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Fiscalis 2020 Programme - Progress Report 2016



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FISCALIS 2020 PROGRAMME

2016 PROGRESS REPORT

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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

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

2. EXECUTIVE SUMMARY

2016 was the third year of activities under the Fiscalis 2020 programme and in many ways similar to 2015. The numbers of proposals, events and participants remained at high levels, testifying to a strong demand from business owners and national administrations for programme activities. As is standard for the programme, the vast majority of funding in 2016 went into the development and operation of European Information Systems, followed by the organisation of the joint actions, and the training activities. There were no significant changes to the budget levels, notwithstanding a slight increase in committed expenses dedicated to the new type of joint actions introduced during the year - the expert teams.

In terms of **performance measurement**, 2016 was the third year for which a number of indicators could be collected. The indicators suggest that in 2016 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 vast majority of the spending under the programme continues to be spent on the **IT systems**, which are of critical importance for interconnecting the tax authorities effectively. One new IT system (EU FATCA) was developed and many more systems entered research and development phases thanks to the support of the programme. With EU - FATCA, the Commission eases the IT burden on the MS by providing them with a common technical solution to communicate with third countries (US).

Besides developing new systems, the programme supports the taxation systems already in place and the **IT network** on which they operate - the CCN/CSI (common communication network/common systems interface in the area of customs and taxation). In 2016, there was an increase of 40% in the number of messages and 18% in the size of data exchanged over the network. At the same time, the network and the key taxation systems maintained high availability rates and provided reliable helpdesk functionality to national tax administrations.

In 2016, TAXUD replaced the outdated VAT 2.1 and VAT Refund modules with the new **VAT EU eLearning programme** consisting of 12 eLearning modules. The training quality score of the new VAT EU eLearning programme is on average 76,9 out of 100, or 'very good', while former comparable taxation courses have an average score of 70. Although downloaders find their way easily to the new VAT EU eLearning programme with a total number of 18.238 downloads to train 227.273 trainees, it seems that the national administrations have not yet fully integrated the new VAT EU eLearning programme. While the former programme was integrated by 20 Member States, only 7 to 8 Member States have integrated the new programme.

In the area of **joint actions**, 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.

An innovative instrument called **expert teams** was rolled out in the Fiscalis 2020 programme in 2016. The expert teams are flexible structures that allow to further both EU-wide and regional co-operation between national tax administrations in order to support daily operational work as identified by the Member States. Two expert teams were launched in 2016 in the area of IT collaboration: DAC2 and Managed IT collaboration. Working in a more synchronised, coordinated and/or collaborative way with other Member States will allow European Tax Administrations not only to save money and time, but also to increase the quality of their IT solutions. The two teams started their work towards the end of 2016 and the first results will be visible in 2017.

The key **observations** that can be deduced from the analysis of the performance measurement framework indicators in 2016 are as follows:

- **Strong demand for programme support.**
- **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 remains high.**
- **Rising awareness about the programme and its potential among the target audience.**

- **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic.**
- **Successful introduction of the expert teams tool.**
- **Significant increase in new training modules and trained tax officials.**

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 when carrying out the two evaluation exercises to be held in 2018 and 2021 (mid-term and final evaluation, as required by Article 18 of Regulation 1294/2013). 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.

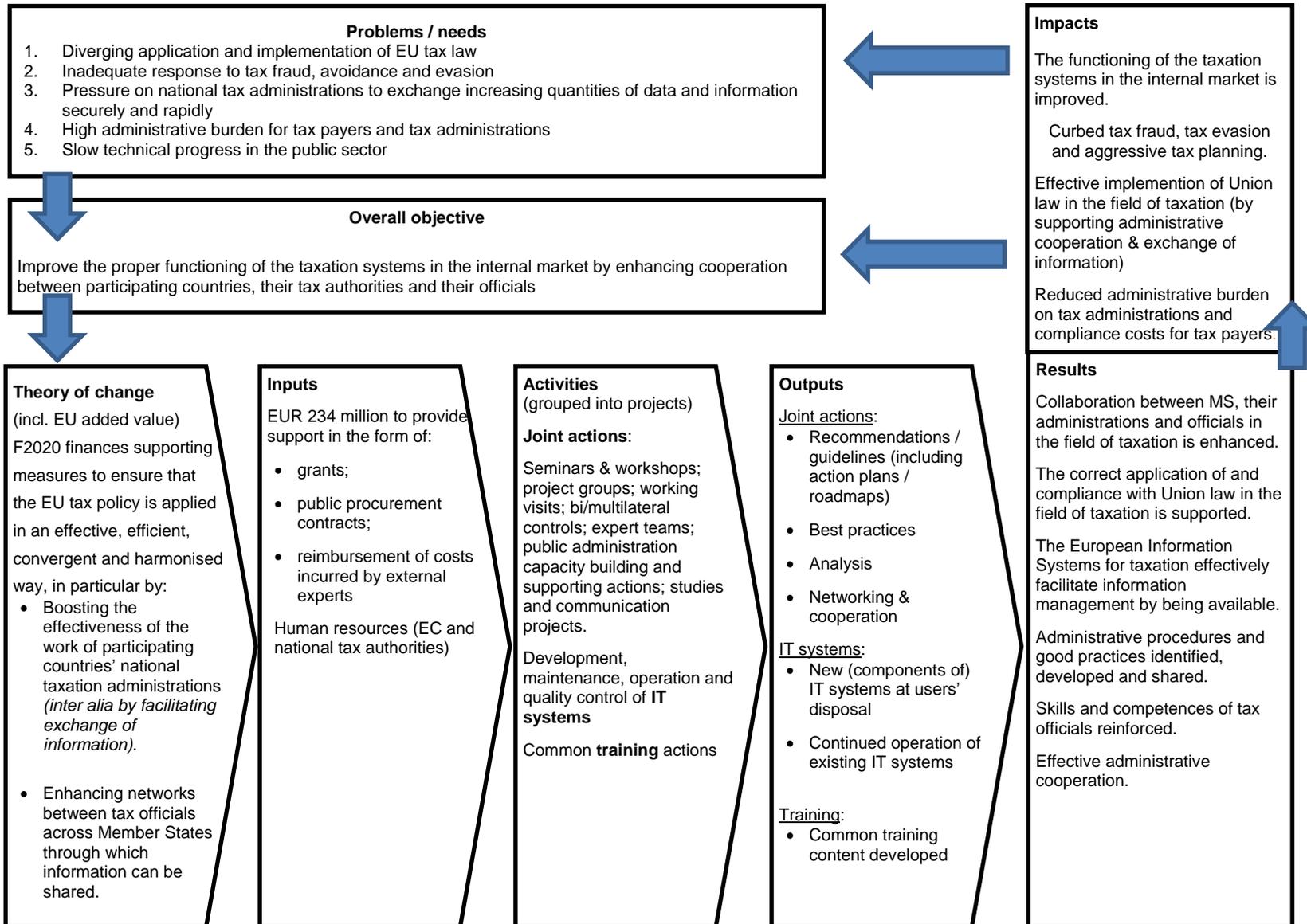
Figure 2: PMF data collection tools

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: <ul style="list-style-type: none"> • Mid-2015, beginning 2017, mid-2018, end 2019 	The Programme Poll is addressed to 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 during the following 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 2021) of the programme will 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



4. PROGRAMME YEAR 2015 – BASIC PARAMETERS

4.1 Introduction

2016 was the third year of activities under the Fiscalis 2020 programme and in many ways similar to 2015. The numbers of actions, events and participants remained at high levels, testifying to a strong demand from business owners and national administrations for programme activities.

As is standard for the programme, the vast majority of funding in 2016 went into the development and operation of European Information Systems, followed by the organisation of the joint actions, and the training activities. There were no significant changes to the budget levels, notwithstanding a slight increase in committed expenses dedicated to the new type of joint actions introduced during the year - the expert teams.

The most popular action type remain working visits, followed by multilateral controls placed second and project groups as distant third. 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.

Finally, while all participating countries have used the programme in 2016, the levels of their participation remain varied and in line with the voluntary nature of participation in the programme activities.

4.2 Budget

The overview in Figure 4 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 4: Committed ¹ expenses per year and main action categories under the programme

	2013	2014	2015	2016
Joint actions	€5,044,000.00	€4,630,000.00	€4,300,000.00	€4,370,000.00
Expert teams (pilot projects)				€988,040.00
Training	€682,472.08	€908,585.18	€600,003.24	€1,205,600.00
IT	€23,425,745.06	€23,053,874.72	€24,691,254.51	€23,244,421.81
Studies	€389,243.80	€2,184,539.26	€1,375,690.06	€1,640,916.81
TOTAL	€29,541,460.94	€30,776,999.16	€30,966,947.81	€31,448,978.62
AWP	€30,000,000.00	€30,777,000.00	€31,025,000.00	€31,449,000.00
EU Annual Budget	€30,000,000.00	€30,777,000.00	€31,025,000.00	€31,449,000.00
Amount MFF	€30,950,000.00	€30,777,000.00	€31,025,000.00	€31,449,000.00

As is standard for the programme, the vast majority of funding in 2016 went into the development and operation of European Information Systems, followed by the organisation of the joint actions, studies and the training activities. In 2016, the committed expenses on joint actions (organised under the grant agreements) would have stayed largely unchanged compared to the previous year had it not been for the new type of joint

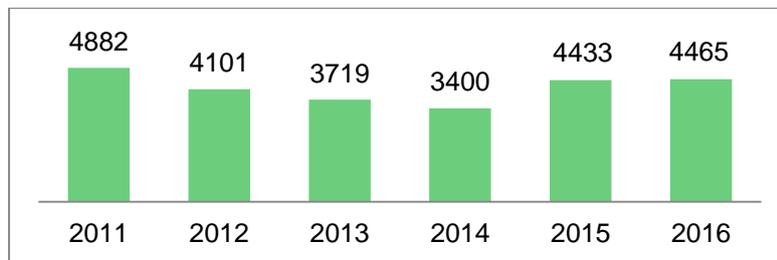
¹ The table compares committed amounts for the last four years, since the actual expenses are not finalised for all the years.

actions – Expert Teams. Expert Teams, which were for the first time rolled out in 2016, belong to joint actions, but due to their specific nature are shown separately in the table. It is worth recalling that the expenses for joint actions are difficult to forecast in advance, given that the actions and events are triggered by constantly evolving business needs. For this reason, the anticipated (committed) expense can differ to a smaller or larger percentage from actual expenses incurred in a given year on joint actions. We can notice a fluctuation for the training component, which was mainly due to the change of framework contract with an increased budget envelope for training activities.

4.3 Participants

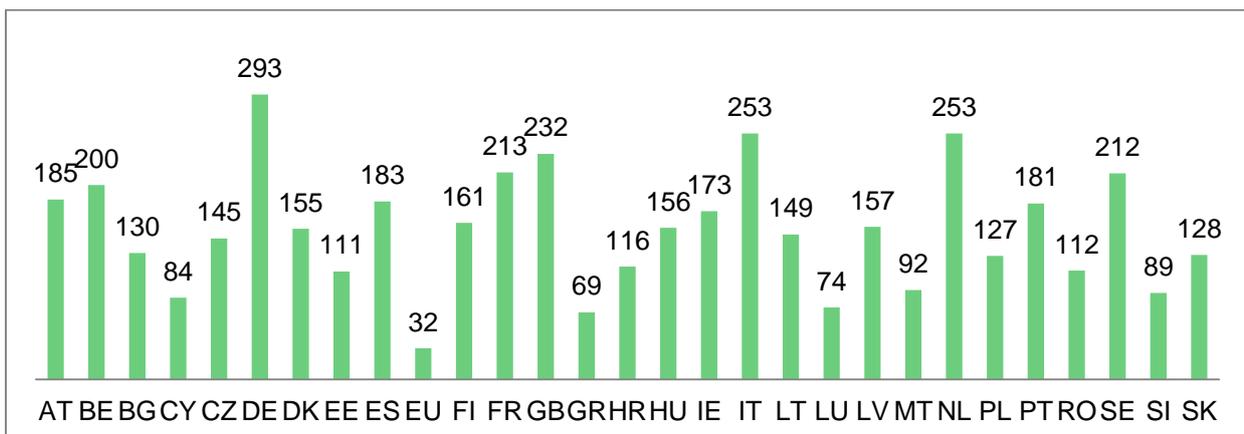
The number of total participants (which measures all instances of participation in activities and allows for the same people to have taken part in multiple activities) continued to rise for the second year in a row. 2014 was a significantly shorter programme year (it lasted from April till December) due to the change between the two generations of Fiscalis programmes.

Figure 5: Number of participants² in joint actions per year under the Fiscalis 2013 and Fiscalis 2020 programmes



It is important to stress that participation to programme activities is voluntary and is influenced by a number of factors, such as: the business need for organising activities, the trend of moving away from physical meetings and toward online collaboration, as well as the individual national administration's capacity and interest for participation.

Figure 6: Overview of participants per country in 2016³



² 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).

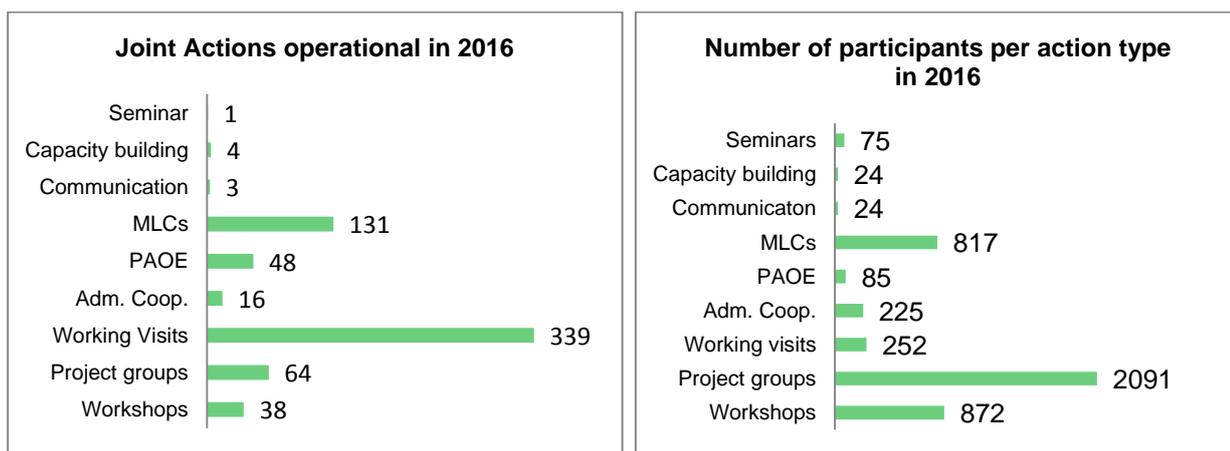
³ The participants marked as EU represent external experts who come outside national administrations and who may be invited to contribute to selected activities organised under the programme wherever this is essential for the achievement of the programme objectives.

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.

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, one proposal may also cover multiple joint action activities, as is the case for multilateral controls. Each activity (action) is approved for a certain period during which the associated work, including the meetings, take place. This period is only restricted by the programme's overall timeframe and is detached from calendar or budgetary years.

Figure 7: Number of participants per action type in 2016 and the number of operational joint actions under Fiscalis 2020 in 2016⁴



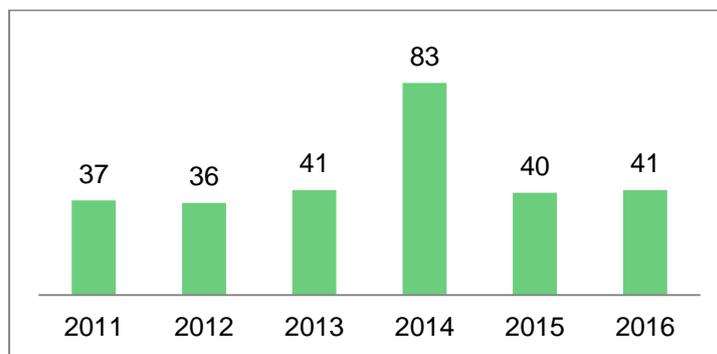
In 2016, there were 644 such operational (ongoing) joint actions. Some of these actions were launched as new proposals in 2016, while some continued from the earlier programme years (2014-2015). If we look at their distribution, we can see from the two figures below that the most popular action type 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 48 operational actions in 2016 (there were 49 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 2016 are only starting to be implemented in 2017. A better indicator of the activity for working visits is the number of organised events that took place in 2016, which is 171 (compared to 199 in 2015).

⁴ 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.

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. In 2016, two expert teams were launched under the Fiscalis 2020 programme, both in the area of IT collaboration (you can find more about them in chapter 5.3).

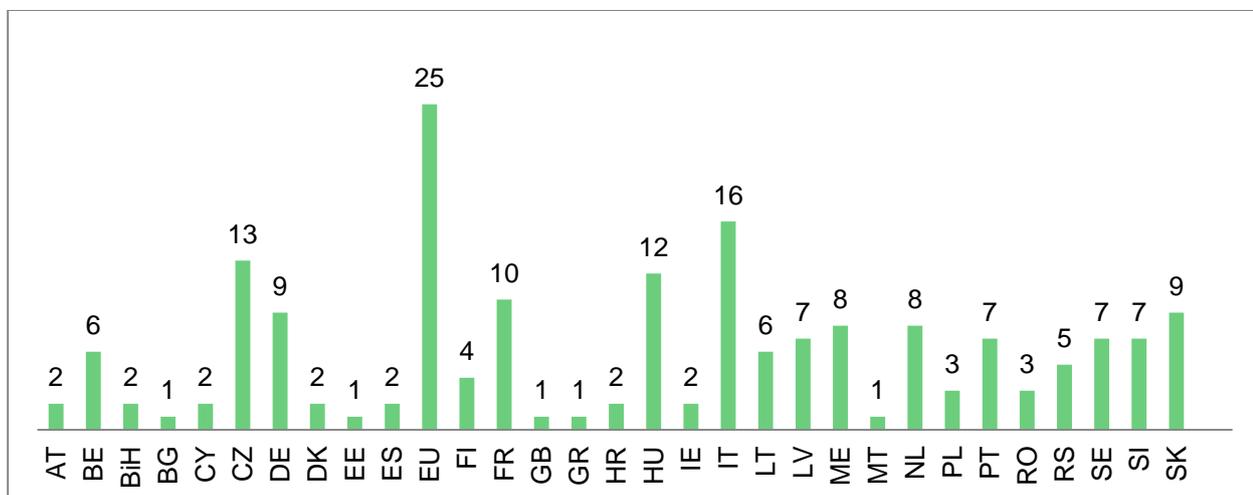
If we want to look at the evolution of new proposals over time (Figure 8), we first need to exclude the working visits in order to get a comparative number. This is because in the period before 2014 all the working visits were covered by a single proposal, while under the Fiscalis 2020 programme each 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 number of proposals treated in the year. In 2015-2016, we can observe a return to a standard year of activities under the programme.

Figure 8: Number of new proposals approved under the programme (without working visits)



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 9). The national programme teams mostly submitted proposals for working visits, and here too we can observe in Figure 9 the difference among the administrations in the level to which they pro-actively utilise the programme.

Figure 0: Overview of proposals under the programme per initiating country in 2016



5. PROGRESS IN RELATION TO THE OPERATIONAL OBJECTIVES

5.1 Cross-cut indicators of collaboration robustness between programme stakeholders

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

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Extent to which JA (that sought to enhance collaboration between participating countries, their administrations and officials in the field of taxation) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	AFF	2.65 (2014)	>3	2.65	3.25	3.11
	AFF Work Visits	3.62 (2014)	>3	3.62	3.34	3.37

Firstly, in this section we take a general look at the achievement of results as reported by the action managers of joint actions. In the case of most project groups, the action managers are DG TAXUD policy experts, while for the working visits these are national tax officials. The level of achievement of results is evaluated on a scale from 0 (not achieved) to 4 (fully achieved) at the end of the action against the anticipated results. The level of achievement is impacted both by internal factors (if an activity lasts for several years, the results cannot be fully achieved immediately) and by external factors (such as political, business or technological developments). It is therefore advisable to set realistic targets for the achievement of results. In the case of most joint actions, such a target could be set at 3 or higher (3 corresponding to "results achieved to a large extent"). When we compare the obtained indicators for 2016 against the targets and the values in the preceding years, we can see that overall joint actions have been performing well, achieving their results to a large extent, regardless of minor fluctuations between the years. The results for working visits were even higher, indicating that these participants are highly satisfied with the business value obtained from the working visits.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Extent to which the target audience is aware of the programme	Prog Poll	F2013 Programme Poll (2011) 66.1%	>75%	53.89%	No poll	59%

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 in January 2017 and around 3000 tax officials from 30 programme countries participated. As the poll measures awareness and networking in the period between the two polls, the results of the January 2017 poll can be included as the measurement for 2016. As a reminder, the Poll is distributed among both participants and non-participants of the programme, since its goal is to measure awareness among the whole of the target audience.

We can observe that 59% of all tax officials in Europe are aware of the Fiscalis 2020 programme, which represents a rise in the awareness of 5% compared to the 2014 Poll. The Progress Report 2014 recommended to TAXUD to 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. In 2016, TAXUD defined a new communication strategy 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 strategy already started to be implemented in 2016 and other actions are planned to be implemented until the end of the programme in 2020. The benefits of the new communication strategy are expected to emerge in the years to come

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Degree of networking generated by programme activities	Prog Poll			Q1: 91% Q2: 78.5%	Next poll in 2016	Q1: 90% Q2: 84%
Q 1: Did the activity provide you a good opportunity to expand your network of and contacts with officials abroad? (percentage agreeing)	EAF	Prog Poll F2013	Q1: >80%			
Q 2: Have you been in contact for work purposes with the officials you met during this activity since the activity ended? (percentage agreeing)		Q 1: 79% Q 2: 75%	Q2: >90%	Q1: 95.15% Q2: 68%	Q1: 96.5% Q2: 72.8%	Q1: 97% Q2: 69%

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 2016 to those in 2015 and 2014, we can observe that, with some fluctuations between the years, the same observations hold true: a) nearly all of the participants found programme activities to represent a good opportunity to create useful contacts abroad, and b) a high number of officials maintain these contacts following the end of the programme activity.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations	AFF					
Q 1 (AFF): Were the outputs of the action shared in national administrations? (percentage agreeing)		Q1: 48% (2014)	Q1: >60%	Q1: 48%	Q1: 63.5%	Q1: 56.15%
Q 2 (EAF): Further to your participation in this activity, did you share with colleagues what you learned? (percentage agreeing)	EAF	Q2: 96% (Prog Poll F2013)	Q2: >90%	Q2: 96.4%	Q2: 94.8%	Q2: 95.8%

The levels of sharing of the **programme outputs** (such as recommendations, guidelines, studies etc.) dropped in 2016, following a big rise in 2015. In other words, around 56% of action managers reported that the outputs of their actions were shared in the national administrations. After three years of measurement of this indicator, we could now set a provisional target of 60% as the minimal value for which to aim in the future. Through the Event Assessment Forms, we can also observe the levels of sharing reported by the participants and here 95.8% (a slight increase of 1% compared to 2015) reported that they shared what they learned at the programme activities with their national colleagues. This is a high value, well above the set target of 90%.

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

There were 51 **joint actions** operational under this objective in 2016, out of which 41 were working visits, with Czech Republic, Turkey, Slovakia, Germany and Italy being particularly active as the sending administrations. 3 workshops were organised during the year on a number of issues: on modernising VAT for cross border e-Commerce – importation of goods (joint Fiscalis 2020 and Customs 2020 event), on the review of the special scheme for small enterprises under the VAT Directive 2006/112/EC and on tax law judges in cooperation with the Association of European Administrative Judges. More information on this last workshop is featured in the chapter of this report dedicated to the Annual Work Programme (AWP project Consistent implementation of Union law in the field of direct taxes).

Six project groups were equally active during the year under this objective: on partially denatured alcohol, on risk awareness in the field of international trade and movements of excise goods, on creating an e-learning course for tax officers on tax fraud, on looking for a new fiscal marker for gasoil and kerosene, on classification and inclusion of (new) products in the scope of excisable tobacco products and on excise and customs cooperation – application of Art. 329 UCC IA for excise goods.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
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)	AFF	2.66 (2014)	>3	2.66	2.87	3.75
	AFF Work Visits	3.53 (2014)	>3	3.53	3.33	3.62
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')	EAF	93.47% (2014)	>80%	93.47%	91.62%	85.36%
Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	EAF	94.5% (2014)	>80%	94.5%	92.67%	86.58%
Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	EAF	100% (2014)	>80%	100%	100%	97.56%
Number of actions (JAs) that have supported or facilitated to enhance the understanding and implementation of Union law in the field of taxation	ART	46 (2014)	Grow or stable compared to baseline	46	71	50
Number of recommendations (R) / guidelines (G) / other outputs (O) issued further to a JA (under this objective)	AFF	2014: 0 (R) 0 (G) 15 (O)	On average at least one	0 (R) 0 (G) 15 (O)	11 (R) 0 (G) 6 (O)	0 (R) 1 (G) 5 (O)
	AFF Work	2014: 1 (R)	output per action	1 (R) 0 (G)	23 (R) 9 (G)	21 (R) 13 (G)

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
	Visits	0 (G) 8 (O)		8 (O)	56 (O)	35 (O)

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 3.75 (up from 2.87 in 2015) indicates that the action managers are satisfied with the progress obtained within their groups in 2016. 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 decreased compared to 2015, it remained above target level. The number of officials participating to these activities who found them to be professionally 'useful' or 'very useful' has remained very high, at close to 98%. The working visits organised under this objective have also been assessed very positively with 3.62 (up from 3.33 in 2015) 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. There has been a significant fluctuation in this indicator between the three years, both positive and negative (depending on whether we look at reported outputs from Working Visits or other Joint Actions). It is worth clarifying that the recommendations and guidelines are counted here individually, rather than by the number of documents containing them. Under 'other outputs', we count studies, reports, measures, presentations and other reported types of outputs. Fluctuations in these indicators, however, need to be interpreted carefully, as not every recommendation or guideline is equally important. Furthermore, the number of outputs depends largely on the business need and the type of the subject matter addressed by the programme action. With these considerations in mind, it is difficult to set concrete targets for this indicator. A possible approach could be to rather set a minimum target of at least one output per action in a given year. Such a target would demonstrate that on average all programme activities produce outputs. Concretely, for 2016, this would mean, that there are at least over 51 outputs produced for all joint actions and working visits. With 75 different types of outputs produced in 2016, we can see that this target has been well achieved.

5.3 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.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Availability of CCN overall (%)	EC	99.94%	98%	99.89%	99.97%	99.98%
Availability of (specific) Union components of EIS during business hours and otherwise (%)	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%	VIES-on-the-Web: 99.97% EMCS: 99.54%
Activity indicators	EC	2014	Grow or	Over 2.7 billion	3.2 billion messages	4.54 billion messages

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
		Over 2.7 billion messages . 4.3 Terabytes of application data	stable	messages . 4.3 Terabytes of application data	4.7 Terabytes of application data	5.54 Terabytes of application data

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 2016, as was the case in 2015. 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. 5.54 Tbytes of application data and 4.547 billion of messages were exchanged over CCN Network in 2016. This represents an increase of 40% in the number of message and 18% in the size of data exchanged over 2015. At the same time, the number of hits on the applications available via the public Europa Internet Access rose to 107.22 million (up from 97.53 Million in 2015).

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of European Information Systems in operation, as per Annex 1 of the Fiscalis 2020 Regulation	EC	20 (2014)	Grow or stable	20	21	22
Number of modifications on IT systems in operation following: a) business requests b) corrections	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	A) Excise:37, Tax:264 B) Excise:102, Tax:344
Number of occurrences where the service desk is not joinable	EC	SLA provision	SLA provision	None	None	None
Percentage of service calls answered on time	EC	SLA provision	SLA provision	98.95%	99.33%	100%

For the existing EIS applications, we can see that 22 of them were up and running in 2016 (compared to 21 in 2015). Regular check-ups and updates were performed on them throughout the year, with 301 business evolutive changes (down from 308 in 2015) and 446 corrective changes (up from 417) taking place. We can also observe that the service desk was performing well and in line with the Service Level Agreements with virtually all the calls (100%) answered on time.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of IT projects in phase research	EC	15 (2014)	N/A	15	14	12
Number of IT projects in the phase development	EC	9 (2014)	N/A	9	7	10
Number of new IT systems in operation	EC	3 (2014)	N/A	3	1	1
Ratio of IT projects in status "green"	EC	91.6% (2014)	Grow or stable	91.6%	95%	95%

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 2016 - the EU-FATCA. The short term business case for the project is the US Foreign Account Tax Compliance Act (FATCA). FATCA is a US act that requires foreign financial institutions to report to the US Internal Revenue Service financial accounts held by US clients. FATCA is being implemented within the EU and in several third countries which have signed agreement with the US by means of administrative cooperation (i.e. information are provided to the US Internal Revenue Service by tax authorities as opposed to foreign financial institutions). Currently, when MS exchange information among themselves in the field of Direct Taxation at EU level, they rely on the technical solutions provided by DG TAXUD, amongst others the Common Communications Network (CCN) and the related governance models they have agreed upon together. Such common solutions and governance do not exist for international exchanges: each Member State has to define them with each third country on a bilateral basis. With EU - FATCA, the Commission eases the IT burden on the MS by providing them with a common technical solution to communicate with the third countries.

Another 10 new IT projects entered the development phase (up from 7 last year) and 12 entered the research phase (down from 14 in 2015). 21 out of these 22 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 EU TIN – whose aim is to explore the possibility of creating an EU Tax Identification Number that would be allocated to all taxpayers, natural persons or companies that engage in a cross-border activity. A Fiscalis 2020 project group was launched with a group of EU Member States to discuss the current state of the study and to validate/decide on the chosen options for the coming activities.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
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)	AFF	2.54 (2014)	>3	2.54	3.44	3.54
	AFF Work Visits	3.66 (2014)	>3	3.66	3.49	4
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')	EAF	91.21% (2014)	>80%	91.21%	97.52%	94.75%
Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or	EAF	92.56% (2014)	>80%	92.56%	95.87%	92.78%

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
'to large extent')						
Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	EAF	97.3% (2014)	>80%	97.3%	99.17%	98.36%

At the level of **joint actions** that were organised in relation to the EIS, these were mostly project groups and workshops. A number of project groups continued from earlier years, these 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. Three new project groups were launched during 2016: on Central Application for VAT e-Forms, on Central Application for Recovery e-Forms and on Solution for calculation of Excise Duty in EU.

Two **expert teams** have been set up in 2016 and are operational. The expert teams are flexible structures that allow to further both EU-wide and regional co-operation between national tax administrations in order to support daily operational work as identified by the Member States:

- DAC2 Expert Team:** This Expert Team was set up to support the collaborative implementation of the Information Systems required to enforce compliance with Council Directive 2014/107/EU (DAC2). This directive amends Directive 2011/16/EU on Administrative Cooperation in the field of taxation (DAC) with a view to introducing additional categories which are subject to automatic exchange of information, in line with those set out in the Common Reporting Standard (CRS) developed by the OECD, thereby minimising costs and administrative burdens both for tax administrations and for economic operators. This Expert Team was set up as part of the scope of FISCALIS Project Group FPG 063 and is within the scope of the IT Collaboration initiative. This IT Collaboration work follows on from the success of two other initiatives, namely FPG 053 - Implementation of Statistics for Automatic Exchange of Information and FPG 052 - Development of an Enhanced Testing Framework. A number of EU Member States have participated in these two pilot projects which delivered tangible outcomes. The scope of the Expert Team is to realise and implement a number of software modules aimed to be integrated in the national domain of the Member States to help them perform the exchanges foreseen under the DAC2 and the OECD CRS exchanges. They will be developed in a way that will allow their use to be adapted to future similar international exchanges.
Duration: 20 months
Countries: MT-NL-SE-RO-UK-PT
- Managed IT Collaboration Expert Team:** The objective of this Expert Team is to group Member States' resources to strategically manage IT Collaboration initiatives in the field of Taxation. Such structured approach would also support the activities of FPG/037 "IT Collaboration Catalyst Group" to consolidate and enhance its frameworks to increase the number of new IT Collaboration opportunities and successfully conducted IT Collaboration projects.
Taking into account the budget constraints faced by public administrations, opinions are converging to a consensus that the traditional way of developing similar functionalities 28 times is a waste of public funds. Furthermore, such an approach does not keep up with the challenging rate of developments of existing Taxation IT systems that need to support the business needs coming both from a dynamic international scenario and national developments.
Working in a more synchronised, coordinated and/or collaborative way with other Member States allows European Tax Administrations not only to save money and time but also to increase the quality of their IT solutions. IT Collaboration further promotes reusability and interoperability of IT systems. Investing in implementing IT systems in a more coordinated and collaborative way is

expected to reduce the cost, complexity and time needed to develop and maintain Member States' Taxation IT systems.

Duration: 12 months

Countries: IE-FI-MT-HU-IT-PT+RO

5.4 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 slight increase in the number of **joint actions** under this objective, with 251 JA's operational in 2016 (compared to 225 in 2015). Again, the vast majority of actions organised were working visits (223), with the Czech Republic, Finland, Hungary, Slovakia, Germany, Italy, Spain and Portugal being particularly proactive as sending organisations. Four workshops were organised during the year on a number of issues: on methodologies to identify and list third countries used for tax avoidance practices, on using ACL software in practical e-audit process, on practices related to tax representatives for VAT and on VAT refund from the perspective of the Member State of the applicant.

A new project group was equally launched during the year to support the Digital Tax Education pilot project of the European parliament and the European Commission. The aim of the pilot project is to improve tax education for young people and thus contribute to cutting tax evasion and fraud throughout Europe. In terms of outputs, the project will by the end of 2017 pilot the creation of a user friendly European online platform attractive to young people, with an offline application and tax-relevant age-adapted educational training material for individuals and schools. It will also assess the impact of digital tax education on young people's attitudes toward tax payments.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of actions under the programme organised in this area	ART	105 (2014)	Stable or grow compared to baseline	105	225	251
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)	AFF	2.36 (2014)	> 3	2.36	3.58	3.16
	AFF Work Visits	3.5 (2014)	> 3	3.50	3.38	3.39
Participants' views on the extent to which a JA (that sought to extend working practices and/or administrative procedures/guidelines in a	EAF	95.26% (2014)	>80%	95.26%	96.12%	90.14%

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
given area to other participating countries) (has achieved its intended 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')	EAF	93.15% (2014)	>80%	93.15%	94.66%	92.25%
Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	EAF	96.8% (2014)	>80%	96.8%	99.03%	97.88%
Number of guidelines and recommendations issued by participating countries in their national administrations following programme activities (under this objective)	EAF	2014: 63 (G) 134 (R)	On average at least one output per action	63 (G) 134 (R)	34 (G) 79 (R)	36 (G) 69 (R)
Number of working practices/administrative procedures (AP) developed/shared (under this objective)	AFF	17 (2014)		17 (AP)	7(AP)	11(AP)
	AFF Work Visits	18 (2014)		18 (AP)	90 (AP)	128 (AP)

At the level of achievement of results of these joint actions, both the action managers of working visits and other types of joint actions have given high grades, above the target level of 3 (corresponding to "results were achieved to a large extent"). Similarly, on the participants' side, we can see that their perception of the achievement of results, as well as their perceived usefulness and met expectations by the programme activities organised under this objective remained high, well above the target level of 80%. The indicators measuring the number of recommendations and guidelines stayed largely the same between 2015 and 2016, with 113 and 105 such outputs produced respectively in both years. In the case of working practices / administrative procedures developed under this objective, the numbers have risen, from 97 in 2015 to 139 in 2016. When we look at all the outputs together (recommendations, guidelines and administrative procedures), we can see that they come very close to the number of actions organised under this objective, which would meet the target levels (average of one output per organised action).

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Percentage of participants that disseminated a working practice/administrative procedure/guideline developed/shared with the support of the programme in their national administration	EAF	96.7% (2014)	>90%	96.70%	94%	95.77%

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
(under this objective)						
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)	EAF	76.31% (2014)	>70%	76.31%	70.8%	76%

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 high (up by 2%) with 96% of the participants declaring to have distributed programme outputs nationally. We also asked the participants whether these outputs have led to any change in the national administrations' working practices, and here 76% (up 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.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Time required to close EMCS movements	EC	8.5 (2013)	Less	7.9 days	8.93 days	8.47 days
Number of registered economic operators in the Mini-One-Stop-Shop	EC	12 064 (2015)	N/A	N/A	12 064	13 522
Total VAT refund messages	EC	8 312 606 (2013)	Grow	8 996 154	9 680 576	10 197 001
Total VIES-on-the-web messages	EC	570 598 165 (2013)	Grow	740 675 627	872 000 000	1 488 853 203
Number of consultations on SEED-on-Europa	EC	10 892 467 (2013)	Stable or Grow	17 985 065	26 025 117	27 704 203
Number of consultations on TEDB	EC	270 412 (2013)	Stable	223 305	232 652	☹

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 EMCS provides Member States with an electronic system to monitor the movement of excise goods in real-time, in order to ensure that the duties are properly levied at the final destination. There was a positive evolution in 2016 as the total average response time required to close EMCS movements (from the movement initiation messages to their corresponding Report of Receipt) decreased from 8.93 days in 2015 to 8.47 days in 2016.

- The Mini-One-Stop Shop (MOSS) system is an electronic system allowing 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. The system became operational on 1 January 2015. The overall business assessment is that the current system is delivering upon expectations, although there are still cases of delays or incidents on specific functionalities for certain Member States. In 2016, the traffic of MOSS reached the number of 689.839 messages. The number of registered traders by the end of 2016 was 12.575 for the Union Scheme and 947 for the Non-Union Scheme.
- Since 2010, the VAT Refund electronic procedure is in operation after having been developed during the first years of Fiscalis 2013. VAT Refund simplified the refund process by allowing business to directly apply for a VAT refund in their Member State of establishment for VAT incurred in other Member States, and is set out in Council Directive 2008/9/EC. Importantly, VAT Refund shifted the burden of the refund process from businesses to national tax authorities. In 2016, The VAT Refund system has experienced a solid increase, with close to 10.2 million messages exchanged annually, and continues to grow by half a million messages per year on average.
-
- 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 number of messages on VIES-on-the-Web has been growing consistently for many years, as seen by the data. In the last year, the number grew by more than half a million messages. 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.
- **SEED-on-Europa** is the System for Exchange of Excise Data online verification publicly available on TAXUD's Europa pages. The SEED application is addressed to Economic Operators and it provides a service to verify an Excise Number with a standard web browser. There was a significant increase of hits on SEED-on-Europa during 2016 compared to 2015, with over a million and a half more consultations.
- 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 2017. It will offer much more possibilities for exploitation of the information in the database for both TAXUD and the internet users.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of face to face meetings (total for the programme)	ART	443 (2013)	Grow or stable compared to baseline	265	551	552
Number of on-line collaboration groups (PICS) (total for the platform)	EC	110 (2013)	Grow	199	261	318
No of downloaded files from PICS (total for the platform)	EC	13564 (2013)	Grow or stable compared to	73200	116538	96062

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
			baseline			
No of uploaded files on PICS (total for the platform)	EC	3445 (2013)	Grow or stable compared to baseline	5521	11177	7807

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of face to face meetings (total for the programme)	ART	443 (2013)	Grow or stable	265	551	552
Number of on-line collaboration groups (PICS) (total for the platform)	EC	110 (2013)	Grow	199	261	318
No of downloaded files from PICS (total for the platform)	EC	13564 (2013)	Grow	73200	116538	96062
No of uploaded files on PICS (total for the platform)	EC	3445 (2013)	Grow	5521	11177	7807

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 tax 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 261 to 318, or on average, one new online collaboration group created every week of the year. Similarly, over 1100 new users signed up to PICS during 2016. 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 file sharing, after a significant increase in 2015, the numbers have come down. Whilst it is unclear why there has been a drop, these numbers are still significantly higher than the baseline and the 2014 values.

A number of evolutive changes and improvements were made on the platform in 2016, including the new visual look and the responsive design, which now allows for the platform to be used also from mobile devices. TAXUD has also increased user support during 2016 by providing a number of training videos, help articles and live coaching sessions.

5.5 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.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of EU eLearning modules produced	EC	6 (2013)	Grow or stable	6	6	18

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of EU eLearning modules used by participating countries (combined number of all modules used in each country)	EC	60 (2014)	Grow	60	62	170
Number of tax officials trained by using EU common training material	EC	4 862 (2013)	Grow or stable compared to baseline	4 171	2 700	4421
Number of times publically available EU eLearning modules were downloaded from Europa.eu website	EC	3609 (2014)	Grow or stable compared to baseline	3609	3564	18.238
Average training quality score by tax officials	EC	67 (2015) ⁵	>70	73	67	70.8

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.

In 2016, TAXUD replaced the outdated VAT 2.1 and VAT Refund modules with the new VAT EU eLearning programme consisting of 12 eLearning modules: 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. Following up on previous users' feedback, it has been decided to breakdown the former course into shorter and more digestible modules (each lasting on average about 30 minutes). The latest user satisfaction survey has confirmed this was the right approach. The training quality score of the new VAT EU eLearning programme is on average 76,9 out of 100, or 'very good', while former comparable taxation courses have an average score of 70.

Although downloaders find their way easily to the new VAT EU eLearning programme with a total number of 18.238 downloads to train 227.273 trainees, it seems that the national administrations have not yet fully integrated the new VAT EU eLearning programme. While the former programme was integrated by 20 MS, only 7 to 8 MS have yet integrated the new programme. Some MS even reported the continued use of the former VAT 2.1 and VAT-Refund course. In total, 4 421 officers have been trained using the eLearning courses (out of which 1.526 using the new VAT EU eLearning programme courses).

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of IT training sessions organised for given systems /	ART	12 (2014)	Grow or stable compared to baseline	12	21	36

⁵ 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.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
components (e.g. VAT refund, EMCS, VIES, MOSS)						
Number of tax officials trained in IT trainings	ART	106 (2014)	Grow or stable compared to baseline	106	136	225
Percentage of tax officials who found that the IT training met their expectations	EAF	87.32% (2014)	>80%	87.32%	93%	95%
Percentage of tax officials who found the IT training to be useful	EAF	95.77% (2014)	>80%	95.77%	98%	98%

In 2015, there were also 36 **IT training sessions** (increase from 21 in 2015) organised by DG TAXUD for national tax officials on how to use various European tax and excise IT Systems, such as: CCN CSI, CCN2 and EMCS. In total, 225 (up from 136 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.

5.6 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.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
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)	AFF	2.77 (2014)	> 3	2.77	3.18	3.06
	AFF Work Visits	3.6 (2014)	> 3	3.60	3.38	3.45
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')	EAF	87.6% (2014)	> 80%	87.6%	93.13%	93.48%
Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or	EAF	86.2% (2014)	> 80%	86.2%	93.13%	93.03%

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
'to large extent')						
Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	EAF	95.3% (2014)	> 80%	95.3%	93.13%	96.63%

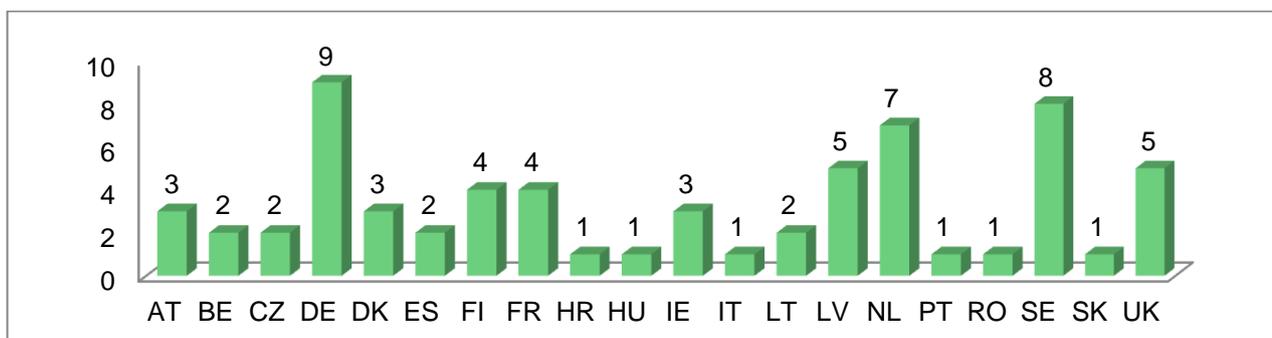
In total, there were 256 **joint actions** organised under this objective, which is roughly the same number of them as in 2015. The most numerous actions were multilateral controls (130), followed by PAOE (48), working visits (31), project groups (21), administrative cooperation activities (16) and workshops (10). The assessment of action managers indicates that business owners are satisfied with the overall progress, which remains above the target levels. The participants' feedback on the 'achievement of results', 'usefulness' and 'met expectations' is high and has remained largely the same compared to previous year.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of Member States participating in MLC's	ART	23 (2014)	Grow	23 MS	27 MS	28 MS
Number of Member States initiating MLCs	ART	16 (2014)	Grow	16 MS	19	20
Degree to which results were achieved, as assessed by the MLC coordinator	AFF	2.78 (2014)	>3	2.78	3.08	2.70

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 2016, all 28 Member States participated in such multilateral controls, which is 1 more than in 2015. At the same time, 20 Member States initiated MLCs, in varying numbers (see figure below), which represents an increase from 2015 when 19 Member States initiated such actions. There were in total 65 new MLC actions initiated during 2016 (in addition to those MLCs that were initiated in previous years and continued to be operational in 2016).

Figure 10: New multilateral controls initiated by country in 2016 (countries not shown had zero)



The action managers of the multilateral controls that took place in 2016 have expressed a less positive assessment regarding the level of achievement of results (2.70), which is lower than the same value

measured in 2015 (3.11). Most action managers explained the low score by the fact that the investigations and audits took longer than expected (for reasons such as bankruptcy of the company or the withdrawal/hiding of information by the audited company), which caused some of them to continue their work into 2017.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of presences in administrative offices and participation in administrative enquiries	ART	49 (2015)	Grow or stable	0	49	48

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 48 such actions launched in 2016. Most actions were launched by Finland, Estonia, Latvia and the UK.

Finland has launched 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 PAOE visits to their Irish, Belgian and Dutch colleagues, on a variety of topics, from completing audits and VAT inspections to supporting the business risk review process.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of messages exchanged on EMCS	EC	6 428 061 (2013)	Grow or stable	6 886 279	7 298 483	7 483 400
Number of EMCS control reports analysed by documentation or physical controls/findings	EC	12 442 (2013)	Grow or stable	15 171	18 149	32 612
EMCS - Administrative Cooperation Common Requests	EC	5 269 (2013)	Grow	5 194	5 441	4 586
EMCS - History Results	EC	1 (2013)	Decrease	2	4	4
EMCS - Reminder Message for Administrative Cooperation	EC	3 229 (2013)	Decrease	3 033	3 122	2 597

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 2015 and 2016 we can see that the number of messages exchanged on EMCS grew by roughly 2.5%, while the amount of EMCS control reports analysed by documentation or physical controls/findings grew significantly and nearly doubled (up by 80%). The increase is largely due to a growing number of Member States that report the results of controls carried out by mobile units.

Administrative Cooperation Common Requests decreased by 16% from 2015 till 2016. 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. It is unclear why there was a decrease in these requests in 2016. One possible explanation is that less use is made of these requests, since EMCS introduced new queries which allow for the requested Member State to answer requests automatically, and a new legal base which clarifies that Member States are allowed to refuse such requests if they could have been handled automatically. Next year's measurement will be able to shed more light on this issue.

The EMCS History Results indicator measures the number of times when the information requested was not found, and this indicator has remained stable in the last two years. Finally, there has been a positive evolution (a decrease of 17%) in the number of Reminder Messages for Administrative Cooperation.

indicator	Source	Baseline	Target	2014 value	2015 value	2016 value
Number of e-forms exchanged (within each taxation area: recovery, VAT; direct taxes)	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	Recovery: 160 018 Direct taxes: 1 592 VAT: 46 172
Total VIES messages	EC	240 451 922 (2013)	Grow or Stable	235 500 00	304 580 315	340,627,201

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 remained largely the same, while there were fluctuations in the numbers of recovery messages (up by 15%) and VAT messages (down by 17%). Similar fluctuations are 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 total number of messages of roughly 12%.

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.

In the chapter below, we have included one case study for each relevant part of the specific objective of the programme (5 AWP projects in total), with additional information on their work and outcomes during 2016. This information was provided by the action managers who organised some of the activities under those projects.

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

Title of the AWP Project:
Risk management
Description of the project:
Improving risk management is an important element of an effective strategy to fight against tax fraud and tax evasion. Tax administrations have to deal with a wide scope and a high number of risks. This may concern <i>inter alia</i> risk of non-compliance including risk of tax fraud, risk of insolvency by the taxpayer, etc. In order to achieve a higher level of risk management in all Member States and to assist Member States to reduce the tax gap, the Commission will further support the risk management area by sharing good administrative practices.
Expected results:
<ul style="list-style-type: none"> - Foster communication and information exchange among risk management experts from all participating countries; - Identify good practices among Member States in the area of risk analysis to better target and fight against tax fraud and tax evasion and facilitate a quick response among the Member States; - Raise the awareness on risk management; - Examine the collection and analysis tools to be used for risk analysis for excise movements; - Work out tailor-made solutions for individual Member States to address some newly emerging challenges.
Actions initiated under the programme:
<p>Project groups:</p> <p>FPG/008 Platform on Compliance Risk Management for Tax Administrations</p>

FPG/019	PG_Risk awareness in the field of international trade and movements of Excise goods
FPG/020	VAT gap study
FPG/045	PG_AEOI between the EU Member States and its effects
FPG/055	Segmentation and Behavioural Profiling of Taxpayers
Workshops:	
FWS/067	Workshop – “Risk assessment case study: learning together how useful CbC report is”
Summary of main outcomes:	
<p>The aim of the Platform on Compliance Risk Management for Tax Administrations is to serve as a network of contact points through which expertise related to compliance risk management is exchanged. A coordination meeting is organised every year bringing all the members together to discuss future projects. Currently the group is working on developing a strategy for the next period, the main focus of which is how to measure the level of compliance risk management in particular Member State. Due to the lack of engagement from Member States, the group has, with some exceptions, struggled to launch new initiatives. As a consequence, the level of involvement of the Commission in the group's activities has been reviewed, the Code of Practise refreshed and a new strategic plan drafted.</p> <p>One example of a common project initiated by the Platform is a Fiscalis project group on Segmentation and Behavioural Profiling of Taxpayers. This project group investigated during the year various techniques for segmentation and behavioural profiling used by tax administrations in Europe. The group was successful and it produced an interactive report, including videos, on its results.</p> <p>Another active project group was the group on Risk awareness in the field of international trade and movements of excise goods. The group produced a guide describing different aspects of excise fraud involving alcohol products, as well as a report with recommendations. The guide was shared with Member States, presented at Indirect Tax Expert Group (<i>ITEG</i>), Standing Committee on Administrative Cooperation (SCAC) and Europol EMPACT (European multidisciplinary platform against criminal threats) excise meetings. Following the publication of the group's report with recommendations, a dedicated PICS group for anti-fraud excise experts was set up. In addition, a workshop to promote the guide is planned for October 2017.</p> <p>The Fiscalis project group on Automatic Exchange of Information (AEOI) between the EU Member States and its Effects brings together experts from 13 Member States. These experts have experience in developing or implementing Compliance Risk Management strategies, as well as in exchanging information produced guidelines to support Member States in establishing or adapting their risk management strategies to the evolution of the mandatory automatic exchange of information in the field of direct taxation. The guidelines address primarily the challenges related to the five categories of income and capital exchanged by the Member States according to Article 8(1) of Directive 2011/16/EU (DAC1), although the general principles stated could be applied also to the future developments of AEOI in direct taxation. The volume of information exchanged is increasing and tax administrations have to react efficiently and build a strategy in order to make a better use of the information received automatically.</p>	

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

Title of the AWP Project:
IT Collaboration
Description of the project:
<p>Currently, the tax EIS are too often developed in isolation both from a geographical and reusability perspective. This approach impairs the capacity of IT to deliver efficiently 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 IT activities shared 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.</p> <p>The Commission will facilitate Member States in triggering and executing IT collaboration initiatives in a managed way, and will support the set up and management of new joint actions, i.e. project groups and Expert Teams, to make IT collaboration effective and efficient.</p>
Expected results:
<ul style="list-style-type: none"> - Support efficient and effective IT collaboration, in particular by developing an IT collaboration strategy, defining the lifecycle of the IT collaborative domain, developing a master plan, an IT valuation methodology for IT collaboration activities, an IT collaboration communication plan and IT architecture; - Set up a core team of Member State's expertise in charge of delivering and coordinate the Catalyst group main activities possibly via an expert team; - Enhance the use of the IT collaboration platform.
Actions initiated under the programme:
<p>Project groups:</p> <p>FPG/037 IT Collaboration Catalyst Group FPG/062 Implementation Plan for Expert Team of managed IT Collaboration FPG/063 Implementation Plan of AEOI DAC2 modules FPG/072 PG_Solution for calculation of Excise Duty in EU</p> <p>Workshops:</p> <p>FWS/059 WS: IT Collaboration in Taxation</p> <p>Expert Teams:</p> <p>Expert Team of Managed IT collaboration Expert Team of AEOI DAC2 modules</p>
Summary of main outcomes:
<p>The main outcomes of the IT Collaboration project during 2016:</p> <ul style="list-style-type: none"> - The Catalyst project group has enlarged to 36 representatives from 21 Member States, and represents the main platform in charge of the strategy and governance of IT Collaboration in Taxation. The group has continued to provide guidance on the collaborative aspects of organisation, resources, technology, procurement and legal matters and to promote collaborative projects among the Member States; the group has also successfully organised and chaired a workshop in Malta in April 2016 open to all Member States. The main outputs of the Catalyst have been the IT Collaboration Framework and the Strategic Overview, which contains IT project plans at European and at national levels in the taxation field. This represents a milestone document in taxation, fostering collaboration and building

trust among the Member States' Administrations.

- A dedicated Fiscalis project group successfully produced enhanced test material for European taxation systems and created an appropriate framework and repository to manage and use the enhanced testing material by each interested Member States.
- A dedicated Fiscalis project group successfully delivered two open source software applications for generating automatic exchange of information (AEOI) statistics reports available to all Member States. Besides the six Member States that were involved in this IT collaboration project, 13 other Member States signalled their interest in using such application within their own administration.
- A dedicated Fiscalis project group finalised a number of outputs for automatic management of guarantees for movements of excise goods under duty suspension: Business Process Models for guarantee management, a database and open source calculator tool for alcoholic products, and electronic administrative document (extra) fields recommendations for excise products.
- The two project groups on expert teams have successfully delivered the implementation plans of two new Expert Teams (Expert Team of Managed IT collaboration and Expert Team of AEOI DAC2 modules, respectively) that have started their activities in September 2016 and represent the first Fiscalis Expert Teams.
- The project group on the Solution for Calculation of Excise Duty in EU has started its activities in the fourth quarter of 2016 with the participation of ten Member States.

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

Title of the AWP Project:
Means of administrative cooperation other than exchange of information
Description of the project:
Besides the exchange of information, the Union legislation on administrative cooperation provides to Member States also other means of administrative cooperation, i.e. multilateral controls (MLC) and presences in administrative offices and participation in administrative enquiries (PAOE). The use of the means of administrative cooperation and their operation has to be enhanced by identifying and disseminating good practice as regards their organisation for all tax related areas, through better project management techniques, improved communication and enhanced use of risk criteria and success indicators.
Expected results:
Support and enhance the use and functioning of the tools; training is provided by the training subgroup of the MLC group in the Member States; <ul style="list-style-type: none"> - Support the follow-up of the recommendations raised in the final reports of the MLCs and possibly all other means of administrative cooperation; - Investigate the development of other tools such as joint audits.
Actions initiated under the programme:
Administrative cooperation:
FAC/001 Selection meetings Austria

FAC/002	Selection meetings The Netherlands
FAC/003	Selection meetings Belgium
FAC/004	Selection meetings Germany
FAC/006	Selection meetings Spain
FAC/008	Selection meetings Sweden
FAC/009	Selection meetings Ireland
FAC/011	Selection meetings Lithuania
FAC/012	Selection meetings UK
FAC/013	Selection meetings Bulgaria
FAC/017	Selection meetings UK
FAC/022	Selection Meetings Italy

Multilateral controls:

FMC/001	MLC on football - Host ES
FMC/005	Multilateral control in Real Estate - Host NL
FMC/024	Trade of motor vehicles - Host SE
FMC/031	Trade in Silver bullions - Host SE
FMC/035	Trade with sugar - Host AT
FMC/043	MLC in the field of real estate investments - Host NL
FMC/063	Drinks MLC - Host UK
FMC/064	Author MLC - Host AT
FMC/071	MLC on the VAT and excise implications of Excise warehousing and cross border deliveries - Host NL
FMC/075	Carried Interest, MLC in the field of Private Equity - Host FI
FMC/077	Management consultancy - Host AT
FMC/089	MLC Elite horses - Host BE
FMC/090	Trade with second hand cars - Host SE
FMC/094	MLC on the international trade in second hand cars - Host NL
FMC/095	MLC in the field of Private equity - Carried Interest - Host SE
FMC/098	Trade with electronic goods - mobile phones - Host AT
FMC/100	Host RO_MLC_Carousel fraud with electronic goods and telecommunication services
FMC/105	MLC On demand transportation services activities via mobile devices with private drivers - Host BE
FMC/106	MLC in the field of Transfer pricing on a group of companies that is active in the lottery - Host DE
FMC/108	MLC about the structure of a company - Host DE
FMC/110	Transfer Prices - Host AT
FMC/112	Transfer of Rights - Host AT
FMC/114	MLC Import of goods (CPC 4000) - Host AT
FMC/115	Manufacturing of essential oils - Host AT
FMC/116	MLC in the field of Transfer pricing, licence fees and profit allocation - Host DE
FMC/118	MLC on trade and recycling of stones and metals - Host NL
FMC/121	Multilateral control on Transfer Pricing -Host NL
FMC/124	MLC in the field of profit allocation - Host DE
FMC/125	MLC on Transfer Pricing - Host NL
FMC/126	MLC on Scrap area - Host PT
FMC/127	MLC on suspicious money flows - Host NL
FMC/128	Trade with tires - Host LV
FMC/129	MLC on transfer pricing in pharmaceutical sector - Host NL
FMC/132	Trade with iPhones - Host FI
FMC/134	Alcohol - MLC start meeting - UK host
FMC/137	Gaming operations - Host SE
FMC/138	MLC on Intra-Community fraud with chemical products and industrial

machineries - Host RO
 FMC/139 Trade in the grocery products sector - Host SE
 FMC/140 Trade in food sector - host LV
 FMC/143 MLC on transfer pricing in shipbuilding sector - host DE
 FMC/144 MLC on alcoholic beverages - Host FR
 FMC/145 MLC Fur trade - Host FI
 FMC/146 MLC in the field of transfer pricing, licence fees and profit allocation in
 healthcare and energy sector - Host DE
 FMC/148 Transfer pricing - Host FI
 FMC/149 MLC VAT and Excise on non-alcoholic beverages - Host BE
 FMC/153 MLC on transfer pricing in energy sector, Host DE
 FMC/154 Trade with zinc and used cars - host LV
 FMC/157 Telephones - MLC start meeting - UK host
 FMC/160 MLC - Alcohol - UK host
 FMC/161 MLC Trade of fuel - Host LT
 FMC/166 MLC in the field of transfer pricing - software sector - Host DE
 FMC/167 MLC in Transfer Pricing on procurement - Host NL
 FMC/169 Carousel fraud on memory sticks and LED-devices - Host FI
 FMC/172 Mobile phones - host LV
 FMC/173 Audit on Transfer pricing - Host NL
 FMC/175 PE - host LV
 FMC/176 MLC Alcohol - Host UK
 FMC/177 MLC Alcohol - Host UK
 FMC/180 Trade with edible oil, used cooking oil and production of and trade with biodiesel
 - Host AT
 FMC/181 MLC Flow of money between different companies and natural persons in
 different Member States - Host AT
 FMC/186 Excise warehouses - Host NL

Project groups:

FPG/005 Multilateral Control (MLC) Group
 FPG/018 MLC Training Group

Presences in administrative offices / participation in administrative enquiries:

FAP/060 PAOE visit DE/AT - Transfer Pricing
 FAP/061 PAOE-Visit NL-AT; Presence in Austria according Article 28 of the EU Council
 Regulation 904/2010, NL reference HEF04835-2
 FAP/067 UK to IE PAOE visit
 FAP/068 PAOE visit from BG to RO - MTIC - fuels
 FAP/069 LV PAOE visit to LT
 FAP/070 LV PAOE visit to LT
 FAP/072 PAOE visit UK to IE - restaurant/leisure
 FAP/073 FI PAOE visit to EE, permanent establishment, case 1/2016
 FAP/074 FI PAOE visit to EE, permanent establishment, case 2/2016
 FAP/075 FI PAOE visit to EE, permanent establishment, case 3/2016
 FAP/076 FI PAOE visit to EE, permanent establishment, case 4/2016
 FAP/077 FI PAOE visit to EE, permanent establishment, case 5/2016
 FAP/078 FI PAOE visit to EE, permanent establishment, case 6/2016
 FAP/079 FI PAOE visit to EE, permanent establishment, case 7/2016
 FAP/080 FI PAOE visit to EE, permanent establishment, case 8/2016
 FAP/081 FI PAOE visit to EE, permanent establishment, case 9/2016
 FAP/082 PAOE visit from the UK to IE - oils
 FAP/083 PAOE - UK to IE visit - security services

FAP/085	FI PAOE to DK, TP case
FAP/086	FI PAOE to EE, Towage and Heavy Sea Transports
FAP/088	PAOE Visit IT - HU; Presence in Hungary according to article 11 of the Council Directive 2011/16/EU.
FAP/090	PAOE - UK to BE visit - tobacco
FAP/091	PAOE - UK to BE visit - tobacco
FAP/098	PAOE - UK to NL visit - food
FAP/099	PAOE - UK to IE visit – energy
Workshops:	
FWS/063	WS_The Use of Risk Management Tools in the MLC Selection Process
Summary of main outcomes:	
<p>In 2016, besides the selection of the above mentioned simultaneous controls, the MLC Platform and the MLC Training group made the following progress:</p> <ul style="list-style-type: none"> - Training was provided to new MLC coordinators who took up their role in 2015 and 2016. - Project Management Training for MLC coordinators was carried out to improve their effectiveness. The MLC Coordinator of the initiating Member State in particular needs proper project management skills. This should translate into both a faster completion time of the MLC and an increase in the quality of the outcome of the controls. - The group started working on improving different aspects of the controls, such as the selection of cases, the publicity/marketing and the dissemination of results. This work also includes the revisions of different templates, which is expected to be completed by the end of 2017. 	

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

Title of the AWP Project:
Training and competency building
Description of the project:
<p>Seen from a European viewpoint, training and development for professionals in taxation is highly fragmented across the European Union and could profit from the availability of more common training programmes to align levels of knowledge of tax officials in the EU.</p> <p>This project aims to support the participating countries in their efforts to strengthen professional skills and knowledge relating to taxation through the development of a multi-faceted, commonly agreed training support programme for the Union.</p> <p>In this sense, the Fiscalis 2020 training support programme targets the ‘people dimension’ in the wider context of public tax administrations performance development.</p> <p>In practise, the common tax training programme works along 3 main activity strands: eLearning course development and maintenance; eLearning course localisation (creation of national eLearning course versions for national use) and specific EU Taxation Performance development initiatives, such as the Common Learning Events Programme (CLEP).</p>

<p>Priority training support in 2016 is given to taxation subject areas, which are flagged (under the respective subject matter projects) throughout this document and which require further consistency in tax staff performance, implementation support for new or amended EU legislation or enhanced need for EU-wide sharing of national best practise and tools.</p> <p>The effective realisation of the project is ensured through coordinated annual planning, progress monitoring and follow-up of common training activities with the support of a joint group of tax and customs training representatives (Training Support Group - TSG).</p>
<p>Expected results:</p>
<p>Implement the commonly agreed training work plan 2016 (including eLearning developments, in line with policy needs flagged throughout this document);</p> <ul style="list-style-type: none"> - Foster communication and information exchange among training representatives and experts; - Maintain an up-to-date EU eLearning portfolio for taxation with maximal possible number of localised versions; - Open up national (or other) taxation training expertise for and between participating countries; - Realise the 2016 Common Learning Events Programme (CLEP) on specific priority tax subjects; - Launch a project to identify the core common competencies for Taxation (for later integration with the EU Competency Framework (CFW) for customs, or creation of a comprehensive EU CFW for taxation domain).
<p>Actions initiated under the programme:</p>
<p>Project groups:</p> <p>FPG/075 Develop an EU Learning and Staff Development Action Plan (2017-2020) for Customs and Taxation</p> <p>Workshops:</p> <p>FWS/048 Webinar as a tool</p> <p>FWS/073 EU Customs/Tax training & Competency building – Strategic Orientation until 2020</p>
<p>Summary of main outcomes:</p>
<p>The EU Training and Development initiative, together with its actions implemented under the respective Fiscalis 2020 and Customs 2020 programmes, provides cross-sectoral support to both taxation and customs administrations and their staff.</p> <p>In 2016, the initiative produced the multiannual 'EU Customs and Tax Learning & Staff Development Action Plan for the years 2017 – 2020', which sets out common taxation and customs learning and staff development actions for implementation in the coming years. This action plan was the result of the outcomes and recommendations of the 'EU Customs/Tax training & Competency building – Strategic Orientation until 2020' workshop (Austria, 2016) and the work of the project group composed of national tax and customs training experts.</p> <p>Further cross-sectorial projects were launched in 2016, such as:</p> <ul style="list-style-type: none"> - an innovative project 'EU Webinar as a Training tool', the result of the work of a joint tax/customs expert project group in 2016, which aims to follow up and finalise its work of developing an efficient EU Webinar training concept by the end of 2017; - 2 Common Learning Events (CLEP events) – jointly for tax and customs experts/trainers – on the topics ' Methodology for future On-Line-Trainers (Austria, February 2016) and 'Blending Learning 2.0' (Sweden, May 2016), which increased the EU wide sharing and spreading of nationally available expertise in the field.

- a large-scale EU localisation project was finalised for an EU eLearning on the 'EU VAT Directive' (12 eLearning modules), resulting by mid-2016 in the availability of further 132 language modules in 11 EU languages, for direct training use at national level by tax administrations, as well as the private sector.

- consent was reached at the EU and national levels regarding the added value of the development of an EU TAX Competency Framework, which would serve as a common benchmark and provide for more consistency in tax staff development and performance building. This project will be further followed up in 2017.

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

Title of the AWP Project:
Consistent implementation of Union law in the field of direct taxes
Description of the project:
<p>Currently, most of the direct tax case law of the European Court of Justice (ECJ) which creates a binding framework for policy making is driven and developed by means of references for preliminary ruling. It is therefore very important that national administrative (tax) law judges, who can make such references, would have a thorough knowledge of the ECJ direct tax case law in its broader policy context.</p> <p>Furthermore, proper implementation of the EU direct tax case law by national administrative courts and tax administrations should reduce the number of complaints addressed to the Commission in the field of direct taxation.</p>
Expected results:
<ul style="list-style-type: none"> - Enhance the knowledge and understanding of the national administrative (tax) law judges and/or the national tax administrations of the ECJ direct tax case law, including the case law relevant to the ongoing compliance initiatives, such as the one in the area of Taxation of Mobile Persons; - Improve the awareness of the national administrative (tax) law judges and/or the tax administrations of the Member States regarding the policy context of the ECJ direct tax case law: the most important policy objectives of the European Commission in the field of EU direct tax law.
Actions initiated under the programme:
<p>Workshops:</p> <p>FWS/056 Workshop for tax law judges in cooperation with AEAJ</p> <p>FWS/075 Workshop on transfer pricing</p>
Summary of main outcomes:
<p>In October 2016, around 25 tax law judges from eight EU Member States attended the workshop concerning tax avoidance and tax abuse, which was organised in cooperation with the Association of European Administrative Judges (AEAJ). In the course of the workshop, the participants discussed European Court of Justice (ECJ) direct tax case law concerning tax avoidance and tax abuse and its implementation by several Member States. They also received practical training on how to make references for preliminary rulings to the European Court of Justice. In addition, the participants gained</p>

awareness of the horizontal compliance initiative of DG TAXUD on discriminatory taxation of investment results of pension funds and life insurance companies. This provided them with an insight into (1) how to apply the existing ECJ direct tax case law on tax avoidance and tax abuse in the cases before them, (2) a number of legal issues relating to tax avoidance, tax abuse and discriminatory taxation of investment results of pension funds and life insurance companies that merit making references for preliminary rulings and (3) how to make references to the ECJ in practical terms. This should, in the longer term, contribute to reducing the number of complaints addressed to the Commission in the field of direct taxation. In the shorter term perspective, it will help raise the attention of national tax law judges on the need for proper implementation of the EU law in an area of key political importance for the Commission – the fight against tax avoidance and tax abuse.

7. CONCLUSIONS

2016 was the third year of activities under the Fiscalis 2020 programme and in many ways similar to 2015. The numbers of proposals, events and participants remained at high levels, testifying to a strong demand from business owners and national administrations for programme activities. As is standard for the programme, the vast majority of funding in 2016 went into the development and operation of European Information Systems, followed by the organisation of the joint actions, and the training activities. There were no significant changes to the budget levels, notwithstanding a slight increase in committed expenses dedicated to the new type of joint actions introduced during the year - the expert teams.

In terms of **performance measurement**, 2016 was the third year for which a number of indicators could be collected. The existence of three consecutive measurements allowed establishing more concrete targets under the framework. As always, the performance is assessed primarily against the targets rather than any smaller fluctuations between the years. With this in mind, the indicators obtained under the framework in 2016 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 2016 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 vast majority of the spending under the programme continues to be spent on the **IT systems**, which are of critical importance for interconnecting the tax authorities effectively. One new IT system was developed and many more systems entered research and development phases thanks to the support of the programme. The newly developed system is EU-FATCA. Currently, when Member States (MS) exchange information among themselves in the field of Direct Taxation at EU level, they rely on the technical solutions provided by DG TAXUD, amongst others the Common Communications Network (CCN) and the related governance models they have agreed upon together. Such common solutions and governance do not exist for international exchanges: each Member State has to define them with each of its counterpart third countries. With EU - FATCA, the Commission eases the IT burden on the MS by providing them with a common technical solution to communicate with the third countries (US).

Besides developing new systems, the programme supports the taxation systems already in place and the **IT network** on which they operate - the CCN/CSI (common communication network/common systems interface in the area of customs and taxation), which offers all national administrations a coherent, robust and secure method of access to European systems. In 2016, there was an increase of 40% in the number of messages and 18% in the size of data exchanged over the network. Equally, the number of hits on the applications available via the public Europa Internet Access rose to 107.22 million (up from 97.53 Million in 2015). At the same time, the network and the key taxation systems maintained high availability rates and provided reliable helpdesk functionality to national tax administrations.

In 2016, TAXUD replaced the outdated VAT 2.1 and VAT Refund modules with the new **VAT EU eLearning programme** consisting of 12 eLearning modules. Following up on previous users' feedback, the former course was broken into shorter and more digestible modules. The latest user satisfaction survey has confirmed this was the right approach. The training quality score of the new VAT EU eLearning programme is on average 76,9 out of 100, or 'very good', while former comparable taxation courses have an average score of 70. Although downloaders find their way easily to the new VAT EU eLearning programme with a total number of 18.238 downloads to train 227.273 trainees, it seems that the national administrations have not yet fully integrated the new VAT EU eLearning programme. While the former programme was integrated by 20 MS, only 7 to 8 MS have integrated the new programme so far.

In the area of **joint actions**, 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.

An innovative instrument called **expert teams** was rolled out in the Fiscalis 2020 programme in 2016. The expert teams are flexible structures that allow to further both EU-wide and regional co-operation between national tax administrations in order to support daily operational work as identified by the Member States. Two expert teams were launched in 2016 in the area of IT collaboration: DAC2 and Managed IT

collaboration. Working in a more synchronised, coordinated and/or collaborative way with other Member States will allow European Tax Administrations not only to save money and time but also to increase the quality of their IT solutions. The two teams started their work towards the end of 2016 and the first results will be visible in 2017.

The key **observations** that can be deduced from the analysis of the performance measurement framework indicators in 2016 are as follows:

- **Strong demand for programme support.** This can be seen in the high levels of the number of proposals, organised events and participation levels. These levels are high and similar to 2015 numbers.
- **High level of achievement of results of the joint actions is reported by the action managers.** The measured level of 3 corresponds to "results achieved to a large extent". This is the case for all joint actions, but especially for working visits. This indicates that the business owners see the value of the programme for achieving the policy objectives.
- **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 remains high.** With smaller fluctuations, the networking indicator remains high and testifies to the networking value provided to the participants by the programme.
- **Rising awareness about the programme and its potential among the target audience.** This 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. We can observe that 59% of all tax officials in Europe are aware of the Fiscalis 2020 programme, which represents a rise in the awareness of 5% compared to the 2014 Poll.
- **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 2016, while the performance and availability remained very high. One 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 introduction of the expert teams tool.** Two new expert teams were launched during the year, in the area of IT collaboration: DAC2 and Managed IT Collaboration. Working in a more synchronised, coordinated and/or collaborative way with other Member States will allow European Tax Administrations not only to save money and time, but also to increase the quality of their IT solutions. The two teams started their work towards the end of 2016 and the first results will be visible in 2017.
- **Significant increase in new training modules and trained tax officials.** The new VAT EU eLearning programme consisting of 12 eLearning modules was released with very positive user feedback. In total, 4 421 officers have been trained using the eLearning courses in 2016. Further 18.238 downloads were made through TAXUD's public EUROPA pages to train reported 227.273 trainees.