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Fiscalis 2020 programme Progress Report for 2015

EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Resources
Management of programmes and EU Training

FISCALIS 2020 PROGRAMME

2015 PROGRESS REPORT

Contents

1. ACRONYMS AND ABBREVIATIONS

The following acronyms are used in this document:

Abbreviation	Meaning
AEOI	Automatic Exchange of Information
AES	Automated Export System
AFF	Action Follow up Form
AFF WV	Action Follow up Form for Working Visits
ART	Activity Reporting Tool
AWP	Annual Work Programme
BPM	Business Process Modelling
CACT	Committee on Administrative Cooperation for Taxation
CCN-CSI	Common Communications Network - Common Systems Interface
CLO	Central Liaison Office
COPIS	System for Protection of Intellectual Property Rights (Counterfeiting and Piracy)
DAC2	Directive 2014/107/EU
DT	Direct Taxation
EAF	Event Assessment Form
EC	European Commission
ECAS	European Commission Authentication System
ECNtc	European Communication Network for taxation and customs
EIS	European Information Systems
EMCS	Excise Movement Control System
ERP	Enterprise Resources Planning
ESDEN	European Statistical Data Exchange Network
EUIPO	European Intellectual Property Office
EUROSTAT	European Statistical Office of the European Union
FPG	Fiscalis Project Group
F2020	Fiscalis 2020 programme
ITEG	Indirect Tax Expert Group
JA	Joint action
MFF	Multiannual Financial Framework
MLC	Multi-Lateral Controls
MOSS	Mini-One-Stop-Shop
MS	Member State
MSA	Member State Administration
MSW	Member State Warning
N/A	Not available
NEA	National Excise Application
PAOE	Presences in administrative offices / participation in administrative enquiries
PDA	Partially Denatured Alcohol
PICS	Programmes Information and Collaboration Space
PMF	Performance Measurement Framework
SAF-T	Standard Audit File for Tax Purposes
SEED-on-Europa	System for Exchange of Excise data on Europa website
SLA	Service Level Agreement
SPEED	Single Portal for Entry or Exit of Data
TEDB	Taxes in Europe Database
TIN	Taxation Identification Number
TSS	Taxation Statistic System
TOD	Turnover Data
VAT	Value Added Tax
VIES	VAT Information Exchange System

VIES-on-the-Web	VAT Information Exchange System on the internet
VOeS	VAT on eServices Scheme
VoW	VIES-on-the-Web

2.   EXECUTIVE SUMMARY

2015 was the first standard year of operations under the programme, in contrast with 2014 which was somewhat exceptional due to its shorter duration and the start of the new programme. Some of the trends were confirmed during the year, with the continuation of slight increases in the total budget and the spending on IT systems. However, 2015 reversed the trend of decreased numbers of participants, with a significant increase surpassing the last three years in the levels of participation, as well as in the number of face-to-face meetings organised under the programme.

The indicators obtained under the framework in 2015 give an overall positive assessment, both from the business data perspective and from the feedback obtained from the action managers and the participants to the activities. The indicators suggest that in 2015 the programme was on course to fulfilling its objectives and that it played an important role in facilitating the implementation and development of EU taxation policies through its European Information Systems, joint actions and human competency building.

The IT area remains the largest part of the programme budget, and the development and maintenance of European Information Systems in the area of taxation remain entirely dependent on the programme. An important new system was launched in 2015, concerning the automatic exchange of information between tax administrations (AEOI-DAC1). Many more systems entered research and development phases thanks to the support of the programme.

The Mini-One-Stop-Shop was one of the key initiatives in the EU taxation area in 2014, but it became operational on 1 January 2015. In its first year of operations, more than 12 000 traders registered on the system across all 28 EU Member States.

In the area of joint actions, the programme supported a rising number of activities in 2015. The cooperation between the EC and national administrations in the development and implementation of taxation policies would be impossible without the use of project groups, seminars, workshops, working visits, multilateral controls, capacity building activities and other types of joint actions.

The year was also marked by a successful introduction of a new type of joint action - Presences in administrative offices / participation in administrative enquiries (PAOE) – which is already widely used, with 49 operational actions in 2015. During the year, an important groundwork was made for the introduction of another new type of joint actions - the expert teams. TAXUD actively assisted the programme beneficiaries in preparing two detailed proposals for expert teams, both in the area of IT collaboration, which were eventually included for realisation in the 2016 Annual Work Programme.

In the area of training, while there were no new releases of eLearning courses during the year, important update was done on 12 courses on the VAT Directive, which were released in 2016 in 15 languages.

The key **strengths and achievements** that can be deduced from the analysis of the indicators:

➢   **Increased demand for programme support.**

➢   **Successful introduction of a new type of joint actions - Presences in administrative offices / participation in administrative enquiries (PAOE)**

➢   **High level of achievement of results of the joint actions is reported by the action managers.**

➢   **Very positive assessment of the achieved results of the joint actions, their usefulness and met expectations by national tax officials who participated in them.**

➢   **Networking among programme participants is increasing**.

➢   **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic**.

➢   **Successful roll out of the Mini-One-Stop-Shop IT system**

➢   **The increased use of online collaboration (PICS) by national and European tax officials**

The **conclusions** from the previous Progress Report for 2014 have been or are in the process of being followed up (see table 17 at the end of the report for a complete overview). The 2015 indicators do not warrant any specific new conclusions, but a number of those from 2014 could be further specified or updated:

1. **Provide additional support to the sharing of programme outputs**[1]

2. **Address the participants' response rate under the Performance Measurement Framework**[2]

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[1] In relation to Conclusion number 3 of the 2014 report: *Provide additional support to networking and the use of the programme outputs*

[2] In relation to Conclusion number 7 of the 2014 report: *Facilitate the collection and processing of data under the Performance Measurement Framework*

3. INTRODUCTION

3.1 FISCALIS 2020 in a nutshell

The EU Regulation 1286/2013 established the multiannual action programme Fiscalis 2020 for the period 2014-2020 with the aim to improve the proper functioning of the taxation systems in the internal market by enhancing cooperation between participating countries, their tax authorities and their officials. Total budget foreseen for this programme period is 234.3 million euros. The programme represents a continuation of the earlier generations of programmes Fiscalis 2007 and Fiscalis 2013, which have significantly contributed to facilitating and enhancing cooperation between tax authorities within the Union.

Figure 1: Fiscalis 2020 programme objectives

The Fiscalis 2020 specific objective:

➢ The specific objective of the programme shall be to support the fight against tax fraud, tax evasion and aggressive tax planning and the implementation of Union law in the field of taxation by ensuring exchange of information, by supporting administrative cooperation and, where necessary and appropriate, by enhancing the administrative capacity of participating countries with a view to assisting in reducing the administrative burden on tax authorities and the compliance costs for taxpayers.

The Fiscalis 2020 operational objectives:

➢ to implement, improve, operate and support the European Information Systems for taxation;

➢ to support the improvement of administrative procedures and the sharing of good administrative practices

➢ to support administrative cooperation activities;

➢ to reinforce the skills and competence of tax officials;

➢ to enhance the understanding and implementation of Union law in the field of taxation;

There are three types of activities that are organised under the programme:

Joint actions (JA) - bringing together officials from the participating countries - these are most commonly project groups, working visits, workshops and seminars. The programme covers the cost of organisation and participation to these activities.

Types of joint actions:

(i) seminars and workshops;

(ii) project groups, generally composed of a limited number of countries, operational during a limited period of time to pursue a predefined objective with a precisely described outcome;

(iii) bilateral or multilateral controls and other activities provided for in Union law on administrative cooperation, organised by two or more participating countries, which include at least two Member States;

(iv) working visits organised by the participating countries or another country to enable officials to acquire or increase their expertise or knowledge in tax matters;

(v) expert teams, namely structured forms of cooperation, with a non-permanent character, pooling expertise to perform tasks in specific domains, in particular in the European Information Systems, possibly with the support of online collaboration services, administrative assistance and infrastructure and equipment facilities;

(vi) public administration capacity-building and supporting actions;

(vii) studies;

(viii) communication projects;

(ix) any other activity in support of the overall, specific and operational objectives and priorities set out in Articles 5 and 6 of the Fiscalis 2020 regulation, provided that the necessity for such other activity is duly justified;

European Information Systems (EIS) building - these systems and the IT capacity building are indispensable for the cooperation among taxation authorities. The programme covers the cost of acquisition, development, installation, maintenance and day-to-day operation of the Union components of EIS.

Common training activities - training materials and electronic learning modules play a vital part in developing the human competency component of the tax authorities in the EU. The programme covers the development cost of the common training materials, including electronic training modules.

The Commission and the participating countries (EU member states and countries recognised as candidates or potential candidates for EU membership having concluded international agreements for their participation in the Fiscalis 2020 programme) decide jointly on the annual priorities of the programme by adopting each year the Annual Work Programme. The implementation of the programme is under direct management by the Commission, meaning that it is centrally managed by DG TAXUD. It is implemented financially on the basis of grant agreements with the participating countries (joint actions), and procurements (mostly for European Information Systems and common training activities).

3.2   The Performance Measurement Framework

The Article 16 of the Fiscalis 2020 regulation stipulates that the Commission shall monitor the implementation of the programme and actions under it on the basis of indicators and make the outcome of such monitoring public.

The final evaluation of the Fiscalis 2013 programme equally made the recommendation that "the Commission, in close cooperation with the Member States, should set up a results-based monitoring and evaluation (M&E) system for the Fiscalis programme."

In order to achieve this purpose, the Commission established in 2014 a Performance Measurement Framework (PMF) to be implemented with the start of the new programme. The PMF is based on the intervention logic (see Figure 3), which describes the logical step-by-step link between the wider problems and needs addressed by the programme and the programme's objectives, inputs, activities, outputs, results and impacts.

The PMF relies both on the quantitative (indicators) and qualitative (reporting and interpretation) data for assessing the progress achieved.

The indicators can be divided into two categories:

Output and Result indicators – these are first and second order effects that can be directly attributed to the programme. Outputs refer to those effects (most often tangible products) achieved immediately after implementing an activity, while the results look at the mid-term effects or the difference made on the ground thanks to the outputs. Both types of indicators are collected annually, reflected in the Progress Report and are linked to the operational objectives of the programme.

Impact indicators – they indicate the long-term effects of the programme by measuring its contribution to the broader policy areas, where programme activities are only one of the contributing factors. They mostly rely on the use of existing external indicators (not collected by PMF surveys) and will be collected together with the two evaluation exercises (to be held in 2018 and 2020). They are linked to the higher-level specific objectives of the programme.

The PMF uses both its own data collection tools and the data gathered externally. The PMF's own data collection tools gather feedback from programme stakeholders and are summarised in the table below. The external data is collected either by other organisations at a global level or inside DG TAXUD of the Commission.

Figure 2: PMF data collection tools

Tool	When is the data submitted?	Who is submitting the data?
Action Reporting Tool (ART) - Proposal form	At the beginning of each activity	Action managers
Action Follow up Form (AFF)	In February, one form per action or one form each year for multi-annual actions	Action managers
Action Follow up Form for working visits	Within three months after the end of the working visit	Participants to the working visit
Event Assessment Form (EAF)	Three months after the end of an event or yearly in case of project groups or similar activities longer than 1 year	Participants to an event or members of a project group or similar activities
Programme Poll	Every 18 months – to be launched in: • Mid-2015, beginning 2017, mid-2018, end 2019	All tax officials in the participating countries

The PMF follows the annual reporting cycle. It takes into consideration a calendar year of activities initiated or organised under the programme. The drafting of the Progress Report starts in the following year once the data collection process is finalised. Following data analysis and consultation with stakeholders, it is published toward the end of the year. The Progress Report represents a summary of the main output and result indicators and gives an assessment of the overall progress achieved.

The mid-term evaluation (in 2018) and the final evaluation (in 2020) of the programme make full use of the Progress Reports and in addition report on the progress in relation to the impact indicators.

Figure 3: Intervention logic of the Fiscalis 2020 programme

Problems / needs
1. Diverging application and implementation of EU tax law
2. Inadequate response to tax fraud, avoidance and evasion
3. Pressure on national tax administrations to exchange increasing quantities of data and information securely and rapidly
4. High administrative burden for tax payers and tax administrations
5. Slow technical progress in the public sector

Overall objective

Improve the proper functioning of the taxation systems in the internal market by enhancing cooperation between participating countries, their tax authorities and their officials

Theory of change

(incl. EU added value)

F2020 finances supporting measures to ensure that

the EU tax policy is applied

in an effective, efficient, convergent and harmonised

way, in particular by:

- Boosting the effectiveness of the work of participating countries' national taxation administrations *(inter alia by facilitating exchange of information).*

- Enhancing networks between tax officials across Member States through which information can be shared.

Inputs

EUR 234 million to provide support in the form of:

- grants;
- public procurement contracts;
- reimbursement of costs incurred by external experts

Human resources (EC and national tax authorities)

Activities
(grouped into projects)

Joint actions:

Seminars & workshops; project groups; working visits; bi/multilateral controls; expert teams; public administration capacity building and supporting actions; studies and communication projects.

Development, maintenance, operation and quality control of **IT systems**

Common **training** actions

Outputs

Joint actions:
- Recommendations / guidelines (including action plans / roadmaps)
- Best practices
- Analysis
- Networking & cooperation

IT systems:
- New (components of) IT systems at users' disposal
- Continued operation of existing IT systems

Training:
- Common training content developed

Impacts

The functioning of the taxation systems in the internal market is improved.

Curbed tax fraud, tax evasion and aggressive tax planning.

Effective implemention of Union law in the field of taxation (by supporting administrative cooperation & exchange of information)

Reduced administrative burden on tax administrations and compliance costs for tax payers.

Results

Collaboration between MS, their administrations and officials in the field of taxation is enhanced.

The correct application of and compliance with Union law in the field of taxation is supported.

The European Information Systems for taxation effectively facilitate information management by being available.

Administrative procedures and good practices identified, developed and shared.

Skills and competences of tax officials reinforced.

Effective administrative cooperation.

3.3   Methodological Considerations – Progress Report 2015

The PMF to a large extent relies on the use of its own surveys for data collection. If we look at the response rates for all three surveys (see Figure 4 below), they can be regarded as satisfactory.

Figure 4: Response rates in 2015 for PMF surveys, with 2014 data shown in brackets

	EAF (Participants to joint actions, except working visits)	AFF WV (participants to working visits)	AFF (Action managers)
Number of participants invited to respond under the PMF	2159 (1660)	330 (75)	271 (164)
Number of received valid responses	1215 (1051)	207 (53)	189 (114)
Response rate	56% (63%)	63% (71%)	70% (70%)

If we compare the response rates for 2015 with those from 2014, we can observe that the response rate for the action managers remained at 70%, while the response rates for the participants to working visits and participants to other types of joint action decreased by 8% and 7% respectively.

TAXUD and national programme teams should pay attention to these response rates and try to bring them above the 70% mark. Changes scheduled to take place in the survey distribution should provide some support in this respect.

From 2017, a new system will be in place for inviting participants of joint actions to take the PMF survey. The Action Reporting Tool (ART), which contains the names and emails of all participants, will be sending automatic reminders to programme participants. This change will reduce the manual workload currently involved in the sending of the PMF surveys, but it is also hoped that it will help push up the response rate as the participants would receive invitations to their inbox from the programme tool, rather than through the outside tool EUsurvey on which the PMF survey is located. Greater awareness about the PMF, which will also be promoted by the publication of Progress Reports and the results of the surveys, should help further demonstrate the value of such surveys to the stakeholders and increase their motivation to take part in them.

With regards to the data collected from external sources, outside the surveys, it is worth mentioning that this data is collected as part of other monitoring exercises and reflects the methodological approach established for those exercises.

Finally, it is worth mentioning here that in the 2015 EAF survey, a new question was added making the obtained data on the use of the outputs in national administrations more precise, compared to the previous 2014 survey.

4.   PROGRAMME YEAR 2015 – BASIC PARAMETERS

4.1   Introduction

2015 was the first standard year of operations under the programme, in contrast with 2014 which was somewhat exceptional due to its shorter duration and the start of the new programme. Some of the trends were confirmed during the year, with the continuation of slight increases in the total budget and the spending on IT systems. However, 2015 reversed the trend of decreased numbers of participants, with a significant increase surpassing the last three years in the levels of participation.

The year was also marked by a successful introduction of a new type of joint action - Presences in administrative offices / participation in administrative enquiries (PAOE) – which is already widely used by some countries, with 49 operational actions in 2015.

4.2   Budget

The overview in Figure 5 below summarises the programme funding according to the four main activity types. In order to make the table more meaningful, the budgetary information for the previous years has been added.

Figure 5: Committed [3] expenses per year and main action categories under the programme

|	2012	2013	2014	2015
Joint actions	€6,054,000.00	€5,044,000.00	€4,630,000.00	€4,300,000.00
Training	€600,000.00	€682,472.08	€908,585.18	€600,003.24
IT	€21,081,083.69	€23,425,745.06	€23,053,874.72	€24,691,254.51
Studies	€288,877.00	€389,243.80	€2,184,539.26	€1,375,690.06
TOTAL	€28,023,960.69	€29,541,460.94	€30,776,999.16	€30,966,947.81
AWP	€28,200,000.00	€30,000,000.00	€30,777,000.00	€31,025,000.00
EU Annual Budget	€28,200,000.00	€30,000,000.00	€30,777,000.00	€31,025,000.00
Amount MFF	€29,400,000.00	€30,950,000.00	€30,777,000.00	€31,025,000.00

As is standard for the programme, the vast majority of funding in 2015 went into the development and operation of European Information Systems, followed by the organisation of joint actions and the studies. We can notice that over the years the expenditure on joint actions has been on the whole decreasing, which is largely due to the decrease in the number of participants up to 2015. As these are committed and not actual expenses, they are based on advanced estimates of possible numbers of participants. Any rise in the number of participants in the current year might therefore only have an impact on the actual expenses and the projected budget in the coming year. The IT budget continued with its trend of gradual increase over the years. However, given that there were simultaneously decreases in the numbers of commissioned studies and training expenses, the overall budget for 2015 stayed nearly identical to the 2014 budget.

4.3   Participants

The number of total participants (which measures all instances of participation in activities and allows for the same people to have taken part in multiple activities) shows an important reversal of the trend of decrease in participation levels.
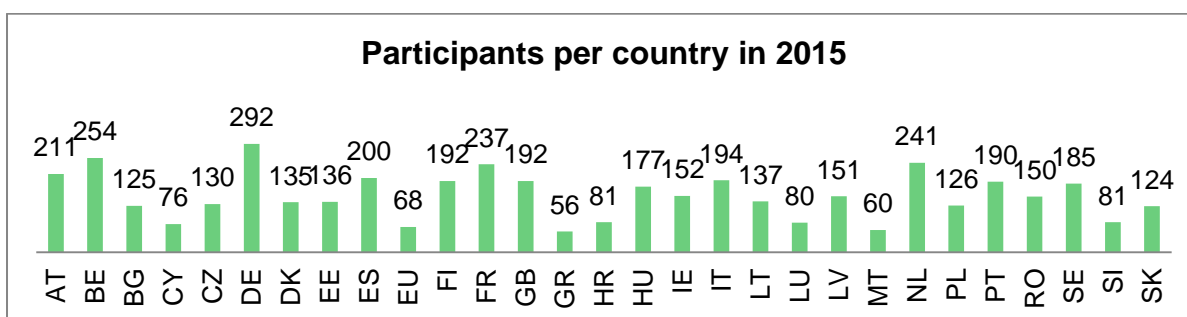
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[3] The table compares committed amounts for the last four years, since the actual expenses are not finalised for all the years.

Figure 6: Number of participants[4] in joint actions per year under the Fiscalis 2013 and Fiscalis 2020 programmes

Evolution of the number of programme participants

4882	4101	3719	3400	4433
2011	2012	2013	2014	2015
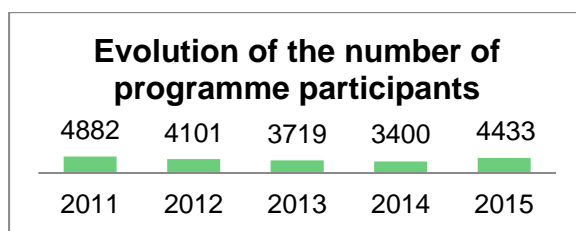
The participation to programme activities rose by 30% in 2015 compared to 2014. Even when we account for the exceptional nature of the programme year 2014 (which was shorter in duration), the 2015 levels of participation equally surpassed those of 2012 and 2013. This testifies to an increased business need for activities and physical meetings in 2015.

Figure 7: Overview of participants per country in 2015[5]

Participants per country in 2015

AT	BE	BG	CY	CZ	DE	DK	EE	ES	EU	FI	FR	GB	GR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK
211	254	125	76	130	292	135	136	200	68	192	237	192	56	81	177	152	194	137	80	151	60	241	126	190	150	185	81	124

If we look at the distribution of participants by country, we can see that all the countries are utilizing the programme, but that there are countries that, considering the size of their administrations, do so to a greater extent than others. This is in line with the voluntary nature of participation in the programme activities, where the number of participants from a given country depends partly on the level of interest and activity shown by the country's administration in utilizing the potential of the programme. This is especially true in the case of working visits, which the participating countries initiate and organise autonomously. In 2015, all the participating countries increased their participation levels, with the exception of Greece, Croatia and Malta.

4.4   Proposals and Actions

In order for an activity to be organised under the programme, one of the programme teams (participating country or the EC) has to submit a proposal for this activity, with information on the background, objective, expected results, participants and financial cost involved. This proposal is then evaluated by TAXUD and, if confirmed, becomes usually a single joint action. However, in some cases, one proposal can lead to several joint actions, as is the case for example with multilateral controls. Each proposal is approved for a certain period of validity during which the associated joint actions are said to be operational, i.e. they can be organised. The period during which the joint actions are operational can overlap between programme years.

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[4] This is the number of total participants (which measures all instances of participation in activities and allows for the same people to have taken part in multiple activities).

[5] The participants marked as EU represent external experts who come outside national administrations and who may be invited to contribute to selected activities organised under the programme wherever this is essential for the achievement of the programme objectives.

Figure 8: Number of participants per action type in 2015 and the number of operational joint actions under Fiscalis 2020 in 2015[6]
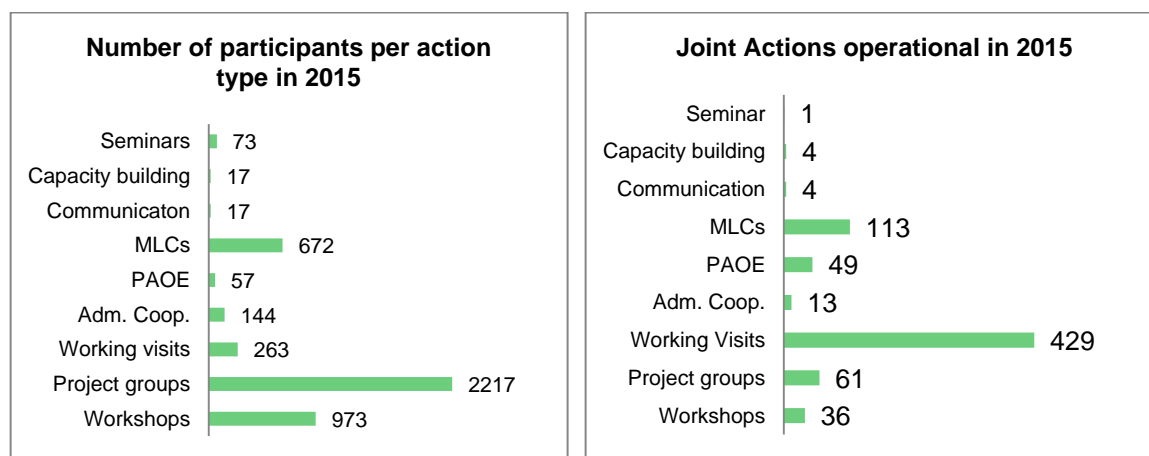
In 2015, there were 710 such operational (ongoing) joint actions. Some of these actions were launched as new proposals in 2015, while some continued from the programme year 2014. If we look at their distribution, we can see from the two figures below that the most popular action type remains working visits, followed by multilateral controls placed second and project groups as distant third. The new type of joint action introduced under the Fiscalis 2020 programme – Presences in administrative offices / participation in administrative enquiries (PAOE) - is already widely used, with 49 operational actions in 2015. The situation with regards to the number of participants is somewhat reversed with the project groups being the largest activity type in terms of participation, followed by workshops and multilateral controls. The reported number of working visits joint actions is somewhat misleading due to the nature of the working visit proposals. Working visit proposals are often approved with a longer implementation period, in order to give time to the hosting and sending administration to find the most suitable moment and prepare the visit. For this reason, a single working visit action will often cover more than one programme year. For example, many working visits approved and made operational in the second half of 2015 are only starting to be implemented in 2016. A better indicator of the activity for working visits is the number of organised events that took place in 2015, which is 199, and the total number of participants to these visits, which is 263.

During the year, an important groundwork was made for the introduction of another new type of joint actions - the Expert Teams. This is a new type of a joint collaboration tool which aims at achieving more efficiently and quickly the intended results with an increased degree of commitment, collaboration and EU funding. Expert Teams will be especially important for larger projects that require an intensive level of cooperation and increased funding support. TAXUD in 2015 published a comprehensive guide to EC and national administrations' programme beneficiaries on how to apply for expert team grants. TAXUD equally actively assisted the programme beneficiaries in preparing two detailed proposals for expert teams, both in the area of IT collaboration. They were eventually included for realisation in the 2016 Annual Work Programme and will be reported on in the next Progress Report.

If we want to look at the evolution of new proposals over time (Figure 9), we first need to exclude the working visits in order to get a comparative number. This is because in the period before 2014 all the working visits were covered by a single proposal, while under the Fiscalis 2020 programme each business case for a working visit is treated as a separate proposal (thus increasing their number by a significant margin). Comparing the proposals in this way, outside working visits, we can see that their number was steady in the period 2011-2013. 2014 as the year of transition to the new programme meant that all proposals for ongoing activities had to be re-launched, which led to the great increase in the

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[6] Administrative cooperation actions included in the charts refer to selection meetings in which the participating countries meet to explore the usefulness of initiating PAOE / MLC actions in a certain area.
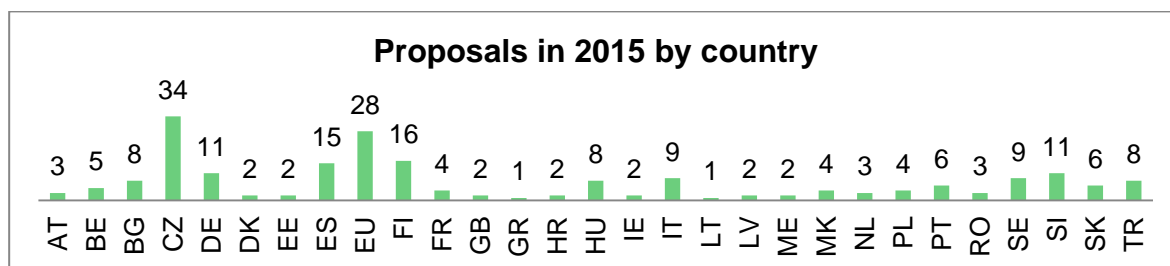
number of proposals treated in the year. In 2015, we can observe a return to a standard year of activities under the programme.

Figure 9: Number of new proposals approved under the programme (without working visits)

New proposals approved (without working visits)

2011	2012	2013	2014	2015
37	36	41	83	40
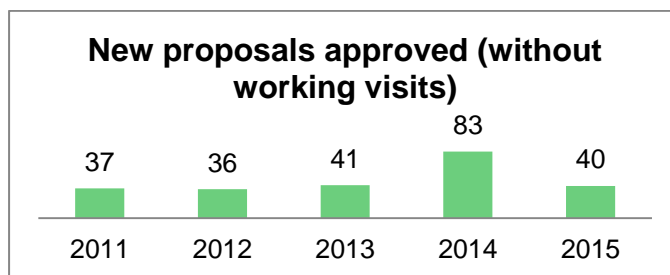
At the level of the teams, as expected, most of the proposals for joint actions (other than working visits) were initiated by DG TAXUD units (marked EU in the Figure 10). The national programme teams mostly submitted proposals for working visits, and here too we can observe in Figure 10 the difference among the administrations in the level to which they pro-actively utilise the programme.

Figure 10: Overview of proposals under the programme per initiating country in 2015

Proposals in 2015 by country

AT	BE	BG	CZ	DE	DK	EE	ES	EU	FI	FR	GB	GR	HR	HU	IE	IT	LT	LV	ME	MK	NL	PL	PT	RO	SE	SI	SK	TR
3	5	8	34	11	2	2	15	28	16	4	2	1	2	8	2	9	1	2	2	4	3	4	6	3	9	11	6	8

5. PROGRESS IN RELATION TO THE OPERATIONAL OBJECTIVES

5.1 Table of indicators

The Performance Measurement Framework contains a list of output and result indicators measuring the performance across the programme, broken down according to the five operational objectives under the programme.

The purpose of these indicators, visible in the Figure 12, is to give a meaningful overview of the state of the performance of programme activities under these operational objectives in the period covered by the Progress Report.

The indicators for each objective, with some additional information provided, are discussed in separate chapters that follow.

Figure 11: How to read the indicators table?

How to read the indicators table?

Programme Objective: mention of the relevant operational objective out of the five operational objectives of the Fiscalis 2020 programme; in some cases in the beginning of the table there is not one relevant operational objective as the indicator has a cross-cut programme wide relevance.

Indicators title: a title given to a group of related indicators for easier reference and understanding

(Sub) indicators: a description of each individual indicator, often with some additional information on its measurement.

Type: describes whether it is an output (O) or a result (R) indicator.

Source: describes where the data is coming from: PMF surveys, ART (programme management tool and database) or business units of the European Commission.

Baseline: where available, the starting measurement against which a progress can be measured. In the case of data collected with the PMF surveys, this year's data will serve as the baseline for future progress reports. For other data, whenever it was possible or meaningful, the last measurements were used. N/A or 'not available' is mentioned wherever the baseline does not yet exist.

Target: an ambitious, but achievable goal set for the programmes. Whenever an indicator refers to a project with an already established target (for example, in the area of IT), this target was used. Where no prior historical records are available, a stable value or growth was set as the target for this and next year. After this period, once comparative data for these indicators becomes available, it might be possible to set numerical targets.

Reference period: period covered by the indicator. Not to be confused with the timing of the collection of the data, which can often fall outside this period.

2014/2015 values: measurements obtained in the reference periods in 2014 and 2015.

Direction: a simplified system of symbols used to show whether the observed annual trend is in line with the target, needs additional monitoring or urgent follow-up.

Figure 12: Fiscalis 2020 indicators at output (O) and result (R) level

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
Across all operational objectives	Collaboration robustness	Extent to which the target audience is aware of the programme	R	Prog Poll	F2013 Programme Poll (2011) 66.1%	75%	53.89%	Next poll in 2016	
		Degree of networking generated by programme activities	R	Prog Poll	Prog Poll F2013 Q 1: 79% Q 2: 75%	Q1: 80% Q2: 90%	Q1: 91% Q2: 78.5%	Next poll in 2016	
		Q 1: Did the activity provide you a good opportunity to expand your network of and contacts with officials abroad? (percentage agreeing) Q 2: Have you been in contact for work purposes with the officials you met during this activity since the activity ended? (percentage agreeing)	R	EAF			Q1: 95.15% Q2: 68%	Q1: 96.5% Q2: 72.8%	😐
		Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations	R	AFF	Q1: 48% (2014)	Q1: N/A	Q1: 48%	Q1: 63.5%	🙂
		Q 1 (AFF): Were the outputs of the action shared in national administrations? (percentage agreeing) Q 2 (EAF): Further to your participation in this activity, did you share with colleagues what you learned? (percentage agreeing)	R	EAF	Q2: 96% (Prog Poll F2013)	Q2: 90%	Q2: 96.4%	Q2: 94.8%	🙂
		Extent to which JAs (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)	R	AFF	2.65 (2014)	Grow or stable	2.65	3.25	🙂
			R	AFF Work Visits	3.62 (2014)	Grow or stable	3.62	3.34	☹️

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
Operational objective: To enhance the understanding and implementation of Union law in the field of taxation	The Union Law and Policy Application and Implementation	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)	R	AFF	2.66 (2014)	Grow or stable	2.66	2.87	☺
			R	AFF Work Visits	3.53 (2014)	Grow or stable	3.53	3.33	☹
		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')	R	EAF	93.47% (2014)	Grow	93.47%	91.62%	☹
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	94.5% (2014)	80%	94.5%	92.67%	☺
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	100% (2014)	80%	100%	100%	☺
		Number of actions (JAs) that have supported or facilitated to enhance the understanding and implementation of Union law in the field of taxation	O	ART	46 (2014)	Stable or grow	46	71	☺
		Number of recommendations (R) / guidelines (G) / other outputs (O) issued further to a JA (under this objective)	O	AFF	2014: 0 (R) 0 (G) 15 (O)	Grow	0 (R) 0 (G) 15 (O)	11 (R) 0 (G) 6 (O)	☺
			O	AFF Work Visits	2014: 1 (R) 0 (G) 8 (O)	Grow	1 (R) 0 (G) 8 (O)	23 (R) 9 (G) 56 (O)	☺
Operational objective:	Availability, reliability and/or	Availability of CCN overall (%)	R	EC	99.94%	98%	99.89%	99.97%	☺

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
To implement, improve, operate and support the European Information Systems for taxation	quality of (specific) Union components of EIS and the CCN	Availability of (specific) Union components of EIS during business hours and otherwise (%)	R	EC	VIES-on-the-Web: 99.92% EMCS: 99.12% (2014)	VIES-on-the-Web 95% EMCS 97%	VIES-on-the-Web: 99.92% EMCS: 99.12%	VIES-on-the-Web: 99.90% EMCS: 99.56%	☺
	System performance	Activity indicators	R	EC	2014 Over 2.7 billion messages. 4.3 Terabytes of application data	Grow or stable	Over 2.7 billion messages. 4.3 Terabytes of application data	3.2 billion messages 4.7 Terabytes of application data	☺
	Stakeholders' assessment of JAs / events	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)	R	AFF	2.54 (2014)	Grow or stable	2.54	3.44	☺
			R	AFF Work Visits	3.66 (2014)	Grow or stable	3.66	3.49	☹
		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')	R	EAF	91.21% (2014)	Grow	91.21%	97.52%	☺
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	92.56% (2014)	80%	92.56%	95.87%	☺
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	97.3% (2014)	80%	97.3%	99.17%	☺

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
	New (components of) IT systems indicators	Number of IT projects in phase research	O	EC	15 (2014)	N/A	15	14	
		Number of IT projects in the phase development	O	EC	9 (2014)	N/A	9	7	
		Number of new IT systems in operation	O	EC	3 (2014)	N/A	3	1	
		Ratio of IT projects in status "green"		EC	91.6% (2014)	Grow or stable	91.6%	95%	☺
	Existing IT systems indicator	Number of European Information Systems in operation, as per Annex 1 of the Fiscalis 2020 Regulation	O	EC	20 (2014)	Grow or stable	20	21	☺
		Number of modifications on IT systems in operation following: a) business requests b) corrections	O	EC	2014: A) Excise:31 Tax:3 B) Excise:116 Tax:56	N/A	A) Excise:31 Tax:3 B) Excise:116 Tax:56	A) Excise: 30 Tax: 278 B) Excise: 81 Tax: 336	
	Degree and quality of support provided to Member States	Number of occurrences where the service desk is not joinable	O	EC	SLA provision	SLA provision	None	None	☺
		Percentage of service calls answered on time	O	EC	SLA provision	SLA provision	98.95%	99.33%	☺
Operational objective: To support the improvement of administrative procedures and the sharing of good administrative practices	Stakeholders' assessment of JAs / events	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)	R	AFF	2.36 (2014)	Grow or stable	2.36	3.58	☺
			R	AFF Work Visits	3.5 (2014)	Grow or stable	3.50	3.38	☹
		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	R	EAF	95.26% (2014)	Grow	95.26%	96.12%	☺

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
		result(s) (percentage of those 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')	R	EAF	93.15% (2014)	80%	93.15%	94.66%	☺
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	96.8% (2014)	80%	96.8%	99.03%	☺
		Number of guidelines and recommendations issued by participating countries in their national administrations following programme activities (under this objective)	R	EAF	2014: 63 (G) 134 (R)	Grow	63 (G) 134 (R)	34 (G) 79 (R)	☹
	Best Practices and Guidelines Index	Percentage of participants that made use of a working practice/administrative procedure/guideline developed/shared with the support of the programme (under this objective)	R	EAF	53% (2014)	Grow	53%	71.3%	☺
☹		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)	R	EAF	96.7% (2014)	Grow	96.70%	94%	☹
		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)	R	EAF	76.31% (2014)	Grow	76.31%	70.8%	☹
		Number of actions under the programme organised in this area	O	ART	105 (2014)	Stable or grow	105	225	☺
		Number of working practices/administrative procedures (AP) developed/shared (under this objective)	O	AFF	17 (2014)	Stable or grow	17 (AP)	7(AP)	☹
			O	AFF Work	18 (2014)	Grow or stable	18 (AP)	90 (AP)	☺

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
				Visits					
	Indicators on the simplified procedures for the national administrations and economic operators:	Time required to close EMCS movements	R	EC	8.5 (2013)	Less	7.9 days	8.93 days	☹
		Number of registered economic operators in the Mini-One-Stop-Shop	R	EC	12 064 (2015)	N/A	N/A	12 064	
		Number of applications on VAT refund	R	EC	8 312 606 (2013)	Grow	8 996 154	9 680 576	☺
		Number of consultations on VIES-on-the-web	R	EC	570 598 165 (2013)	Grow	740 675 627	872 000 000	☺
		Number of consultations on SEED-on-Europa	R	EC	10 892 467 (2013)	Stable or Grow	17 985 065	26 025 117	☺
		Number of consultations on TEDB	R	EC	270 412 (2013)	Stable	223 305	232 652	☹
	Networking and cooperation	Number of face to face meetings (total for the Fiscalis 2020 programme)	O	ART	247 (2014)	Stable or grow	247	631	☺
		Number of on-line collaboration groups (PICS) (total for the platform)	O	EC	(2013) 110	Grow	199	261	☺
	User engagement on PICS	Number of downloaded files from PICS (total for the platform)	O	EC	(2013) 13 564	Grow	73 200	116 538	☺
		Number of uploaded files on PICS (total for the platform)	O	EC	(2013) 3 445	Grow	5 521	11 177	☺
Operational objective: To reinforce skills and competencies of	The Learning index	Number of EU eLearning modules used by participating countries (combined number of all modules used in each country)	R	EC	60 (2014)	Grow	60	62	☺
		Number of times publically available EU eLearning modules were downloaded from Europa.eu website	R	EC	3609 (2014)	Grow	3609	3564	☹

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
taxation officials		Average training quality score by tax officials	R	EC	67 (2015)[7]	Grow	73	67	☹
		Number of tax officials trained in IT trainings	R	ART	106 (2014)	Stable or grow	106	136	☺
		Percentage of tax officials who found that the IT training met their expectations	R	EAF	87.32% (2014)	Grow or stable	87.32%	93%	☺
		Percentage of tax officials who found the IT training to be useful	R	EAF	95.77% (2014)	Grow or stable	95.77%	98%	☺
		Number of tax officials trained by using EU common training material	R	EC	4 862 (2013)	Grow	4 171	2 700	☹
		Number of IT training sessions organised for given systems / components (e.g. VAT refund, EMCS,VIES, MOSS)	O	ART	12 (2014)	Stable or grow	12	21	☺
		Number of EU eLearning modules produced	O	EC	6 (2013)	Grow or stable	6	6	☺
Operational objective: To support administrative cooperation activities	Stakeholders' assessment of JAs / events	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)	R	AFF	2.77 (2014)	Stable or grow	2.77	3.18	☺
			R	AFF Work Visits	3.6 (2014)	Grow or stable	3.60	3.38	☹
		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')	R	EAF	87.6% (2014)	Stable or grow	87.6%	93.13%	☺

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[7] The new format of the satisfaction survey was only launched towards the end of 2014. Therefore the data collected in 2014 is insufficient to be representative and we should rather rely on the 2015 data as the baseline.

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	86.2% (2014)	80%	86.2%	93.13%	☺
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	95.3% (2014)	80%	95.3%	93.13%	☺
	Exchange of information	Number of e-forms exchanged (within each taxation area: recovery, VAT; direct taxes)	R	EC	(2013) Recovery: 220 005 Direct taxes: 4 220	Grow or stable	Recovery: 138 628 Direct taxes: 1 681 VAT: 56 446	Recovery: 138 679 Direct taxes: 1 627 VAT: 55 895	☺
		Number of VIES messages (registry messages)	R	EC	240 451 922 (2013)	Grow or Stable	235 500 00	304 580 315	☺
		Number of messages exchanged on EMCS	R	EC	6 428 061 (2013)	Grow or stable	6 886 279	7 298 483	☺
		Number of EMCS control reports analysed by documentation or physical controls/findings	R	EC	12 442 (2013)	Grow or stable	15 171	18.149	☺
	Cooperation on other means of administrative cooperation	Number of presences in administrative offices and participation in administrative enquiries	R	ART	49 (2015)	Grow or stable	0	49	☺
		Number of Member States participating in MLC's (F2020 data)	R	ART	23 (2014)	Grow	23 MS	27 MS	☺
		Number of Member States initiating MLCs (F2020 data)	R	ART	16 (2014)	Grow	16 MS	19	☺
		Degree to which results were achieved, as assessed by the MLC coordinator	R	AFF	2.78 (2014)	Grow	2.78	3.08	☺

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
☺ ☹ ☹	EMCS business statistics indicators	Administrative Cooperation Common Requests	R	EC	5 269 (2013)	Grow	5 194	5 441	☺
		History Results	R	EC	1 (2013)	Decrease	2	4	☹
		Reminder Message for Administrative Cooperation	R	EC	3 229 (2013)	Decrease	3 033	3 122	☹
☺	Cooperation via networks indicator	The degree to which CLOs assess that the programme contributed to administrative cooperation (percentage of them agreeing that the activity achieved its results)	R	EC	2014 value	Grow or stable	Direct taxation CLOs: 94.28% Indirect taxation CLOs: 87.8%	97.4%[8]	☺
N/A	Analysis	Number of studies produced (total for the program)	O	AFF	26 (2014)	Grow or stable	26	14	☹

[8] The indicator in 2015 is consolidated as only one common workshop was held for both CLOs in both direct and indirect taxation.

5.2   Cross-cut indicators of collaboration robustness between programme stakeholders

The first section of the table of indicators contains a number of programme-wide indicators measuring awareness, networking, the use of outputs and the achievement of results by the joint actions.

Raising awareness about the programme and its potential among the target audience is an important precondition to fulfilling the programme's objectives. The awareness is measured through the Programme Poll, which is distributed in all the tax administrations of the participating countries every 18 months. The last Programme Poll took place between July and September 2015 and close to 4100 tax officials participated. As the poll measures awareness and networking in the period between the two polls, the results of the 2015 poll were already included and analysed in the 2014 Progress Report. As a reminder, in this report we can repeat that a drop in awareness could be observed among the tax officials. Slightly over half of them (54%) were aware of the programme, which represents a drop from 66% who were aware of the programme during the previous poll in 2011. Although there were external factors influencing this drop in awareness, such as fewer participants in 2014 and possibly a survey fatigue caused by the introduction of the Performance Measurement Framework, the Progress Report 2014 recommended to TAXUD to address this drop and take actions aimed at raising awareness among general tax audience. A communication policy towards the national stakeholders was identified as a potentially beneficial action in this respect. TAXUD has been defining in the course of 2016 a new communication plan for the Fiscalis 2020 programme, which includes the use of new communication tools and channels, as well as a common effort between the EU and national programme teams in the distribution of information on the programme to the potential beneficiaries. Some of the actions envisaged under the new communication plan already started to be implemented in 2016. However, given that the next programme poll is due to take place already at the end of 2016, it is to be seen whether this poll might come too early for measuring first visible results of the new communication plan.

Networking is an important by-product of the participation in programme activities. Meeting fellow officials from other countries and maintaining professional contacts with them facilitates the exchange of best practices and administrative cooperation. When we compare the replies of participants to programme events in 2015 to those in 2014, we can observe similar high levels of satisfaction with networking opportunities provided by programme activities to meet with officials from other countries. Nearly all of the participants found programme activities to represent a good opportunity to create useful contacts abroad, and there was a noticeable improvement in 2015 in the number of those who maintained these contacts following the end of the activity (up by 4%).

We can observe some changes in the levels of sharing of the **programme outputs** (such as recommendations, guidelines, studies etc.) between 2015 and 2014. Among action managers, there was a remarkable increase (from 48% to 63.5%) of action managers who reported that the outputs of their actions were shared in the national administrations. This change is even more impressive when we take into account the much increased number of actions in 2015 and the high response rate of returned Action Follow up Forms. It seems that the rise is at least partly influenced by the new type of joint actions – Presences in administrative offices / participation in administrative enquiries (PAOE) – which had numerous activities in 2015 and among which the sharing of programme outputs nationally is particularly high (77%).

As recommended in the 2014 Progress Report, a more structured and transparent approach to the sharing of programme outputs would be desirable, since it would both shed more light on the current use of programme outputs nationally, as well as potentially open up this resource to many more tax officials. Such an approach would, however, need to address a number of security, privacy and technical challenges involved in such a larger distribution of outputs, as well as involve a cultural change among the programme stakeholders. Its success would very much depend on the support and involvement of all programme stakeholders and in particular of the senior management and the action managers. TAXUD initiated in 2016 discussions on creating such an approach with the stakeholders and intends to follow them up. However, this should be seen as a longer term goal that will require gradual change.

Lastly, in this section we take a general look at the achievement of results as reported by the action managers of joint actions. The level of achievement of results in 2015 is evaluated on a scale from 0 (not achieved) to 4 (fully achieved) against the anticipated results at the end of the action. Since most project groups last for several years, it is to be expected that the level of achievement of results should be below maximum in this year. In the case of working visits, whose results usually take shorter time to be achieved, we can expect somewhat higher reported values. When we compare the obtained indicators for 2014 and 2015, we can see that gradual progress is being achieved. The value of 3.25 (increase from 2.65 in 2014) for joint actions indicates that the action managers are very satisfied with the progress obtained within their groups in 2015 and that their work is on track toward the planned final results. The participants to joint actions were equally asked to evaluate the achievement of planned results, and their replies confirm the situation reported by the action managers. For working visits, the obtained indicator, although slightly decreased in 2015 (3.34 compared to 3.62 in 2014), is still high value and suggests that these participants are on average highly satisfied with the business value obtained from the working visits.

5.3 Objective 1: to enhance the understanding and implementation of Union law in the field of taxation

There were 71 **joint actions** operational under this objective in 2015 (an increase from 46 in the previous year). 55 of the actions were working visits, with Italy, Czech Republic and Turkey being particularly active as the sending administrations. 7 workshops were organised during the year on a wide range of issues: the European Semester - Tax Policies for Jobs, Growth and Investment, Definitive VAT Regime for intra-EU trade, VAT rules for passenger transport, EMCS, taxation issues surrounding Partially denatured alcohol (PDA) and a workshop on taxation of energy products and electricity used in mineralogical and metallurgical processes. A seminar on modernising VAT for cross-border e-commerce was equally organised under this objective.

The Union Law and Policy Application and Implementation Index provides a comprehensive overview of the performance of the joint actions organised under this objective. The main indicator relates to the level of achievement of expected results, as they were identified prior to the activity and later evaluated by their action managers. The obtained value of 2.87 (up from 2.66 in 2014) indicates that the action managers are satisfied with the progress obtained within their groups in 2015. Such a positive assessment is also confirmed by the participants to joint actions, who have also expressed very high levels of satisfaction with the activities in terms of 'meeting their expectations', although the value has slightly decreased compared to 2014. The number of officials participating to these activities who found them to be professionally 'useful' or 'very useful' has remained in both years at the remarkable 100%. The working visits organised under this objective have also been assessed very positively with 3.33 (down from 3.53 in 2014) by their participants.

The output indicators included in this group relate to the number of recommendations, guidelines and other types of outputs produced by the joint actions organised under this objective. We can see some improvement in this indicator, in 2015, we had 34 recommendations, 9 guidelines and 62 other types of outputs (such as studies, reports and presentations) produced. As a comparison in 2014, we had only one recommendation reported (which was issued as a follow up to a working visit), no guidelines and in total 23 other types of outputs.

5.4 Objective 2: to implement, improve, operate and support the European Information Systems for taxation

The great majority of the programme funding is spent on the **European Information Systems**, which are of critical importance for interconnecting the tax authorities effectively. The list of the existing EIS is included in the Annex of the Fiscalis 2020 Regulation.

The first indicator in this section looks at CCN/CSI (common communication network/common systems interface in the area of taxation and customs), which offers all national administrations a coherent, robust

and secure method of access to the EIS. The CCN target says the network should be available 98% of the time. We can observe that this target was surpassed in 2015, as was the case in 2014. The availability of the specific Union components of the EIS, namely the taxation's main operation application VIES-on-the-Web and the excise's main operation application EMCS, also surpassed its target and maintained its performance as compared to the previous year.

The general system activity indicator tells us more on the overall use of the network. Over 3.217 billion messages and 4.7 Terabytes of application data were exchanged via the network in 2015, which represents an increase of 20% in the number of messages and 9% in the size of data exchanged over 2014. The traffic increase in 2015 is mainly attributed to the recently introduced applications in production, such as MOSS (Taxation) COPIS link to the Enforcement Database of EUIPO (Customs), as well as European statistical data exchange network - ESDEN (EuroSTAT). At the same time, the number of hits on the applications available via the public Europa Internet Access were 97.53 Million (33% increase over 2014).

For the existing EIS applications, we can see that 21 of them were up and running in 2015 (compared to 20 in 2014). Regular check-ups and updates were performed on them throughout the year, with 308 business evolutive changes (up from 34 in 2014) and 417 corrective changes (up from 172) taking place. We can also observe that the service desk was performing well and in line with the Service Level Agreements with nearly all the calls (99.33%) answered on time.

DG TAXUD's IT Work Plan lists a number of IT projects linked to new developments in several tax areas. At the level of the output indicators, we can see that one new IT system was developed in 2015 - the AEOI DAC1 which developed the electronic formats (XML schemes) to exchange information in the area of direct taxation between tax administrations. The AEOI DAC1 System was fully deployed and the first exchanges have taken place in June 2015. No major issues were encountered. Collected and analysed operational statistics for AEOI – DAC1, showed performance fully in-line with the capacity plan. A total number of 1,963 messages were exchanged by the Member States with top performers to be MSA-DE (398), MSA -NL (208) and MSA -AT (198). BE, DE, IT and NL were the Member States that exchanged the largest Total Messages Size (52.00 MB, 173.20 MB, 124.01 MB and 68.14 MB respectively).

Another 7 new IT projects entered the development phase (down from 9 last year) and 14 entered the research phase (down from 15 in 2014). 20 out of these 21 IT projects were in the status 'green', meaning they were progressing in line with the requirements, time and budget limitations. The only project suffering a delay was TIN – whose aim is to explore the possibility of creating a Tax Identification Number that would be allocated to all taxpayers, natural persons or companies that engage in a cross-border activity. Due to the important workload in the managing unit, the contract for this project has been extended and the work spread over 6 additional months, until the end of 2016.

At the level of **joint actions** that were organised in relation to the EIS, these were mostly project groups and workshops. The project groups included the IT Collaboration Catalyst Group, the IT Architecture group, the IT Valuation group, the AEOI Statistics group, the group on Enhanced test material framework for Tax European Information Systems, the group on Implementation Plan for Expert Team of managed IT Collaboration and the group on Implementation Plan of AEOI DAC2 modules. A workshop was organised on AEOI DAC2 IT collaborative implementation. The stakeholders' assessment of these actions was positive and above the average assessment provided under the programme.

5.5   Objective 3: to support the improvement of administrative procedures and the sharing of good administrative practices

The improvement of administrative procedures and the sharing of good administrative practices take place at several levels in the programme. It is done through joint actions, European Information Systems and the online collaboration platform PICS.

We can see a great increase in the number of **joint actions** operational under this objective. Their number more than doubled with 225 JA's operational in 2015 (compared to 105 in 2014). Again, the vast majority of

actions organised were working visits (199), with the Czech Republic, Germany, Italy, Spain and Estonia being particularly proactive as sending organisations. Two new capacity building initiatives were launched under this objective in 2015, concerning technical assistance to tax administrations in Lithuania and Romania, but the activities are still to take place. Six new project groups were equally started during the year on the following topics: Automatic Exchange of Information between the EU member States and its effects, Cloud computing, Segmentation and Behavioural Profiling of taxpayers, technical implementation of VAT refund, and two groups dedicated to the E-audit platform.

The indicators measuring the direct and indirect outputs of the joint actions organised under this objective fluctuated greatly between the two years. In 2015, there were 97 best working practices and administrative procedures developed and shared at the European level (as reported by action managers and working visit participants), compared to only 35 such outputs in 2014. On the other hand, the participants to these joint actions reported that their national administrations have issued 34 guidelines and 79 recommendations further to these programme activities, which is nearly half the numbers reported in 2014. The values of these indicators are influenced not only by the type and number of joint actions organised in the year (which in itself can change greatly between the years), but also by the sample of participants which responded to the survey. While this limitation makes it difficult to place any concrete targets for these indicators, they remain informative as they provide some insight into the outputs of these joint actions and their follow up at the national level. Further years of measurement might provide more clarity when it comes to the interpretation of these indicators.

Besides measuring the number of outputs, we also look at their dissemination and use in the national administrations. The dissemination of programme outputs by the participants is slightly down by 2%, but still high, with 94% of the participants declaring to have distributed programme outputs nationally. The use of these outputs nationally has risen significantly, from 53% to 71.3%. In the 2015 EAF survey, a new question was added making the question on the use of the outputs in national administrations more precise, which may account partially for this difference. We also asked the participants whether these outputs have led to any change in the national administrations' working practices, and here 71% (down by 5%) answered positively, citing one or more of the following changes in the national administrations: increased knowledge of colleagues, improved working practices/administrative procedures and improved tools. Again, an additional year of measurement will help understand better the trends in these values.

A number of key **European Information Systems** are used by economic operators for simplified administrative procedures. The obtained indicators suggest that these systems are being used and that the programme has on the whole simplified procedures for more economic operators than previously.

- The **VIES-on-the Web** is an internet tool offered by DG TAXUD to enhance access by taxable persons making intra-Community supplies to verification of their customers' VAT identification numbers. The consultation of VIES-on-the-Web has been growing consistently for many years, as seen by the data. In the last two years, the number of consultations grew by over 50% in total. This big increase has been realised thanks to the continuous update of VIES-on-the-Web application, which increases the system's robustness. Evidence shows that the system is increasingly used for real-time validations for e-commerce transactions.

- The total average response time required to close **EMCS movements** (from the movement initiation messages to their corresponding Report of Receipt) increased from 7.9 days in 2014 to 8.93 days in 2015. The total average response time was stable during 2015 with two exceptions observed in April 2015 and in October 2015 when the total average response time increased to 14.70 and 13.60 days respectively. The increased values were caused due to movements closed by: MSA-Portugal with average response time 276.4 days. 41.6% report of receipts sent by MSA-Portugal to MSA-Spain in April 2015 concerning movements received from 2011 to 2014; and MSA-Netherlands with average response time 84.00 days. A high number of movements that were dispatched from MSA-France during the period 2011 – 2014 were closed by MSA-Netherlands in November 2015.

- The **VAT Refund** system has experienced a solid increase, with close to 9.7 million messages exchanged annually, and continues to grow over the last two years by 7.5% on average. The table below summarises the message evolution per Member State Administration.

Figure 13: VAT Refund Message Evolution per Member State Administration in 2015
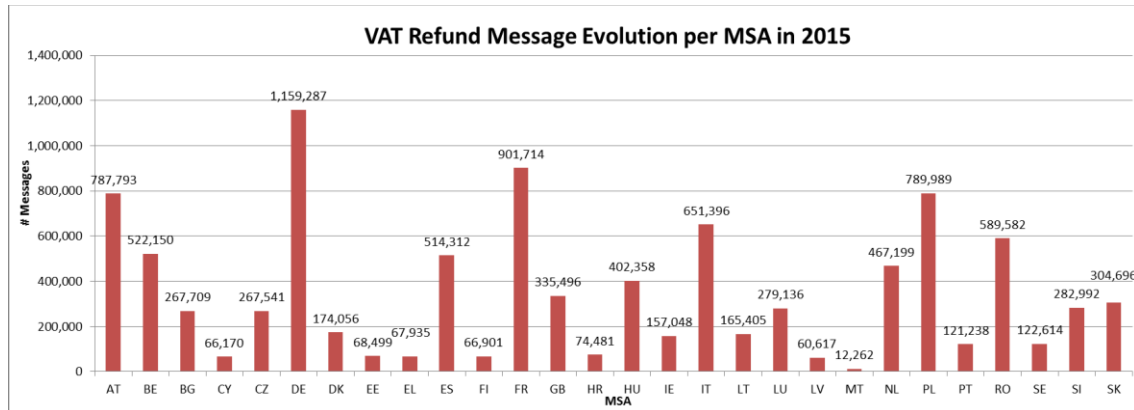
- There is a significant increase of hits on **SEED-on-Europa** during the last twenty-four months. An increase of 44.70% is observed during 2015 compared to 2014.

- The **Taxes in Europe database** (TEDB) is the European Commission's on-line information tool covering the main taxes in force in the EU Member States. Over the years, there has been a steady decrease in the number of page views (2012: 313 000, 2013: 270 000, 2014: 220 000). However, in 2015 the trend has slightly reversed and the number of visits is now at 232 652. DG TAXUD is at the moment upgrading the system and the new TEDBv3 release should become available in 2016. It will offer much more possibilities for exploitation of the information in the database for both TAXUD and the internet users.

- The **Mini-One-Stop Shop** (MOSS) system became operational on 1 January 2015 and in this report we can include for the first time the relevant indicator. The number of registered traders by the end of 2015 for the Union scheme was 11 254 and for the non-Union scheme 810, or in total 12 064. The breakdown per country can be seen in the table below.

Figure 14: Registrations of traders in the Mini-One-Stop Shop IT system in 2015
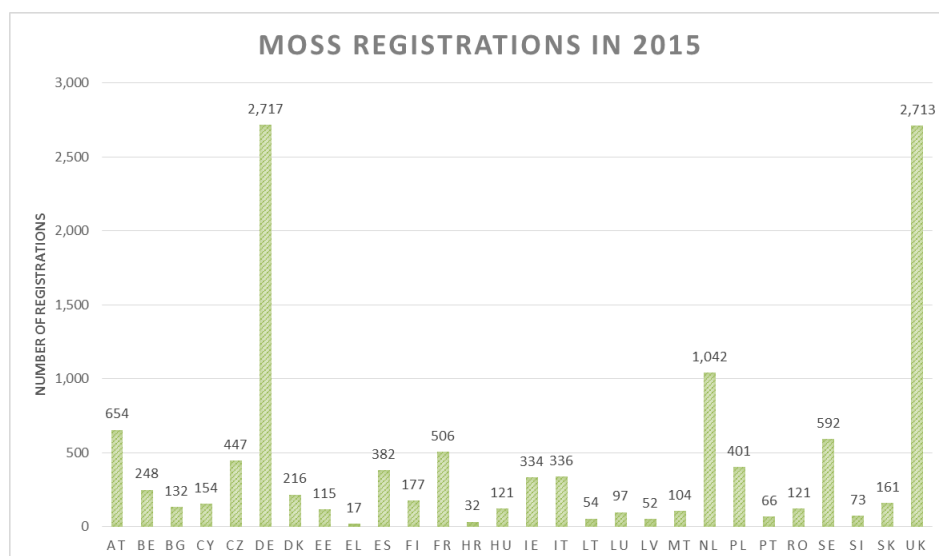
In the area of **online collaboration**, we are looking at the use of the Programme Information and Collaboration Space - PICS. This platform is used by many DG TAXUD and national customs officials to facilitate the running of joint actions, but also for other, non-programme related collaboration needs. We can see that the total number of online collaboration groups (both customs and tax) on the platform has continued to rise during 2015, increasing from 199 to 261, or on average, five new online collaboration groups created every month of the year. Similarly, the number of active users (users who have used PICS in the last six months) has increased from roughly 2400 at the end of 2014 to over 3100 at the end of 2015, or on average 2 new active users signing up every day. Not all users and groups have classified themselves, but from those that have, we know that the ratio between customs and tax users on the platform is roughly evenly split. In terms of usage of the platform, on average there were 320 new content items and 170 comments published every month by users. In terms of file sharing, there was a general increase of 60% in the number of downloaded files, and a 100% increase in the number of uploaded files across the platform. This increase can be also partially attributed to the improvements done to the documents management functionality on the platform in 2015.

A number of evolutive changes and improvements were made on the platform in 2015 (and in early 2016). Perhaps the most interesting ones concern the introduction of taxonomy (a new system of categorising groups and users) which now includes specific customs and tax, as well as common categories. PICS online groups can now also be linked by financial code with the Activity Reporting Tool used for managing the programme actions and events. This is a first step in eventual closer integration of the two systems. PICS was also enabled in 2015 to play video files, which has already been used in a number of groups for distributing webinars and learning courses. Finally, a number of improvements were made to facilitate the use of PICS by group leaders in combination with audio-visual tools for scheduling and running online meetings with their group members. This is part of the new approach to the development of PICS, which besides own development of functionalities includes also a promotion of combined usage of PICS with other more specialised tools. TAXUD has also increased user support during 2015 by providing a number of training videos, help articles and live coaching sessions.

5.6 Objective 4: to reinforce skills and competencies of taxation officials

Under this objective, we are measuring indicators related to the use of the different types of training activities provided under the programme: the e-Learning courses and the IT trainings for European taxation IT systems. There are also other types of activities with a learning dimension organised under the programme, such as seminars, workshops and working visits. However, they are assessed in relation to their primary business objective and reported on in other chapters.

The Fiscalis 2020 programme finances the development of **eLearning courses** on topics of common interest in collaboration with tax administrations and representatives of trade. Such courses support the implementation of EU legislation and ensure the dissemination of good taxation practices throughout the European Union. During 2015, there were no new releases, but important update was done on 12 courses on the VAT Directive, which were released in 2016 in 15 languages. This VAT eLearning programme consists of 12 individual courses each lasting on average about 30 minutes: VAT Introduction, VAT Territory, VAT Taxable Person, VAT Transaction, VAT Place of Taxable Transactions, VAT Digital Services and MOSS, VAT Chargeable Event and taxable Amount, VAT rates, VAT Exemptions, VAT Right to Deduct, VAT Refund and VAT Obligations.

In 2015, the combined number of various eLearning courses used by the participating countries was 62, or higher by 2 than in 2014. This indicator is obtained by adding together the number of courses used in each country. The most popular eLearning courses in 2015 remained the same as in 2014: the VAT Directive version 2.1 (used by 17 countries), VAT Fraud (used by 17 countries) and VAT Refund (used by 13 countries). According to the present monitoring data, approximately 2700 officials were trained in 2015 using common training material of the Union. If confirmed once the data is finalised, this would represent a significant drop compared with the 2014 number (4117). However, one should bear in mind that since there were no new releases of courses in 2014 and 2015, it is possible that the interest for the trainings with the existing courses has fallen. The release of 12 new courses in 2016 should reverse this trend.

The tax officials were asked to report back on the quality of the training courses using the internationally recognised Kirkpatrick training scale[9]. The trainees were requested to score, on a scale of 100 points, the relevance of the courses, the achievement of their learning objectives, the learning retention and the 'user-friendliness' of the course. We can see that the average score in 2015 measured 67 points, which is a drop from 73 points measured in the previous year. However, the new format of the satisfaction survey was only launched towards the end of 2014. Therefore the data collected in 2014 is insufficient to be representative and we should rather rely on the 2015 data as the baseline. The 2015 data on the other hand seems to well reflect the user satisfaction with currently available EU eLearning courses in general. It should also be noted that the 2014 published courses are showing effect only in 2015, and the users' feedback may reflect predominately the reaction to the 2014 released course, which were not 'new' eLearning courses but updates of the existing eLearning courses.

In 2015, there were also 21 **IT training sessions** (increase from 12 in 2014) organised by DG TAXUD for national tax officials on how to use various European tax and excise IT Systems, such as: CCN CSI, CCN2, EMCS Phase 3.2 and Excise BPM. Special training sessions were also organised on how to use the Activity Reporting Tool (ART), which is used in the management of Fiscalis 2020. In total, 136 (up from 106 in the previous year) national tax officials were trained in these sessions, which received very positive feedback from the participants in terms of their usefulness and meeting the participants' expectations.

5.7   Objective 5: to support administrative cooperation activities

Under this objective, we look at the different activities that supported administrative cooperation between national tax authorities. Administrative cooperation is of vital importance as no single Member State can manage its internal taxation system without receiving information from other Member States. Administrative cooperation is facilitated by both joint actions and European Information Systems.

In total, there were 269 **joint actions** organised under this objective, which is an increase from 166 in 2014. The most numerous actions were multilateral controls (113), followed by the working visits (70), PAOE (49), project groups (17), administrative cooperation activities (13) and workshops (7). The assessment of action managers indicates achieved progress compared to the previous year, with the value up from 2.77 to 3.18 in 2015. Among the working visits, we can observe a small downward fluctuation, from 3.60 to 3.38. The participants' feedback on the 'achievement of results' and 'met expectations' is high and has risen year on year by average 6%, while the perceived usefulness is equally high and has only slightly decreased by 2% to 93%.

The most numerous joint actions were the **multilateral controls**. Multilateral control means a co-ordinated control of the tax liability of one or more related taxable persons, organised by two or more participating countries, which include at least one Member State and which have common or complementary interests. The Fiscalis 2020 programme supports the MLCs by providing an organisational, methodological and financial framework for their implementation as it allows having preparatory and follow-up meetings under the programme which allow coordinating the actual audits which are carried out by national officials on their own territory.

In 2015, 27 Member States participated in such multilateral controls, which is 4 more than in 2014 (only Malta did not participate in an MLC). At the same time, 19 Member States initiated MLCs, in varying numbers (see figure 15), which represents an increase from 2014 when 16 Member States initiated such actions.

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[9] http://www.wa.gov/esd/training/toolbox/tg_kirkpatrick.htm

Figure 15: Multilateral controls initiated by country in 2015 (countries not shown had zero)
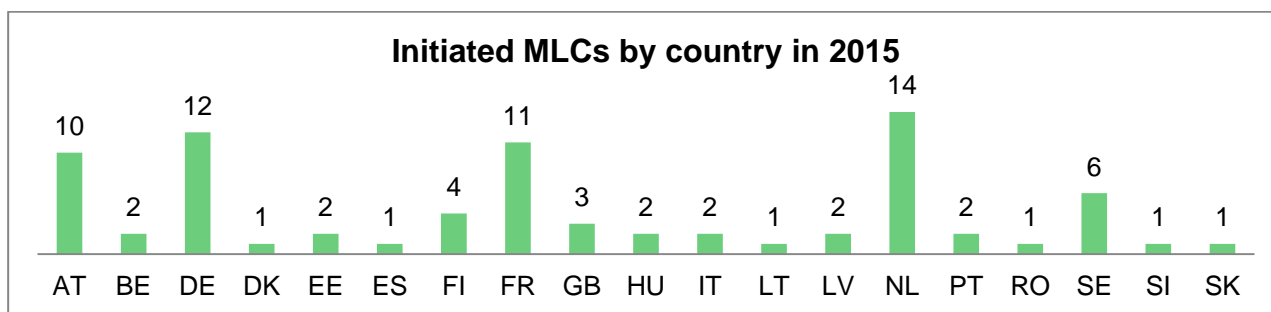
The action managers of the multilateral controls that took place in 2015 have expressed a very positive assessment regarding the level of achievement of results (3.11), which is higher than the same value measured in 2014 (2.78).

As opposed to multilateral controls, which were included in the previous generation of the programme, the Fiscalis 2020 programme introduces a new category of joint actions aimed at supporting administrative cooperation. This new category of joint actions refers to the **presences in administrative offices and participation in administrative enquiries (PAOE)**. In practice this means that the tax inspectors from one Member State can be present in another Member State when colleagues from this other Member State carry out their duties in administrative offices or during administrative enquiries. This can be extremely useful, in particular where there are indications of irregularities or large-scale cross-border fraud in one or more Member States; in cases whose complexity makes the presence of officials desirable; or in cases for which the prescription period is due to expire and where the presence of officials can speed up the enquiry. There were 49 such actions launched in 2015. Many of them were used by Finland and Estonia. Finland has launched 24 PAOE joint actions to visit Estonia to investigate different establishment cases. Many Estonian companies have a lot of business activities in Finland with often the owners and/or the management being Finns. The common question is whether or not the company has a permanent establishment in Finland, but the main problem is how to collect information for the decision making process. Finland has decided to use the PAOE tool effectively and to send to Estonia for PAOE tax officials specialized in permanent establishment issues. Similarly, the UK tax administration launched 9 PAOE visits to their Irish colleagues, on a variety of topics, from completing audits and VAT inspections to supporting the business risk review process.

An important role in administrative cooperation and mutual assistance between tax authorities is played by the national **Central Liaison Offices** (CLOs). The Fiscalis 2020 programme supports meetings and workshops of Heads of CLOs in the fields of direct and indirect taxation. While, in previous years there were two workshops organized separately for Heads of CLOs in the direct and indirect taxation, one combined workshop was held in September 2015 following previous recommendations expressed by participants. The Heads of CLOs have given a very positive feedback on this combined workshop. Their satisfaction is overall higher than the last year, with nearly all of them, 97.4% saying that the activity achieved its results and that it met their expectations, and virtually all of them (100%) found it to be useful or very useful professionally. Their qualitative feedback was reflecting this high satisfaction, with many participants saying it was a useful opportunity that gave them a wider perspective, ensured better liaison between CLOs and allowed some bilateral issues to be resolved face to face.

Another important way of enhancing the administrative cooperation between tax authorities is through the **Excise Movement and Control System (EMCS**) - a computerised system for monitoring the movement of excise goods under duty suspension in the EU. It records, in real-time, the movement of alcohol, tobacco and energy products for which excise duties have still to be paid. More than 80 000 economic operators currently use the system, and it is a crucial tool for information exchange and cooperation between Member States. At the level of indicators, if we compare the values from baseline in 2013 till the last measurement in 2015 we can see that the number of messages exchanged on EMCS continues to grow by roughly the same percentage every year (7%), while the amount of EMCS control reports analysed by documentation or physical controls/findings grows by an even larger margin (20%). Administrative Cooperation Common Requests grew by 5% from 2014 till 2015**.** These requests are used to request information about movements and / or individual traders, as well as access to archived messages held in another Member State. The History Results indicator measures the number of times when the information requested was not found, and

this indicator has remained largely stable in the last two years. Finally, there has been a slight increase (3%) in the number of Reminder Messages for Administrative Cooperation, but this value still remains below the baseline measured in 2013.

In the area of **e-Forms exchanged** (number of messages exchanged via the Taxation mailboxes on CCN), the numbers of these messages for direct taxation and recovery remained at same levels between 2015 and 2014. This is equally true for other types of taxation mailboxes (MOSS, MLC, Fraud, SEED etc.), where it is observed that there is no specific trend or a recognizable pattern regarding the way that messages fluctuate over time.

When it comes to the **VAT Information Exchange Systems (VIES),** during the reporting period, we could observe an increase in the number of Registry messages of nearly 30%. If we look at the total number of various types of VIES messages (Registry, TOD, MSW), it reached the number of 656,094,014. Compared to 2014 (514,383,489 messages in the period) they were significantly increased by 27.55%. The total number of VIES messages including those from VIES on the Web reached the number of 1,702,562,060, increased by 19.45% in comparison to 1,425,297,752 in 2014.

Figure 16: Evolution of VIES Messages per Message Type (Q1/2014 to Q4/2015)[10]

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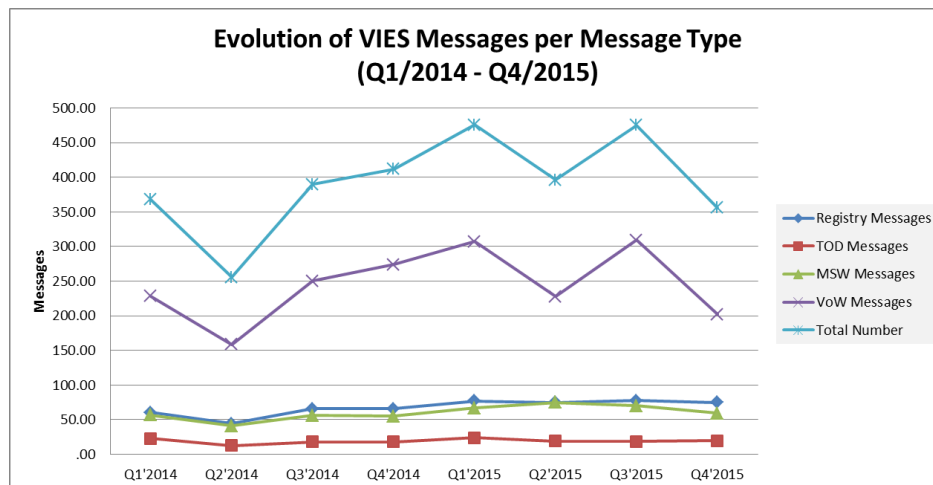
[10] Abbreviations on the chart stand for: Turnover Data – TOD, Member State Warning - MSW and Vies-on the Web – VoW messages

6. PROGRESS IN RELATION TO THE ANNUAL WORK PROGRAMME

6.1 Introduction

The Annual Work Programme (AWP) is a strategic and budgetary frame for the setting up of individual actions to be financed by the Fiscalis 2020 programme. The Fiscalis 2020 Committee provides its formal opinion on the AWP before its adoption by the Commission.

The core part of the AWP consists of several projects, which are grouped in function of the Fiscalis 2020 programme's specific objective area to which they will mainly contribute. All activities under the programme are organised to support the achievement of the objectives of these projects. The list of AWP projects is drawn up by DG TAXUD and the participating countries by taking into consideration the EU's policy priorities in the area of taxation.

The 2015 AWP consisted of 29 projects. In the chapter below, we have included one case study for each relevant part of the specific objective of the programme, or 5 AWP projects in total, with additional information on their work and outcomes during 2015. This information was provided by the action managers who organised some of the activities under those projects. While the activities listed under the projects include only those actions initiated in 2015, the summaries of main outcomes include sometimes information on related actions initiated in previous years, but which continued during 2015.

6.2 Part 1 – To support the fight against tax fraud, tax evasion and aggressive tax planning - Case Study

Specific objective:
Support the fight against tax fraud, tax evasion and aggressive tax planning
Title of the AWP Project:
Cooperation between customs and tax administrations
Description of the project:
The cooperation between tax and customs authorities in specific areas of mutual concern should be enhanced to ensure compliance, to fight against tax fraud and to facilitate legitimate trade.   In the Communication on the future of VAT (COM/2011/851), the Commission noted that it "will initiate and facilitate initiatives for a stronger cooperation between tax and customs authorities". In its Communication to the European Parliament and the Council on an action plan to strengthen the fight against tax fraud and tax evasion (COM(2012) 722 final), the Commission calls for structured exchanges of information between the tax and customs administrations on the strategies to identify non-compliance and foresees the development of a common methodology and guidelines to improve access to information on money flows by tax administrations. The European Court of Auditors also issued recommendations on the misuse of the customs 4200 procedure.
Actions initiated under the programme in 2015:
Project groups: ➥ Joint Fiscalis 2020 and Customs 2020 project group on Coordination of Excise and Customs Procedures (FPG/002, CPG/003)   ➥ Project group to Enhance the cooperation between customs and tax administrations including information exchange (FPG/010)   Working visits:

- ➢ Working visit on exemption procedures for VAT and excise to Bulgaria by one German tax official (FWV/032)
- ➢ Working visit on tax payers' inspection and control to Austria by one Dutch tax inspector by (FWV/143)
- ➢ Working visit on exemptions of VAT and excise duty on tobacco products to Austria by two Spanish tax officials (FWV/227)
- ➢ Working visit on excise duties and VAT to Sweden by three Spanish tax auditors (FWV/238)
- ➢ Four working visits on new methods of cooperation between authorities fighting tax fraud to Cyprus, Estonia and Slovenia by three Hungarian tax officials (FWV/269)
- ➢ Working visits on development of anti-fraud system to Romania by three Danish tax officials (FWV/401)

Expected results and their level of achievement:	
Fields where cooperation between customs and tax authorities is particularly important for the proper implementation of customs, excise, direct taxes and VAT legislation are identified.	Partially achieved
Best practices related to methods and tools used by Member States to analyse risk in the field of fraud related to VAT/Customs and regarding new trends of fraud in the field of VAT/Customs are identified.	Partially achieved
A series of recommendations to be approved by the Indirect Tax Expert Group (ITEG) and the Customs Code Committee concerning the application of Union law to excise goods in both areas is developed.	Ongoing
Proposals for efficient methods to enhance the cooperation between customs and tax administration including information exchange, including in the area of cash controls and customs procedure 4200, are developed.	Partially achieved
Business process models are provided to describe the processes contained in legislation, to clarify and explain the legal base for excise and customs procedures: specification work on modelling of interface between Excise Movement and Control System (EMCS) and UCC version of Automatic Export System (AES) and national import systems.	Achieved
The European Information Systems responsible for the movements of excise goods are updated to coincide with the UCC import specification and the AES.	Ongoing
VAT and excise related competency requirement is analysed to complete the EU Customs Competency Framework.	Partially achieved
Tax and customs-related e-Government services are promoted.	Postponed
EMCS eLearning modules are updated.	Postponed
Summary of main outcomes:	

The Fiscalis 2020 and Customs 2020 programmes are used to support both customs and tax administrations in this task. Namely, to identify the connection points between both for specific transactions and to define good practices for the division of tasks and sharing of information.

In 2015, the programme funding was used to set up a group of experts from Member States to

prepare a report on enhancing the cooperation between customs and tax administrations. The report of this project group (FPG/010) focuses on cross cutting issues where a good cooperation between these two administrations is necessary for the correct application of the legislation and it promotes good practices for such cooperation already existing in several Member States. The report is only available to the relevant expert group, since it contains sensitive information on how fraudsters abuse the system based on the experience of national experts. The report was presented to all Member States to attract their attention to the importance of this subject and will be taken into account for future work of the Commission in this field.

As regards the joint Fiscalis 2020 and Customs 2020 project group on Coordination of Excise and Customs Procedures (FPG 002 / CPG 003):

1. Work on harmonisation of export and excise procedures is complete. On the technical side results are being fed into the specifications of AES and of a future release of EMCS. The proposed changes will form one of the areas of investigation for an Impact Analysis for changes to the Directive 2008/118/EC.
2. Work on the handover from customs control at the release for free circulation (importation) to excise procedures has begun and will continue in a new import project group.
3. Widespread use of transit procedures for the supervision of the movement of excise goods has been investigated during this project. Clarification of the legal base and the technical needs for these arrangements will be the task of a further new project group, along with the use of other special procedures.
4. Arrangements for centralised clearance of excise goods were examined during this project. This work may also be followed by a new project group
5. The initiation of these new project groups will be on the basis of the importance and urgency of the issues raised and available resources.

6.3   Part 2 – To support the implementation of Union law in the field of taxation by securing exchange of information - Case Study

Specific objective:
Support the implementation of Union law in the field of taxation by securing exchange of information
Title of the AWP Project:
IT collaboration
Description of the project:
Currently, the tax European Information Systems are all too often developed in isolation both from a geographical and reusability perspective. This risk impairs the capacity of IT to deliver in years to come. Closer collaboration across taxation domains and across Member States is expected to merge requirements and expertise and thereby significantly increase cost-effectiveness of tax EIS. A managed IT collaboration will allow increasing the number of shared IT activities between the Member States as well as increasing the number of reusable components across the taxation silos. This will reduce the costs for IT implementation, deployment and operation in the Member States while offering increased agility in responding to the EU policy expectation. The Commission will initiate and trigger all the IT collaboration initiatives in a managed way, and act as a catalyst to make the managed IT collaboration happen in an effective and efficient manner.
Actions initiated under the programme in 2015:

Project groups:

- ➢ IT Collaboration Catalyst Group (FPG/037)
- ➢ IT Architecture Group (FPG/039)
- ➢ IT Valuation Group (FPG/040)
- ➢ Enhanced test material framework for Tax European Information Systems (FPG/052)
- ➢ AEOI Statistics (FPG/053)
- ➢ Automatic management of guarantees for movements of excise goods under duty suspension (FPG/057)
- ➢ Implementation Plan of AEOI DAC2 modules (FPG/063)

Workshop:

- ➢ Workshop on AEOI DAC2 IT collaborative implementation (FWS/051)

Expected results and their level of achievement:	
Efficient and effective IT collaboration, in particular by defining the lifecycle of the IT collaborative domain, developing a master plan, an IT valuation methodology, an IT collaboration communication plan and IT architecture.	Achieved
The use of the IT collaboration platform is enhanced.	Achieved

Summary of main outcomes:

The IT Collaboration Catalyst group (FPG/037) - constituted by 15 Member States - provided a framework for IT collaboration which allows for organising a managed and structured IT collaboration among Member States for developing IT systems and solutions. The framework depicts the life cycle of IT collaboration, the principles and the governance guidelines. The Catalyst group also finalized the structure of the Taxation Strategic Overview, which includes EU and national IT projects with potential for IT Collaboration.

Simultaneously, the Communication Plan for the IT Collaboration initiatives was implemented - the first newsletter was sent in June 2015 to over 350 stakeholders and the second newsletter was sent in September 2015 to over 400 stakeholders from among the Member States and the European Commission.

Moreover, IT architecture was developed (under FPG/039 project group) representing a reference document for the IT experts willing to collaborate in a common manner since it contains, inter alia, recommended IT standards, agreed terminology and technical references.

The IT valuation methodology (under FPG/040 project group) was also finalised: the methodology sets up the basic principles for identifying and assessing potential IT collaboration projects with costs and benefits analysis approach, and it is supported by a specific IT tool created by the same group.

Furthermore, in 2015, the first new projects for collaboration were launched and obtained the first concrete results:

- ❖ Automatic exchange of information (AEOI) - Directive for Administrative Cooperation (DAC1) Statistics - under FPG/053 - The AEOI Statistics Module was created collaboratively among the six Member States through the phases of Design (UK leading), Software development (SE and RO) and Testing (FI, UK, IT and MT), with MT providing Project Management and infrastructure. The final Software package was successfully delivered in September, and made available to all Member States: it was published in PICS, together with all the required documentation, and 13 additional Member States asked access to download and use the application. The six Member States participating to the project group have estimated a total

savings of more than 600k €. In 2016, the group is going to develop a second solution for the AEOI Statistics Module based on .NET platform, with MT as software developer.

❖ The FPG/052 Enhanced Test material framework project group has created the framework for improving testing and a user guide for using and producing such enhanced test material to be stored in a new repository in PICS. The new repository will be available in 2016, as well as the final release of the framework. First tests of the group already showed the added value of using such enhanced test material by detecting some errors that could have resulted in production costs.

A new project group was also launched in 2015 among 17 Member States for the Automatic Management of the Excise Guarantees (FPG/057): the main objective is to define the specifications for an automatic management system for the guarantees of excise goods movements and the requirements for an EU database of excise rates.

A workshop was held in Malta in December of 2015 where discussions took place concerning the technical specifications of DAC2 and IT Collaboration among the Member States: 39 representatives from 23 MS and one OECD representative participated and identified a number of potential DAC2 modules to be developed in IT Collaboration through the Fiscalis 2020 expert teams.

Due to the success of the above IT Collaboration initiatives, Member States have agreed to launch two Fiscalis 2020 expert teams in 2016 to develop AEOI DAC2 national modules and to assure the governance of managed IT Collaboration activities, respectively.

6.4 Part 3 – To Support the implementation of Union law in the field of taxation by supporting administrative cooperation - Case Study

Specific objective:
Support the implementation of Union law in the field of taxation by supporting administrative cooperation
Title of the AWP Project:
Administrative cooperation between Member States
Description of the project:
The Commission is assisting Member States in their efforts to engage in effective administrative cooperation by providing them with the practical tools and instruments they need (for example electronic formats for exchange of information and secure channels of communication).
The administrative cooperation between Member States has to be further supported and enhanced by reinforcing skills and competences of tax officials, supporting the improvement of administrative procedures and sharing of good administrative practices, enhancing the understanding and implementation of Union law in the area or, for example, by improving the use of existing instruments for exchange of information and develop new ones according to the legislation or promoting the most effective use of practical IT tools. The effective and comprehensive use by Member States of these tools, instruments and practices is still to be evaluated and enhanced.
Actions initiated under the programme in 2015[11]:

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[11] Multilateral Controls (MLC) and Presences in administrative offices and participation in administrative enquiries (PAOE) represent by their nature examples of administrative cooperation between Member States. Some activities listed below were assigned to other AWP projects, based on the subject matter of the

Presences in administrative offices and participation in administrative enquiries:

- ➢ Presences in administrative offices in the field of distribution of goods to Ireland by one UK experts (FAP/001)

- ➢ Two presences in administrative offices in the field of oils to Ireland by five UK experts (FAP/002, FAP/021)

- ➢ Presences in administrative offices in the field of outsourcing of buying of raw materials to Austria by three German officials (FAP/003)

- ➢ 23 presences in administrative offices in the field of construction to Estonia by 23 Finnish tax experts (FAP/004-007, FAP/011-012, FAP/015-016, FAP/040-053)

- ➢ Presences in administrative offices in the field of consumer goods to Estonia by three Latvian tax auditors (FAP/009)

- ➢ Presences in administrative offices in the field of support services to Ireland by one UK tax auditors (FAP/010)

- ➢ Presences in administrative offices in the field of licence fees to Austria by two German tax experts (FAP/017)

- ➢ Presences in administrative offices in the field of profit allocation to Austria by two German tax experts (FAP/018)

- ➢ Presences in administrative offices in the field of service deliveries to Ireland by one UK tax expert (FAP/019)

- ➢ Presences in administrative offices in the field of metal sector to Finland by two Swedish auditors (FAP/020)

- ➢ Presences in administrative offices in the field of oils to Ireland by two UK auditors (FAP/021)

- ➢ 2 presences in administrative offices in the field of consumer goods to Ireland by two UK auditors (FAP/022, FAP/039)

- ➢ Presences in administrative offices in the field of drinks to Ireland by two UK auditors (FAP/023)

- ➢ Presences in administrative offices in the field of restaurant/leisure sector to Ireland by one UK auditor (FAP/031)

- ➢ Presences in administrative offices in the field of banking sector to the Netherlands by two Belgian auditors (FAP/032)

- ➢ Presences in administrative offices in the field of financial services to Sweden by three Finnish auditors (FAP/033)

- ➢ Presences in administrative offices in the field of production and trade of biological food to Austria by two German auditors (FAP/034)

- ➢ Presences in administrative offices in production and trade of bio food and beverages to Austria by two German auditors (FAP/036) – cancelled

- ➢ Presences in administrative offices in the field of financial services to Cyprus by two Swedish auditors (FAP/037)

- ➢ Presences in administrative offices in the field of transfer pricing to Germany by three Dutch auditors (FAP/038)

particular MLC or PAOE, but are nevertheless included in this overview to give a complete impression of the administrative cooperation activities.

- ➤ Presences in administrative offices in the field of consumer goods to Ireland by one UK auditor (FAP/039)
- ➤ Presences in administrative offices in the field of cross-border transactions to Cyprus by two Belgian auditors (FAP/054)
- ➤ Presences in administrative offices in the field of financial services to Germany by two Dutch auditors (FAP/055)
- ➤ Presences in administrative offices in the field of construction to Lithuania by two Latvian auditors (FAP/056)
- ➤ Presences in administrative offices in the field of agricultural products to Lithuania by three Latvian auditors (FAP/057)

Multilateral controls:

- ➤ Multilateral control on football (FMC/001)
- ➤ Multilateral control on fur trade (FMC/002)
- ➤ Multilateral control on cross border business (FMC/004)
- ➤ Multilateral control on Supply of mineral oil (fuel oil / gas oil) on board of vessels (FMC/006)
- ➤ Multilateral control on VAT fraud (FMC/013)
- ➤ Multilateral control on bets and EDP services (FMC/015)
- ➤ Multilateral control on the employment of construction workers via a foreign employment agency (FMC/017)
- ➤ Multilateral control on cross border labour in the construction sector (FMC/021)
- ➤ Multilateral control on avoidance of VAT and excise with warehousing activities (FMC/026)
- ➤ Multilateral control on precious metals and precious stones (FMC/029)
- ➤ Multilateral control on IC transactions with scrap materials (FMC/033)
- ➤ Multilateral control on maritime fishing (FMC/034)
- ➤ Multilateral control on trade with sugar (FMC/035)
- ➤ Multilateral control on renting players in the football sector (FMC/036)
- ➤ Multilateral control on MTIC VAT fraud (FMC/038)
- ➤ Multilateral control on affiliate marketing activities on the internet, (FMC/040)
- ➤ Multilateral control on importation and exportation activities (FMC/041)
- ➤ Multilateral control on duties paid on alcoholic beverages (FMC/046)
- ➤ Multilateral control on drinks (FMC/048)
- ➤ Multilateral control on the allocation of profits from real estate investments (FMC/051)
- ➤ Multilateral control on trade with agricultural products (FMC/053)
- ➤ Multilateral control on electronic goods (FMC/055)
- ➤ Multilateral control in the field of transfer pricing on a group of companies that is active in the production of synthetic resins (FMC/058)
- ➤ Multilateral control on wine (FMC/059)
- ➤ Multilateral control on calling cards (FMC/060)
- ➤ Multilateral control on transfer pricing (FMC/061)
- ➤ Multilateral control on check on licence fees (FMC/062)

- ➤ Multilateral control on drinks (FMC/063)

- ➤ Multilateral control on profit allocation of the permanent establishment (FMC/066)

- ➤ Multilateral control on alcoholic beverages (FMC/067)

- ➤ Multilateral control on profit allocation (FMC/068)

- ➤ Multilateral control on transfer pricing (FMC/069)

- ➤ Multilateral control on the VAT and excise implications of excise warehousing and cross border deliveries (FMC/071)

- ➤ Multilateral control on second hand cars (FMC/073)

- ➤ Multilateral control on cross-border labour (FMC/074)

- ➤ Multilateral control on carried Interest, MLC in the field of private equity (FMC/075)

- ➤ Multilateral control on management consultancy (FMC/077)

- ➤ Multilateral control on trade with used cars (FMC/078)

- ➤ Multilateral control on transfer pricing (FMC/079)

- ➤ Multilateral control on trade of cars (FMC/081)

- ➤ Multilateral control on intra-community trade in the candy Business between Denmark and Sweden (FMC/082)

- ➤ Multilateral control on scrap area (FMC/083)

- ➤ Multilateral control on trade of grain (FMC/084)

- ➤ Multilateral control on trade of colza oil (FMC/085)

- ➤ Multilateral control on cross border labour (FMC/086)

- ➤ Multilateral control on trade of sugar (FMC/087)

- ➤ Multilateral control on elite horses (FMC/089)

- ➤ Multilateral control on trade with second hand cars (FMC/090)

- ➤ Multilateral control in the field of black economy (FMC/091)

- ➤ Multilateral control on transfer pricing (FMC/092)

- ➤ Multilateral control on alcoholic beverages (FMC/093)

- ➤ Multilateral control on the international trade in second hand cars sector (FMC/094)

- ➤ Multilateral control in the field of private equity - Carried Interest (FMC/095)

- ➤ Multilateral control on trade with trucks (FMC/096)

- ➤ Multilateral control on trade with electronic goods - mobile phones (FMC/098)

- ➤ Multilateral control on temporary employment (FMC/099)

- ➤ Multilateral control on carousel fraud with electronic goods and telecommunication services (FMC/100)

- ➤ Multilateral control on cork cross border business (FMC/101)

- ➤ Multilateral control on alcoholic beverages (FMC/102)

- ➤ Multilateral control on liquefied petroleum gas (FMC/103)

- ➤ Multilateral control on demand transportation services activities via mobile devices with private drivers (FMC/105)

- ➤ Multilateral control on transfer pricing on a group of companies in the lottery sector (FMC/106)

- ➤ Multilateral control on beers (FMC/107)

- ➤ Multilateral control about structure of a company (FMC/108)

- ➤ Multilateral control on adword (FMC/109)

- ➤ Multilateral control on transfer prices (FMC/110)

- ➤ Multilateral control on transfer pricing: valuation (FMC/111)

- ➤ Multilateral control on transfer of rights (FMC/112)

- ➤ Multilateral control on import of goods CPC 4000 (FMC/114)

- ➤ Multilateral control on transfer pricing, licence fees and profit allocation (FMC/116)

- ➤ Multilateral control on suspected hidden profit distribution (FMC/117)

- ➤ Multilateral control on trade and recycling of stones and metals (FMC/118)

- ➤ Multilateral control on second hand cars (FMC/119)

- ➤ Multilateral control on beers (FMC/120)

- ➤ Multilateral control on transfer pricing (FMC/121)

- ➤ Multilateral control on construction (FMC/122)

Project groups:
- ➤ Project group on EU TIN Feasibility Study (FPG/003)
- ➤ Project group on Administrative cooperation – Evaluation (Art. 23 Directive 2011/16/EU) (FPG/030)
- ➤ Project group on control of electronic commerce (FPG/038)
- ➤ Project group on Joint Audits (FPG/049)
- ➤ Project group on AEOI statistics (FPG/053)

Workshops:
- ➤ Workshop on follow-up of the reports in the field of administrative cooperation and technical assistance (VAT) (FWS/026)
- ➤ Workshop for Heads of CLO VAT and direct taxes (FWS/034)
- ➤ Workshop for Heads of the CLOs of the Baltic States (FWS/042)
- ➤ Workshop on Global Standard of AEOI - Directive 2014/107/EU (FWS/044)

Working visits:

- ➤ Working visit on administrative cooperation in the field of excise to the Netherlands by one Italian tax official (FWV/025)

- ➤ Working visit on transfer pricing and production shifting to Romania by one German auditor (FWV/046)
- ➤ Working visit on excise approval of warehouse keepers to Finland by one Swedish tax official (FWV/061)
- ➤ Working visit on administrative cooperation to Germany by one Italian tax official (FWV/097)
- ➤ Working visit on VAT identification and registration process to Italy by one German tax inspector (FWV/103)

➢ Working visit on exchange of information for direct taxes to Romania by one Italian tax official (FWV/156) ➢ Working visit on e-commerce to the United Kingdom by two Finnish tax officials (FWV/177) ➢ Two working visits on enhancing international exchange of information for SCAC requests to Czech Republic and Slovenia respectively, by two Estonian tax officials (FWV/180) ➢ Working visit on methods and techniques for tax recovery to Estonia by one German tax official (FWV/186) ➢ Working visit on exchange of information for taxation purposes to Ireland by two German tax officials (FWV/202) ➢ Two working visits on specific VAT audits to Croatia and Latvia by two German auditors (FWV/232) ➢ Working visit on open-source intelligence for investigative purposes to Spain by two Swedish officials (FWV/240) ➢ Working visit on cross-border exchange of information via CCN network to the Netherlands by two Belgian officials (FWV/251) ➢ Working visit on exchange of information in VAT matters to Croatia by one Portuguese tax auditor (FWV/259) ➢ Working visit on information exchange under EMCS to Denmark by two Swedish tax officers (FWV/260) ➢ Working visit on practical implementation of the Automatic Exchange of Information (AEOI) to Denmark by five Montenegrin tax officials (FWV/272)	

Expected results and their level of achievement:	
Evaluation reports are issued.	Postponed
Activities are carried-out to support the functioning of the liaison officers' networks.	Achieved
Activities are carried-out aiming to support enhancing the knowledge and understanding of Union legislation in this field.	Achieved
Background information is developed to support possible recommendations for updated legislation.	Achieved
Recommendations for improvement are identified.	Partially achieved

Activities are carried-out to enhance the exchange of information:
 	
   o New e-forms for the exchange of information on request, the spontaneous exchange of information, the feed-back and the automatic exchange of information between Member States, including a new e-Form for notification of instruments and decisions are developed; training is delivered;
   o Standardised IT formats are developed covering a wide scope of income and other items, including the addition of new languages of third countries in the eFDT application, subject to appropriate legal provisions;
   o The use of automatic exchange of information is promoted;
   o Computerised formats for automatic exchange of information are developed as provided for in Council Directive 2011/16/EU and the proposal for the extension of its scope;
   o Activities are carried-out to support the improvement of the quality of the exchanged data for example by further investigating the creation of an EU Tax Identification Number (TIN) as well as
	Ongoing

the analysis of any alternative solution: • EU TIN study is finalised; • The information on the EC web site concerning the TIN on Europa application is updated; • Various target audiences are informed about the TIN. ○ Country profiles are developed in an increased number of languages and are included in an online tool subject to appropriate legal provisions; ○ Consider necessary modifications to allow batch requests from business to check VAT numbers.	
New application for online transmission of statistical data is developed: online collection and design of a web application to collect and publish the statistics related to Council Regulation (EU) 904/2010.	Achieved

Summary of main outcomes:

The general instrument for administrative cooperation in direct taxation is Directive 2011/16/EU. In accordance with the provisions of the Directive, the Commission developed over time with the Member States various systems, tools and procedures to support its functioning and implementation. In 2015, efforts were made to enhance further these developments with project groups working e.g. on the enhancement of taxpayer's identification, the sharing of best practices as regards compliance risk management. Given the complexity of the matter, a special focus was placed on the automatic exchange of financial account information with activities aimed at supporting the implementation of Directive 2014/107/EU (DAC2), which implements a Common Reporting Standard (CRS) in the EU, both at policy level and as regards the practical aspects. A workshop allowed the Commission and Member States to discuss the practical aspects and complexities of the transposition of the Directive into national laws and regulations, while detailed specifications have been established to complement the existing high-level CRS guidelines and ensure a smooth and coordinated functioning of DAC2 in the EU.

Another domain in which Fiscalis programme was used to support administrative cooperation between tax administrations was the Value Added Tax (VAT). VAT is a European Union tax based on the Council Directive 112/2006, which means that each Member State is responsible for the transposition of these provisions into national legislation and their correct application within its territory. This results in having 28 national tax administrations jointly responsible for the correct application of VAT rules on the single market. A close cooperation between them is necessary to support legitimate trade and fight fraudsters. The role of the Commission is to support this cooperation. The legal base for administrative cooperation in Value Added Tax (VAT) is provided in the Council Regulation 904/2010

In 2015, a number of activities were set up under Fiscalis to support this administrative cooperation in the field of VAT:

- Organisation of 43 multilateral controls (coordinated controls of multinational companies) and 49 presences in the offices of another Member States or in the framework of an administrative enquiry. In 2015, 14 MLC have been closed with a reported value of 591 million euro in tax assessed. This value corresponds mainly to MLC carried-out in the VAT and direct taxes area and one in excise.
- A Workshop with the Member States to establish priorities for improving the practical aspects of the administrative cooperation and the tax administrations' operability in the field of VAT in the coming years based on the report prepared by the Commission on the state of the administrative VAT cooperation.
- A project group on e-commerce delivered its report recommending to create a new working field within Eurofisc.
- A project groups on preliminary discussions on joint audits as possible new tool that would

enhance the cross border controls.

Results of these activities were used by the Commission in the framework of the 2016 VAT action plan that aims at modernising the VAT system.

As regards excise duties, efforts concentrated on the work of a project group (FPG/017) which worked on a common excise fraud manual for use by national administrations. The project group concentrated on analysing fraud schemes in the alcohol sector and on explaining the tools and instruments available for administrative cooperation in this area.

In the field of recovery, several project groups were active. The EU Tax Collection and Recovery Platform (FPG/033) held three meetings dedicated to the exchange of information between Member States, practical training session on the new e-forms, exchange of best practices on the use of e-instalment services and the use of precautionary measures. The discussions on the use of precautionary measures resulted in the development of a new form that could accompany requests for precautionary measures, in order to facilitate the follow-up of such requests. This new form is being developed in 2016 and is expected to become available for use by the Member States in 2017.

The Tax Enforcement Assistance and Cooperation Expert Panel (FPG/031) analysed issues where the legislation on recovery assistance was (possibly) problematic, and it also provided input for the recovery evaluation questionnaire that the Commission submitted to the Member States. In this way, it helped the Commission in its on-going evaluation of the current EU legislation on recovery assistance.

Last but not least, the Fiscalis project group 056 (Portal for Official Registration of Tax Orders) had its first meeting towards the end of 2015. This project group was set up to discuss possible improvement of the notification of tax claim documents.

6.5 Part 4 – To Support the implementation of Union law by enhancing administrative capacity of participating countries with a view to assisting in reducing administrative burden of tax authorities and compliance costs for taxpayers - Case Study

Specific objective:
Support the implementation of Union law by enhancing administrative capacity of participating countries with a view to assisting in reducing administrative burden of tax authorities and compliance costs for taxpayers
Title of the AWP Project:
e-Audit capacity of the participating countries
Description of the project:
The administrative capacity of the Member States should be supported by encouraging the use of electronic audit techniques in the participating countries and identifying best practices and techniques. It is intended to provide a permanent communication and exchange platform for the development of common approaches towards e-auditing.
Actions initiated under the programme in 2015:
Project groups: ➢ Project group on E-audit (FPG/004)   ➢ Project group on Audit of packages (FPG/025)

- ➢ Project group on ZAPAT Activity Team (FPG/044)
- ➢ Project group on Cloud Computing (FPG/048)
- ➢ Project group on E-audit Promotion Activity Team (FPG/054)

Workshops:

- ➢ Workshop on e-Audit on e-Commerce - Extraction and the use of data acquired from the Internet (FWS/043)

Working visits:

- ➢ Working visit on e-audit to Sweden by one Czech tax official (FWV/107)
- ➢ Working visit on VAT audit for large companies to Sweden by one German tax auditor (FWV/187)
- ➢ Working visit on audit of accommodation and catering companies to the United Kingdom by one Estonian tax auditor (FWV/229)
- ➢ Working visit on fight against tax fraud for direct and indirect taxes to the Netherlands by one French tax inspector (FWV/244)
- ➢ Working visit on e-audit to the Netherlands by six Turkish tax inspection board officials (FWV/275)
- ➢ Working visit on e-tax audit to the Netherlands by three Spanish auditors (FWV/278)
- ➢ Working visit on training methodologies for e-audit to the Netherlands by one Irish e-audit expert (FWV/313)

Expected results and their level of achievement:	
A quick response and sharing of best practices among Member States to address the newly emerging challenges in the field of e-audit are facilitated.	Achieved

Summary of main outcomes:

Since many years the E-audit platform provides online space for a network of E-audit experts that share experiences and knowledge on various aspects of e-auditing. The objective of the platform is to assist Member States in the fight against fraud and evasion and to support initiatives to improve the level of voluntary compliance.

The structure of the E-audit platform consists of a Coordination Sub-Group (CSG) and Activity Teams, which produce issue papers and guidance for Member States' tax administrations on specific e-audit related topics.

The CSG's task is to manage the E-audit platform and the work carried out by the Activity Teams, to discuss new activities and to prepare the plenary meetings. Currently, the following activity teams are ongoing.

The Audit of packages Activity Team (FPG 025) aims to allow Member States' auditors to audit ERP systems, such as SAP and ORACLE. The team gave workshops and uploaded documents on 'Introduction to ERP Systems', 'Getting started with SAP' and 'Understanding SAP'. After providing a general overview of a SAP system, the guides focus on the modules that are most relevant to corporate tax and VAT audits. Today, the team is working on the guide 'Auditing a business', in which they will provide guidance on how to approach both systems-based audits and data-driven audits in a SAP system. A fifth document will cover specific topics such as transfer pricing and dealing with heavily customized implementations.

The Zapper and Phantom-ware Activity Team (ZAPAT) (FPG 044) shares good practices regarding the fight against systematic skimming of cash receipts through zapper and phantom-ware in Point of Sale (POS) systems The activity team is updating the 2012 ZAPAT guidance, developing the idea of a Common Model and organises technical/practical workshops.

Cloud Computing and E-audit Activity Team (**FPG 048)** was established in September 2015 to

improve the knowledge and expertise concerning cloud computing and to identify relevant tools and techniques. The team is performing desk research to provide a study paper, training packages, workshops and a FAQ on cloud computing and tax-audits. The team will also update the list of software and tools, update the E-audit Road Map, and work on a questionnaire for the Member States to get insights in country specific information and practical cases.

The Promotion Activity Team (**FPG 054)** is in charge of promoting the use of E-audit, encouraging activities in E-audit and maintaining a network for cooperation in E-audit. In 2015, the team promoted the use of E-audit in the fight against tax fraud, distributed the works produced under the E-audit Contact Persons and maintained the E-audit Forum. A newsletter was published in December 2015.

SAF-T Activity Team (FPG 058) has been launched recently. Their objective is to produce documents to promote the SAF-T approach in order to offer a guide of good practice for Member States already engaged in a SAF-T implementation process, and to inform Member States that currently do not apply SAF-T.

6.6 Part 5 – To support the implementation of Union law - Case Study

Specific objective:
Support the implementation of Union law
Title of the AWP Project:
Implementation of Council Directive 2008/118/EC – General arrangements for excise duties
Description of the project:
Excise goods that are moved from one Member State to other Member States are subject to different national procedures and differing interpretations of Union law. A consistent implementation of Union law in this area is needed, both in the interests of trade facilitation and to assist Member States to ensure the compliance of traders with the law.
Actions initiated under the programme in 2015:
Project groups: - Project group on Arrangements for distance selling and business to business sales of excise goods released for consumption (FPG/001)   - Project group on Automatic management of guarantees for movements of excise goods under duty suspension (FPG/057)   Workshop: - EMCS Time Limit issue (FWS/019)   Working visits: - Working visit on EMCS and audit procedures to Finland by one German tax auditor (FWV/009)   - Two working visits on enhancing implementation of EU law for excise duties to Bulgaria and Portugal by two Italian tax officials (FWV/034)   - Working visit on control procedures for mineral oils to Germany by one Slovak tax auditor (FWV/172)   - Working visit on anti-fraud measures for excise duties on alcohol and tobacco to Italy by one

Portuguese auditor (FWV/178) ➢ Working visit on audit procedures under EMCS to Luxembourg by one German auditor (FWV/236)	

Expected results and their level of achievement:	
A series of recommendations to be approved by the Indirect Tax Expert Group (ITEG) concerning the application of Union law in this area to excise goods is developed.	Partially achieved
EMCS IT developments related to the implementation of Articles 10, 12, 13, 33 to 35 of Council Directive 2008/118/EC and implementing provision to replace Regulation 31/96 are implemented.	Started
EMCS Statistics – the CS/MISE statistics and reporting system are updated.	Partially achieved
Business process models are defined describing the processes contained in legislation in order to clarify and explain the legal base for excise.	Partially achieved
The report on the functioning of the Horizontal Directive is prepared and promoted.	Partially achieved

Summary of main outcomes
A Business Case for Excise Duty Paid Business to Business Transaction has been prepared on the basis of consultations within the project group (FPG/001) and is awaiting the Commission services' approval for work to continue in more detail. This work will also act as an input for an Impact Assessment of possible changes to the Horizontal Excise Directive. The project group concluded that any legal and technical changes to the arrangements for the distance selling (business to consumer) of excise goods should await the possible introduction of a One Stop Shop for VAT purposes, from which a Business Case could be built for similar arrangements in order to meet the requirements for the reporting and payment of excise duty. A report to the European Parliament and the Council evaluating the current legal provisions is nearing completion and should be presented at the beginning of 2017. The enhancement of EMCS Statistics will allow stakeholders to be able to judge whether the performance of EMCS Core Business and Administrative Cooperation is improving over time. For example CS/MISE will allow stakeholders to analyse whether the time to close excise moves and the time to reply to requests for administrative cooperation are decreasing.

7. CONCLUSIONS

2015 was the first standard year of operations under the programme, in contrast with 2014 which was somewhat exceptional due to its shorter duration and the start of the new programme. Some of the trends were confirmed during the year, with the continuation of slight increases in the total budget and the spending on IT systems. However, 2015 reversed the trend of decreased number of participants, with a significant increase surpassing the last three years in the levels of participation, as well as in the number of face-to-face meetings organised under the programme.

The year was also marked by a successful introduction of a new type of joint action - Presences in administrative offices / participation in administrative enquiries (PAOE) – which is already widely used, with 49 operational actions in 2015. During the year, an important groundwork was made for the introduction of another new type of joint actions - the Expert Teams. This is a new type of a joint collaboration tool which aims at achieving more efficiently and quickly the intended results with an increased degree of commitment, collaboration and EU funding. Expert Teams will be especially important for larger projects that require an intensive level of cooperation and increased funding support. TAXUD in 2015 published a comprehensive guide to EC and national administrations' programme beneficiaries on how to apply for expert team grants. TAXUD equally actively assisted the programme beneficiaries in preparing two detailed proposals for expert teams, both in the area of IT collaboration. They were eventually included for realisation in the 2016 Annual Work Programme.

The IT area remains the largest part of the programme budget, and the development and maintenance of European Information Systems in the area of taxation remain entirely dependent on the programme. An important new system was launched in 2015, concerning the automatic exchange of information between tax administrations (AEOI-DAC1). Many more systems entered research and development phases thanks to the support of the programme.

The Mini-One-Stop-Shop was one of the key initiatives in the taxation area in 2014, but it became operational on 1 January 2015. The related electronic system allows the taxable persons established or not in the EU and supplying telecommunications, broadcasting or electronic services to non-taxable persons to fulfil their VAT obligations in a single place of compliance. In its first year of operations, more than 12 000 traders registered on the system across all 28 EU Member States.

In the area of training, while there were no new releases of eLearning courses, important update was done on 12 courses on the VAT Directive, which were released in 2016 in 15 languages.

In the area of joint actions, the programme supported a rising number of activities in 2015. The cooperation between the EC and national administration in the development and implementation of taxation policies would be impossible without the use of project groups, seminars, workshops, working visits, multilateral controls, capacity building activities and other types of joint actions. In terms of performance measurement, 2015 was the first year with a full 12-month period of activities monitored. This meant more participants and action managers invited to take the surveys and a greater number of collected data. Whilst at the start of the programme baselines were lacking for a great number of the new indicators, in 2015 we could compare the obtained values against the 2014 indicators. In the great majority of cases we could observe minimal fluctuations and a positive trend. In a small number of cases the fluctuations seem more pronounced, such as in the case of number of individual outputs of activities. While these measurements represent useful data to be collected, it will take a few additional years of measurement to see whether any targets could be set for these indicators.

The indicators obtained under the framework in 2015 give an overall positive assessment, both from the business data perspective and from the feedback obtained from the action managers and the participants to the activities. The indicators suggest that in 2015 the programme was on course to fulfilling its objectives and that it played an important role in facilitating the implementation and development of taxation policies through its European Information Systems, joint actions and human competency building.

The key **strengths and achievements** that can be deduced from the analysis of the indicators:

➢ **Increased demand for programme support.** This can be seen in the general increase of the number of activities, events organised and participation levels. In the area of IT, there is an increased demand for the programme support in the development of new systems.

➢ **Successful introduction of a new type of joint actions - Presences in administrative offices / participation in administrative enquiries (PAOE)** – which is already widely used, with 49 operational actions in 2015.

➢ **High level of achievement of results of the joint actions is reported by the action managers.** The level increased compared to the previous year. This indicates that the business owners see the value of the programme for achieving the policy objectives and that the joint actions progress in line with their expectations.

➢ **Very positive assessment of the achieved results of the joint actions, their usefulness and met expectations by national tax officials who participated in them.** With minor fluctuations between the two years, the values remain high and above targets. This shows that the programme participants find that the programme activities correspond to their stated objectives and are professionally useful to them.

➢ **Networking among programme participants is increasing**. The networking indicator remains high and has increased between the two years, testifying to the networking value provided to the participants by the programme.

➢ **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic**. The volume of data traffic on European Information Systems increased by a large margin in 2015, while the performance and availability remained very high. A new system was launched and new developments are largely taking place in line with the planning. The systems are regularly maintained and updated and the user support and training are functioning properly.

➢ **Successful roll out of the Mini-One-Stop-Shop IT system -** In its first year of operations, more than 12 000 traders registered on the system across all 28 EU Member States.

➢ **The increased use of online collaboration (PICS) by national and European tax officials.** In 2015, there were further significant increases in the number of online groups created, the number of users and the number of exchanged files on the platform.

The **conclusions** from the previous Progress Report for 2014 have been or are in the process of being followed up (see table 18 below for a complete overview). The 2015 indicators do not warrant any specific new conclusions, but a number of those from 2014 could be further specified or updated:

1. **Provide additional support to the sharing of programme outputs.** There continues to be a discrepancy between what action manager and national participants report concerning the sharing of programme outputs at national level. As it was recommended in the 2014 Progress Report, a more structured and transparent approach to the sharing of programme outputs would be desirable, since it would both shed more light on the current use of programme outputs nationally, as well as potentially open up this resource to many more tax officials. Such an approach would, however, need to address a number of security, privacy and technical challenges involved in such a larger distribution of outputs, as well as involve a cultural change among the programme stakeholders. Its success would very much depend on the support and involvement of all programme stakeholders and in particular of the senior management and the action managers. TAXUD initiated in 2016 discussions on creating such an approach with the stakeholders and intends to follow them up. Progress in this initiative should be seen as a longer term goal that will require gradual change, both in terms of securing necessary stakeholders' support and possible adaptations of IT systems.

2. **Address the participants' response rate under the Performance Measurement Framework**. The response rate for the action managers remained at 70%, while the response rates for the participants to working visits and participants to other types of joint action decreased to 63% and 56% respectively. TAXUD and national programme teams should pay attention to the response rate and try to bring it above the 70% mark. Changes introduced in the distribution of survey invitations, scheduled to be implemented in early 2017, should provide some support in this respect.

Table 17: Overview of conclusions from the Progress Report 2014 and current status update

Conclusions from 2014 Progress Report	Status and follow up actions	Need for further actions
1. Monitor the number of participants in order to evaluate whether any action aimed at reversing the trend of decrease is warranted	The 2015 data show a significant increase in the number of participants compared to 2014.	There is currently no need for specific follow up actions. The number of participants will continue to be monitored as part of the basic programme parameters.
2. Undertake to increase awareness about the programme	New communication plan for the programme was drawn up and its activities started to be implemented in 2016.	TAXUD will use the Programme Poll at the end of 2016 to gather new data on the awareness and will equally use qualitative feedback from national programme teams to evaluate the implementation of the communication plan during 2017.
3. Provide additional support to networking and the use of programme outputs	Following 2015 changes introduced in PICS, all tax officials from the participating countries can freely start their own collaboration groups on this platform. TAXUD equally started to promote online meetings on the platform. Internal discussions were started on how to facilitate the sharing of programme outputs to a wider audience and overcome challenges identified in this regard.	Increase in the sharing of programme outputs requires both a new policy and cultural change that must involve and be supported by all stakeholders. TAXUD intends to launch in-depth discussions with stakeholders on this topic during 2016 and 2017.
4. Monitor the use of the new types of joint actions	PAOE indicator is included and measured for the first time in this report. Expert teams will start their work in 2016 and will be included in that report.	There is no need for specific follow up actions concerning PAOE. Expert teams will be included in the 2016 report.
5. Improve statistics for online collaboration	New statistical module containing more information on online collaboration was deployed on PICS in 2016.	There is no need for specific follow up actions.
6. Monitor the implementation	MOSS IT system became	This indicator will be included in

and use of the Mini-One-Stop -Shop IT system	operational in 2015 and the first measurements of the number of registered operators are included in this report.	future reports.
7. Facilitate the collection and processing of data under the PMF	New system of sending of invitations to PMF surveys will be put in place in ART in 2017.	Future evolution of ART will take into account the needs of the Performance Measurement Framework.
8. Consider adaptation to the Progress Report structure	Following positive reception of the 2014 report by the stakeholders, 2015 report followed largely the same structure, with some minor adjustments.	There will be a continuous assessment on how to improve the report.