

# EUROPEAN PARLIAMENT

2004



2009

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*Committee on Economic and Monetary Affairs*

PROVISIONAL  
**2006/0076(COD)**

26.1.2007

**\*\*\*I**

## **DRAFT REPORT**

on the proposal for a decision of the European Parliament and of the Council  
establishing a Community programme to improve the operation of taxation  
systems in the internal market (Fiscalis 2013)  
(COM(2006)0202 – C6-0159/2006 – 2006/0076(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Hans-Peter Martin

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission.)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a decision of the European Parliament and of the Council establishing a Community programme to improve the operation of taxation systems in the internal market (Fiscalis 2013)  
(COM(2006)0202 – C6-0159/2006 – 2006/0076(COD))

(Codecision procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2006)0202)<sup>1</sup>,
  - having regard to Article 251(2) and Article 95 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0159/2006),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Budgets and the Committee on Budgetary Control (A6-0000/2007),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council and Commission.

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Text proposed by the Commission

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Amendments by Parliament

### Amendment 1 Recital 1

***(1) The major objectives for the Community over the next years are to create growth and jobs, as laid down in the re-launch of the Lisbon strategy.***  
Decision No 888/98/EC of the European Parliament and the Council of 30 March 1998 establishing a programme of Community action to ameliorate the indirect taxation systems of the internal market (Fiscalis programme) (hereinafter

(1) Decision No 888/98/EC of the European Parliament and the Council of 30 March 1998 establishing a programme of Community action to ameliorate the indirect taxation systems of the internal market (Fiscalis programme) (hereinafter "the 2002 programme") and Decision No 2235/2002/EC of the European Parliament and the Council of 3 December 2002 adopting a Community programme to

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<sup>1</sup> Not yet published in OJ.

"the 2002 programme") and Decision No 2235/2002/EC of the European Parliament and the Council of 3 December 2002 adopting a Community programme to improve the operation of taxation systems in the internal market (Fiscalis 2003 – 2007) (hereinafter "the 2007 programme") have significantly contributed to the achievement of *those* objectives *for the periods 1998 to 2002 and 2003 to 2007*. It is therefore appropriate to continue the activities commenced under those programmes. This programme should be established for a period of six years to align its duration with that of the Multi-Annual Financial Framework contained in the Inter-institutional agreement of *(date to be inserted)* between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

improve the operation of taxation systems in the internal market (Fiscalis 2003 – 2007) (hereinafter "the 2007 programme") have significantly contributed to the achievement of *the* objectives *of the Treaty*. It is therefore appropriate to continue the activities commenced under those programmes. This programme should be established for a period of six years to align its duration with that of the Multi-Annual Financial Framework contained in the Inter-institutional agreement of *17 May 2006* between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

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<sup>1</sup> OJ C 139, 14.6.2006, p. 1.

## Amendment 2

### Recital 2

(2) Efficient, effective *and extensive* co-operation among current and possible future Member States and between them and the Commission is a key element for the functioning of the taxation systems and the fight against fraud. *Since tax fraudsters do not limit their activities to the territory of the Community, this programme should provide the possibility to develop co-operation with and assistance to third countries.* It should also help to identify legislation and administrative practices which may hamper co-operation and possible remedies for obstacles to such cooperation.

(2) *In the internal market, the effective, uniform and efficient application of Community law is essential for the functioning of taxation systems, in particular for the protection of national financial interests through combating tax evasion and tax avoidance, avoiding distortions of competition and reducing burdens on administrations and taxpayers. Achieving this effective, uniform and efficient application is a matter for the Community acting in partnership with the Member States.* Efficient *and* effective co-operation among current and possible future Member States and between them and the Commission is the key element for the functioning of the taxation systems and the fight against fraud. It should also help to identify

legislation and administrative practice which may hamper co-operation and possible remedies for obstacles to such cooperation. ***Co-operation and the exchange of information should enable the tax authorities of the Member States and the Commission to trace existing and new patterns of fraud so that effective and adequate measures can be taken at national and European level to counter tax fraud, which is often committed by international organised criminal organisations.***

Amendment 3  
Recital 5

(5) The trans European computerised secure communication and information exchange systems financed under the 2007 programme play a vital role in reinforcing the taxation systems within the Community and should therefore continue to be financed. In addition, it should be possible to include in the programme further tax related information exchange systems such as the Excise Movement Control System (EMCS) established under Decision N° 1152/2003/EC of the European Parliament and Council of 16 June 2003 on computerising the movement and surveillance of excisable products and any system required for the purposes of Council Directive 2003/48/EC of 3 June 2003 on taxation on savings income in the form of interest payments.

(5) The trans European computerised secure communication and information exchange systems financed under the 2007 programme play a vital role in reinforcing the taxation systems within the Community and should therefore continue to be financed. In addition, it should be possible to include in the programme further tax related information exchange systems such as the Excise Movement Control system (EMCS) established under Decision No 1152/2003/EC of the European Parliament and Council of 16 June 2003 on computerising the movement and surveillance of excisable products and any system required for the purpose of Council Directive 2003/48/EC of 3 June 2003 on taxation on savings income in the form of interest payments. ***The programme should ensure that in any future Fiscalis programme, all existing and proposed communications and information systems should be integrated into one overall user-friendly system, in order to reduce the overall costs of maintaining different separately operating systems.***

### *Justification*

*After so many years of Fiscalis programmes it must surely be possible by now, in the interests of reduced costs and user-friendliness, to arrive at a common system.*

#### Amendment 4 Recital 6

(6) The experience gained by the Community from the 2002 and 2007 programmes has shown that bringing officials from different national administrations together in professional activities like working visits, seminars, project groups and multilateral controls contributes to the achievement of the objectives of the programme. Those activities should therefore be continued. It should remain possible to develop a new type of actions to respond more effectively to the needs.

(6) The experience gained by the Community from the 2002 and 2007 programmes has shown that bringing officials from different national administrations together in professional activities like working visits, seminars, project groups and multilateral controls contributes ***under clearly defined circumstances*** to the achievement of the objectives of the programme. Those activities should therefore be continued. It should remain possible to develop a new ***similar*** type of actions to respond more effectively to the needs. ***However, for all meetings, transparent measures must be taken to ensure that there is no money-wasting or “conference tourism”.*** ***Accordingly, all such activities must be made publicly accessible the following year on the Commission’s Internet site, complete with agenda, list of participants and costs.***

### *Justification*

*Working meetings in particular must not lead to any waste of taxpayers’ money, and it must be made easier for citizens to verify this. Even the European Confederation of Independent Trade Unions notes that “particularly in the tax field, there is often a yawning gap between theory and practice, and seminars involving highly-qualified staff often disregard issues relating to practice”, and therefore calls for seminars to be geared more closely to actual practice.*

#### Amendment 5 Recital 7

(7) The experience gained from the 2002 and 2007 programmes has indicated that the coordinated development and

(7) The experience gained from the 2002 and 2007 programmes has indicated that the coordinated development and

implementation of a common training programme contributes significantly to the objectives of the programme, in particular in achieving a higher **common** standard of understanding of Community law. The opportunities offered by an electronic learning environment should be fully explored.

implementation of a common training programme contributes significantly to the objectives of the programme, in particular in achieving a higher standard of understanding of Community law. The opportunities offered by an electronic learning environment should be fully explored.

Amendment 6  
Recital 8

(8) Officials active in the field of taxation need a sufficient standard of linguistic competence to cooperate and participate in this programme. It is the responsibility of the countries participating in the programme to provide the necessary language training for their officials.

(8) Officials active in the field of taxation need a sufficient standard of linguistic competence to cooperate and participate in this programme. It is the responsibility of the countries participating in the programme to provide the necessary language training for their officials. ***If participants in a working visit, seminar or project group have inadequate language skills, they should be sent back to their own countries without delay.***

*Justification*

*Without an adequate level of ability to communicate, the programme cannot function efficiently and will give rise to unjustifiable costs.*

Amendment 7  
Recital 9

(9) It is appropriate to provide the possibility to organise certain activities with the participation of ***administrations*** of third countries, representatives of international organisations ***and taxable persons or their organisations.***

(9) It is appropriate to provide the possibility to organise certain activities with the participation of ***experts, such as officials*** of third countries ***or*** representatives of international organisations, or taxable persons or their organisations.

Amendment 8  
Recital 10

(10) The mid-term evaluation of the 2007 programme has confirmed the need for organising in a more structured way the information sharing and knowledge exchange between administrations, between administrations and the Commission as well as the consolidation of knowledge created during programme events. Therefore, particular attention should be paid to information sharing and knowledge management.

(10) The mid-term evaluation of the 2007 programme has confirmed the need for organising in a more structured way the information sharing and knowledge exchange between administrations, between administrations and the Commission as well as the consolidation of knowledge created during programme events. Therefore, particular attention should be paid to *intensive* information sharing and knowledge management *with the participating countries*.

Amendment 9  
Article 1, paragraph 1

1. A multiannual Community action programme (Fiscalis 2013) hereinafter referred to as ‘the programme’, is hereby established for the period 1 January 2008 to 31 December 2013 to improve the operation of the taxation systems *of* the internal market.

1. A multiannual Community action programme (Fiscalis 2013) hereinafter referred to as ‘the programme’, is hereby established for the period 1 January 2008 to 31 December 2013 to improve the operation of the taxation systems *in* the internal market.

Amendment 10  
Article 1, paragraph 2, point (b)

(b) multilateral controls;

(b) multilateral controls *as defined in Article 2(3a)*;

Amendment 11  
Article 1, paragraph 2, point (f)

(f) *any* other activities required for the realisation of the objectives of the programme.

(f) other *similar* activities required for the realisation of the objectives of the programme.

Amendment 12  
Article 1, paragraph 2, subparagraph 1 a (new)

***Participation in activities mentioned in subparagraph 1 points (b) to (f) shall be on a voluntary basis.***

Amendment 13  
Article 2, point 1, point (b)

(b) Excise duties on alcohol and tobacco products and energy products;

(b) Excise duties on alcohol ***as provided for in Council Directive 92/83/EEC<sup>1</sup>***, tobacco products ***as provided for in Council Directive 95/59/EC<sup>2</sup>*** and taxes on energy products ***and electricity as provided for in Council Directive 2003/96/EC<sup>3</sup>***;

<sup>1</sup> Council Directive 92/83/EEC of 19 October 1992 on the harmonisation of excise duties on alcohol and alcoholic beverages (OJ L 316, 31.10.1992, p. 21).

<sup>2</sup> Council Directive 95/59/EC of 27 November 1995 on taxes other than turnover taxes which affect the consumption of manufactured tobacco (OJ L 291, 6.12.1995, p. 40). Directive as last amended by Directive 2002/10/EC (OJ L 46, 16.2.2002, p. 26).

<sup>3</sup> Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity (OJ L 283, 31.10.2003, p. 51). Directive as last amended by Directive 2004/75/EC (OJ L 195, 2.6.2004, p. 31).

Amendment 14  
Article 2, paragraph 3 a (new)

***(3a) "multilateral control" means the coordinated control of the tax liability of one or more related taxable persons with common or complementary interests, organised by two or more participating countries including at least one Member State.***

Amendment 15  
Article 3, paragraph 4

4. Participating countries shall be represented by *members the relevant administration*.

4. Participating countries shall be represented by *officials*.

Amendment 16  
Article 4, title

*Objectives*

*Fixing objectives and indicators*

Amendment 17  
Article 4, paragraph 1

1. The overall objective of the programme shall be to improve the proper functioning of the taxation systems in the internal market by increasing co-operation between participating countries, their administrations and *other bodies*.

1. The overall objective of the programme shall be to improve the proper functioning of the taxation systems in the internal market by increasing co-operation between participating countries, their administrations and *officials*.

*All actions proposed in order to achieve the objectives outlined in the programme:*

- shall have defined objectives and measurable indicators to ensure monitoring through the mid-term and final evaluations as mentioned in Article 18;*
- shall be transparent in their costs, working schedules and lists of participants; and*
- shall be constructed so that the results achieve value for money and generate impacts.*

*Justification*

*Even the European Confederation of Independent Trade Unions notes that “particularly in the tax field, there is often a yawning gap between theory and practice, and seminars involving highly-qualified staff often disregard issues relating to practice”, and therefore calls for seminars to be geared more closely to actual practice.*

Amendment 18  
Article 4, paragraph 2, introductory part

2. The objectives of the programme shall be:

2. The ***specific*** objectives of the programme shall be:

Amendment 19  
Article 4, paragraph 2, point (a)

(a) in respect of value added tax, excise duties ***and taxes on income and on capital***:

(a) in respect of value added tax ***and*** excise duties:

Amendment 20  
Article 4, paragraph 2, point (a), point (iii)

(iii) to ensure the continuing improvement of administration procedures to take account of the needs of administrations and taxable persons through the development and dissemination of good administrative practice.

(iii) to ensure the continuing improvement of administration procedures to take account of the needs of administrations and taxable persons through the development and dissemination of good administrative practice ***and to ensure that officials and administrators are well informed and cooperate to prevent and detect fraud and fraud patterns.***

Amendment 21  
Article 4, paragraph 2, point (a a) (new)

***(aa) in respect of taxes on income and on capital:***

***(i) to secure efficient and effective information exchange and administrative cooperation, including the sharing of good administrative practice; and***

***(ii) to enable officials to achieve a high standard of understanding of Community law and of its implementation in Member States.***

Amendment 22  
Article 4, paragraph 2, point (c)

(c) in respect of candidate and potential

(c) in respect of candidate and potential

candidate countries, to meet the special needs of those countries in the field of tax legislation and administrative capacity;

candidate countries, to meet the special needs of those countries *so that they take the necessary measures for accession* in the field of tax legislation and administrative capacity;

#### Amendment 23

##### Article 5

The Commission shall, in accordance with the procedure referred to in Article 16(2), annually establish a work programme.

The Commission shall, in accordance with the procedure referred to in Article 16(2), annually establish a work programme. *The work programme shall be based on a schedule of actions envisaged for the budgetary year concerned and the expected breakdown of the funds. The work programme shall be made public on the Internet website of the Commission.*

#### Amendment 24

##### Article 6, paragraph 1

1. The Commission and the *participating countries* shall ensure that the communication and information exchange systems set out in paragraph 2 are operational.

1. The Commission and the *Member States* shall ensure that the communication and information exchange systems set out in paragraph 2 are operational.

#### Amendment 25

##### Article 6, paragraph 3, subparagraph 1

3. The Community components of the communication and information exchange systems shall be the hardware, software and network connections, which are common to all *participating countries*.

3. The Community components of the communication and information exchange systems shall be the hardware, software and network connections, which are common to all *Member States*.

#### Amendment 26

##### Article 6, paragraph 4, subparagraph 1

4. The non-Community components of the

4. The non-Community components of the

communication and information-exchange systems shall comprise the national databases forming part of these systems, the network connections between the Community and non-Community components and such software and hardware as each *participating country* deems appropriate for the full operation of those systems throughout its administration.

communication and information-exchange systems shall comprise the national databases forming part of these systems, the network connections between the Community and non-Community components and such software and hardware as each *Member State* deems appropriate for the full operation of those systems throughout its administration

Amendment 27

Article 6, paragraph 4, subparagraph 2

The *participating countries* shall ensure that the non-Community components are kept operational and shall assure the interoperability of these components with the Community components.

The *Member States* shall ensure that the non-Community components are kept operational and shall assure the interoperability of these components with the Community components.

Amendment 28

Article 6, paragraph 5

5. The Commission shall co-ordinate, in co-operation with the *participating countries*, those aspects of the establishment and functioning of the Community and non-Community components of the systems and infrastructure referred to in paragraph 2 which are necessary to ensure their operability, interconnectivity and continuous improvement. The schedules and deadlines established for that purpose shall be complied with by the *participating countries*.

5. The Commission shall co-ordinate, in co-operation with the *Member States*, those aspects of the establishment and functioning of the Community and non-Community components of the systems and infrastructure referred to in paragraph 2 which are necessary to ensure their operability, interconnectivity and continuous improvement. The schedules and deadlines established for that purpose shall be complied with by the *Member States*.

Amendment 29

Article 7

*Member States and those countries which have bilateral or multilateral agreements on administrative cooperation and the*

*Participating countries shall choose from among the multilateral controls organised by them those whose costs are to be borne*

*exchange of information either with one another or with Member States permitting such activity shall organise and conduct multilateral controls in the form of a co-ordinated control of the tax liability of one or more related taxable persons established in different participating countries.*

*The countries taking part in such multilateral controls may have common or complementary interests and shall report on the outcome of such controls to the Commission.*

*by the Community in accordance with Article 14. After each such control an evaluation report shall be submitted to the Commission and made public on the Internet website of the Commission.*

Amendment 30  
Article 9, paragraph 1

1. Participating countries shall organise working visits for officials. The working visits may not exceed one month. Each working visit shall be targeted on a particular professional activity and shall be sufficiently prepared and subsequently evaluated by the officials and administrations concerned.

1. Participating countries shall organise working visits for officials. The working visits may not exceed one month. Each working visit shall be targeted on a particular professional activity and shall be sufficiently prepared and subsequently evaluated by the officials and administrations concerned. *A summary of each evaluation shall be made public on the Internet website of the Commission.*

Amendment 31  
Article 10, paragraph 1, introductory part

1. *The Commission, in cooperation with* the participating countries, shall facilitate structured co-operation between national training bodies and officials responsible for training in taxation administrations, and in particular by the following means:

1. The participating countries, *in cooperation with the Commission*, shall facilitate structured co-operation between national training bodies and officials responsible for training in taxation administrations, and in particular by the following means:

Amendment 32  
Article 10, paragraph 1, point (b)

(b) where appropriate, *the coordination of* the opening, *to officials from all*

(b) where appropriate, the opening of training courses in *the* taxation *field to*

*participating countries*, of training courses in taxation where such courses are provided by a participating country for its own officials;

*officials from all participating countries*, where such courses are provided by a participating country for its own officials;

Amendment 33  
Article 10, paragraph 1, point (c)

(c) where appropriate, the development of the necessary *infrastructure and* tools for common tax training *and tax management*.

(c) where appropriate, the development of the necessary tools for common tax training.

Amendment 34  
Article 10, paragraph 2, subparagraph 1

2. Participating countries shall *ensure that common training programmes and the common tax training infrastructure* referred to in *paragraph 1(c)* are *fully integrated* within their national training programmes.

2. Participating countries shall, *where appropriate, integrate the commonly developed training programmes* referred to in *paragraph 1(a)* within their national training programmes.

Amendment 35  
Article 10, paragraph 2, subparagraph 2

Participating countries shall *also* ensure that their officials receive the initial and continuous training necessary to acquire the common professional skills and knowledge in accordance with the training programmes and the linguistic training necessary for *them to ascertain* a sufficient standard of linguistic competence for participation in the programme.

Participating countries shall ensure that their officials receive the initial and continuous training necessary to acquire the common professional skills and knowledge in accordance with the training programmes and the linguistic training necessary for *those officials to attain* a sufficient standard of linguistic competence for participation in the programme.

Amendment 36  
Article 11

*Representatives* of international organisations, *administrations* of third countries, taxable persons and their

*Experts, such as representatives* of international organisations *and officials* of third countries, taxable persons and their

organisations may take part in activities organised under the programme whenever this is essential to carry out the objectives mentioned in Article 4.

organisations may take part in activities organised under the programme whenever this is essential to carry out the objectives mentioned in Article 4.

Amendment 37  
Article 12

*The Commission, in cooperation with the participating countries, shall develop the systematic and structured sharing of information resulting from programme activities.*

*Information resulting from the programme activities referred to in Article 1(2) shall be shared between participating countries and the Commission insofar as such information sharing contributes to the achievement of the programme activities.*

Amendment 38  
Article 13, paragraph 1

1. The financial framework for the implementation of the programme for the period 1 January 2008 to 31 December 2013 is hereby set at **EUR 156,9 million**.

1. The financial framework for the implementation of the programme for the period 1 January 2008 to 31 December 2013 is hereby set at **EUR 106,0 million**.

*Justification*

*Although the programme is worthwhile, the exorbitant increase over the Fiscalis 2003-2007 budget proposed by the Commission is unnecessary and has not been convincingly justified by the Commission (see explanatory statement). The amount calculated by your rapporteur allows for the same average number of working meetings per year as in the previous Fiscalis programme, does not make any reserve entries for new IT systems – which are in any case hard to estimate – and reduces the budget for CCN/CSI by half.*

Amendment 39  
Article 14, paragraph 2, point (c)

(c) the organisational costs relating to seminars, **as well as travel and living expenses incurred for the participation of external experts and participants referred to in Article 11;**

(c) the organisational costs relating to seminars;

Amendment 40  
Article 14, paragraph 2, point (c) a (new)

***(ca) the travel and living expenses incurred by experts participating in activities as provided for in Article 11;***

Amendment 41  
Article 14, paragraph 2, point (e)

(e) the costs of ***any other*** activity ***referred to*** in ***point f*** of Article 1(2).

(e) the costs of ***another*** activity ***as provided for*** in ***point (f)*** of Article 1(2).

Amendment 42  
Article 14, paragraph 3, subparagraph 2

The Commission shall, in accordance with the Financial Regulation, determine the rules relating to the payment of expenses ***and*** shall communicate them to the participating countries.

The Commission shall, in accordance with the Financial Regulation, determine the rules relating to the payment of expenses, shall communicate them to the participating countries ***and shall publish them on the Internet website of the Commission.***

Amendment 43  
Article 14, paragraph 4

***4. The Commission shall, in accordance with the procedure referred to in Article 16(2), adopt any necessary measures for the budget management of the programme.***

***deleted***

Amendment 44  
Article 14, paragraph 5

5. The financial allocation of this programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities, required directly for the management of the programme and the realisation of its objectives, in particular studies, meetings,

5. The financial allocation of this programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities, required directly for the management of the programme and the realisation of its objectives, in particular studies, meetings,

information and publication actions, expenses linked to informatic networks focusing on information exchange, together with all other technical and administrative assistance expense that the Commission may have recourse to for the management of the programme.

information and publication actions, expenses linked to informatic networks focusing on information exchange, together with all other technical and administrative assistance expense that the Commission may have recourse to for the management of the programme. ***All such costs shall be published on the Internet website of the Commission.***

Amendment 45  
Article 15

Financing decisions and any agreements or contracts resulting from this Decision shall be subject to financial control, and if necessary, on the spot audits by the Commission, including the European Anti-Fraud Office (OLAF), and by the European Court of Auditors. Any grants made pursuant to this Decision shall be subject to agreement in writing, in advance, by the beneficiaries. Such agreement shall contain the acceptance of the beneficiaries to an audit by the European Court of Auditors into the use made of the financing granted.

Financing decisions and any agreements or contracts resulting from this Decision shall be subject to financial control, and if necessary, on the spot audits by the Commission, including the European Anti-Fraud Office (OLAF), and by the European Court of Auditors. Any grants made pursuant to this Decision shall be subject to agreement in writing, in advance, by the beneficiaries. Such agreement shall contain the acceptance of the beneficiaries to an audit by the European Court of Auditors into the use made of the financing granted. ***The list of the beneficiaries and the amount of any grants under this scheme shall be published on the Internet website of the Commission.***

Amendment 46  
Article 16, paragraph 3 a (new)

***3a. The Commission shall inform the competent committees of the European Parliament of the Committee's composition, including the names of its members, and rules of procedure.***

Amendment 47  
Article 18, paragraph 1, subparagraph 3

The final evaluation shall concentrate on the effectiveness and efficiency of the activities of the programme.

The final evaluation shall concentrate on the effectiveness and efficiency of the activities of the programme. ***The mid-term and final evaluations shall be published on the Internet website of the Commission.***

Amendment 48  
Article 18, paragraph 2, point (a)

(a) by 31 March 2011 at the latest, a mid-term evaluation report on the programme's relevance;

(a) by 31 March 2011 at the latest, a mid-term evaluation report on the programme's relevance, ***effectiveness and efficiency***;

## EXPLANATORY STATEMENT

### General conclusions

People in all EU Member States are becoming increasingly sceptical about the use of tax money. Too often in the past funds have not been used for their intended purposes, and this is still the case today.

Accordingly, seeing that government budgets everywhere are being called upon to show the greatest possible economy, the same must apply to the EU programmes and to Fiscalis in particular. Hopefully under the 2007 German Presidency, which has made it one of its priority objectives to stem the advance of bureaucracy, it will be possible to arrive at sensible solution. Such a solution must be seen to be appropriate, but must take account as far as humanly possible of the taxpayer's justified concern for efficiency and reduced costs.

So your rapporteur, while noting that the Commission is calling for an exorbitant increase to EUR 156.9 million for the Fiscalis 2013 budget – EUR 162 million if one includes EMCS (as compared to less than EUR 100 million for 2007, including EMCS) – considers the only appropriate solution is to reinstate the existing budget. The Commission, on the other hand, thinks that the expenditure on working visits and seminars, for example, should be almost doubled. And yet even the European Confederation of Independent Trade Unions notes that “particularly in the tax field, there is often a yawning gap between theory and practice, and seminars involving highly-qualified staff often disregard issues relating to practice”, and therefore calls for seminars to be geared more closely to actual practice. In the exchange of views in the committee responsible, most of the shadow rapporteurs of the other political groups also warned against waste and “conference tourism”.

The Commission also calls for a “provision” of EUR 18.8 million for new developments in IT systems – even though such developments are at present completely impossible to predict – and EUR 45.3 million (as against EUR 18.5 million at present) for the CCN/CSI network. Your rapporteur is unable to see why either of these are necessary. On the other hand, your rapporteur's amendments urge comprehensive transparency in connection with activities and expenditure under Fiscalis 2013.

### Legislative background

The idea of the Fiscalis initiative came from earlier activities, namely the Matthaeus-Tax programme of 1993<sup>1</sup>, concerning the vocational training of indirect taxation officials to prepare them for the implications arising out of the Internal Market and improve administrative co-operation. Coordinated development and implementation of a common training scheme and exchange of good practice should contribute to better understanding of Community law amongst the fiscal authorities of the Member States. Bringing the hitherto existing practices, subject to no real co-ordination, into a common framework seemed crucial.

Fiscalis 2013 is the third ‘edition’ of the programme to replace the Fiscalis 2007, introduced by the Decision of 1998 establishing a programme of Community action to ameliorate the

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<sup>1</sup> Decision No 93/1998/EC of 29 October 1993, OJ L280 of 13.11.1993

indirect taxation systems<sup>1</sup>.

### **Objectives of the Fiscalis 2013 programme**

Fiscalis 2013 programme is a six year programme, aligned with the Financial Perspectives 2007 – 2013. Other modifications are the inclusion of the Excise Movement Control System (EMCS) established to monitor movement of excisable products and greater emphasis on combating tax fraud.

The main objective of the 2013 programme will remain assisting the European tax administrations to sustain and improve the functioning of the tax systems. It will focus on stimulating cooperation between them in order to raise revenue but should avoid red tape at the same time. One of its main priorities will also be support for the introduction of the new trans-European computerised system of information on taxable transactions.

Official objectives of Fiscalis 2013 are:

- increased knowledge via pan-European forum for exchange of opinions, information, practical application ‘tips’, etc. between the tax authorities;
- enhanced fight against tax fraud and illegitimate trade by strengthening administrative co-operation and mutual assistance (the new legal programme facilitating information exchange is already in place<sup>2</sup>) and improving the organisation of tax controls thanks to the list of good practices already drafted by the Member States and computerised systems of information;
- the cutting of the red-tape for taxable persons by looking at the optimal balance between controls and administrative burden such as it happened with the introduction of the VIES (VAT Identification Exchange System) to the Internet;
- establishing similar co-operation with tax administrations from third countries as tax fraud knows no borders.

### **Rapporteur’s position**

Your Rapporteur brings your attention to the fact that the discussed proposal is one of the innumerable programmes seeking to improve the functioning of the internal market.

However, it needs to be remembered that these programmes must not become an end in themselves. Surely one should expect programme objectives set in 1993 to have been achieved by now: they should not need to be permanently renewed. Millions of European citizens rightly criticise the fact that many EU programmes no longer serve any obvious purpose other than to justify the existence of the bureaucratic apparatus, and that the amount spent is totally disproportionate to the end achieved.

To that end, your rapporteur asked the relevant Council and Commission bodies for detailed appropriate information. The Finnish official Tiina Maisala, who dealt with this topic on behalf the Finnish Presidency in the second half of 2006, considered that the costs for Fiscalis 2007 amounted to EUR 66 million. A Portuguese official of the Council, Carlos Soares, also with responsibility for Fiscalis, put the budget for Fiscalis so far at EUR 90 million. And yet the amount referred to in the legislative text of the initial Fiscalis report is a mere EUR 44 million. Marinus de Graaf, the Commission director responsible for Fiscalis, is very well

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<sup>1</sup> Decision No 888/98/EC of 30 March 1998, OJ L126 of 28.04.2008

<sup>2</sup> EC Regulation 1789(2003) of 7 October 2003

aware of this figure, but is reluctant to mention it, for the Commission is calling for EUR 156.9 million for the programme up to 2013, an almost four-fold increase. The largest element in this proposed increase is for official journeys. If one adds on the expenses of the EU officials involved, plus the cost of the EMCS programme which will still be running in 2008, this gives a total of no less than EUR 174 million. In response to critical questioning by your rapporteur, Mr De Graaf became quite indignant. “That isn’t very much money when you look at how much is being spent on other programmes. Fiscalis is a trifle, it’s just peanuts”.

Add to this the fact that your rapporteur never received other promised information, in spite of repeated requests, and a pattern begins to emerge. Your rapporteur also waited in vain for several weeks just to be told the names of new officials responsible under the German Presidency.

The rapporteur therefore cannot share the opinion that the experience gained from the hitherto provisions under Fiscalis programme proved all too efficient in bringing tax officials from different national administrations together in professional activities and to meet the set objectives.

It does not seem appropriate to axe the programme, but the proposed new objectives should be subjected to rigorous examination. We also need to look at whether there are any overlaps with other programmes. For example, stepping up the fight against corruption is repeatedly given as a reason for the desired exorbitant increase in the budget, but it is nowhere stated, either in the specific projects proposed or in the relevant Council and Commission officials' answers, how much this will actually cost. We need to prevent additional funding being spent under the cloak of a popular public concern – the fight against corruption – for ends which are in the last analysis mainly bureaucratic.

In fact, your rapporteur would welcome it if the new Member States and third countries were to become more closely involved in this way, particularly in combating corruption. However, here too there is a mismatch between the statements by the officials responsible and their ostensible popular objective. Only an insignificant proportion of the requested exorbitant budget increase will in fact be going to step up involvement by third countries. Finally, your rapporteur’s request, that the budget should be divided up according to regional priorities, has also not been complied with.

The Rapporteur takes therefore the view that the programme does not necessarily constitute a coherent strategy to provide a response to the new challenges, such as the Common Consolidated Company Tax Base (CCCTB), Home State Taxation, revision of the Invoicing Directive in 2008 or the most recent EU enlargements; whereas there is no doubt that threats, in particular quickly developing new tax fraud and illegitimate trade patterns distorting the functioning of the Internal Market, have their adverse impact on employment and undermine confidence in the Community’s fiscal systems.

However, no convincing proposals have been made under the programme to meet these challenges, or else they come under the auspices of other EU activities.