

Brussels, 10 June 2022
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'A' ITEM NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	Code of Conduct Group (Business Taxation) - Council conclusions = Approval

1. In accordance with its mandate, the Code of Conduct Group reports regularly to the Council on the progress of its work. The latest 6-monthly report of the Code of Conduct Group to the Council was adopted by the Group on 2 June 2022 and is set out in 9295/22 + COR 1 + ADD 1-9.
2. Draft Council conclusions on the progress achieved by the Code of Conduct Group during the French Presidency were examined within the Code of Conduct Group. The Permanent Representatives Committee supported the text of the conclusions set out in the Annex to this note on 8 June 2022.
3. The Council (Ecofin) is therefore invited to adopt the conclusions as an 'A' item at its session on 17 June 2022.

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

The Council:

1. WELCOMES the progress achieved by the Code of Conduct Group during the French Presidency, in particular with regard to the standstill and rollback notifications and the revision of the EU list of non-cooperative jurisdictions in February 2022; APPROVES the Group's report as set out in 9295/22 + COR 1 + ADD 1-9;
2. ENDORSES the progress reached in the assessment of standstill and rollback notifications by the Group and ASKS the Group to continue monitoring standstill and the implementation of the rollback;
3. WELCOMES the ongoing monitoring by the Group of the implementation of its past guidance notes and the progress achieved with regard to the monitoring of the implementation of the 2017 Guidelines on tax privileges related to special economic zones;

4. RECALLS the discussion on the revision of the Code of Conduct and ASKS the Group to continue working with a view to advancing the reform;
5. INVITES the Group to continue an effective dialogue with jurisdictions and monitoring, so that jurisdictions continue to fulfil their respective commitments and comply with the EU listing criteria in accordance with the agreed deadlines; WELCOMES in particular the recent dialogue with jurisdictions engaged in reforming their foreign-source income exemption regimes (FSIE), with no or only nominal tax jurisdictions in the context of monitoring the implementation of economic substance requirements under criterion 2.2 and with relevant jurisdictions regarding the implementation of the country-by-country reporting (CbCR) anti-BEPS minimum standard (criterion 3.2);
6. NOTES that the peer review process by the Global Forum on tax transparency and exchange of information (Global Forum) to assess the implementation of Automatic Exchange of Information on Financial Accounts according to the OECD Common Reporting Standard (CRS AEOI) is under way and WELCOMES the progress achieved by a number of jurisdictions in implementing the international standard;
7. RECALLS that criterion 1.1 with respect to CRS AEOI is set to evolve in line with the peer review process of the Global Forum; ENDORSES accordingly the Guidance set out in Annex I of the Group's report on applying future criterion 1.1 by reference to the outcome of the peer reviews by the Global Forum on CRS AEOI, and ENCOURAGES jurisdictions to fully implement the international standard on CRS AEOI;

8. CALLS on the Group to keep working on the evaluation of the application by the Member States of defensive measures in the tax area towards non-cooperative jurisdictions, in accordance with the agreed Guidance, and report to the Council on further progress in these matters;
9. WELCOMES the positive effect of the Code of Conduct and the work of the Group on reducing harmful tax practices and the decrease of preferential tax regimes both at the EU level and globally; WELCOMES the state of play, as set out in the Group's report, of the reflection of the Group to enhance further the efficiency of the EU list, both its current criteria and processes for third country jurisdictions, where appropriate, in particular in light of the international developments on a minimum effective level of taxation; ASKS the Group to keep working and report to the Council on further progress in these matters;
10. INVITES the Group to report back to the Council on its work during the Czech Presidency.
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