



General Secretariat of the Council
Chair of the Code of Conduct Group (Business Taxation)

Dr. Werner Langen
Chair of the Committee of Inquiry into
money laundering, tax avoidance and tax
evasion (PANA)
European Parliament
Rue Wiertz 60
B 1047 Brussels
Belgium

Rome, 19 April 2017

Dear Dr. Langen,

I refer to your letter of 16 March 2017 whereby you invite me to attend the hearing of the PANA Committee on 30 May, to discuss the work of the Code of Conduct Group, notably with regard to the PANA Committee's mandate.

I would like to thank you for your wishes as regards my appointment as Chair of the Code of Conduct Group, which is a mandate that I indeed consider important given the global challenges that lie ahead of us. In that respect, we all have a very important role to play in our respective fields of action.

The Code of Conduct (Business taxation) was established by a resolution of the Council and of the representatives of the Governments of Member States, with a view to providing for a forum for assessing harmful national tax measures that do not fall within the sphere of Union competence. As such, the Code of Conduct is not a legally binding instrument but a political inter-governmental commitment that does not concern the implementation of Union law.

According to Article 226 TFEU, EP committees of inquiry are tasked to investigate alleged contraventions or maladministration in the implementation of Union law. The mandate setting up the PANA Committee lists therefore a series of EU instruments.

Since it is not within the mandate of the Code of Conduct Group to deal with the implementation of those EU instruments by Member States, our respective fields of action do not seem to meet in this respect.

On the other hand, the PANA committee is mandated to “assess latest developments of the EU External strategy for effective taxation and assess the links between the legal framework of the Union and Member States and the tax systems of third countries”.

The Code of Conduct Group has just started work in the area of the EU external strategy as adopted by the Council.

On 8 November 2016 the Council adopted conclusions on the criteria for and process leading to the establishment of the EU list of non-cooperative jurisdictions for tax purposes and mandated the Code of Conduct Group, supported by the General Secretariat of the Council of the European Union, to conduct and oversee the analysis (the screening process).

The screening process is underway and, according to the timetable set by the ECOFIN conclusions, the process will lead to the first results by the end of 2017; these results will be part of the Code of Conduct Group report to the Council in December.

In the light of the above I believe that it is too early to say at this stage what the outcome of the screening process will be, since Ministers will only assess the results and take decisions in December. On the other hand, I would like to reassure you that The European Parliament will be kept informed on progress made in the Council on this important issue.

Yours sincerely,



Mrs. Fabrizia LAPECORELLA
Chair of the Code of Conduct Group

c.c. Dr. Andreas Strub, General Secretariat of the Council
Head of Unit DG G 2B - Tax Policy, Export Credits and Regional Policy