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ANNEX

**ANNEX**

**to the**

**COMMISSION IMPLEMENTING DECISION**

**on the financing of the Fiscalis programme and the adoption of the work programme for  
2024 and 2025**

## ANNEX

### Work programme for 2024 and 2025 for the Fiscalis programme

#### 1. INTRODUCTION

This is the second work programme of the Fiscalis programme for cooperation in the field of taxation ('the Fiscalis programme'), adopted under Regulation (EU) 2021/847 of the European Parliament and of the Council<sup>1</sup>, and it covers the years 2024 and 2025<sup>2</sup>.

The Fiscalis programme<sup>3</sup> has the general objectives to support tax authorities to enhance the functioning of the internal market, foster the competitiveness of the Union and fair competition in the Union, protect the financial and economic interests of the Union and its Member States, including protecting those interests from tax fraud, tax evasion and tax avoidance, and to improve tax collection.

#### 1.1. Programme priorities for 2024 and 2025

The Fiscalis programme contributes to addressing the priorities identified in the Commission's strategic documents on taxation policy, primarily:

- **The Commission's Communication on an action plan for fair and simple taxation supporting the recovery strategy<sup>4</sup>;**
- **The Commission's Communication on Business Taxation for the 21st Century<sup>5</sup>;**
- **The Strategic Plan 2020-2024 of the Commission Directorate-General Taxation and Customs Union<sup>6</sup> and its future iterations.**

Among the priorities identified, **designing EU tax policy actions that contribute to a carbon-neutral continent by 2050** is high on the political agenda. The **European Green Deal<sup>7</sup>** highlighted that tax policy can encourage more environmentally conscious behaviour, while boosting economic growth and improving resilience. In this regard, well-designed taxation can also contribute to a fairer society, where no one is left behind in the green transition. As part of the **Commission's 'Fit for 55' package<sup>8</sup>**, the revision of Council

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<sup>1</sup> Regulation (EU) 2021/847 of the European Parliament and of the Council of 20 May 2021 establishing the 'Fiscalis' programme for cooperation in the field of taxation and repealing Regulation (EU) No 1286/2013 (OJ L 188, 28.5.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/847/oj>).

<sup>2</sup> The Fiscalis programme is implemented through multiannual work programmes.

<sup>3</sup> [Fiscalis Programme \(europa.eu\)](https://taxation-customs.ec.europa.eu/eu-funding-customs-and-tax/fiscalis-programme_en), [https://taxation-customs.ec.europa.eu/eu-funding-customs-and-tax/fiscalis-programme\\_en](https://taxation-customs.ec.europa.eu/eu-funding-customs-and-tax/fiscalis-programme_en)

<sup>4</sup> [Communication from the Commission of 15 July 2020 to the European Parliament and the Council: an action plan for fair and simple taxation supporting the recovery strategy](#) (COM(2020)312 final).

<sup>5</sup> Communication from the Commission to the European Parliament and the Council: Business Taxation for the 21st Century (COM(2021) 251 final).

<sup>6</sup> [https://ec.europa.eu/info/publications/strategic-plan-2020-2024-taxation-and-customs-union\\_en](https://ec.europa.eu/info/publications/strategic-plan-2020-2024-taxation-and-customs-union_en)

<sup>7</sup> Communication from the Commission of 11 December 2019 to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: The European Green Deal (COM (2019) 640 final).

<sup>8</sup> See Communication from the Commission of 14 July 2021 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: 'Fit for 55' – delivering the EU's 2030 climate target on the way to climate neutrality (COM(2021) 550 final).

Directive 2003/96/EC<sup>9</sup> restructuring the Community framework for the taxation of energy products and electricity supports the green transition, while also helping to reduce dependence on imports of fossil fuels.

In line with the Commission's priority '**an economy that works for people**'<sup>10</sup>, **implementing corporate tax reforms**, to create a robust, efficient and fair tax framework that supports business and investment, is of paramount importance. It would also support a **stronger, fairer and more efficient Single Market**.

In the field of Value Added Tax ('VAT'), an agreement on, and full implementation of, the **VAT in the Digital Age (VIDA) package**<sup>11</sup> are a priority. This will allow to modernise EU VAT rules, reduce administrative burdens for cross-border businesses and safeguard revenues. The package also upgrades the EU's rules for VAT in eCommerce, extending the One-Stop-Shop for Union businesses and improving the Import One-Stop Shop for external traders.

Finally, Union tax policy makes an important contribution to the **fight against tax fraud, evasion and avoidance** and supports revenue collection for the Union and Member States' budgets. Tax fraud and evasion are a threat for sound public finances. In 2021, the **VAT compliance gap**<sup>12</sup> in the Union was estimated at EUR 61 billion<sup>13</sup>. The loss represents a decrease of approximately EUR 38 billion compared to the revised 2020 figures, and the VAT compliance gap remains a serious problem, at a time when governments need sustainable revenues to face economic uncertainties. Urgent action is therefore needed to mitigate these losses and fight against VAT fraud. A similar challenge exists for **excise fraud** due to the significant differences in excise duty rates between Member States, the cross-border trade and movement of excisable goods. Tax fraud, evasion and aggressive tax planning are also challenges in the area of **direct taxation**. While there are currently no Union-wide estimates on either the personal income tax ('PIT') gap or the corporate income tax ('CIT') gap, the Commission has commissioned out studies to explore whether it would be possible to estimate such Union-wide PIT and CIT tax gaps. Results on these studies are expected in the course of the coming year.

## 1.2. Programme support to the policy objectives

### 1.2.1. Legal framework

Recent developments in the legal framework in the field of taxation reflect specific political priorities to which the programme can provide a contribution towards their achievements.

In the field of **corporate taxation**, the Union took an important step forward in reforming corporate tax rules by adopting **Council Directive (EU) 2022/2523**<sup>14</sup> in order to **ensure a**

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<sup>9</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, ELI: <http://data.europa.eu/eli/dir/2003/96/oj>).

<sup>10</sup> [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/economy-works-people\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/economy-works-people_en)

<sup>11</sup> [VAT in the Digital Age \(europa.eu\)](https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat/vat-digital-age_en), [https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat/vat-digital-age\\_en](https://taxation-customs.ec.europa.eu/taxation-1/value-added-tax-vat/vat-digital-age_en)

<sup>12</sup> The difference between expected VAT revenues and VAT actually collected.

<sup>13</sup> VAT gap in the EU - 2023, <https://op.europa.eu/en/publication-detail/-/publication/84ba1bdf-7230-11ee-9220-01aa75ed71a1/language-en/format-PDF/source-296619179>

<sup>14</sup> Council Directive (EU) 2022/2523 of 15 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union (OJ L 328, 22.12.2022, p. 1, ELI: <http://data.europa.eu/eli/dir/2022/2523/oj>).

**global minimum level of taxation** for multinational enterprise groups and large-scale domestic groups in the Union.

In 2022, an agreement was reached on the revision of the **Code of Conduct on Business Taxation**<sup>15</sup>, which now covers a broader group of tax measures. To make withholding tax procedures in the Union more efficient and secure for investors, financial intermediaries and tax authorities, the Commission adopted the **‘FASTER’ proposal**<sup>16</sup> in June 2023. That was followed by three new proposals in the area of direct taxation, adopted by the Commission in September 2023. Those include a proposal for a new framework for income taxation for businesses (**Business in Europe: Framework for Income Taxation (BEFIT)**<sup>17</sup>), aiming primarily at large groups of companies operating across the EU. That proposal was complemented by the proposal for a Council Directive on **Establishing a Head Office Tax System for SMEs**<sup>18</sup>, which proposes a simplification of the rules for micro, small and medium enterprises carrying out cross border operations. Finally, the Commission also made a proposal to **harmonise transfer pricing rules in the Union** to ensure a common approach to transfer pricing issues<sup>19</sup>. In addition, negotiations on the proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes (the **‘Unshell’ proposal**)<sup>20</sup>, are progressing.

Furthermore, intense negotiations continue with regard to the proposal<sup>21</sup> for the revision of Council Directive 2003/96, restructuring the Community framework for the taxation of energy products and electricity.

As regards VAT, following the announcement of the legislative package **‘VAT rules for the digital age’** in the Commission’s Communication on an action plan for fair and simple taxation supporting the recovery strategy, a set of VAT legislative proposals was adopted by the Commission<sup>22</sup> in December 2022.

As regards **administrative cooperation in the field of excise duties**, the Council adopted Regulation (EU) 2023/246<sup>23</sup> amending Regulation (EU) No 389/2012 on administrative

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<sup>15</sup> Resolution 2022/C 433/01 of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on a revised Code of Conduct for Business Taxation (OJ C 433, 15.11.2022, p. 1).

<sup>16</sup> Proposal for a Council Directive on Faster and Safer Relief of Excess Withholding Taxes (COM(2023) 324 final).

<sup>17</sup> COM(2023) 532 final.

<sup>18</sup> Proposal for a Council Directive establishing a Head Office Tax system for micro, small and medium sized enterprises and amending Directive 2011/16/EU (COM(2023) 528 final).

<sup>19</sup> Proposal for a Council Directive on transfer pricing (COM(2023) 529 final).

<sup>20</sup> Proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU (COM(2021) 565).

<sup>21</sup> Proposal for a Council Directive restructuring the Union framework for the taxation of energy products and electricity (recast) (COM(2021) 563 final).

<sup>22</sup> Proposal for a Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age (COM(2022) 701 final); Proposal for a Council Regulation amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age (COM(2022) 703 final), and Proposal for a Council Implementing Regulation amending Implementing Regulation (EU) No 282/2011 as regards information requirements for certain VAT schemes (COM(2022) 704 final).

<sup>23</sup> Council Regulation (EU) 2023/246 of 30 January 2023 amending Regulation (EU) No 389/2012 as regards the exchange of information maintained in the electronic registers concerning economic operators who move excise goods between Member States for commercial purposes (OJ L 34, 6.2.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/246/oj>).

cooperation in the field of excise duties<sup>24</sup>, in order to align the procedure for exchanging the data of economic operators moving goods under ‘duty suspension’ with the procedure for ‘duty paid’ goods moved for commercial reasons.

In addition, as regards administrative cooperation in the field of direct taxation, the Council adopted Directive (EU) 2023/2226<sup>25</sup> amending Council **Directive** 2011/16/EU<sup>26</sup> **on Administrative Cooperation**, *inter alia*, by expanding the reporting and exchange of information between Union tax authorities to cover crypto-assets (DAC 8).

### 1.2.2. Modern digital tax environment

Delivering on the commitments for **increased digitalisation** in the area of taxation is a high priority for the Commission. The importance of digitalisation is also reflected by the fact that approximately 90%<sup>27</sup> of the overall Fiscalis programme budget is dedicated to establishing and operating tax electronic systems that allow tax administrations to better fight tax fraud and evasion, exchange information and exploit the data collected.

As defined in the Multi-annual Strategic Plan for Taxation (MASP-T), in 2024 and 2025, a particular emphasis will be put on the following actions:

- the maintenance and updates of operational IT systems and business continuity<sup>28</sup>, representing the highest budget consumption sector within the IT budget;
- the deployment of new systems, such as the Central Electronic System of Payment information 2 (CESOP 2) (2024), EMCS 4.1 (2024)<sup>29</sup>, SME<sup>30</sup> scheme (2025) and their maintenance;
- the modernisation activities going DevSecOps<sup>31</sup>, containers and automated testing.

The digital economy also creates unprecedented opportunities for ensuring better tax compliance thanks to the use of digital technology to collect and analyse data.

The Fiscalis programme also facilitates the digital transition by providing platforms to review and monitor modern and emerging solutions (e.g. blockchain, artificial intelligence, data analytics etc.). Moreover, it supports the development of a modern digital tax environment, by means of different actions. This not only includes the testing and delivery of high-quality and reliable new taxation systems but also ensures the interoperability and connectivity with other national IT systems, primarily those involved in information exchange.

A successful implementation of Union tax policy requires Union-wide interoperable IT systems and cooperation actions directly or indirectly reinforcing the uniform application of law by national tax administrations, together with information systems that support the

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<sup>24</sup> Council Regulation (EU) No 389/2012 of 2 May 2012 on administrative cooperation in the field of excise duties and repealing Regulation (EC) No 2073/2004 (OJ L 121, 8.5.2012, p. 1, ELI: <http://data.europa.eu/eli/reg/2012/389/oj>).

<sup>25</sup> Council Directive (EU) 2023/2226 of 17 October 2023 amending Directive 2011/16/EU on administrative cooperation in the field of taxation (OJ L, 2023/2226, 24.10.2023, ELI: <http://data.europa.eu/eli/dir/2023/2226/oj>).

<sup>26</sup> Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (OJ L 64, 11.3.2011, p. 1, ELI: <http://data.europa.eu/eli/dir/2011/16/oj>).

<sup>27</sup> Proportion for Fiscalis budget commitments in 2022.

<sup>28</sup> European electronic systems for taxation already developed and deployed.

<sup>29</sup> Excise Movement and Control System (EMCS).

<sup>30</sup> Small and Medium Enterprises.

<sup>31</sup> Development, Security and Operations.

administration of taxes and provide an overview of taxable entities' financial flows. The digital economy and the development of new business models creates opportunities as well as challenges for tax administrations that have to adapt to such changes.

Finally, the programme helps the implementation of the technological changes that could be required in terms of the evolution of the role of taxation and the functioning of the internal market. This implies having the required legal frameworks and technical solutions in place to allow information and data exchange between tax authorities, the Commission, economic operators, and other relevant authorities (e.g. customs authorities).

### *1.2.3. Cooperation*

Collaboration, including enhanced operational cooperation, between national tax authorities and the tax authorities of other programme participating countries, directly contributes to their increased effectiveness and efficiency. The Fiscalis programme provides fora for this collaboration: the authorities can share knowledge, experience, best practices and set guidelines together through the programme activities. The collaboration supported by the Fiscalis programme can benefit the strategic policy aspects as well as the day-to-day operational functioning of the tax authorities. Working together in task forces, expert teams, networks, project groups and other similar set-ups further reinforces operational synergies, deepens trust between the programme participating countries' tax authorities, and contributes to achieving equivalent results by them. In addition, the Fiscalis programme supports close cooperation with and between enlargement and neighbourhood policy countries to facilitate their approximation and integration process.

### *1.2.4. Human competency building*

Designing tax policies well is just as valuable as implementing and enforcing them. Therefore, the Fiscalis programme also finances activities that directly contribute to **human competency building and training**. In this context, the Fiscalis programme provides for a wide range of activities, such as e-learning modules, study visits as well as training sessions under CLEP (Common Learning Event Programme) that directly contribute to human competency building.

Some Member States will continue working in 2024 and 2025 on the EU TaxEdu project, which concerns tax education for young people. That project will contribute to tackling tax evasion and fraud throughout Europe.

## **1.3. Contribution to other EU initiatives and synergies with other Union programmes**

EU taxation policy is already highly integrated in the **Union's recovery and growth agenda**, central to the **European Green Deal** and an important factor in the work for the **digital transition**. Streamlined and effective taxation can induce behavioral changes, by influencing the affordability of targeted products, as well as their formulation. In this sense, taxation can also play a role in tackling public health risks, thus contributing to the EU's **Health agenda**.

In pursuing its objectives, the programme will continue feeding into the wider Commission agenda as well as to create synergies with other Union programmes. Regulation (EU) 2021/847 specifically calls for the Fiscalis programme to exploit possible synergies with other Union measures in related fields to ensure cost-effectiveness. Regulation (EU) 2021/847 highlights such synergies with the Customs programme, established pursuant to Regulation

(EU) 2021/444 of the European Parliament and of the Council<sup>32</sup>, the Union Anti-Fraud Programme, established pursuant to (EU) 2021/785 of the European Parliament and of the Council<sup>33</sup>, the Single Market Programme, established pursuant to Regulation (EU) 2021/690 of the European Parliament and of the Council<sup>34</sup>, the Recovery and Resilience Facility, established pursuant to Regulation (EU) 2021/241<sup>35</sup>, and the Technical Support Instrument, established pursuant to Regulation (EU) 2021/240 of the European Parliament and of the Council<sup>36</sup>.

Moreover, through its funding to development and maintenance of European electronic systems for taxation, the programme provides a substantial contribution to the Interoperable Europe Act initiative, which aims to support the creation of a network of digital public administrations and strengthen cooperation between national administrations on data exchanges and IT solutions<sup>37</sup>.

#### **1.4. Financing and budget**

On the basis of the objectives given in Regulation (EU) 2021/847, this work programme contains the actions to be financed and the budget breakdown for the years 2024 and 2025 as follows:

- (a) for grants (implemented under direct management) (point 2 of this Annex);
- (b) for procurement (implemented under direct management) (point 3 of this Annex);
- (c) for other actions or expenditure (point 4 of this Annex).

Legal basis

Regulation (EU) 2021/847
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Budget line

03 04 01 – ‘Cooperation in the field of taxation (FISCALIS)’
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Objectives pursued<sup>38</sup>

<sup>32</sup> Regulation (EU) 2021/444 of the European Parliament and of the Council of 11 March 2021 establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013 (OJ L 87, 15.3.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/444/oj>).

<sup>33</sup> Regulation (EU) 2021/785 of the European Parliament and of the Council of 29 April 2021 establishing the Union Anti-Fraud Programme and repealing Regulation (EU) No 250/2014 (OJ L 172, 17.5.2021, p. 110, ELI: <http://data.europa.eu/eli/reg/2021/785/oj>).

<sup>34</sup> Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (OJ L 153, 3.5.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/690/oj>).

<sup>35</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17, ELI: <http://data.europa.eu/eli/reg/2021/241/oj>).

<sup>36</sup> Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/240/oj>).

<sup>37</sup> Proposal for a Regulation of the European Parliament and of the Council laying down measures for a high level of public sector interoperability across the Union (Interoperable Europe Act) (COM(2022) 720 final).

<sup>38</sup> Article 3 of Regulation (EU) 2021/847.

The Fiscalis programme is a tool that supports and implements the overall tax policy at the Union level. The general objectives of the programme are to support tax authorities and taxation to enhance the functioning of the single market, to foster Union competitiveness and fair competition in the Union, to protect the financial and economic interests of the Union and its Member States, including protecting those interests from tax fraud, tax evasion and tax avoidance, and to improve tax collection.

The programme aims to contribute to the smart, sustainable and inclusive growth in the Union by strengthening the functioning of the single market. It addresses the Commission priorities in terms of activities that contribute to an economy that works for the people and to protecting our European way of life. The programme supports the development of tax policy actions for a competitive single market and the implementation of tax policy actions for more fairness and social justice.

This concerns specifically the following policy and activity areas:

- the fight against tax fraud, tax evasion and aggressive tax planning;
- risk management;
- IT capacity building action;
- data analytics;
- IT collaboration;
- administrative cooperation between Member States;
- administrative cooperation between Member States and with third countries;
- operational cooperation between tax administrations and taxpayers;
- mutual recovery assistance and national tax collection and recovery;
- well-functioning tax systems and operation in programme participating countries;
- training and human competency building;
- consistent implementation of Union law in the field of direct and indirect taxes including green taxation;
- modernisation and simplification of the VAT system;
- programme management.

#### Expected results

The actions are expected to support:

- the preparation and uniform implementation of tax legislation and policy;
- tax-related administrative cooperation;
- IT capacity-building, including the development and operation of European electronic systems;
- human competency building and training;
- innovation in the area of tax policy.

Climate and biodiversity mainstreaming contribution:



The Fiscalis programme does not contribute specifically to climate / biodiversity mainstreaming (Regulation (EU) 2021/847 does not include any target in relation to climate / biodiversity). However, the programme will continue to indirectly support the European Green Deal by means of reinforced digitalisation of taxation systems as well as may include cooperation activities supporting the European Green Deal objectives.

According to Point 6.2. of Annex 2 ('2. EU budget programmes detailed overview') of Commission Staff Working Document (SWD(2022) 225 final)<sup>39</sup>, on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the 'do no (significant) harm' principle is respected.

## 2. GRANTS

The global budgetary envelope reserved for grants under this work programme for 2024-2025 is EUR 10 700 000.

By derogation to Article 190 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>40</sup>, the Programme may finance up to 100 % of eligible costs of an action as stipulated by Article 10(1) of Regulation (EU) 2021/847:

Specific eligible costs applicable to the specific grants shall be described in the grant agreement.

### 2.1. General collaboration activities in the field of taxation

Type of applicants targeted by the direct award

Article 9(3) of Regulation (EU) 2021/847: In accordance with Article 195, first paragraph point (f), of Regulation (EU, Euratom) 2018/1046, the grants shall be awarded without a call for proposals where the eligible entities are national tax authorities and tax authorities of the third countries associated with the Programme as referred to in Article 5 of Regulation (EU) 2021/847, provided that the conditions set out in that Article are met.

Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of Regulation (EU, Euratom) 2018/1046.

The grant will provide financial support for carrying out tax cooperation activities supporting the achievement of the programme objectives in the areas referred to in the 'Introduction' part of this Annex, in the form of:

- (a) one-off events, such as seminars, workshops, study- and support visits and similar activities;

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[https://commission.europa.eu/system/files/202206/swd\\_2022\\_225\\_climate\\_mainstreaming\\_architecture\\_2021-2027.pdf](https://commission.europa.eu/system/files/202206/swd_2022_225_climate_mainstreaming_architecture_2021-2027.pdf)

<sup>40</sup>

Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) (OJ L 193, 30.07.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>).

- (b) series of events, such as platforms, networks, steering- and coordination groups, project- and working groups, study- and support visits and similar activities;
- (c) innovation methodology activities, such as proof-of-concepts, pilots, prototyping initiatives and similar activities;
- (d) other cooperation activities, excluding task forces, expert teams and similar enhanced operational cooperation actions addressed under separate grants in points 2.2, 2.3, 2.4 and 2.5.

## Implementation

The grant will be implemented directly by DG TAXUD.

Indicative implementation start date: Q4 2025.

Indicative duration of the grants: 24 months.

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

The grant for general collaboration activities in the field of taxation does not contribute specifically to climate / biodiversity mainstreaming (Regulation (EU) 2021/847 does not include any target in relation to climate / biodiversity). However, the programme will continue to indirectly support the European Green Deal by means of reinforced digitalisation of taxation systems as well as may include cooperation activities supporting the European Green Deal objectives.

According to Point 6.2 of Annex 2 ('2. EU budget programmes detailed overview') of Commission Staff Working Document (SWD(2022) 225 final) on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the 'do no (significant) harm' principle is respected.

## 2.2. EU Tax Observatory (EUTO) activities

Following a successful preparatory action that has set up a specialised and independent observatory on Union tax matters related to tax fraud, tax evasion and aggressive tax planning – the EU Tax Observatory (EUTO) – the Commission has decided to continue supporting the activities, and broaden the scope, of the EUTO. The grant - which may be split into several grants to encompass a broader range of activities - will provide financial support to the selected beneficiaries in producing high quality research and data, and foster an inclusive debate on a wide range of taxation topics, including with a focus on those linked to tax evasion, avoidance and aggressive tax planning. In line with the Fiscalis programme's objectives (Article 3 of Regulation (EU) 2021/847), the EUTO activities will contribute to supporting tax authorities and taxation, supporting tax policy and the implementation of Union law relating to taxation, fostering cooperation between tax authorities, and protecting the financial and economic interests of the Union and its Member States from tax fraud and avoidance.

Type of applicants targeted by the award, following a call for proposals

Article 6(2) of Regulation (EU) 2021/847: The Programme may provide funding in any of the forms laid down in Regulation (EU, Euratom) 2018/1046 in particular through grants, prizes, procurement and the reimbursement of travel and subsistence expenses incurred by external experts.

Article 9(1) of Regulation (EU) 2021/847: Grants under the Programme shall be awarded and managed in accordance with Title VIII of Regulation (EU, Euratom) 2018/1046.

A consortium of a minimum of two entities from two Member States, such as universities, think tanks, NGOs and/or businesses.

In order to be considered eligible, lead applicants and co-applicants shall comply with the following criteria:

- (a) be legal entities properly established and registered with a profit or non-profit status in a Member State;
- (b) have their core activities in one or several of the following fields:
  - (i) research and analysis of public economics, public finance or taxation issues;
  - (ii) raising public awareness on public economics, public finance or taxation issues;
  - (iii) organisation, logistics and management of academic or public events;
  - (iv) data analysis and data visualisation.

In order to be considered eligible, lead applicants shall have experience with conducting research and analysis on public economics, public finances or taxation issues.

Description of the activities to be funded by the grant/s awarded with a call for proposals

The grant will provide financial support for the following tasks:

- (a) update, improve, and provide with information and data the publicly-available repository on tax evasion, tax avoidance and aggressive tax planning in the Union and the effects of policy reform in these domains, including inequalities;
- (b) disseminate the available tax data in a user-friendly manner and inform the wider public of issues related to tax fairness;
- (c) steer the debate on a wide range of taxation issues and challenges, including with a focus on aggressive tax planning, tax evasion and tax avoidance, by organising events, conferences and workshops;
- (d) produce evidence and recommendations related to various taxation issues, including regarding the fight against tax evasion, tax avoidance and aggressive tax planning, through research papers and reports;
- (e) provide policymakers with robust and diversified tax expertise, research and data;
- (f) liaise with different international organisations and national administrations on issues related to Union tax policy making.

The expected results of the EUTO activities are:

- (a) Increased knowledge, data and information on various tax issues, and notably those linked to tax abuse;
- (b) A more inclusive and democratic debate on tax issues across the EU;
- (c) An easy and user-friendly access to information and tax data;
- (d) A public repository on tax data;
- (e) Better informed policy makers on tax issues.

Implementation

The grant will be implemented directly by DG TAXUD through one or several grant agreements.

Indicative implementation start date: Q2/Q3 2025

Indicative duration of the grant: 36 months

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

The grant for EUTO activities does not contribute specifically to climate / biodiversity mainstreaming (Regulation (EU) 2021/847 does not include any target in relation to climate / biodiversity).

According to Point 6.2 of Annex 2 ('2. EU budget programmes detailed overview') of Commission Staff Working Document (SWD(2022) 225 final) on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the 'do no (significant) harm' principle is respected.

Additional information required by Regulation (EU) 2021/847 for the work programme

N/A

### **2.3. Managed IT collaboration in taxation VI (MANITC VI)**

Type of applicants targeted by the direct award

Article 9(3) of Regulation (EU) 2021/847: In accordance with Article 195, first subparagraph point (f), of Regulation (EU, Euratom) 2018/1046, the grants shall be awarded without a call for proposals where the eligible entities are national tax authorities and tax authorities of the third countries associated to the Programme as referred to in Article 5 of Regulation (EU) 2021/847, provided that the conditions set out in that Article are met.

Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of Regulation (EU, Euratom) 2018/1046.

The grant will provide financial support for the tax authorities of the participating countries to implement enhanced operational cooperation in the area of IT collaboration such as reflecting on potential new IT Collaboration initiatives, supporting ongoing projects and communicating on IT Collaboration.

(a) Description of the activities:

The objectives of this grant, is to group Member States' resources to invest in implementing national taxation IT systems with similar functionalities in a more coordinated and collaborative way. This is expected to reduce the cost, complexity and time needed to develop and maintain Member States' Taxation IT systems.

The activities of the Expert Team will be organised in three main iterations:

- (i) the first iteration will be the takeover from the 2021/23 Expert Team (Managed IT collaboration in taxation V) (MANITC V));
- (ii) the second iteration will focus on 'operating' the different IT Collaboration tools within new and on-going IT Collaboration projects;

(iii) the final phase will be dedicated to reflecting on how to continuously improve ‘managed IT collaboration’ with a view of delivering optimised new versions of the deliverables.

(b) Expected results:

(i) Direct, short term deliverables and outputs:

- (1) support on IT collaboration projects by assisting in and implementing project initiation, development and execution;
- (2) support to Member States and stakeholders of IT collaboration in identifying and assessing new collaborative initiatives among Member States;
- (3) support of the stakeholders in identifying and assessing the MASP-T for collaborative initiatives;
- (4) establish processes and knowledge within MS to collaborate sustainably.

(ii) Longer term impacts:

The Expert Team will continue laying the foundations for a long-term activity in the area of IT Collaboration by promoting, advising and supporting ongoing and new IT Collaboration initiatives, as well as reporting to TADEUS.<sup>41</sup>

## Implementation

The grant will be implemented directly by DG TAXUD

Indicative implementation start date: Q2 2025

Indicative duration of the grant: 24 months

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

The grant for MANITC VI does not contribute specifically to climate / biodiversity mainstreaming (Regulation (EU) 2021/847 does not include any target in relation to climate / biodiversity).

According to Point 6.2 of Annex 2 (‘2. EU budget programmes detailed overview’) of Commission Staff Working Document (SWD(2022) 225 final) on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the ‘do no (significant) harm’ principle is respected.

Additional information required by Regulation (EU) 2021/847 for the work programme

N/A

## 2.4. Eurofisc Transaction Network Analysis III (TNA III)

Type of applicants targeted by the direct award

Article 9(3) of Regulation (EU) 2021/847: In accordance with Article 195, first paragraph point (f), of Regulation (EU, Euratom) 2018/1046, the grants shall be awarded without a call for proposals where the eligible entities are national tax authorities and tax authorities of the

<sup>41</sup> Tax administration EU Summit

third countries associated to the Programme as referred to in Article 5 of Regulation (EU) 2021/847, provided that the conditions set out in that Article are met.

Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of Regulation (EU, Euratom) 2018/1046.

The grant will provide financial support for the tax authorities of the participating countries to implement enhanced operational cooperation in the area of fighting tax fraud by enhancing Eurofisc capabilities.

(a) Description of the activities:

Continuous improvement of the Transaction Network Analysis (TNA) system and its adaptation to evolving VAT fraud patterns, to new information sources and to technological developments; Design and implementation of processes for reacting to detected fraud by leveraging existing IT systems, including TNA and customs systems. Cooperation with customs authorities and EU bodies relevant for the fight against VAT fraud with the support of available IT tools such as TNA. Structure and document existing specialist knowledge on the fight against VAT fraud with the use of IT tools such as TNA and disseminate this knowledge within Eurofisc.

(b) Expected results:

- (i) Increase the efficiency of Eurofisc operation by improving IT tools such as the TNA;
- (ii) Increase the effectiveness of Eurofisc by improving its reaction capacity including streamlining the interactions with entities responsible for taking actions against suspected fraudsters;
- (iii) Improve and retain Eurofisc capabilities by structuring, extending and documenting knowledge and expertise in the handling of IT tools for the fight against VAT fraud.

## Implementation

The grant will be implemented directly by DG TAXUD

Indicative implementation start date: Q1 2025

Indicative duration of the grant: 24 months

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

The grant for TNA III does not contribute specifically to climate / biodiversity mainstreaming (Regulation (EU) 2021/847 does not include any target in relation to climate / biodiversity).

According to Point 6.2 of Annex 2 ('2. EU budget programmes detailed overview') of Commission Staff Working Document (SWD(2022) 225 final) on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the 'do no (significant) harm' principle is respected.

Additional information required by Regulation (EU) 2021/847 for the work programme

N/A

## 2.5. Central Electronic system of payment information Expert Team III (CESOP III)

Type of applicants targeted by the direct award

Article 9(3) of Regulation (EU) 2021/847: In accordance with Article 195, first paragraph point (f), of Regulation (EU, Euratom) 2018/1046, the grants shall be awarded without a call for proposals where the eligible entities are national tax authorities and tax authorities of the third countries associated to the Programme as referred to in Article 5 of Regulation (EU) 2021/847, provided that the conditions set out in that Article are met.

Description of the activities to be funded by the grant awarded without a call for proposals on the basis of Article 195 of Regulation (EU, Euratom) 2018/1046.

The grant will provide financial support for the tax authorities of the participating countries to implement enhanced operational cooperation in the area of administrative cooperation and IT cooperation by assisting with the development/deployment of CESOP and of national systems for the collection of payment data.

(a) Description of the activities:

The work of the Expert Team will be a continuation of the work of the second CESOP Expert Team, which is providing input to DG TAXUD for the development and deployment of CESOP. The third Expert Team will act in close collaboration with Eurofisc and DG TAXUD officials. Through the Expert Team, expertise and resources of EU Member States are leveraged to assist the Commission in the implementation and operation of the CESOP and the relevant national components that are needed for the successful implementation of the specific legal package. More specifically, the Expert Team will:

- i) Provide assistance with the implementation of the national and central components of the system, based on the Directives and the Implementing Regulation, including the finalization of the technical and functional specifications, in the SCAC;
- ii) Take up with Member States the practical details for the implementation and the preparation for the development of the CESOP and the required national components.

(b) Expected results:

(i) Direct, short term deliverables and outputs:

- (1) Assisting in the on-time implementation of the CESOP with all the relevant functionalities effectively;
- (2) Sharing expertise between Member States and the Commission for the development of the national components;
- (3) Supporting the operation of the CESOP;
- (4) Assessing and review the effectiveness of the system for future improvements.

- (ii) Longer term impacts: improve the fight against VAT fraud by centralising payment data transmitted by payment service providers, process this data,

analyse it and make it available to Eurofisc officials.

#### Implementation

The grant will be implemented directly by DG TAXUD

Indicative implementation start date: Q4 2025

Indicative duration of the grant: 24 months

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

The grant for CESOP III does not contribute specifically to climate / biodiversity mainstreaming (Regulation (EU) 2021/847 does not include any target in relation to climate / biodiversity).

According to Point 6.2 of Annex 2 ('2. EU budget programmes detailed overview') of Commission Staff Working Document (SWD(2022) 225 final) on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the 'do no (significant) harm' principle is respected.

Additional information required by Regulation (EU) 2021/847 for the work programme

N/A

### 3. PROCUREMENT

The global budgetary envelope reserved for procurement contracts in 2024-2025 is EUR 66 193 108. To this end, it is estimated to sign about 160 specific contracts under existing or new multi-annual framework contracts.

#### 3.1. Development and operation of European electronic systems for taxation (common components)

General description of the contracts envisaged

Ensuring the business and IT systems continuity is a major responsibility under the Fiscalis programme, since disruptions in the operation of the taxation IT systems would affect national administrations, citizens and businesses across the entire Union and hamper the functioning of the single market.

Member States and the Commission are committed to deliver efficient, effective and interoperable information and communication systems between public administrations, including between their front and back offices, in order to exchange and process public sector information across the Union in a secure manner. They set up and operate secure, integrated, interoperable and accessible electronic taxation IT systems. These systems allow the electronic exchange of tax-related information between Member States.

Article 11 of Regulation (EU) 2021/847 provides that Member States and the Commission are to jointly ensure the development and operation of the European electronic systems listed in the Multi-Annual Strategic Plan for Taxation (MASP-T), including their design, specification,



conformance testing, deployment, maintenance, evolution, modernisation, security, quality assurance and quality control.

The Commission therefore intends to undertake IT capacity-building activities through contracts following public procurement. It concerns notably the development, maintenance, operation, and quality control of common components of the existing and new European electronic systems for taxation ('EES') with a view to ensuring the interconnection of tax authorities:

- (a) platforms development and support: development and management of infrastructure components (e.g. CCN<sup>42</sup>, CCN2, SPEED2<sup>43</sup>) and that of the systems linking with Member States and third parties for data exchange and service management;
- (b) software development, including maintenance of existing taxation IT systems and development of new taxation IT systems. These contracts support the lifecycle from overall project management activities, feasibility studies, business analysis and modelling, through functional specifications, the development of software and initial tests, deployment, and support to service management of systems in operation;
- (c) operations include all the IT activities related to the technical and operational support of the infrastructure, platforms and IT applications. This involves testing, deployment, monitoring, configuration and administration of hardware and software components as well as integration of the technical, administrative and operational management;
- (d) support of and coordination with Member States for the delivery and operations of the non-Union components of the trans-European systems and quality assurance and control of all Taxation IT projects and operations.

Procurement of services will be undertaken through specific contracts under existing or new framework contracts or through administrative arrangements, service level agreements or memoranda of understanding with other Commission Directorates-General/Services. Indicative number of contracts envisaged: 140.

New invitations to tender for services expected to be launched in 2024-2025:

- (a) ITSM-Integration:
  - (i) Description: Provision of IT service management support including the architecture, operations, asset, contract, security, data technologies and project management aspects as well as collaboration, communication and knowledge management towards stakeholders. The main objective is to ensure the coherence, the completeness and the efficiency of DG TAXUD IT services. Services also include the provision of project management support, benchmarking and consultancy on collaboration.
  - (ii) Launch of call: 2024
- (b) ITSM-Secure Operations
  - (i) Description: Provision of services to DG TAXUD in the field of IT Service Management for IT systems & Secure IT Operations.
  - (ii) Launch of call: 2024

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<sup>42</sup> Common Communication Network.

<sup>43</sup> Single Portal for Entry or Exit of Data 2.

## Implementation

Actions will be implemented directly by DG TAXUD and (partly) by co-delegations or cross subdelegations to DIGIT, ESTAT, OIL, or other Directorates-General and Commission services as appropriate, in compliance with the Commission corporate rules on IT and Cybersecurity governance.

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

The procurement for the Development and operation of European electronic systems for taxation does not contribute specifically to climate / biodiversity mainstreaming (Regulation (EU) 2021/847 does not include any target in relation to climate / biodiversity). However, the programme will continue to indirectly support the European Green Deal by means of reinforced digitalisation of taxation systems as well as may include cooperation activities supporting the European Green Deal objectives.

According to point 6.2 of Annex 2 ('2. EU budget programmes detailed overview') of Commission Staff Working Document (SWD(2022) 225 final) on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the 'do no (significant) harm' principle is respected.

Additional information required by Regulation (EU) 2021/847 for the work programme

N/A

### 3.2. Other service contracts

General description of the contracts envisaged

The Commission intends to undertake activities through contracts following public procurement notably:

- (a) studies, scientific and communication support (e.g. academic support, typology, data collection and comparative analyses in tax issues, provision of scientific and technical assistance in the field of taxation);
- (b) communication and information support, including translations.

Indicative number of contracts envisaged: 20

New invitations to tender for services expected to be launched in 2024-2025:

- (a) Effective tax rates:
  - (i) Description: Provision of effective tax rates and related supporting services;
  - (ii) Indicative time of the call: Q2 2025;
- (b) Subscriptions to specialist periodicals:
  - (i) Description: Provision of subscriptions to specialist periodicals, in all formats, and other electronic resources;
  - (ii) Indicative time of the call: Q2 2024;
- (c) Economic analysis in the area of taxation:
  - (i) Description: Framework contract for the provision of economic analysis in the area of taxation;

- (ii) Indicative time of the call: Q1 2024;
- (d) VAT gap due to e-commerce fraud:
  - (i) Description: Provision of a study on VAT gap due to e-commerce fraud;
  - (ii) Indicative time of the call: Q1 2024;
- (e) Corporate Income Tax (CIT) Methodology:
  - (i) Description: Provision of a study on Corporate Income Tax (CIT) Methodology;
  - (ii) Indicative time of the call: Q1/2024.

**Implementation**

Actions will be implemented directly by DG TAXUD and (partly) by co-delegations or cross subdelegations to DGT, DIGIT, ESTAT, OIL, SCIC, or other Directorates-General and Commission services as appropriate.

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

The procurement for other service contracts does not contribute specifically to climate / biodiversity mainstreaming (Regulation (EU) 2021/847 does not include any target in relation to climate / biodiversity).

According to Point 6.2 of Annex 2 ('2. EU budget programmes detailed overview') of Commission Staff Working Document (SWD(2022) 225 final) on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the 'do not (significant) harm' principle is respected.

Additional information required by Regulation (EU) 2021/847 for the work programme

N/A

**4. OTHER EXPENDITURE**

**Reimbursement of external experts participating in programme activities**

Amount

EUR 140 000

Description

This measure allows supporting the participation of external experts referred to in Article 8 of Regulation (EU) 2021/847 to specific activities wherever this is essential for the achievement of the objectives of the activity.

The amount allocated to external experts is subject to revision and potential further reduction in light of the increased use of hybrid and online working arrangements and the consequent reduction in travel and other eligible participation costs. This is implemented under direct management by DG TAXUD.

Climate and biodiversity mainstreaming contribution - description of how this action contributes to climate and biodiversity mainstreaming in qualitative and quantitative ways

According to Point 6.2 of Annex 2 ('2. EU budget programmes detailed overview') of Commission Staff Working Document (SWD(2022) 225 final) on Climate mainstreaming architecture in the 2021-2027 Multiannual Financial Framework, there is no relevance of the Fiscalis programme in ensuring that the 'do no (significant) harm' principle is respected.

Additional information required by Regulation (EU) 2021/847 for the work programme

N/A