

Draft compromise amendments - Fiscalis

Bold/italics text and ~~strikethrough~~ represents changes to the existing regulations as would have been amended by the Commission proposal. *AMs covered*: AMs that fall if a compromise is adopted.

COMP A

Article 3

Programme objectives

1. The Programme has the general objective to support tax authorities and taxation to enhance the functioning of the single market, **to foster *fair competition in the* (11 Giegold) Union, to protect the financial and economic interests of the Union and its Member States, including from tax fraud, tax evasion and aggressive tax planning, and to improve tax collection** (11 Giegold, 70 Schirdewan)
2. The Programme has the specific objective to support tax policy **and its proper implementation, foster tax cooperation, exchange of tax information** (12 Giegold) and administrative capacity building, including human competency and the development and operation of the European electronic systems, **as well as the progressive modernisation of reporting, auditing and software tools to be applied uniformly across Member States.** (71 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Ježek). **The programme shall also help tax administrations to install secure software to facilitate and improve the implementation of European directives on taxation and the exchange of information between tax administrations, and to train their staff in this regard.** (68, 73 Bayet, Berès)

AMs that fall if COMP is adopted: 11 Giegold, 68, 73 Bayet, Berès, 69 Zile, 70 Schirdewan, 71 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Ježek, 72,

COMP B

Article 4

Budget

1. The financial envelope for the implementation of the Programme for the period 2021 – 2027 shall be **EUR 300 million (2018 prices) or 339 million (current prices)** (77 Giegold, 75 Schirdewan, 76 Cornillet, Torvalds, Klinz, Ježek)
2. The amount referred to in paragraph 1 may **inter alia** (14 Giegold) cover expenses for preparation, monitoring, control, audit, evaluation and other activities for managing the Programme and evaluating the achievement of its objectives. It may moreover cover expenses relating to studies **and other relevant written material**, (78 Zile) meetings of

experts, information and communication actions, in so far as they are related to the objectives of the Programme, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Programme.

AMs that fall if COMP is adopted: 13, 14, 77 Giegold, 75 Schirdewan, 76 Cornillet, Torvalds, Klinz, Ježek, 78 Zile

COMP C

Article 2 – Definitions

Paragraph 1 – point 4 a (new)

(4 a) “least developed country” means a low-income third country confronted with severe structural impediments to sustainable development as defined by the United Nations; (10 Giegold)

Article 5

Third countries associated to the Programme

The Programme shall be open to the following third countries:

- (a) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (b) countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries, provided that those countries have reached a sufficient level of approximation of the relevant legislation and administrative methods to those of the Union;
- (c) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country to any Union programme, provided that the agreement:
 - ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article [21(5)] of Regulation [2018/XXX] [the new Financial Regulation];
 - does not confer to the third country a decisional power on the Programme;
 - guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

Provided priority topics have been funded, least developed countries shall be encouraged to participate in accordance with the principles of Policy Coherence for Development (PCD) and in accordance with the conditions laid down in specific agreements covering their participation between the Union and those countries. Contrary to point c) of paragraph 1, their participation shall be cost-free for them and shall focus on achieving international tax objectives, such as automatic exchange of tax information. The specific agreement shall guarantee the rights of the Union to ensure sound financial management and to protect its financial interests. (15 Giegold, 79 Bayet, 80 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Ježek)

<i>AMs that fall if COMP is adopted: 10 Giegold, 15 Giegold, 79 Bayet, 80 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Ježek</i>

COMP D

Article 7

Eligible actions

1. Only actions implementing the objectives referred to in Article 3 shall be eligible for funding.
2. Actions referred to in paragraph 1 shall include the following:
 - (a) meetings and similar ad-hoc events;
 - (b) project-based structured collaboration, **including on-site inspections and joint audits**; (16 Giegold, 81 Bayet, 82 Fernandez, Jauregui, Atondo)
 - (c) IT capacity building actions, in particular the development and operation of European electronic systems **or actions to establish joint registers** (84 Bayet);
 - (d) human competency and capacity building actions;
 - (e) support and other actions, including:
 - (1) studies **and other relevant written material**; (85 Zile)
 - (2) innovation activities, in particular proof-of-concepts, pilots and prototyping initiatives;
 - (3) jointly developed communication actions;
 - (4) any other **relevant** action provided for in the work programmes referred to in Article 13, which is necessary for attaining or in support of the objectives set out in Article 3. (86 Zile)

Possible forms of **relevant** actions referred to in points (a), (b) and (d) are presented in a non-exhaustive list in Annex 1. (87 Zile)

- 2 a. **Actions referred to in paragraph 1 shall cover the following list of priority topics:**
 - (a) **closing loopholes in the effective implementation of the EU Directive on Administrative Cooperation (DAC);**
 - (b) **effective information exchange, including group requests, and development of useable formats taking into account initiatives at international level^{1a};**

(c) removing obstacles to cross-border cooperation;

(d) setting-up of high-quality beneficial ownership registers falling under the scope of Directive on Administrative Cooperation (DAC)), and seamless interconnection between these registers, including building the necessary IT capacity” (Schirdewan 83);

(e) combatting cross-border VAT fraud;

(f) recovery of taxes, including taxes not paid according to the European Savings Tax Directive (EUSTD);

(g) implementation of unified national IT tools with the view to develop common interfaces to allow for the inter-connection of national IT systems; (88 Giegold)

3. Actions consisting in the development and operation of adaptations or extensions to the common components of the European electronic systems for cooperation with third countries not associated to the Programme or international organisations shall be eligible for funding when they are of interest to the Union. The Commission shall put in place the necessary administrative arrangements, which may provide for a financial contribution from the third parties concerned to these actions.
4. Where an IT capacity building action referred to in point (c) of paragraph 2 concerns the development and operation of a European electronic system, only the costs related to the responsibilities entrusted to the Commission pursuant to Article 11(2) shall be eligible for funding under the Programme. Member States shall bear the costs related to the responsibilities entrusted to them pursuant to Article 11(3).

<i>AMs that fall if COMP is adopted: 16, 17, 88 Giegold, 81, 84 Bayet, 82 Fernandez, Jauregui Atondo, 83 Schirdewan, 85-87, 89 Zile, , Tremosa i Balcells, Torvalds, Klinz, Ježek</i>

COMP E

Article 8

Participation of experts (18 Giegold)

1. Wherever beneficial for the achievement of the actions implementing the objectives referred to in Article 3, representatives of governmental authorities, including those from third countries not associated to the programme pursuant to Article 5, **and, where relevant** (94 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Ježek), representatives of international and other relevant organisations, of economic operators and organisations representing economic operators and of civil society, may take part as external experts to actions organised under the Programme. **The Commission shall assess, among others, the impartiality of these external experts, shall ensure that no conflict of interests exist with their professional responsibilities and shall decide on their participation on an ad-hoc basis, based on needs.** (19-21 Giegold, 91 Fernandez, Jauregui, Atondo, 92 Stolojan, 95 Bayet)
2. Costs incurred by the external experts referred to in paragraph 1 shall be eligible for reimbursement under the Programme in accordance with the provisions of Article 238 of the Financial Regulation.
3. The external experts shall be selected by the Commission, **following a transparent and balanced procedure** (22 Giegold, 98 Fernandez, Jauregui Atondo), based on their skills, experience and knowledge relevant to the specific action, and their **ability to**

contribute to that action (97 Zile). The Commission shall ensure a balanced representation of all relevant stakeholders. It shall clarify whether experts participate on their own behalf or on behalf of another organisation or economic operator. The list of external experts shall be publicly available on the Commission's website (22 Giegold, 96 Schirdewan).

AMs that fall if COMP is adopted: 18, 19, 20, 21, 22 Giegold, 91, 98 Fernandez, Jauregui Atondo, 92 Stolojan, , 94 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Ježek, 95 Bayet, 97 Zile

COMP F

Article 12

Multi-Annual Strategic Plan for Taxation (MASP-T)

1. The Commission shall draw up and keep updated a Multi-Annual Strategic Plan for Taxation listing all tasks relevant for the development and operation of European electronic systems and classifying each system, or part thereof, as:
 - (f) a common component: a component of the European electronic systems developed at Union level, which is available for all Member States or identified as common by the Commission for reasons of efficiency, security and rationalisation;
 - (g) a national component: a component of the European electronic systems developed at national level, which is available in the Member State that created such a component or contributed to its joint creation;
 - (h) or a combination of both.
2. The Multi-Annual Strategic Plan for Taxation shall also include innovation and pilot actions as well as the supporting methodologies and tools related to the European electronic systems.
3. Member States shall notify the Commission of the completion of each task allocated to them under the Multi-Annual Strategic Plan for Taxation referred to in paragraph 1. They shall also regularly report to the Commission on progress with their tasks ***related to the entire Fiscalis programme.*** (24 Giegold)
4. No later than 31 March of each year, the Member States shall submit to the Commission annual progress reports on the implementation of the Multi-Annual Strategic Plan for Taxation referred to in paragraph 1 covering the period 1 January to 31 December of the preceding year. Those annual reports shall be based on a pre-established format. ***In the annual progress reports the Member States shall report on the obstacles in realizing the programme objectives in Article 3 and the priority topics in Article 7 paragraph 2a and make suggestions for best practices.*** (Giegold 100)
5. No later than 31 October of each year, the Commission shall, on the basis of the annual reports ***of the Member States*** (101 Giegold) referred to in paragraph 4, establish a consolidated report assessing the progress made by Member States and the Commission in the implementation of the plan referred to in paragraph 1 ***as well as the progress in achieving the programme's objectives mentioned in Article 3 and the priority topics***

in Article 7 paragraph 2a. (101 Giegold, 102 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Jezek). To assess the progress made, the Commission shall include in its consolidated annual report a mapping of remaining obstacles in the Member States in realizing the Programme objectives in Article 3 and the priority topics in Article 7 paragraph 2a and make suggestions for best practices. The Commission's consolidated annual report shall be made public on a dedicated Commission webpage and serve as a basis for future multiannual work programmes referred to in Article 13, and the evaluation reports referred to in Article 15. (101 Giegold, 102 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Jezek)

AMs that fall if COMP is adopted: 24-25, 100-101 Giegold, 102 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Jezek

COMP FA

Article 13 – Work programme Paragraph 2

2. The multiannual work programmes shall be adopted by the Commission by means of **delegated** acts. Those **delegated** acts shall be adopted in accordance with the procedure referred to in Article 17 (Giegold 26)

Article 17 -Exercise of the delegation

2. The power to adopt delegated acts referred to in **Articles 13(2) and 14(2)** shall be conferred on the Commission until 31 December 2028. (Giegold 30)

3. The delegation of power referred to in **Articles 13(2) and 14(2)** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force. (Giegold 31)

6. A delegated act adopted pursuant to **Articles 13(2) and 14(2)** shall enter into force if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council. (Giegold 32)

Recital 14

(14) In order to **supplement** this Regulation, **the power to adopt acts** in accordance with **Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the adoption of work programmes.**

AMs that fall if COMP is adopted: 7, 26, 30-33 107-108, Giegold, 90, 106 Cornillet

COMP G

Article 15

Evaluation

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process. ***Evaluations shall be made publically available by the Commission on a dedicated webpage.*** (27 Giegold, 104 Bayet, 105 Schirdewan)
2. The interim evaluation of the Programme shall be performed once there is sufficient information available about the implementation of the Programme, but no later than ***three*** years after the start of the programme implementation. The interim report should include a status report for each project. (28 Giegold, BUDG 11, Bayet 110)
3. At the end of the implementation of the Programme, but no later than ***one year*** after the end of the period specified in Article 1, a final evaluation of the Programme shall be carried out by the Commission. (29 Giegold, BUDG 12)
4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

<i>AMs that fall if COMP is adopted: 27-29 Giegold, 104, 110 Bayet, 105 Schirdewan</i>
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Recitals

COMP H

Recital 3

- (3) In providing a framework for actions which supports the single market, fosters **fair competition in the** (1 Giegold) Union and protects the financial and economic interests of the Union and its Member States, the Programme should contribute to preventing and fighting tax fraud, tax evasion, aggressive tax planning **and double non-taxation** (41 Bayet, Berès); preventing and reducing unnecessary administrative burden for citizens and businesses in cross-border transactions; **supporting fairer and more efficient tax systems;** (1 Giegold) achieving the full potential of the single market and fostering **fair competition in the** Union **as well as** (1 Giegold) supporting a joint Union approach in international fora.

AMs that fall if COMP is adopted: 1 Giegold, 39 Schirdewan, 40 Zile, 41 Bayet, Berès

COMP I

Recital 7

(7) The actions which applied under the Fiscalis 2020 programme have proven to be adequate and should therefore be maintained. In order to provide more simplicity and flexibility in the execution of the Programme and thereby better deliver on its objectives, the actions should be defined only in terms of overall categories with a list of illustrative examples of concrete activities. **However, actions should aim at implementing priority topics to protect the financial and economic interests of the Union and its Member States.** Through cooperation and capacity building, the Fiscalis programme should also promote and support the uptake and leverage of innovation to further improve the capabilities to deliver on the core priorities of taxation (3 Giegold)

AMs that fall if COMP is adopted: 3 Giegold, 3 BUDG, 45 Zile, 47 Cornillet

COMP J

- (8) Given the increasing mobility of taxpayers, the number of cross-border transactions and the internationalisation of financial instruments **and hence the increased risk of tax fraud, tax evasion and aggressive tax planning** (48 Zile), which go well beyond the Union borders, adaptations of or extensions of European electronic systems to third countries not associated to the Programme and international organisations could have an interest for the Union or the Member States. In particular, they would avoid the administrative burden and the costs implied by developing and operating two similar electronic systems for, respectively, Union and international exchanges of information. Therefore, when duly justified by such an interest, adaptations of or extensions to European electronic systems for cooperation with third countries and international organisations should be eligible costs under the Programme. **Provided priority topics have been funded, specific actions with least developed countries, especially on**

automatic information sharing, should also be encouraged under the Programme where appropriate. (4 Giegold, 47 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Jezek)

AMs that fall if COMP is adopted: 4 Giegold, 47 Cornillet, Tremosa i Balcells, Torvalds, Klinz, Jezek, 48 Zile

COMP K

- (9) Considering the importance of globalisation, the importance of tax fraud, tax evasion and aggressive tax planning (49 Giegold, Schirdewan 54, the Programme should continue to provide the possibility of involving external experts within the meaning of Article 238 of the Financial Regulation. ~~Those external experts should mainly be representatives of governmental authorities, including from non-associated third countries, as well as representatives of international organisations, economic operators, taxpayers and civil society~~ (50 Stolojan). *The selection of experts shall transparent, based on their skills, experience and knowledge relevant to the specific action and their ability to contribute to that action. It should be ensured that those experts are impartial and that there is no possible conflict of interest with their professional role. Balanced representation of all relevant stakeholders should be ensured . (5 Giegold, 51 Zile, 52 Fernandez, Jauregio Atondo, 53 Bayet)*

AMs that fall if COMP is adopted: 49 Giegold, 50 Stolojan, 51 Zile, 52 Fernandez, Jauregio Atondo, 53 Bayet, 54 Schirdewan

COMP L

- (13) This Regulation should be implemented by means of work programmes. In view of the mid to long-term nature of the objectives pursued and building on experience gained over time, work programmes should be able to cover several years. The shift from annual to multiannual work programmes will reduce the administrative burden for both the Commission and Member States *but it should not, in any circumstance, give way to loss of information and transparency to taxpayers (59 Fernandez, Jauregui Atondo). Multiannual work programmes should reflect all relevant information produced in the context of annual reports or mapping exercises as referred to in this Regulation. Those annual reports should be made publicly available in order to inform taxpayers about best practices, lessons learnt, challenges and remaining obstacles identified within the programme. (6 Giegold)*

AMs that fall if COMP is adopted: 6 Giegold, 59 Fernandez, Jauregio Atondo

COMP M

(15) Pursuant to paragraph 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016¹, there is a need to evaluate this programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States, ***thereby also taking into consideration REFIT (61 Stolojan)***. These requirements, where appropriate, ***should*** include measurable indicators, as a basis for evaluating the effects of the Instrument on the ground. ***The results of this monitoring should be object of an annual consolidated report, produced by the Commission, based on input provided by the Member States.***

It shall contain a mapping of remaining obstacles in the Member States in realizing the Programme objectives in Article 3 and the priority topics in Article 7 paragraph 2a as well as suggestions for best practices (60 Giegold, 62 Fernandez, Jauregui Atondo). Additionally, the Commission should produce an interim and a final evaluation of the Programme (60 Giegold). Both the annual reports and the evaluation reports should be made publicly accessible on a dedicated webpage. (8, 60 Giegold)

<p><i>AMs that fall if COMP is adopted: 60 Giegold, 61 Stolojan, 62 Fernandez, Jauregui Atondo, 63 Zile</i></p>

¹ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-making of 13 April 2016; OJ L 123, 12.5.2016, p. 1-14.