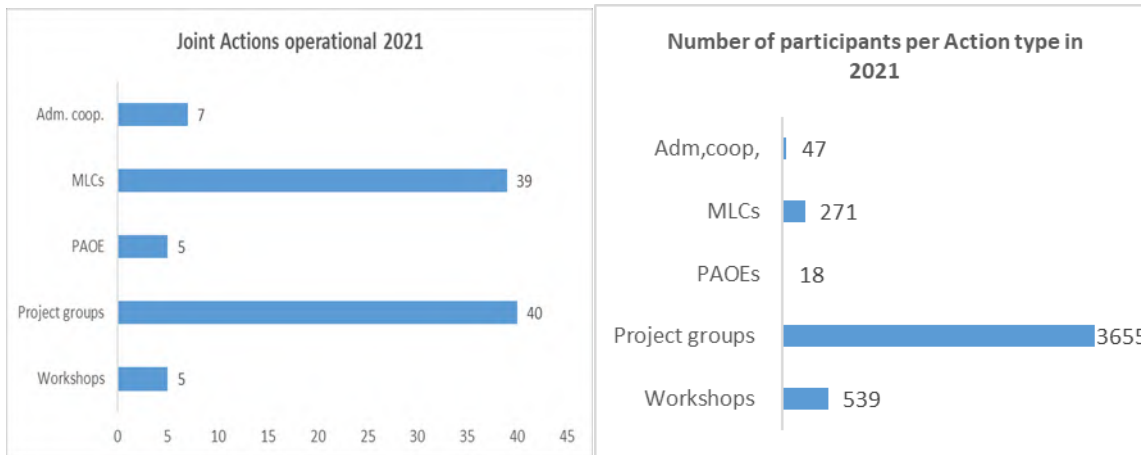
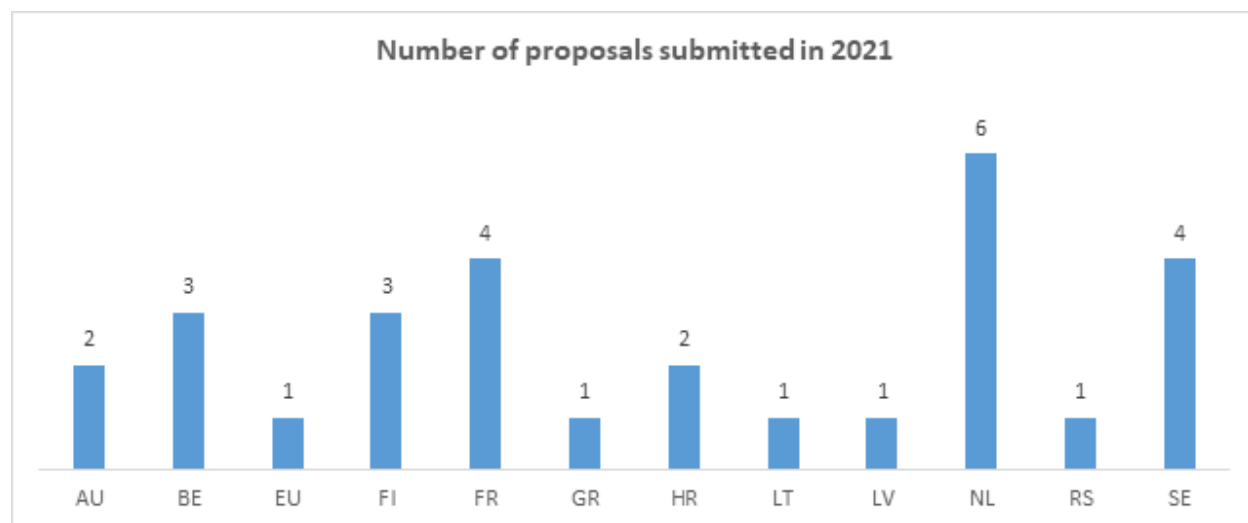


Figure 3: Number of new proposals submitted during 2021

Total number of new proposals: 29



3: Expert teams

Table 2: Expert teams

| Expert team | Objective | Duration | Participating countries | Main outputs |
|---|--|-----------|--|---|
| Expert team of Managed IT collaboration in taxation IV (MANITC IV) | The objective of this expert team for MANITC is to pool EU Member States resources to strategically and efficiently manage IT Collaboration initiatives in the field of taxation. In the context of “IT Collaboration” the overall objective is the joint implementation of IT systems, e.g. the development and knowledge sharing of IT software, IT solutions, IT components or other things that support an IT solution. The suggested structured approach to IT collaboration aims for maximum ownership of Member States. By supporting not only the activities of FPG/037 IT Collaboration Catalyst Group but also Member States actively involved in IT Collaborative projects, MANITC aims to increase the number of new IT Collaboration projects towards the common vision of making the approach the new standard way of doing IT in the taxation area. | 26 months | Romania, Ireland, Italy, Latvia, Portugal, Finland | <ul style="list-style-type: none"> Quarterly progress reports; Final Report; Quarterly IT Collaboration Newsletters; Lifecycle of IT Collaboration; Wiki page on IT Collaboration in Taxation; Support of ongoing projects: FPG/102 Data Governance, FPG/106 Direct Taxation, |

| | | | | |
|--|--|---------------------------------------|--|--|
| | | | | <p>Fraud/Non-Compliance on AEOI/DAC data tool,</p> <p>FPG/107 Due Diligence of Reportable Financial Institutions for AEOI purposes,</p> <p>FPG/108 Data Quality Community on AEOI,</p> <p>FWS/150 Advanced Analytics for Tax Administration</p> <p>FPG/126 Cloud Security,</p> <p>FPG/127 Enterprise Risk Management in Taxation,</p> <p>FPG/128 IT Taxation e-government reference architecture,</p> <p>FPG/129 EMCS Automated Test Campaign,</p> <p>DATANA Expert Team</p> |
| Transaction Network Analysis (TNA II) | The objective of this second TNA expert team, covering the period from 2020 to 2022, is to continue the TNA development and to enlarge the competences of the new TNA Operational Team in supporting | 24 months - running until 15 May 2022 | Belgium, Croatia, France, Hungary, Poland, the | A Feasibility study on TNA improvements for MTIC, |

| | | | | |
|---|--|---|----------------------------------|--|
| | <p>Eurofisc. TNA2 is a follow-up of the first TNA expert team and is expected to carry out studies and perform technical and development tasks that require specific business knowledge or access to Eurofisc operational data. An indicative example is the development of algorithms to be applied to Eurofisc operational data. In addition, the TNA2 will perform testing of TNA software with real or realistic data as well as other technical tasks like data management, system configuration, user management, usage supervision and user support. The overall objective is to study and implement an extension of TNA to other fraud types, covered by Eurofisc working fields (WF).</p> | | Netherlands | <p>First proposals on TNA extension to fraud with cars, boats and planes and to fraud by abusing Customs procedure 42,</p> <p>Annual operations report,</p> <p>External communication material</p> |
| Expert team for Excise Duty Calculator (EDC) | <p>The objective of the Excise Duty Calculator expert team is to provide traders and tax administration officers with a tool to automatically calculate excise duty for goods in movements under duty suspension in the EU. This will allow, for example, an operator to know the amount of tax for a specific excise product in another Member State by entering the minimal inputs and obtaining automatically the result without any need of manual calculation or documentation research.</p> | 36 months concluded on 30 November 2021 | France, Italy, Belgium, Portugal | Tool of the Excise duty calculator |
| Expert team on mobile application or m-EMCS - Expert team of Mobile Application for EMCS controls (Excise Control and Movement System) | <p>The objective of the m-EMCS - Expert team of Mobile Application for EMCS controls is to provide administration officers with a mobile solution allowing them to consult an electronic administrative document (e-AD) and, when applicable, generate a control report during a road control or any other control activity that occurs outside of their office. For example, during a road control, m-EMCS will allow officers to consult an e-AD, check its content against the goods on the truck and, if any irregularity is found, to report it immediately, using the same instrument that will be able to build a control report based on the e-AD, store it and disseminate it. The development of such solution required a focused and dedicated approach, which cannot be ensured by a Fiscalis project group, hence the need to set up an expert team. A group of Member States, as</p> | 36 months Activities till 16th November 2021 | Belgium, Latvia, Portugal, Italy | Mobile application for EMCS controls |

| | | | | |
|---|---|-----------------------------------|--|--|
| | part of the expert team for MANITC II, prepared the expert team's implementation plan and specifications. | | | |
| Central Electronic System Of Payment data exchange (CESOP) Expert team I | <p>Within the context of the legislative package for the mandatory transmission of payment data, the Commission has proposed the creation of a European database of payment data related to cross-border B2C e-commerce transactions – CESOP (Central Electronic System Of Payment data exchange) – where payment data collected by Member States will be centralised, processed and then made available to Member States' Eurofisc liaison officials.</p> <p>The objective of the expert team are:</p> <ul style="list-style-type: none"> - Developing and implementing business rules and algorithms during the development phase of CESOP. - Supporting the Commission in the development of CESOP's functionality. - Supporting the Commission in the development of CESOP's risk criteria for automated risk analysis; - Supporting the Commission in other key areas. | Began to operate in February 2021 | Belgium, Denmark, Germany, Finland, France, Hungary, Malta, Sweden | Users requirement for CESOP, XML schema definition for CESOP |

4: Key performance indicators for European Information Systems F2020 output indicators – New IT systems

Table 3: Key Performance Indicators

| F2020 output indicators – New IT systems | 2021 |
|--|-------------|
| Number of IT projects in the research phase (PP) | 4 |
| Number of IT projects in the development phase (P) | 3 |
| Number of new IT systems in operation (PROD) | 0 |
| Ratio of IT projects in status "green" | 97% |

| F2020 output indicators – Existing IT systems | 2021 |
|---|---|
| Number of European Information Systems in operation, as per Annex 1 of the Fiscalis 2020 Regulation | VAT: 7 Recovery: 1 Direct Taxes: 9 Excise: 5 Other: 5 Total: 27 |
| Number of modifications on IT systems in operation following: a) business requests | Excise: 48 Direct Taxes: 38 VAT: 202 Recovery: 0 Other: 133 Total: 421 |
| b) corrections | Excise: 11 Direct Taxes: 16 VAT: 64 Recovery: 0 Other: 37 Total: 128 |
| Number of occurrences where the service desk is not joinable (Member States) | None |
| Percentage of service calls answered on time (Member States) | 92.58% |
| F2020 result indicators – European Information Systems | 2021 |
| Availability of CCN (% of time) | 99.98% |
| Availability of VIES-on-the-Web (% of time) | 99.99% of time on average |
| Availability of EMCS (% of time) | 99.67%. |
| Volume of data exchanged on CCN (Customs and Taxation) | 39.46 Terabytes |
| Number of messages on CCN Network (Customs and Taxation) | 4 826 million messages |

5: Joint Actions supporting the development, improvement and implementation of EIS for taxation

Table 4: Joint Actions in the area of IT

| Indicator | 2021 |
|--|-------------------|
| Extent to which JAs (that sought to contribute to the availability, reliability and/or quality of (specific) Union components of EIS) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved) | *** ³⁷ |
| Participants' views on the extent to which a JA (that sought to contribute to the availability, reliability and/or quality of (specific) Union components of EIS) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent') | 93.8% |
| Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent') | 82% |
| Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful') | 91.9% |

³⁷ *** no feedback received for this operational objective

6: Cross-cut indicators of collaboration robustness between programme stakeholders

Table 5: Collaboration robustness indicators

| Indicator: Extent to which JA have achieved their intended results –awareness | 2021 |
|--|-----------------------------------|
| Extent to which JA (that sought to enhance collaboration between participating countries, their administrations and officials in the field of taxation) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved) | 3.19 |
| | No working visits due to Covid-19 |
| Extent to which the target audience is aware of the programme | 43% |
| Indicator: Degree of networking generated by programme activities | 2021 |
| Q1: Did the activity provide you a good opportunity to expand your network of and contacts with officials abroad? (percentage agreeing) | 81.2% |
| Q2: Have you been in contact for work purposes with the officials you met during this activity since the activity ended? (percentage agreeing) | 57.7% |
| Indicator: Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations | 2021 |
| Q 1 (AFF): Were the outputs of the action shared in national administrations? (percentage agreeing) | 40.54% |
| Q 2 (EAF): Further to your participation in this activity, did you share with colleagues what you learned? (percentage agreeing) | 86.1% |

7: Support administrative cooperation activities

Table 6: Joint actions in the area of administrative cooperation

| Indicator | 2021 |
|--|------|
| Extent to which JAs (that sought to enhance administrative cooperation) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved) | 2.52 |

| Indicator | 2021 |
|--|-------------|
| Participants' views on the extent to which a JA (that sought to enhance administrative cooperation) (has) achieved its intended results (percentage of those who replied 'fully' or 'to large extent') | 91.2% |
| Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent') | 89.3% |
| Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful') | 96.7% |
| Indicator | 2021 |
| Total number of MLCs operational | 81 |
| Number of Member States participating in MLCs | 22 |
| Number of Member States initiating MLCs | 11 |
| Degree to which results were achieved, as assessed by the MLC coordinator | 2.15 |
| Indicator | 2021 |
| Number of presences in the offices and participation in administrative enquiries | 6 |

Table 7: European Information Systems

| Type of Messages | 2021 (in millions) |
|-------------------------|---------------------------|
| Registry Messages | 492.4 |
| TOD Messages | 46.7 |
| MSW Messages | 333.8 |
| VoW Messages | 2 167.8 |
| Total Number | 3 040.7 |

8: Enhance the understanding and implementation of Union law in the field of taxation

Table 8: Joint actions in the area of implementation of Union Law

| Indicator | 2021 |
|--|-------------------|
| Extent to which JAs (that sought to enhance the understanding and implementation of Union law in the field of taxation) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved) | *** ³⁸ |
| Participants' views on the extent to which a JA (that sought to enhance the understanding and implementation of Union law in the field of taxation) (has) achieved its intended results (percentage of those who replied 'fully' or 'to large extent') | 88% |
| Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent') | 90% |
| Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful') | 100% |
| Number of actions (JAs) that have supported or facilitated to enhance the understanding and implementation of Union law in the field of taxation | 30 |
| Number of recommendations (R) / guidelines (G) / other outputs (O) issued further to a JA (under this objective) | *** ³⁹ |

9: Support the improvement of administrative procedures and the sharing of good administrative practices

Table 9: Joint actions in support of the administrative procedures

| Indicator | 2021 |
|--|--------|
| Number of actions under the programme organised in this area | 14 |
| Extent to which JAs (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) have achieved their result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved) | 3 |
| Participants' views on the extent to which a JA (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) (has) achieved its intended result(s) (percentage of those | 87.03% |

³⁸ *** no feedback received for this operational objective

³⁹ *** no feedback received for this operational objective

| Indicator | 2021 |
|---|---------------------------|
| who replied 'fully' or 'to large extent') | |
| Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent') | 88.7% |
| Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful') | 92.5% |
| Number of recommendations (R) / guidelines (G) / other outputs (O) issued further to a JA (under this objective) | 32 (R) 27 (G) 0 (O) |
| Number of best practices / administrative procedures (AP) developed/shared | 0 |
| Indicator | 2021 |
| Percentage of participants that disseminated a working practice/administrative procedure/guideline developed/shared with the support of the programme in their national administration (under this objective) | 88.65% |
| Percentage of participants which declare that an administrative procedure/working practice/guideline developed/shared under the programme led to a change in their national administration's working practices (under this objective) | 74.3% |
| Indicator | 2021 |
| Number of face to face meetings (total for the programme) | 41 |
| Number of online meetings (total for for the programme) | 244 |
| Number of on-line collaboration groups (PICS) (total for the platform) | 244 |
| Number of downloaded files from PICS (total for the platform) | 465 538 |
| Number of uploaded files on PICS (total for the platform) | 59 348 |

10: Reinforce skills and competences of taxation officials

Table 10: Skills indicators

| Indicator | 2021 |
|--|---------------------|
| Number of EU eLearning modules produced | 52 ⁴⁰ |
| Number of EU eLearning modules used by participating countries (combined number of all modules used in each country) | 144 |
| Number of tax officials trained by using EU common training material | 16 313 |
| Number of times publically available EU eLearning modules were downloaded from Europa.eu website | 8 761 ⁴¹ |
| Average training quality score by tax officials | 76.5 |
| Number of IT training sessions organised for given systems / components (e.g. VAT refund, EMCS, VIES, MOSS) | 14 |
| Number of tax officials trained in IT trainings | 48 |
| Percentage of tax officials who found that the IT training met their expectations (percentage of those who replied 'fully' or 'to large extent') | 75% |
| Percentage of tax officials who found the IT training to be useful (percentage of those who replied 'very useful' or 'useful') | 100% |

⁴⁰ Corresponding to 7 new modules and the following language versions: 10 of EMCS Core Business and 7 of the 5 modules on EMCS Advanced Business Training Programme.

⁴¹ Since May 2021 the Customs & Tax EU Learning Portals were launched, courses can be followed online. As a result, it is still possible to download the courses; however, the majority of people follows the courses online. Through the Learning portal, it is possible to measure the number of completed courses, which provide more realistic indicator of the use of the courses.

6.3. Annex 3: Fiscalis programme’s budget performance indicators and supplementary information⁴²

As explained in chapter 2.2. of the report, in terms of monitoring and reporting requirements, a new Performance Measurement Framework (PMF), whose core indicators are included in Annex II of Regulation 2021/847, will be used for the new programme Article 14 of Regulation (EU) 2021/847 empowers the Commission to adopt delegated acts to amend Annex II to review or complement the indicators (where considered necessary).

1: Budget Fiscalis programme

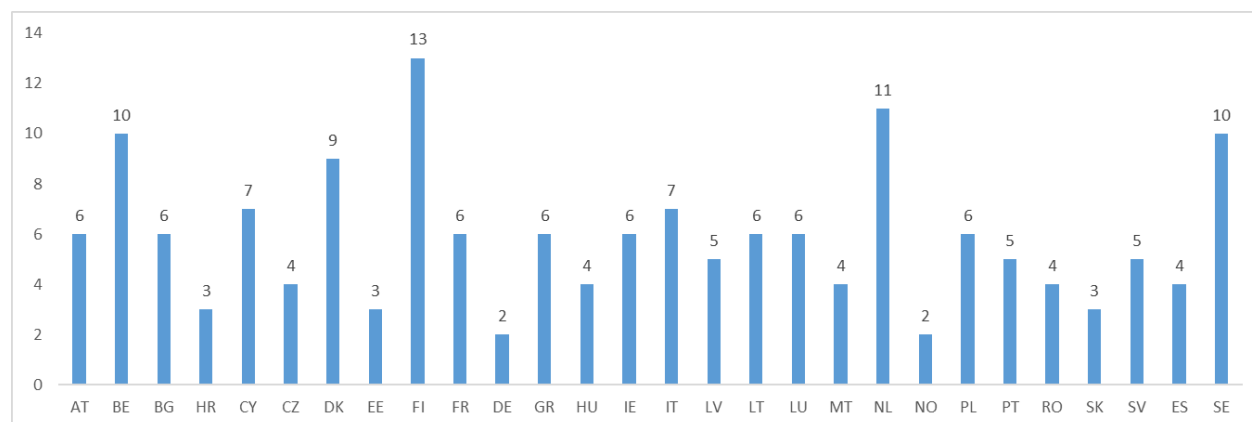
Table 1: Committed expenses per year and main action categories under the programme (in euros).

| | 2021 |
|--|--|
| European Electronic Systems | 22 217 403.23 |
| Collaboration activities (including expert teams) | 8 500 000 |
| Other service contracts⁴³ | 1 000 000 (training) 2 701 701.80 (studies) |
| External experts | 70 000 |
| TOTAL | 34 489 105.03 |
| MAWP- Financing Decision⁴⁴ | 35 915 550 |

2: General collaborative actions excluding expert teams

Figure 1: Overview of participants per country in 2021 (all joint actions all objectives)

Total number of participants: 163



⁴² Expenses in the year 2021 were split between the Fiscalis 2020 and the Fiscalis programme’s budgets. Reporting for the collaborative actions under the Fiscalis programme covers the period of December 2021 only. For the reporting of the training and eLearning, the Fiscalis 2020 covers the period January-December 2021 since Member States report on an annual basis. Reporting for IT systems under the Fiscalis programme covers the period July-December 2021.

⁴³ Including training, studies, communication, information support, programme management support and IT collaboration support (as per section 3.2 of the MAWP).

⁴⁴ The Multiannual Work Programme for Fiscalis covers the period 2021-2023. The budgetary figures have been split per year based on the data provided for adopting the related Financing Decision.

Figure 2: Overview of activity types and number of participants per activity type

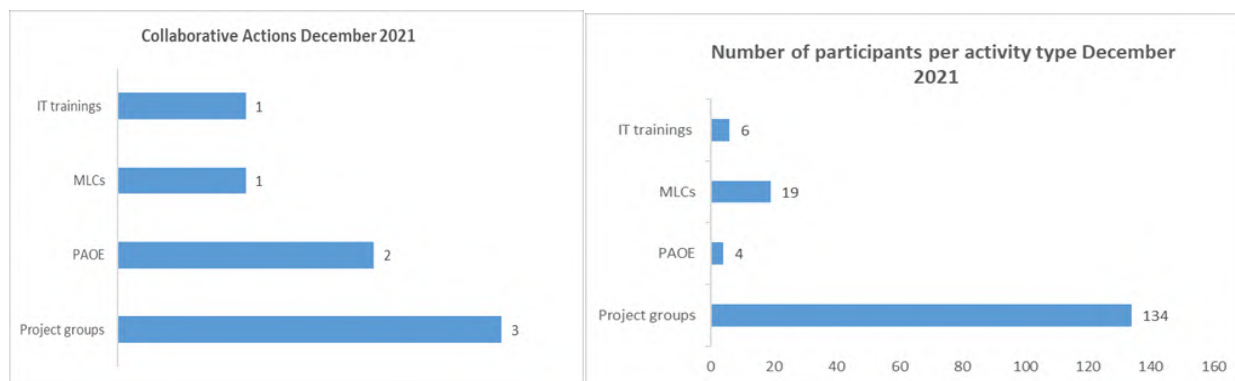
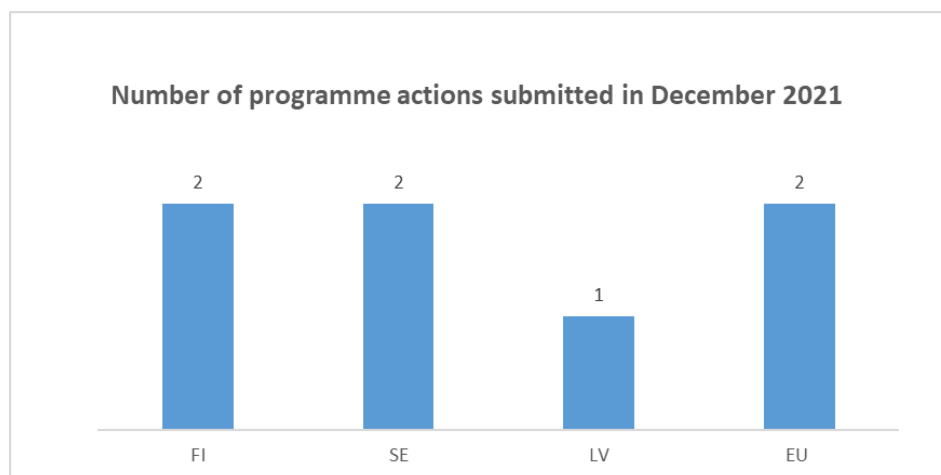


Figure 3: Number of new programme actions submitted during 2021

Total number of new proposals: 7



3: Expert teams

Table 2: Expert teams

| Expert team | Objective | Duration | Participating countries | Main outputs |
|--|--|------------------------------------|---|---|
| Expert team of managed IT collaboration in taxation V (MANITC V) | The Expert team MANITC V continued the activities of MANITC IV activities aiming to support the tax authorities of the participating countries, to implement enhanced operational cooperation in the area of IT collaboration and by promoting, to | Start in December 2021 - 24 months | Romania, Ireland, Italy, Latvia, Portugal | Quarterly progress reports, Final Report, Quarterly IT Collaboration Newsletters, |

| | | | | |
|--|---|-----------|--|--|
| | advise and to support ongoing and new IT Collaboration initiatives. | | | Lifecycle of IT Collaboration, Wiki page on IT Collaboration in Taxation, Lessons learnt, Support of ongoing projects (upcoming actions) |
| Expert team for the EU Cooperative Compliance pilot project for larger companies | The Commission launched an initiative for an EU Cooperative Compliance Programme. The Programme would provide a clear framework for a preventive dialogue between tax administrations for the common resolution of complex cross-border tax issues in the area of corporate income tax, in particular transfer pricing (TP) risks of larger enterprises in the Union. The expert team will work to assess and assure TP risks of some large enterprises in the Union during a pilot phase (2021-2022). The expert team would gather officials from the tax administrations of the Member States participating to the pilot project. The work will consist in: 1) identifying and selecting potential companies interested to participate in the pilot project, 2) endeavouring to reach a common risk assessment of the transactions covered by the pilot project and commit to deliver a single outcome letter on the tax risk profile of said transactions, and 3) evaluating the pros and cons of the pilot project for a potential scaling-up of the project. | 12 months | | Expert team cancelled |

4: Fiscalis key performance core indicators

Table 3: Output indicators

| Indicator | Contributions Data of 2021 |
|---|-------------------------------|
| OP 1.1. Development of the common (components of the) EES | |
| OP 1.1. Sub-indicator 1: Number of IT projects in Initiating phase | 4 |
| OP 1.1. Sub-indicator 2: Number of IT projects in Executing phase | 13 |
| OP 1.2. Delivery of the common (components of the) EES | |
| OP 1.2. Sub-indicator 1: Number of IT projects released to production as requested in the Regulation | 0 ⁴⁵ |
| OP 1.3. Reliability of the common (components of the) EES | |
| OP 1.3. Sub-indicator 1: Availability of the Common Communication Network (CCN)/CCN2 | 99.99% |
| OP 1.3. Sub-indicator 3: Availability of the European Electronic Systems | VIES: 99.64% EMCS: 99.64% |
| OP 2.1. Level of capacity building support provided through collaborative actions | |
| OP 2.1. Sub-indicator 1: Number of collaborative actions organised | 7 |
| OP 2.1. Sub-indicator 2: Number of face-to-face and virtual meetings | 10 ⁴⁶ |
| OP 2.1. Sub-indicator 3: Number of working practices, guidelines or recommendations issued following actions organised under the programmes | 17 (WP) 1(R) |
| OP 2.2. Learning index⁴⁷ | |
| OP 2.2. Sub-indicator 1: Number of learning modules used | N/A |
| OP 2.2. Sub-indicator 2: Number of professionals trained | N/A |

⁴⁵ No new key systems for the operation of core procedures crucial for the efficient functioning of the internal market, were produced in 2021.

⁴⁶ Number of meetings: 2 face to face, 8 virtual meetings.

⁴⁷ All learning activities were funded under the budget of Fiscalis 2020.

| | |
|--|-----|
| OP 2.2. Sub-indicator 3: Quality of e-learning courses | N/A |
|--|-----|

Table 4: Result indicators

| Indicator | Contributions Data of 2021 |
|--|--|
| RES 1. Level of coherence of tax/customs legislation and policy and their implementation | |
| RES 1. Sub-indicator 1: Percentage of national officials reporting that their authorities made use of a working practice, guideline or recommendation developed with the support of the programmes | Data not available for this reporting period (December 2021). Next programme poll will be carried out in 2023. |
| RES.2.1 Use of KEY European Electronic Systems aimed at increasing interconnectivity and exchanging information | |
| RES 2.1. Sub-indicator 1: Number of consultations carried out in the different common (components of the) European Electronic Systems | VIES: 522 millions SEED: 17 665 527 TEDB: 57 105 |
| RES 2.2. Level of operational cooperation between national authorities | |
| RES 2.2. Sub-indicator 2: Number of online collaboration groups on the collaborative platform that are active | 244 |
| RES 2.2. Sub-indicator 6: Degree of networking generated | Data not available for this reporting period (December 2021). Next programme poll will be carried out in 2023. |
| RES 3.1. Simplified e-procedures for economic operators | |
| RES 3.1. Sub-indicator 1: Number of registered economic operators | OSS: 77 824 VIES Results available from Member States only in the summer of 2022 |
| RES 3.1. Sub-indicator 2: Number of applications | VAT Refund: 353 254 |