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

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

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 Committee[(1)],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The multi-annual action programme for taxation which applied before 2014 has significantly contributed to facilitating and enhancing cooperation between tax authorities within the Union. The added value of that programme, including to the protection of the financial interests of Member States of the Union and of taxpayers, has been recognised by the tax administrations 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 or cooperate intensively with their counterparts. The Fiscalis programme, implemented by the Commission in cooperation with the participating countries, 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.

(2) The programme established under this Regulation, "Fiscalis 2020", and its success are vital in the present economic situation and should support cooperation in fiscal matters.

(3) The activities under Fiscalis 2020, namely the European information systems as defined in this Regulation (European Information Systems), the joint actions for officials of tax authorities and the common training initiatives, are expected to contribute to the realisation of the Europe 2020 Strategy for smart, sustainable and inclusive growth

by strengthening the functioning of the internal market, providing a framework within which to support activities enhancing the administrative capacity of tax authorities and advancing technical progress and innovation. In providing a framework for activities which strive for more efficient tax authorities, strengthen the competitiveness of businesses, promote employment and contribute to the protection of the financial and economic interests of the Member States of the Union and of taxpayers, Fiscalis 2020 will actively strengthen the functioning of the taxation systems in the internal market, while contributing to the gradual elimination of existing barriers and distortions within the internal market.

(4) The scope of Fiscalis 2020 should be brought into line with current needs so as to focus on all taxes harmonised at Union level and other taxes in so far as they are relevant for the internal market and for administrative cooperation between the Member States.

(5) To support the process of accession and association by third countries, Fiscalis 2020 should be open to the participation of acceding and candidate countries and to potential candidate countries and partner countries of the European Neighbourhood Policy if certain conditions are fulfilled and their participation supports only activities under Fiscalis 2020 which are aimed at fighting against tax fraud and tax evasion, and addressing aggressive tax planning. Considering the increasing level of interconnection of the world economy, Fiscalis 2020 should continue to provide for the possibility of inviting external experts to contribute to activities under Fiscalis 2020. External experts, such as representatives of governmental authorities, economic operators and their organisations or representatives of international organisations should be invited only where their contribution is considered to be essential for achieving the objectives of Fiscalis 2020.

(6) The objectives and priorities of Fiscalis 2020 take into account the problems and challenges identified for taxation in the next decade. Fiscalis 2020 should continue to play a role in vital areas such as the coherent implementation of Union law in the field of taxation, securing the exchange of information and supporting administrative cooperation and enhancing the administrative capacity of tax authorities. Given the problem dynamics of new challenges identified, additional emphasis should be put on supporting the fight against tax fraud, tax evasion and aggressive tax planning. Emphasis should also be placed on reducing the administrative burden for tax authorities and the compliance costs for tax payers and preventing instances of double taxation.

(7) At an operational level, Fiscalis 2020 should implement, operate and support the European Information Systems and administrative cooperation activities, reinforce the skills and competences of tax officials, enhance the understanding and implementation of Union law in the field of taxation, and support the improvement of administrative procedures and the sharing and dissemination of good administrative practices. Those objectives should be pursued with an emphasis on supporting the fight against tax fraud, tax evasion and aggressive tax planning.

(8) The programme tools which applied before Fiscalis 2020 should be supplemented in order to respond adequately to challenges awaiting tax authorities in the next decade and

to remain in line with developments in Union law. Fiscalis 2020 should cover bilateral or multilateral controls and other forms of administrative cooperation as established in the relevant Union law on administrative cooperation; expert teams; public administration capacity–building actions providing specific and specialised coaching in the field of taxation to Member States facing particular and exceptional circumstances that justify such targeted actions; and, where necessary, studies and common communication activities in order to support the implementation of Union law in the field of taxation.

(9) The European Information Systems play a vital role in interconnecting tax authorities and thus in reinforcing the taxation systems within the Union and should therefore continue to be financed and improved under Fiscalis 2020. In addition, it should be made possible to include in Fiscalis 2020 new tax-related information systems established under Union law. The European Information Systems should, where appropriate, be based on shared development models and IT architecture.

(10) In the context of improving administrative cooperation more widely and supportig the fight against tax fraud, tax evasion and aggressive tax planning, it may be useful for the Union to conclude agreements with third countries in order to allow those countries to use the Union components of the European Information Systems to support a secure exchange of information between them and the Member States in the framework of bilateral tax agreements.

(11) Common training activities should also be carried out under Fiscalis 2020. Fiscalis 2020 should continue to support participating countries in strengthening professional skills and knowledge relating to taxation through enhanced jointly developed training content that targets tax officials and economic operators. To that end, the current common training approach of the Fiscalis 2020, which was mainly based on central eLearning development, should develop into a multi-facetted training support programme for the Union.

(12) Fiscalis 2020 should cover a period of seven years to align its duration with that of the multiannual financial framework laid down in Council Regulation (EU, Euratom) No 1311/2013[(2)].

(13) This Regulation lays down a financial envelope for the entire duration of Fiscalis 2020 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 management[(3)], for the European Parliament and the Council during the annual budgetary procedure.

(14) In line with the Commission's commitment, set out in its Communication on the Budget Review of 2010, to coherence and simplification of funding programmes, resources should be shared with other Union funding instruments if the envisaged activities under Fiscalis 2020 pursue objectives which are common to various funding instruments, excluding however double financing.

(15) The measures necessary for the financial implementation of this Regulation should be adopted in accordance with Regulation (EU, Euratom) No 966/2012 of the European

Parliament and of the Council[4], and with Commission Delegated Regulation (EU) No 1268/2012[5].

(16) Participating countries should bear the cost of national elements of Fiscalis 2020 which would include, inter alia, the non-Union components of the European Information Systems, and any training which is not part of the common training initiatives.

(17) Considering the importance of full participation of participating countries in joint actions, a co-financing rate of 100 % of the eligible costs in respect of travel and accomodation costs, costs linked to organisation of events and daily allowances is possible where it is necessary to achieve fully the objectives of Fiscalis 2020.

(18) The financial interests of the Union should be protected through appropriate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, unduly paid or incorrectly used and, where appropriate, penalties.

(19) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission in respect of the establishment of annual work programmes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council[6].

(20) Since the objective of this Regulation, namely establishing a multi-annual programme to improve the operation of the taxation systems in the internal market, cannot be sufficiently achieved by the Member States as they cannot efficiently perform the cooperation and coordination necessary to achieve that objective, 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) The Commission should be assisted by the Fiscalis 2020 Committee for the implementation of Fiscalis 2020.

(22) To facilitate the evaluation of Fiscalis 2020, a proper framework for monitoring the results achieved by Fiscalis 2020 should be put in place from the very beginning. The Commission, together with participating countries, should establish adjustable indicators and set pre-defined baselines for monitoring the results of activities under Fiscalis 2020. A mid-term evaluation looking at the achievement of the objectives of Fiscalis 2020, its efficiency and its added value at the European level should be carried out. A final evaluation should, in addition, deal with the long-term impact and the sustainability effects of Fiscalis 2020. Full transparency with regular reporting on monitoring and with the submission of evaluation reports to the European Parliament and to the Council should be ensured.

(23) Directive 95/46/EC of the European Parliament and of the Council[7] governs the processing of personal data carried out in the Member States in the context of this Regulation and under the supervision of the Member States competent authorities, in particular the public independent authorities designated by the Member States.

***Changes to legislation:** There are currently no known outstanding effects for the Regulation (EU) No 1286/2013 of the European Parliament and of the Council. (See end of Document for details)*

Regulation (EC) No 45/2001 of the European Parliament and of the Council[8] governs the processing of personal data carried out by Commission within the framework of this Regulation and under the supervision of the European Data Protection Supervisor. Any exchange or transmission of information by competent authorities should be in accordance with the rules on the transfer of personal data as laid down in Directive 95/46/EC and any exchange or transmission of information by the Commission should be in accordance with the rules on the transfer of personal data as laid down in Regulation (EC) No 45/2001.

(24) This Regulation replaces Decision No 1482/2007/EC of the European Parliament and of the Council[9]. That Decision should therefore be repealed,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

General provisions

Article 1

Subject matter

1 A multi-annual action programme "Fiscalis 2020" ("the programme") is hereby established to improve the operation of the taxation systems in the internal market and to support cooperation in relation thereto.

2 The programme shall cover the period 1 January 2014 to 31 December 2020.

Article 2

Definitions

For the purpose of this Regulation, the following definitions shall apply:

(1) "tax authorities" means the public authorities and other bodies in the participating countries which are responsible for administering taxation or tax-related activities;

(2) "external experts" means:

(a) representatives of governmental authorities, including those from countries not participating in the programme pursuant toArticle 3(2);

(b) economic operators and organisations representing economic operators;

(c) representatives of international and other relevant organisations;

(3) "taxation" means the following:

(a) value added tax provided for in Council Directive 2006/112/EC[10];

(b) excise duties on alcohol provided for in Council Directive 92/83/EEC[11];