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Resources
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FISCALIS 2020 PROGRAMME

2014 PROGRESS REPORT

Contents

1. ACRONYMS AND ABBREVIATIONS

The following acronyms are used in this document:

Abbreviation	Meaning
AEOI	Automatic Exchange of Information
AFF	Action Follow up Form
AFF WV	Action Follow up Form for Working Visits
ART	Activity Reporting Tool
AWP	Annual Work Programme
CACT	Committee on Administrative Cooperation for Taxation
CCN-CSI	Common Communications Network - Common Systems Interface
CLO	Central Liaison Office
DT	Direct Taxation
EAF	Event Assessment Form
EC	European Commission
EIS	European Information System
EMCS	Excise Movement Control System
FPG	Fiscalis Project Group
F2020	Fiscalis 2020 programme
JA	Joint Action
MFF	Multiannual Financial Framework
MLC	Multi-Lateral Controls
MOSS	Mini-One-Stop-Shop
MS	Member State
N/A	Not available
NEA	National Excise Application
PICS	Programmes Information and Collaboration Space
PMF	Performance Measurement Framework
SEED-on-Europa	System for Exchange of Excise data on Europa website
SLA	Service Level Agreement
SPEED	Single Portal for Entry or Exit of Data
TEDB	Taxes in Europe Database
TIN	Taxation Identification Number
TSS	Taxation Statistic System
VAT	Value Added Tax
VIES	VAT Information Exchange System
VIES-on-the-Web	VAT Information Exchange System on the internet

2. EXECUTIVE SUMMARY

This Programme Progress Report for year 2014 is the first such report produced under the new Performance Measurement Framework (PMF) developed for the Fiscalis 2020 programme.

The PMF was developed further to a recommendation of the final evaluation of the Fiscalis 2013 programme. It is based on the intervention logic, which describes the logical step-by-step link between the wider problems and needs addressed by the programme and the programme's objectives, inputs, activities, outputs, results and impacts. This annual progress report represents a summary of performance over the course of 2014 in relation to the programmes' objectives and the related output and result indicators identified as part of the PMF.

2014 included a transition between two generations of Fiscalis programmes. The trends in the basic parameters in 2014 remained largely the same as compared to 2013, with the exception of an increase in the expenditure on studies, which was due to a large study commissioned in the area of the Mini One Stop Shop and the simplification of VAT obligations.

The Mini One Stop Shop was one of the key initiatives in the taxation area in 2014. The related electronic system allows the taxable persons established or not in the EU and supplying telecommunications, broadcasting or electronic services to non-taxable persons to fulfil their VAT obligations in a single place of compliance. The system was finalised during 2014 and became operational on 1 January 2015. The programme financed the development of the MOSS system and the activities supporting its introduction and roll-out.

For all the activities under the programme, the indicators obtained under the framework in 2014 give an overall positive assessment, both from the business data perspective and from the feedback obtained from the action managers[1] and the participants to the activities. The indicators suggest that in 2014 the programme was on course to fulfilling its objectives and that it played an important role in facilitating the proper functioning of the taxation systems in the internal market through its funding of European Information Systems, Joint Actions and the common training activities.

Some of the key **strengths and achievements** that can be deduced from the analysis of the indicators:

- **High level of achievement of results of the Joint Actions is reported by the action managers.**
- **Very positive evaluation of the achieved results of the Joint Actions, their usefulness and expectations met by national tax officials who participated in them.**
- **Networking and sharing of programme outputs represent both a strength and a room for improvement**.
- **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic**.
- **The increased use of online collaboration (PICS) by national and European tax officials.**

A number of **recommendations for the future** can be equally drawn from the analysis of the indicators:

- **Monitor the number of participants under the programme**.
- **Undertake to increase awareness about the programme**.
- **Provide additional support to networking and the use of the programme outputs**
- **Monitor the implementation and use of the Mini One Stop Shop IT system**.

[1] Action manager is the DG TAXUD or national taxation official in charge of the action organised under the programme. The action manager submits the proposal for an action to the Commission and is responsible for reporting on the outcomes of the action under the Performance Measurement Framework.

- **Monitor the use of the new types of Joint Actions in the Fiscalis 2020 programme – expert teams and presences in administrative offices / participation in administrative enquires.**
- **Improve statistics for online collaboration**.
- **Facilitate the collection and processing of data under the Performance Measurement Framework**.
- **Consider adaptations to the Progress Report structure**.

3. INTRODUCTION

3.1 FISCALIS 2020 in a nutshell

The EU Regulation 1286/2013 established the multiannual action programme Fiscalis 2020 for the period 2014-2020 with the aim to improve the proper functioning of the taxation systems in the internal market by enhancing cooperation between participating countries, their tax authorities and their officials. Total budget foreseen for this programme period is 234.3 million euros. The programme represents a continuation of the earlier generations of programmes Fiscalis 2007 and Fiscalis 2013, which have significantly contributed to facilitating and enhancing cooperation between tax authorities within the Union.

Figure 1: Fiscalis 2020 programme objectives

The Fiscalis 2020 specific objective:

- The specific objective of the programme shall be to support the fight against tax fraud, tax evasion and aggressive tax planning and the implementation of Union law in the field of taxation by ensuring exchange of information, by supporting administrative cooperation and, where necessary and appropriate, by enhancing the administrative capacity of participating countries with a view to assisting in reducing the administrative burden on tax authorities and the compliance costs for taxpayers.

The Fiscalis 2020 operational objectives:

- to implement, improve, operate and support the European Information Systems for taxation;
- to support the improvement of administrative procedures and the sharing of good administrative practices
- to support administrative cooperation activities;
- to reinforce the skills and competence of tax officials;
- to enhance the understanding and implementation of Union law in the field of taxation;

There are three types of activities that are organised under the programme:

Joint Actions (JA) - bringing together officials from the participating countries - these are most commonly project groups, working visits, workshops and seminars. The programme covers the cost of organisation and participation to these activities.

Types of Joint Actions:

(i) seminars and workshops;

(ii) project groups, generally composed of a limited number of countries, operational during a limited period of time to pursue a predefined objective with a precisely described outcome;

(iii) bilateral or multilateral controls and other activities provided for in Union law on administrative cooperation, organised by two or more participating countries, which include at least two Member States;

(iv) working visits organised by the participating countries or another country to enable officials to acquire or increase their expertise or knowledge in tax matters;

(v) expert teams, namely structured forms of cooperation, with a non-permanent character, pooling expertise to perform tasks in specific domains, in particular in the European Information Systems, possibly with the support of online collaboration services, administrative assistance and infrastructure and equipment facilities;

(vi) public administration capacity-building and supporting actions;

(vii) studies;

(viii) communication projects;

(ix) any other activity in support of the overall, specific and operational objectives and priorities set out in Articles 5 and 6 of the Fiscalis 2020 regulation, provided that the necessity for such other activity is duly justified;

European Information Systems (EIS) building - these systems and the IT capacity building are indispensable for the cooperation among taxation authorities. The programme covers the cost of acquisition, development, installation, maintenance and day-to-day operation of the Union components of EIS.

Common training activities - training materials and electronic learning modules play a vital part in developing the human competency component of the tax authorities in the EU. The programme covers the development cost of the common training materials, including electronic training modules.

The Commission and the participating countries (EU member states and countries recognised as candidates or potential candidates for EU membership having concluded international agreements for their participation in the Fiscalis 2020 programme) decide jointly on the annual priorities of the programme by adopting each year the Annual Work Programme. The implementation of the programme is under direct management by the Commission, meaning that it is centrally managed by DG TAXUD. It is implemented financially on the basis of grant agreements with the participating countries (Joint Actions), and procurements (mostly for European Information Systems and common training activities).

3.2 The Performance Measurement Framework

The Article 16 of the Fiscalis 2020 regulation stipulates that the Commission shall monitor the implementation of the Programme and actions under it on the basis of indicators and make the outcome of such monitoring public.

The final evaluation of the Fiscalis 2013 programme equally made the recommendation that "the Commission, in close cooperation with the Member States, should set up a results-based monitoring and evaluation (M&E) system for the Fiscalis programme."

In order to achieve this purpose, the Commission established in 2014 a Performance Measurement Framework (PMF) to be implemented with the start of the new programme. The PMF is based on the intervention logic (see Figure 3), which describes the logical step-by-step link between the wider problems and needs addressed by the programme and the programme's objectives, inputs, activities, outputs, results and impacts.

The PMF relies both on the quantitative data (indicators) and qualitative (reporting and interpretation) for assessing the progress achieved.

The indicators can be divided into two categories:

Output and Result indicators – these are first and second order effects that can be directly attributed to the programme. Outputs refer to those effects (most often tangible products) achieved immediately after implementing an activity, while the results look at the mid-term effects or the difference made on the ground thanks to the outputs. Both types of indicators are collected annually, reflected in the Progress Report and are linked to the operational objectives of the programme.

Impact indicators – they indicate the long-term effects of the programme by measuring its contribution to the broader policy areas, where programme activities are only one of the contributing factors. They mostly rely on the use of existing external indicators (not collected by PMF surveys) and will be collected together with the two evaluation exercises (to be held in 2018 and 2020). They are linked to the higher-level specific objectives of the programme.

The PMF uses both its own data collection tools and the data gathered externally. The PMF's own data collection tools gather feedback from programme stakeholders and are summarised in the table below. The external data is collected either by other organisations at a global level or inside DG TAXUD of the Commission.

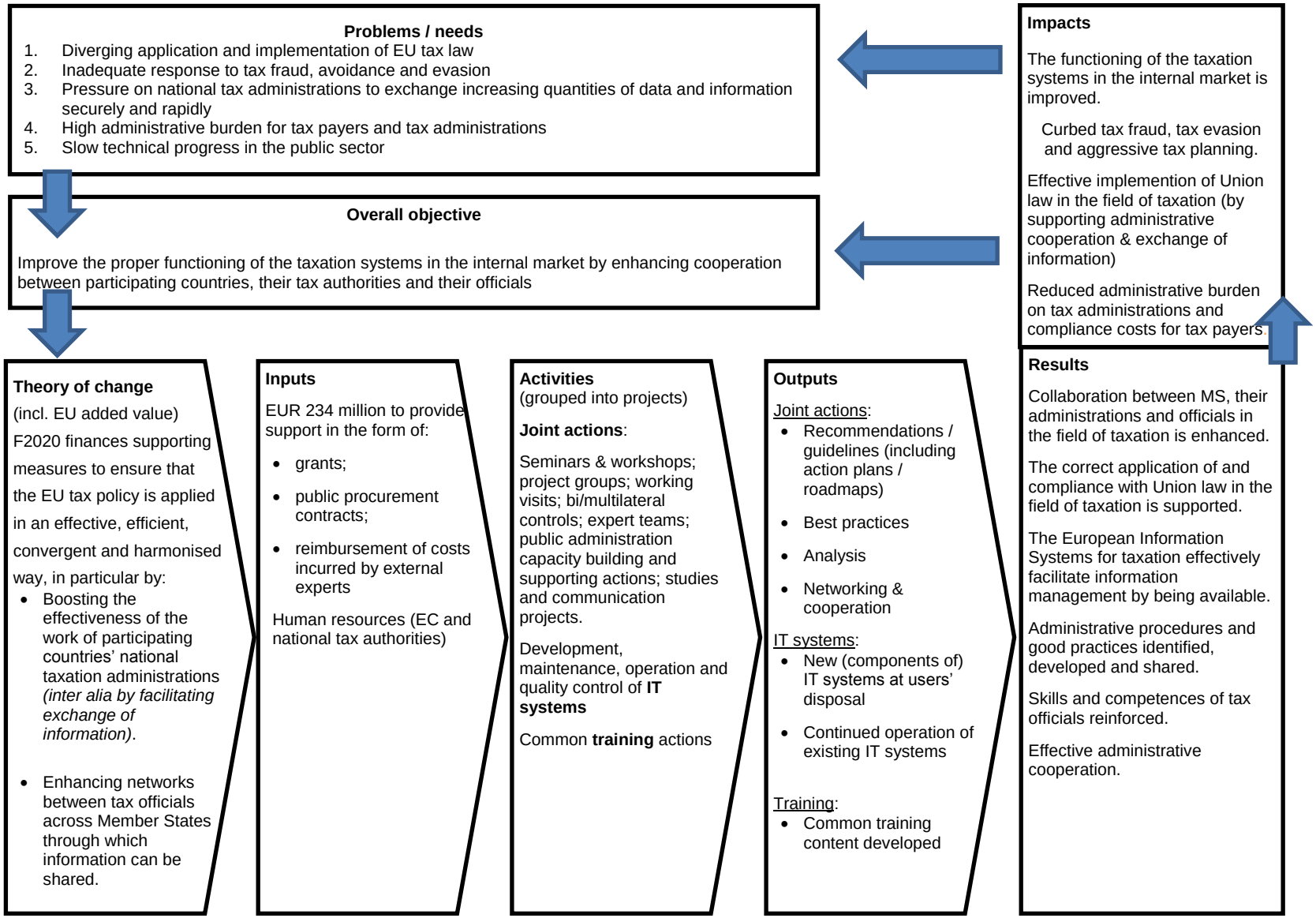
Figure 2: PMF data collection tools

Tool	When is the data submitted?	Who is submitting the data?
Action Reporting Tool (ART) - Proposal form	At the beginning of each activity	Action managers
Action Follow up Form (AFF)	In February, one form per action or one form each year for multi-annual actions	Action managers
Action Follow up Form for working visits	Within three months after the end of the working visit	Participants to the working visit
Event Assessment Form (EAF)	Three months after the end of an event or yearly in case of project groups or similar activities longer than 1 year	Participants to an event or members of a project group or similar activities
Programme Poll	Every 18 months – to be launched in: • Mid-2015, beginning 2017, Mid-2018, end 2019	All tax officials in the participating countries

The PMF follows the annual reporting cycle. It takes into consideration a calendar year of activities organised under the programme. The drafting of the Progress Report starts in the following year once the data collection process is finalised. Following data analysis and consultation with stakeholders, it is published toward the end of the year. The Progress Report represents a summary of the main output and result indicators and gives an assessment of the overall progress achieved.

The mid-term evaluation (in 2018) and the final evaluation (in 2020) of the programme make full use of the Progress Reports and in addition report on the progress in relation to the impact indicators.

Figure 3: Intervention logic of the Fiscalis 2020 programme



3.3 Methodological Considerations – Progress report 2014

The PMF to a large extent relies on the use of its own surveys for data collection. If we look at the response rates for all three surveys (see Figure 4 below), they can be regarded as satisfactory.

Figure 4: Response rates in 2014 for PMF surveys

	EAF (Participants to Joint Actions, except Working Visits)	AFF WV (participants to Working Visits)	AFF (Action managers)
Number of participants invited to respond under the PMF	1660	75	164
Number of received valid responses	1051	53	114
Response rate	63%	71%	70%

Roughly half of the total number of participants under the Fiscalis 2020 programme in the year 2014 were invited, in accordance with the Performance Measurement Framework, to fill out the Event Assessment Form. Out of them, 63 percent completed the survey in a valid way. The rates are somewhat higher for the participants in working visits and the action managers of Joint Actions. A small percentage of survey respondents entered a wrong financial code, which meant that their responses had to be discarded as they could not be linked to a programme activity. Expectedly, the problem of wrongly entered financial codes is more present among the ordinary participants, and less present with the action managers or participants in working visits who are more familiar with the financial codes. DG TAXUD has started the work on making the necessary IT changes in the Action Reporting Tool (ART), which will automatize further the survey process, so that the survey respondents will no longer need to enter the financial codes manually. The changes will equally allow for automatic reminders to be sent to survey respondents. These IT changes will need some time to be implemented, but should push up the response rates and eliminate the problem of invalid responses.

Greater awareness about the PMF, which will also be promoted by the publication of Progress Reports and the results of the surveys, should help further demonstrate the value of such surveys to the stakeholders and increase their motivation to take them.

With regards to the data collected from external sources, outside the surveys, it is worth mentioning that this data is collected as part of other performance measurement exercises and reflects the methodological approach established for those exercises.

4. PROGRAMME YEAR 2014 – BASIC PARAMETERS

4.1 Introduction

2014 was the year of change between the two generations of programmes, from Fiscalis 2013 programme to Fiscalis 2020 programme. April was a transitional month, during which no Joint Actions took place. The change between two programmes and one month less of activities for Joint Actions need to be taken into consideration when analysing the year's activities and their outputs and results.

This progress report aims to cover the entire year whenever this is possible, i.e. when there is data available. In the case of the PMF surveys, which were introduced only with the start of the Fiscalis 2020 programme, the data collected is only available for the period 1 May – 31 December 2014.

4.2 Budget

The overview in Figure 5 below summarises the programme funding according to the four main activity types. In order to make the table more meaningful, the budgetary information for the previous years has been added.

Figure 5: Committed [2] expenses per year and main action categories under the programme

	2011	2012	2013	2014
Joint Actions	€6,909,000.00	€6,054,000.00	€5,044,000.00	€4,630,000.00
Training	€486,040.92	€600,000.00	€682,472.08	€908,585.18
IT	€19,886,235.92	€21,081,083.69	€23,425,745.06	€23,053,874.72
Studies	€518,723.16	€288,877.00	€389,243.80	€2,184,539.26
TOTAL	€27,800,000.00	€28,023,960.69	€29,541,460.94	€30,776,999.16
AWP	€27,800,000.00	€28,200,000.00	€30,000,000.00	€30,777,000.00
EU Annual Budget	€27,800,000.00	€28,200,000.00	€30,000,000.00	€30,777,000.00
Amount MFF	€27,800,000.00	€29,400,000.00	€30,950,000.00	€30,777,000.00

As is standard for the programme, the vast majority of funding in 2014 went into the development and operation of European Information Systems, followed by the organisation of Joint Actions and the studies. We can notice that over the years the expenditure on Joint Actions has been on the whole decreasing, which is largely due to the decrease in the number of participants. The large increase that we can observe in the Studies related expenses in 2014 was mainly down to the commissioning of a large study on the simplification of VAT obligations. This study covered at least two aspects: extension of the Mini One-Stop-Shop (MOSS) to all business to consumer supplies and the simplification for the small and medium enterprises. Other commissioned studies included: Eurobarometer survey on VAT, Evaluation of current arrangements for the holding and

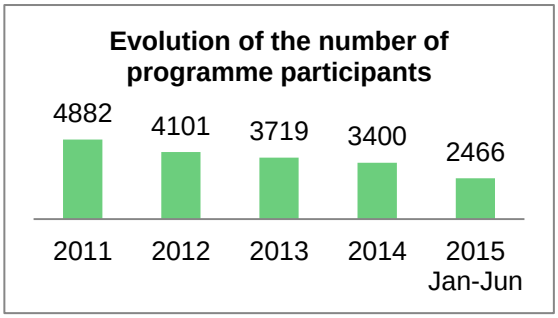
[2] The table compares committed amounts for the last four years, since the actual expenses are not finalised for years 2013 and 2014.

movement of excise goods under excise duty suspension and the study on the provision of scientific-technical support in the area of the denaturing of alcohol.

4.3 Participants

If we compare the total number of participants in 2014 with the numbers from previous years, in Figure 6, we can see that there is a general trend of decreased levels of participants, with a similar annual decline (8.5%) in the last two years of activities (2012-2014).

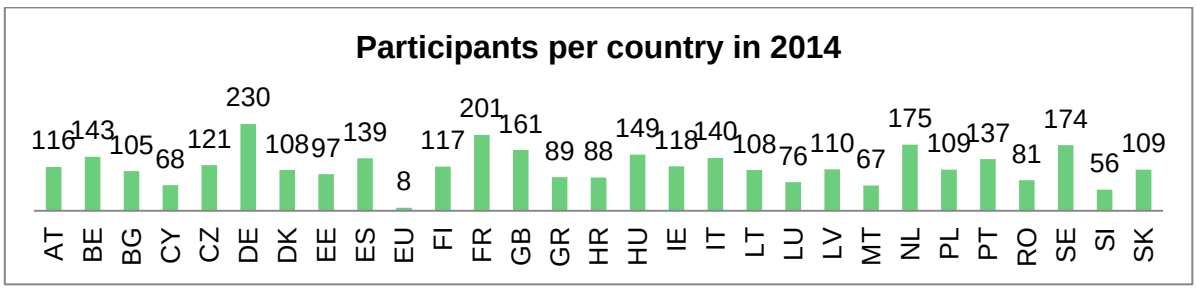
Figure 6: Number of participants[3] in Joint Actions per year under the Fiscalis 2013 and Fiscalis 2020 programmes



An additional explanation for the decrease in 2014 can probably be found in the transitional period between the two generations of programmes that took place in 2014. This transition included one month of complete inactivity followed by a slow start of new Joint Actions under the new programme. The biggest decrease was in the number of participants to working visits (by 70%), which could be attributed to the period of adaptation to the new rules for the initiation of working visits introduced under the Fiscalis 2020 programme. The number of proposals for working visits (and the participants to these activities) increased toward the end of the year.

There are also other more general trends that could be influencing the number of participants, such as a decreased business need for meetings and events, a greater use of online collaboration tools (thus reducing the need for physical meetings or replacing them with audio or online meetings), as well as a decrease in staff levels in some national administrations. The preliminary data for the first six months of 2015 shows that the levels in 2015 could potentially reduce or even reverse the trend of decreased participants levels. It will be important to monitor in the next years the numbers of participants and the causes of this trend in order to assess if any measures need to be taken in this regard.

Figure 7: Overview of participants per country in 2014[4]



[3] This is the number of total participants (which measures all instances of participation in activities and allows for the same people to have taken part in multiple activities).

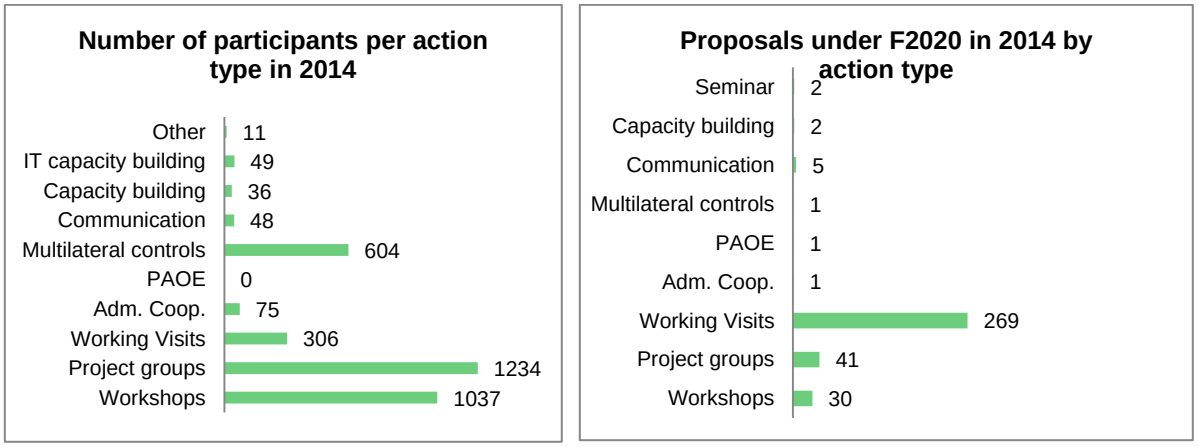
[4] The participants marked as EU represent external experts who come outside national administrations and who may be invited to contribute to selected activities organised under the programme wherever this is essential for the achievement of the programme objectives.

If we look at the distribution of participants by country, we can see that all the countries are utilizing the programme, but that there are countries that, considering the size of their administrations, do so to a greater extent than others. This is in line with the voluntary nature of participation in the programme activities, where the number of participants from a given country depends partly on the level of interest and activity shown by the country's administration in utilizing the potential of the programme. This is especially true in the case of working visits, which the participating countries initiate and organise autonomously.

4.4 Proposals

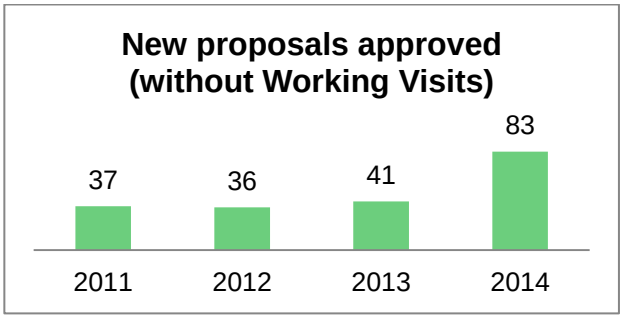
If we look at the level of proposals, we can see from the two figures below that the most popular action type remain working visits, followed by project groups placed second and workshops as distant third. Other action types are used to a much lesser extent. However, one should also stress that the number of proposals does not correspond one-on-one with the number of organised activities. A good example are the Multilateral Controls, while they constitute only one proposal under the programme, they have led to many activities organised during the year. The situation with regards to the number of participants is somewhat reversed with the project groups being the largest activity type in terms of participation, followed by workshops and Multilateral Controls.

Figure 8 Number of participants per action type in 2014 and the number of proposals under Fiscalis 2020 in 2014



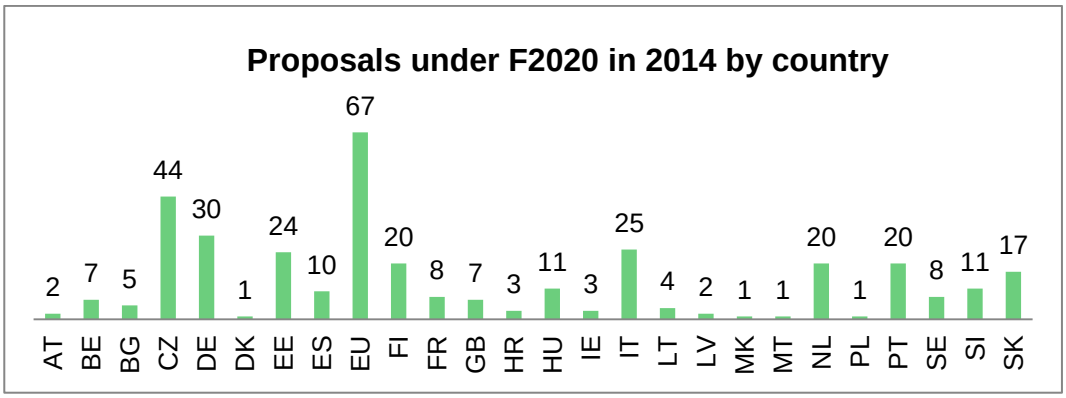
If we look at the evolution of proposals over time (Figure 9), we can see that their number was steady in the period 2011-2013. 2014 as the year of transition to the new programme meant that all proposals for ongoing activities had to be re-launched, which led to the great increase in the number of proposals treated in the year. The change in rules surrounding working visits also had an impact on the total number of proposals. Whilst in the period before 2014 all the working visits were covered by a single proposal, under the Fiscalis 2020 programme each business case for a working visit is treated as a separate proposal.

Figure 9: Number of new proposals approved under the programme (without Working Visits)



At the level of the teams, as expected, most of the proposals for activities were initiated by DG TAXUD units (marked EU in the Figure 10). The national programme teams mostly submitted proposals for working visits, and here too we can observe in Figure 10 the difference among the administrations in the level to which they pro-actively utilise the programme.

Figure 10: Overview of successful proposals under the programme per initiating country in 2014



5. PROGRESS IN RELATION TO THE OPERATIONAL OBJECTIVES

5.1 Table of indicators

The Performance Measurement Framework contains a list of output and result indicators measuring the performance across the programme, broken down according to the five operational objectives under the programme.

The purpose of these indicators, visible in the Figure 12, is to give a meaningful overview of the state of the performance of programme activities under these operational objectives in the period covered by the Progress Report.

The indicators for each objective, with some additional information provided, are discussed in separate chapters that follow.

Figure 11: How to read the indicators table?

How to read the indicators table?

Programme Objective: mention of the relevant operational objective out of the five operational objectives of the Fiscalis 2020 programme; in some cases in the beginning of the table there is not one relevant operational objective as the indicator has a cross-cut programme wide relevance.

Indicators title: a title given to a group of related indicators for easier reference and understanding

(Sub) indicators: a description of each individual indicator, often with some additional information on its measurement.

Type: describes whether it is an output (O) or a result (R) indicator

Source: describes where the data is coming from: PMF surveys, ART (programme management tool and database) or business units of the European Commission.

Baseline: where available, the starting measurement against which a progress can be measured. In the case of data collected with the PMF surveys, this year's data will serve as the baseline for future progress reports. For other data, whenever it was possible or meaningful, the last measurements were used. N/A or 'not available' is mentioned wherever the baseline does not yet exist and 2014 measurement will serve this purpose for the future.

Target: an ambitious, but achievable goal set for the programmes. Whenever an indicator refers to a project with an already established target (for example, in the area of IT), this target was used. Where no prior historical records are available, a stable value or growth was set as the target for this and next year. After this period, once comparative data for these indicators becomes available, it might be possible to set numerical targets.

Reference period: period covered by the indicator. Not to be confused with the timing of the collection of the data, which can often fall outside this period.

2014 value: measurement obtained in the reference period in 2014

Direction: a simplified system of symbols used to show whether the observed direction is in line with the expectations, needs additional monitoring or urgent follow-up. Where there was no baseline with which 2014 data could be compared, this column was left empty.

Figure 12: Fiscalis 2020 indicators at output (O) and result (R) level

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
No particular operational objective relevant but programme-wide, across all operational objectives relevant	Collaboration robustness	Extent to which the target audience is aware of the programme	R	Prog Poll	2014-2015	F2013 Programme Poll (2011) 66.1%	75%	53.89%	☹
		Degree of networking generated by programme activities Q 1: Did the activity provide you a good opportunity to expand your network of and contacts with officials abroad? (percentage agreeing) Q 2: Have you been in contact for work purposes with the officials you met during this activity since the activity ended? (percentage agreeing)	R	Prog Poll	2014-2015	Prog Poll F2013 Q 1: 79% Q 2: 75%	Q1: 80% Q2: 90%	Q1: 91% Q2: 78.5%	☺
			R	EAF	Apr – Dec 2014			Q1: 95.15% Q2: 68%	☺
		Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations Q 1 (AFF): Were the outputs of the action shared in national administrations? (percentage agreeing) Q 2 (EAF): Further to your participation in this activity, did you share with colleagues what you learned? (percentage agreeing)	R	AFF	Apr – Dec 2014	Q1: N/A	Q1: N/A	Q1: 48%	
			R	EAF		Q2: 96% (Prog Poll F2013)	Q2: 90%	Q2: 96.4%	☺
		Extent to which JAs (that sought to enhance collaboration between participating countries, their administrations and officials in the field of taxation) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	Apr – Dec 2014	N/A	Grow or stable	2.65	
			R	AFF Work Visits	Apr-Dec 2014	N/A	Grow or stable	3.62	
<u>Operational objective</u>: To enhance the	The Union Law and Policy Application and	Extent to which JAs (that sought to enhance the understanding and implementation of Union law in the field of taxation) have achieved their intended result(s), as reported by action managers: average	R	AFF	Apr – Dec 2014	N/A	Grow or stable	2.66	

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
understanding and implementation of Union law in the field of taxation	Implementation	score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF Work Visits	Apr – Dec 2014	N/A	Grow or stable	3.53	
		Participants' views on the extent to which a JA (that sought to enhance the understanding and implementation of Union law in the field of taxation) (has) achieved its intended results (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr – Dec 2014	N/A	Grow	93.47%	
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr – Dec 2014	N/A	80%	94.5%	
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	Apr – Dec 2014	N/A	80%	100%	
		Number of actions (JAs) that have supported or facilitated to enhance the understanding and implementation of Union law in the field of taxation	O	ART	Apr-Dec 2014	N/A	Stable or grow	46	
		Number of recommendations (R) / guidelines (G) / other outputs (O) issued further to a JA (under this objective)	O	AFF	Apr-Dec 2014	N/A	Grow	0 (R) 0 (G) 15 (O)	
			O	AFF Work Visits	Apr-Dec 2014	N/A	Grow	1 (R) 0 (G) 8 (O)	
<u>Operational objective</u>: To implement, improve, operate and support the European Information	Availability, reliability and/or quality of (specific) Union components of EIS and the CCN	Availability of CCN overall (%)	R	EC	2014	99.94%	98%	99.89%	☺
		Availability of (specific) Union components of EIS during business hours and otherwise (%)	R	EC	2014	N/A	VIES-on-the-Web 95% EMCS 97%	VIES-on-the-Web: 99.92% EMCS: 99.12%	

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
Systems for taxation	System performance	Activity indicators	R	EC	2014	2014 (2013 values were 30% lower)	Grow or stable	Over 2.7 billion messages. 4.3 Terabytes of application data	☺
	Stakeholders' assessment of JAs / events	Extent to which JAs (that sought to contribute to the availability, reliability and/or quality of (specific) Union components of EIS) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	Apr-Dec 2014	N/A	Grow or stable	2.54	
			R	AFF Work Visits	Apr – Dec 2014	N/A	Grow or stable	3.66	
		Participants' views on the extent to which a JA (that sought to contribute to the availability, reliability and/or quality of (specific) Union components of EIS) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr-Dec 2014	N/A	Grow	91.21%	
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr-Dec 2014	N/A	80%	92.56%	
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	Apr-Dec 2014	N/A	80%	97.3%	
	New (components of) IT systems indicators	Number of IT projects in phase research	O	EC	2014	N/A	N/A	Excise:6 Tax:9	
		Number of IT projects in the phase development	O	EC	2014	N/A	N/A	Excise:3 Tax:6	
		Number of new IT systems in operations	O	EC	2014	N/A	N/A	Excise:1	

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
								Tax:2	
		Ratio of IT projects in status "green"		EC	2014	N/A	Grow or stable	91.6%	
	Existing IT systems indicator	Number of European Information Systems in operation, as per Annex 1 of the Fiscalis 2020 Regulation	O	EC	2014	N/A	Grow or stable	Excise:7 Tax:13	
		Number of modifications on IT systems in operation following: a) business requests b) corrections	O	EC	2014	N/A	N/A	A) Excise:31 Tax:3 B) Excise:116 Tax:56	
	Degree and quality of support provided to Member States	Number of occurrences where the service desk is not joinable	O	EC	2014	SLA provision	SLA provision	None	☺
		Percentage of service calls answered on time	O	EC	2014	SLA provision	SLA provision	98.95%	☺
<u>Operational objective</u>: To support the improvement of administrative procedures and the sharing of good administrative	Stakeholders' assessment of JAs / events	Extent to which JAs (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) have achieved their result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	Apr-Dec 2014	N/A	Grow or stable	2.36	
			R	AFF Work Visits	Apr-Dec 2014	N/A	Grow or stable	3.50	
		Participants' views on the extent to which a JA (that sought to extend working practices and/or administrative	R	EAF	Apr-Dec 2014	N/A	Grow	95.26%	

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
practices		procedures/guidelines in a given area to other participating countries) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')							
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr-Dec 2014	N/A	80%	93.15%	
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	Apr-Dec 2014	N/A	80%	96.8%	
		Number of guidelines and recommendations issued by participating countries in their national administrations following programme activities (under this objective)	R	EAF	Apr-Dec 2014	N/A	Grow	63 (G) 134(R)	
	Best Practices and Guidelines Index	Percentage of participants that made use of a working practice/administrative procedure/guideline developed/shared with the support of the programme (under this objective)	R	EAF	Apr-Dec 2014	N/A	Grow	53%	
		Percentage of participants that disseminated a working practice/administrative procedure/guideline developed/shared with the support of the programme in their national administration (under this objective)	R	EAF	Apr-Dec 2014	N/A	Grow	96.70%	
		Percentage of participants which declare that an administrative procedure/working practice/guideline developed/shared under the programme led to a change in their national administration's working practices (under this objective)	R	EAF	Apr-Dec 2014	N/A	Grow	76.31%	
		Number of actions under the programme organised in this area	O	ART	Apr-Dec 2014	N/A	Stable or grow	105	
		Number of working practices/administrative procedures (AP) developed/shared (under this objective)	O	AFF	Apr-Dec 2014	N/A	Stable or grow	17 (AP)	
			O	AFF Work Visits	Apr-Dec 2014	N/A	Grow or stable	18 (AP)	

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
	Indicators on the simplified procedures for the national administrations and economic operators:	Time required to close EMCS movements	R	EC	2014	8.5 (2013)	Less	7.9 days	☺
		Number of registered economic operators in the Mini-One-Stop-Shop	R	EC	N/A	N/A	N/A	In operation as of Jan 2015	
		Number of VAT refund messages	R	EC	2014	8,312,606(2013)	Grow	8,996,154	☺
		Number of consultations on VIES-on-the-web	R	EC	2014	570,598,165 (2013)	Grow	740,675,627	☺
		Number of consultations on SEED-on-Europa	R	EC	2014	10892467 (2013)	Stable	17985065	😐
		Number of consultations on TEDB	R	EC	2014	270,412 (2013)	Stable	223,305	😐
	Networking and cooperation	Number of face to face meetings (total for the Fiscalis 2020 programme)	O	ART	Apr-Dec 2014	N/A	Stable or grow	247	
		Number of on-line collaboration groups (PICS) (total for the platform)	O	EC	2014	(2013) 110	Grow	199	☺
	User engagement on PICS	Number of downloaded files from PICS (total for the platform)	O	EC	2014	(2013) 13564	Grow	73200	☺
		Number of uploaded files on PICS (total for the platform)	O	EC	2014	(2013) 3445	Grow	5521	☺
<u>Operational objective</u>: To reinforce skills and	The Learning index	Number of participating countries using current EU eLearning modules (combined number of all modules used in each country)	R	EC	2014	N/A	Grow	60	
		Number of times publically available EU eLearning modules were downloaded from Europa.eu website (cumulative number)	R	EC	2014	22 284	Grow	25 893	☺

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
competencies of taxation officials		Average training quality score by tax officials	R	EC	2014	N/A	Grow	73	
		Number of tax officials trained in IT trainings	R	ART	Apr – Dec 2014	N/A	Stable or grow	106	
		Percentage of tax officials who found that the IT training met their expectations	R	EAF	Apr – Dec 2014	N/A	Grow or stable	87.32%	
		Percentage of tax officials who found the IT training to be useful	R	EAF	Apr – Dec 2014	N/A	Grow or stable	95.77%	
		Number of tax officials trained by using EU common training material	R	EC	2014	4 862 (2013)	Grow	4171	😐
		Number of IT training sessions organised for given systems / components (e.g. VAT refund, EMCS,VIES, MOSS)	O	ART	Apr – Dec 2014	N/A	Stable or grow	12	
		Number of EU eLearning modules produced	O	EC	2014	6 (2013)	Grow or stable	6	☺
<u>Operational objective</u>: To support administrative cooperation activities	Stakeholders' assessment of JAs / events	Extent to which JAs (that sought to enhance administrative cooperation) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	Apr – Dec 2014	N/A	Stable or grow	2.77	
			R	AFF Work Visits	Apr – Dec 2014	N/A	Grow or stable	3.60	
		Participants' views on the extent to which a JA (that sought to enhance administrative cooperation) (has) achieved its intended results (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr – Dec 2014	N/A	Stable or grow	87.6%	
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr – Dec 2014	N/A	80%	86.2%	
		Participants' views on the usefulness of an event (percentage of	R	EAF	Apr – Dec	N/A	80%	95.3%	

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
		those who replied 'very useful' or 'useful')			2014				
	Exchange of information	Number of e-forms exchanged (within each taxation area: recovery, VAT; direct taxes)	R	EC	2014	(2013) Recovery: 220005 Direct taxes: 4220	Grow or stable	Recovery: 138628 Direct taxes: 1681	☹
		Number of VIES messages	R	EC	2014	240,451,922 (2013)	Stable	214,250,290	☹
		Number of messages exchanged on EMCS	R	EC	2014	6428061 (2013)	Grow or stable	6886279	☺
		Number of EMCS control reports analysed by documentation or physical controls/findings	R	EC	2014	12442 (2013)	Grow or stable	15171	☺
	Cooperation on other means of administrative cooperation	Number of presences in administrative offices and participation in administrative enquiries	R	ART	Apr – Dec 2014	N/A	Grow or stable	0	
		Number of Member States participating in MLC's (F2020 data)	R	ART	Apr-Dec 2014	N/A	Grow	23 MS	
		Number of Member States initiating MLCs (F2020 data)	R	ART	Apr-Dec 2014	N/A	Grow	16 MS	
		Degree to which results were achieved, as assessed by the MLC coordinator	R	AFF	Apr-Dec 2014	N/A	Grow	2.78	
	EMCS business statistics	Administrative Cooperation Common Requests	R	EC	2014	5269 (2013)	Grow	5194	😐

Performance Measurement Framework – Fiscalis 2020									
Programme objective(s)	**Indicators title**	**(Sub-) indicators**	**Type**	**Source**	**Reference period**	**Baseline**	**Target**	**2014 value**	**Direction**
	indicators	History Results	R	EC	2014	1 (2013)	Decrease	2	😐
		Reminder Message for Administrative Cooperation	R	EC	2014	3229 (2013)	Decrease	3033	☺
	Cooperation via networks indicator	The degree to which CLOs assess that the programme contributed to administrative cooperation (percentage of them agreeing that the activity achieved its results)	R	EC	2014	N/A	Grow or stable	Direct taxation CLOs: 94.28% Indirect taxation CLOs: 87.8%	
N/A	Analysis	Number of studies produced (total for the program)	O	AFF	Apr – Dec 2014	N/A	Grow or stable	26	

5.2 Cross-cut indicators of collaboration robustness between programme stakeholders

The first section of the table of indicators contains a number of programme-wide indicators measuring awareness, networking, the use of outputs and the achievement of results by the Joint Actions.

Raising awareness about the programme and its potential among the target audience is an important precondition to fulfilling the programme's objectives. The awareness is measured through the Programme Poll, which is distributed in all the tax administrations of the participating countries every 18 months. The last Programme Poll took place between July and September 2015 and close to 4100 tax officials participated. Out of this number, slightly over a half (54%) were aware of the programme, which represents a drop from 66% who were aware of the programme during the previous poll in 2011. However, there were fewer participants in the programme activities in 2014 than in 2011 (a drop of nearly one third), and many of the 2014 participants had already been asked to fill out other surveys under the framework, which could have led to fewer of them participating in the current programme poll. Even though these factors could have played a part in the obtained results, the programme should nevertheless address this drop and take actions aimed at raising awareness among general tax audience. A better communication policy towards the national stakeholders and a better distribution of programme outputs could be potentially beneficial actions in this respect.

Networking is an important by-product of the participation in programme activities. Meeting fellow officials from other countries and maintaining professional contacts with them facilitates the exchange of best practices and administrative cooperation. Results of the Event Assessment Form survey suggests that while nearly all the participants (95%) found programme activities to represent a good opportunity to create such useful contacts abroad, a somewhat smaller percentage (68%) have maintained these contacts (the target is 85%). This analysis is improved once we compare the same measurement obtained by the Programme Poll (78%). This could be due to the greater time lapse that is captured in the programme poll as compared to the EAF survey (which is sent three months after the activity took place). However, it seems there is room for improvement in facilitating networking immediately after programme activities have taken place, for example by fostering better online collaboration as a means of staying in touch.

The use of the **programme outputs** (such as recommendations, guidelines, studies etc.) is rather high, but there is a noticeable difference in answers provided by action managers (48%) and participants (96%). This could be partly explained by action managers not always being informed of the sharing of outputs that takes place nationally. A more structured and transparent way of sharing would facilitate this process and increase the findability of programme outputs by non-participants.

The three topics discussed above all share similar challenges connected to awareness and sharing of information. DG TAXUD is preparing a programme communication strategy to be finalised in near future, the aim of which will be to improve communication on the programme and its activities to stakeholders. A knowledge management policy for the use of programme outputs is likewise planned to be created, which would open up the programme outputs to new users and should facilitate the sharing and findability of programme outputs.

Lastly, in this section we take a general look at the achievement of results as reported by the action managers of Joint Actions. The level of achievement of results in 2014 is evaluated on a scale from 0 (not achieved) to 4 (fully achieved) against the anticipated results at the end of the action. Since most project groups last for several years, it is to be expected that the level of achievement of results should be below maximum in this year. In the case of working visits, whose results usually take shorter time to be achieved, we can expect somewhat higher reported values. The obtained indicators for 2014 confirm this. The value of 2.65 for Joint Actions indicates that the action managers are rather satisfied with the progress obtained within their groups in 2014 and that their work is on track toward the planned final results. The participants to Joint Actions were equally asked to evaluate the achievement of planned results, and their replies confirm the situation

reported by the action managers. For Working Visits, the indicator is expectedly higher (3.62), indicating that these participants are highly satisfied with the business value obtained from the working visits.

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

There were 46 **Joint Actions** organised under this objective, mostly communication activities, project groups, workshops and working visits.

In the area of communication, these included the European Communication Network Group – a customs/tax network of communication officers from the Member States' administrations – and a number of separate communication activities organised in different Member States addressing the business sector participants with the aim to increase their knowledge on how to apply the new rules on the place of supply and the Mini One-Stop-Shop.
Among project groups, there were two project groups held in 2014 - on Partially Denatured Alcohol (PDA), and on risk awareness in the field of international trade and movements of excise goods. The project group on new fiscal markers for gasoil and kerosene was launched toward the end of the year, but started its work in 2015. The workshops included a workshop on the preparation of explanatory notes for VAT on immovable property and a workshop on the UK's experience in applying the Kittel judgement in the fight against Missing Trader Intra-Community Fraud. The 32 working Visits included many different countries and contributed to enhanced understanding and implementation of Union law across a broad range of tax areas.

The Union Law and Policy Application and Implementation Index provides a comprehensive overview of the performance of the Joint Actions organised under this objective. The main indicator relates to the level of achievement of expected results, as they were identified prior to the activity and later evaluated by their action managers. The obtained value of 2.66 indicates that the action managers are satisfied with the progress obtained within their groups in 2014. Such a positive evaluation is also confirmed by the participants to Joint Actions, who have also expressed very high levels of satisfaction with the activities in terms of 'meeting their expectations' and 'being useful'. The working visits organised under this objective have also been assessed very positively (3.53) by their participants. The output indicators included in this group relate to the number of recommendations, guidelines and other types of outputs produced by the Joint Actions organised under this objective. In 2014, we can see that these numbers are low, with only one recommendation issued as a follow up to a working visit and in total 23 other types of outputs produced (such as studies, reports and presentations). At a closer inspection of the data, we can observe two possible explanations for such a result: (1) the response rate for the Action Follow up Forms submitted by the action managers responsible for the Joint Actions organised under this objective is lower than in the case of other objectives (thus creating a smaller sample), and (2) the vast majority of the reported Joint Actions started their work toward the end of the year with the first substantive meetings held in 2015. It will be important to monitor the results for these indicators in 2015 to assess whether this was indeed an exceptional and temporary situation.

5.4 Objective 2: to implement, improve, operate and support the European Information Systems for taxation

The great majority of the programme funding is spent on the **European Information Systems**, which are of critical importance for interconnecting the tax authorities effectively. The list of the existing EIS is included in the Annex of the Fiscalis 2020 Regulation.

The first indicator in this section looks at CCN/CSI (common communication network/common systems interface), which offers all national administrations a coherent, robust and secure method of access to the EIS. The CCN target says the network should be available 98% of the time. We can observe that while the target was reached in 2014, there was a slight deterioration in the network

availability compared to the previous year. This was due to the relocation of the CCN equipment to DG TAXUD's new Data Centres in September and October of 2014.
The availability of the specific Union components of the EIS, namely the taxation's main operation application VIES-on-the-Web and the excise's main operation application EMCS, also surpassed its target and maintained its performance as compared to the previous year (2013).

The general system activity indicator tells us more on the overall use of the network. Over 2.7 billion messages or 4.3 Terabytes of application data were exchanged via the network in 2014, which represents an increase of 30% over 2013. The projected usage of CCN until 2020 estimates a continuing increase of the messages being exchanged. The increases are mostly expected to be caused by more intensive usage of the current taxation systems, as the introduction of new systems has far less impact. The VIES and VIES-on-the-Web systems are expected to continue making by far the largest contribution in terms of number of messages.

For the existing EIS applications, mentioned in the Annex of the Fiscalis 2020 Regulation, we can see that 20 of them (7 for excise and 13 for taxation) were up and running in 2014. Regular check-ups and updates were performed on them throughout the year, with 34 business evolutive changes and 172 corrective changes taking place. We can also observe that the service desk was performing well and in line with the Service Level Agreements with nearly all the calls (98.85%) answered on time.

DG TAXUD's IT Work Plan lists a number of IT projects linked to new developments in several tax areas. At the level of the output indicators, we can see that three new IT systems were rolled out in 2014. In the area of excise this was the **Excise Movement and Control System – Converter**. EMCS Converter is a distributed application which is intended to be used together with National Excise Application (NEA) for Phase 3 and Phase 3.1 EMCS messages. In the area of taxation, two systems were rolled out. The first one was **Taxation Related Statistics System** (TSS), which is a centralized system for producing statistics on exchanges performed between Member States in the domain of taxation. In 2014 the system was up and running, but the reports produced were not accurate due to the wrong processing of some data. Corrections are in the process of being implemented. The second system introduced was the **Mini One Stop Shop** (MOSS). MOSS project consists in setting up an electronic system allowing the taxable persons established or not in the EU and supplying telecommunications, broadcasting or electronic services to non-taxable persons to fulfil their VAT obligations in a single place of compliance. MOSS became operational on 1 January 2015.

Another 9 new IT projects entered the development phase and 15 entered the research phase in 2014. These projects cover a wide range of areas: eForms, Social Network Analysis, Automatic Exchange of Information, Tax Identification Number, interconnectivity with third countries, TEDB, SEED and EMCS related projects. 22 out these 24 IT projects were in the status 'green', meaning they were progressing in line with the requirements, time and budget limitations. Two were delayed: EUROFISC – iCrypt EU, with a delay of few months due to security issues that required additional fixing and eForms Central Application where the delay was due to the unavailability of Commission staff resources.

At the level of **Joint Actions** that were organised in relation to the EIS, these were mostly project groups and working visits. The project groups included CCN2 Collaboration group, IT Collaboration Catalyst Group, IT Technology and Infrastructure group, and the project group on Security Policy for VAT systems. The stakeholders' assessment of these actions was positive and similar to the overall assessment provided under the programme.

5.5 Objective 3: to support the improvement of administrative procedures and the sharing of good administrative practices

The improvement of administrative procedures and the sharing of good administrative practices take place at several levels in the programme. It is done through Joint Actions, European Information Systems and the online collaboration platform PICS.

At the level of **Joint Actions**, it is one of the most often used objectives under the programme with 105 JAs for which this was their primary objective and 97 JAs for which this was their secondary objective. All face-to-face meetings organized under the programme can also be seen as contributing to the sharing of best practices. We can observe that there were 247 face-to-face meetings organized under the Fiscalis 2020 programme in 2014. If we add the meetings organized in the first three months of the year under the Fiscalis 2013 programme, the number of meetings is 325, which was roughly the same number as in the previous year, when 323 such meetings were organized, and a noticeable decrease compared to 2012 when 383 meetings took place.

At the level of the Joint Actions organised under this objective, there were 35 best working practices and administrative procedures developed and shared on the European level (as reported by action managers and working visit participants). The participants to these Joint Actions reported that their national administrations have issued guidelines (63) and recommendations (134) further to programme activities. While these numbers can already indicate that the activities served the purpose of producing outputs in this area, it will take additional years of measurement to place these numbers in an appropriate perspective.

We can be satisfied with the dissemination of programme outputs by the participants, which is high, with over 96% of the participants declaring to have distributed programme outputs nationally. The effect of these outputs nationally is also significant, with 76% of the participants declaring that the programme outputs led to a change in their national administrations' working practices. However, the number of participants who have personally made use of them is only slightly above 50%. This can be partly explained by the fact that not all of the programme outputs are meant to be directly used by the programme participants (but rather by others in the national administrations). However, this measurement could also be an indication of a need for better knowledge management of programme outputs and the need to increase their findability and usability nationally.

A number of key **European Information Systems** are used by economic operators for simplified administrative procedures. The obtained indicators suggest that these systems are being used and that the programme has simplified procedures for more economic operators than previously.

- There was a noticeable reduction in the average time required to close **EMCS movements** (from the movement initiation messages to their corresponding Report of Receipt). The system contributed to the improvement of administrative procedures by reducing this average time from 8.5 days in 2013 to 7.9 days in 2014.

- The **VIES-on-the Web** is an internet tool offered by DG TAXUD to enhance access by taxable persons making intra-Community supplies to verification of their customers' VAT identification numbers. The consultation of VIES-on-the-Web has been growing consistently for many years. This big increase has been realised thanks to the continuous update of VIES-on-the-Web application, which increases the system's robustness. Evidence shows that the system is increasingly used for real-time validations for e-commerce transactions.

- The **VAT Refund** system has experienced a small increase, with close to 9 million messages exchanged annually, while the total size of VAT refund operations remained stable at around 400GB.

- In 2014, there was a significant increase in the consultations of the System for Exchange of Excise Data - **SEED-on-Europa** (65% between 2013 and 2014). Due to the fact that this was an unexpectedly sharp increase, the Commission checked the IP addresses performing

hits on SEED-on-Europa web page. The top users were identified and contact was taken with them to address any incorrect use of the system.

- The **Taxes in Europe database** (TEDB) is the European Commission's on-line information tool covering the main taxes in force in the EU Member States. Over the years, there has been a steady decrease in the number of page views (2012: 313 000, 2013: 270 000, 2014: 220 000). However, it is difficult to find a clear explanation for this trend. DG TAXUD is at the moment upgrading the system and the new TEDBv3 release should become available in spring 2016. It will offer much more possibilities for exploitation of the information in the database for both TAXUD and the internet users.
- The **Mini One Stop Shop** (MOSS) system became operational on 1 January 2015, meaning that the indicators on the use of this system will be gathered during 2015 and included in the next Progress Report.

In the area of **online collaboration**, we are looking at the use of the Programme Information and Collaboration Space - PICS. This platform is used by many DG TAXUD and national tax officials to facilitate the running of Joint Actions, but also for other, non-programme related collaboration needs. We can see that the total number of online collaboration groups (both tax and customs) on the platform has increased significantly during 2014, from 110 to 199. Similarly, the number of active users has increased from 1400 in 2013 to roughly 2400 by the end of 2014. Not all users and groups have classified themselves, but from those that have, we know that the ratio between customs and tax users on the platform is roughly evenly split. The new statistical module and the new taxonomy introduced in 2015 will allow for richer and more precise data to be available in the future Progress Reports. Besides online groups where discussions and content sharing takes place, PICS is also used for file sharing. Here we can observe an important increase in the number of uploaded files (60%) and especially in the number of downloaded files (5-fold increase), testifying to a significant rise in the use of PICS for file sharing purposes.

In order to meet the increased need for and user expectations of online collaboration, DG TAXUD started to implement in 2015 a number of evolutive changes on the platform with the aim to introduce new functionalities and increase user-friendliness. PICS is expected to become a simpler and more efficient tool for users due to technical improvements, but also due to increased user support and training. This should translate into greater use of the tool's potential and positive impact on efficiency and policy implementation. A more advanced common sharing space will provide better opportunities for knowledge management and sharing between isolated activities.

5.6 Objective 4: to reinforce skills and competencies of taxation officials

Under this objective, we are measuring indicators related to the use of the different types of training activities provided under the programme: the e-Learning courses and the IT trainings for European taxation IT systems. There are also other types of activities with a learning dimension organised under the programme, such as seminars and working visits. However, they are assessed in relation to their primary business objective and reported on in other chapters.

The Fiscalis 2020 programme finances the development of **eLearning courses** on topics of common interest in collaboration with tax administrations and representatives of trade. Such courses support the implementation of EU legislation and ensure the dissemination of good taxation practices throughout the European Union. During 2014, there were no new courses released, meaning that their number remained stable at 6. These courses are incorporated into national training programmes by the participating countries according to their need. In 2014, the combined number of various eLearning courses used by the participating countries was 60. This indicator is obtained by adding together the number of courses used in each country. The most popular eLearning courses were the VAT Directive version 2.1 (used by 17 countries), VAT Fraud (used by 16 countries) and VAT Refund (used by 13 countries).These courses have also been the highest ranked courses in terms of national administrations' satisfaction and the most localized courses in various European languages. In 2014, 4171 tax officials were trained within their national administrations using the eLearning courses developed under the Fiscalis 2020 programme.

The tax officials were asked to report back on the quality of the training courses using the internationally recognised Kirkpatrick training scale[5]. The trainees were requested to score, on a scale of 100 points, the relevance of the courses, the achievement of their learning objectives, the learning retention and the 'user-friendliness' of the course. We can see that the average score indicates a rather high level of satisfaction by tax officials (73 points).

In 2014, there were also 12 **IT training sessions** organised by DG TAXUD for national tax officers on how to use various European tax and excise IT Systems, such as: CCN CSI, AEOI, ARIS and EMCS. In total, 106 national tax officers were trained in these sessions, which received very positive feedback form the participants in terms of their usefulness and meeting the participants' expectations.

5.7 Objective 5: to support administrative cooperation activities

Under this objective, we look at the different activities that supported administrative cooperation between national tax authorities. Administrative cooperation is of vital importance as no single Member State can manage its internal taxation system without receiving information from other Member States. Administrative cooperation is facilitated by both Joint Actions and European Information Systems.

In total, there were 166 **Joint Actions** organised under this objective. The assessment of action managers indicates a slightly higher level of achievement of results (2.77) of these joint actions when compared to the same programme-wide indicator (2.65), while the participants' feedback on the 'achievement of results' is slightly below average for the programme. However, the participants' feedback on the usefulness of the events remains high (95%).

The most numerous Joint Actions were the **Multilateral Controls**. Multilateral control means a co-ordinated control of the tax liability of one or more related taxable persons, organised by two or more participating countries, which include at least one Member State and which have common or complementary interests. The Fiscalis 2020 programme supports the MLCs by providing an organisational, methodological and financial framework for their implementation.

In 2014, 23 Member States participated in such Multilateral Controls, while 5 did not (Bulgaria, Croatia, Ireland, Malta and Romania). At the same time, 16 Member States initiated MLCs, in varying numbers (see figure 13).

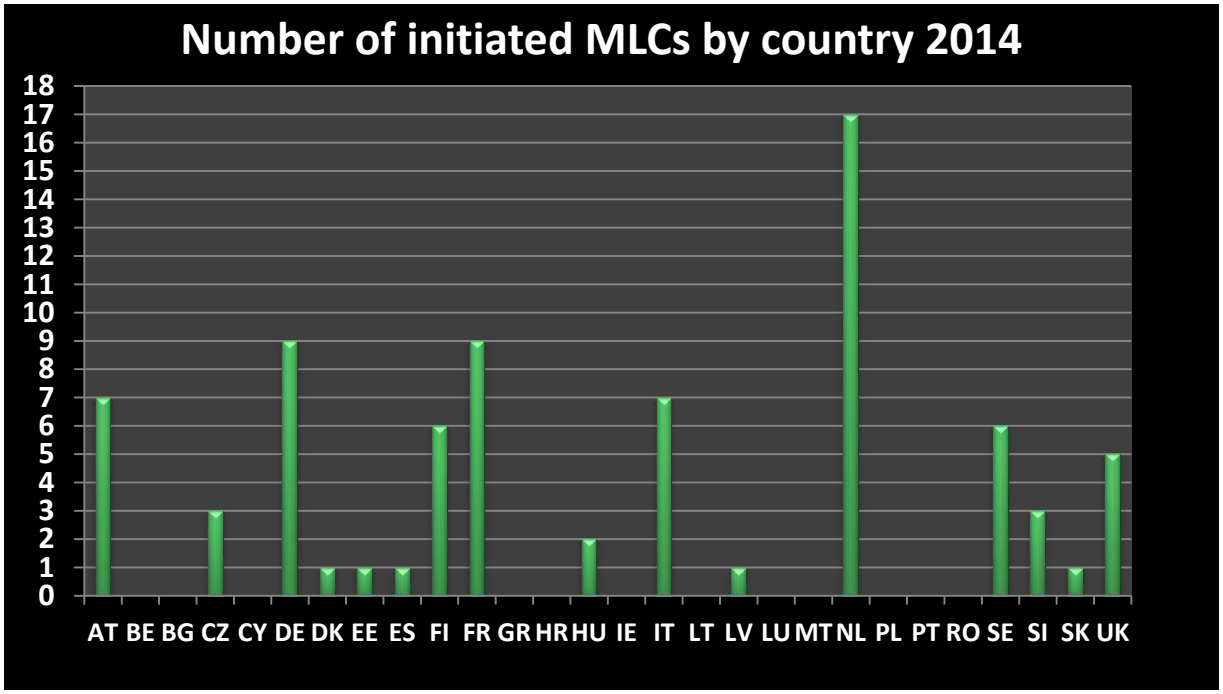


Figure 13: Number of initiated Multilateral Controls in 2014 by country

[5] http://www.wa.gov/esd/training/toolbox/tg_kirkpatrick.htm

The 2014 figures will serve as a baseline for measuring future trends in the numbers of participating Member States and those initiating MLCs. The action managers of the Multilateral Controls that took place in 2014 have expressed an overall positive evaluation regarding the level of achievement of results (2.78), which is higher than the equivalent programme-wide indicator (2.65).

As opposed to Multilateral Controls, which were included in the previous generation of the programme, the Fiscalis 2020 programme introduces a new category of Joint Actions aimed at supporting administrative cooperation. This new category of Joint Actions refers to the **presences in administrative offices and participation in administrative enquiries**. In practice this means that the tax inspectors from one Member state can be present in another Member State in administrative offices and participate in administrative enquiries. This can be extremely useful, in particular where there are indications of irregularities or large-scale cross-border fraud in one or more Member States; in cases whose complexity makes the presence of officials desirable; or in cases for which the prescription period is due to expire and where the presence of officials can speed up the enquiry. There were no such actions launched in 2014, but the new tool started to be used in 2015 and will be included in future Progress Reports. The Commission published in December 2014 the Management Guide for Administrative Cooperation Actions – Presences in the Offices and Participation in Administrative Enquiries. The guide contains detailed information regarding the definition of these activities, their coordination and organisation, as well as monitoring and reporting arrangements.

An important role in administrative cooperation and mutual assistance between tax authorities is played by the national **Central Liaison Offices** (CLOs). The Fiscalis 2020 programme supports meetings and workshops of Heads of CLOs in the fields of direct and indirect taxation. The Heads of CLOs working in the field of direct taxation have given a very positive feedback on their workshops set up under the programme. 94.28% of them found that the activity achieved its results, 91.4%, that it met their expectations, and virtually all of them (100%) found it to be useful or very useful professionally. A similar, very positive feedback was given by the Heads of CLOs working in the field of indirect taxation. 87.8% of them felt the activity achieved its results and met their expectations, while 97.5% found it useful or very useful.

The qualitative feedback provided by the Heads of CLOs was positive regarding the contribution of the programme to their work: "It allowed me to have a privileged focus about issues concerning the mutual administrative cooperation under the directive 2011/16/UE and to take advantage of its tools and procedures", "For Heads of CLOs it is crucial to have the chance to meet and to discuss the common topics more freely than in CACTs", "The outcomes of the Fiscalis workshop are useful for the optimization of the daily work and for setting new targets that should be achieved."

They also offered some suggestions for improvement: "To have a combined Heads of CLO Direct Taxation/VAT and to have more cooperation on the Commission level for both taxes (for example for the MLCs)", "It would be useful if at least one of the three participants for each member state is working with the relevant topics at a local/regional and therefore more practical level. In this case he/she may give immediate input as to whether certain recommendations are feasible/not." These suggestions should be taken into consideration for the organization of future CLOs activities under the programme. Some of them have already been implemented in 2015 and will be included in the next Progress Report.

Another important way of enhancing the administrative cooperation between tax authorities is through the **Excise Movement and Control System (EMCS**) - a computerised system for monitoring the movement of excise goods under duty suspension in the EU. It records, in real-time, the movement of alcohol, tobacco and energy products for which excise duties have still to be paid. More than 80 000 economic operators currently use the system, and it is a crucial tool for information exchange and cooperation between Member States. At the level of indicators, we can see that the number of messages exchanged on EMCS grew in the last year (7%), while the amount of EMCS control reports analysed by documentation or physical controls/findings grew by an even larger margin (22%). Administrative Cooperation Common Requests have largely remained unchanged in 2014**.** These requests are used to request information about movements and / or individual traders, as well as access archived messages held in another Member State. The History Results indicator measures the number of times when the information requested was not found, and this indicator too has remained largely stable in 2014. Finally, there has been a slight decrease (6%) in the number of Reminder Messages for Administrative Cooperation. This shows a positive trend that requests are being dealt with in an increasingly timely manner.

6. PROGRESS IN RELATION TO THE ANNUAL WORK PROGRAMME

6.1 Introduction

The Annual Work Programme (AWP) is a strategic and budgetary frame for the setting up of individual actions to be financed by the Fiscalis 2020 programme. The Fiscalis 2020 Committee provides its formal opinion on the AWP before its adoption by the Commission.

The core part of the AWP consists of several projects, which are grouped in function of the Fiscalis 2020 programme's specific objective area to which they will mainly contribute. All activities under the programme are organised to support the achievement of the objectives of these projects. The list of AWP projects is drawn up by DG TAXUD and the participating countries by taking into consideration the EU's policy priorities in the area of taxation.

The 2014 AWP consisted of 28 projects. In the chapter below, we have included one case study for each relevant part of the specific objective of the programme, or 5 AWP projects in total, with additional information on their work and achievement during 2014. This information was provided by the action managers who organised some of the activities under those projects.

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

Specific objective:
Support the fight against tax fraud, tax evasion and aggressive tax planning
Title of the AWP Project:
The fight against tax fraud
Description of the project:
New tools to fight more efficiently against fraud, such as the Eurofisc, have been set-up at Union level. Increasing the efficiency of these tools aims to reduce tax revenue losses for tax administrations. The use of the tools should be evaluated and enhanced by sharing best practices, exchanging quickly targeted information on fraudulent transactions and traders and acting efficiently upon warnings received from other Member States to improve the fight against tax fraud.
Actions organised under the programme in 2014:
Project groups: ➢ Eurofisc group (FPG/006) ➢ Eurofisc group_working field 1_MTIC fraud (FPG/015) ➢ Eurofisc group_working field 2_cars_boats_planes (FPG/014) ➢ Eurofisc group_working field 3_Customs Procedures and VAT fraud in the IC-trade (FPG/016) ➢ Eurofisc group_working field 4_Observatory (FPG/017) ➢ Tax Gap_project group (FPG/041) ➢ VAT Fraud – eLearning course for tax officers – UPDATE (FPG/027) ➢ Project Group_VAT Fraud - training & sharing (FPG/012) Workshops: ➢ Social Network Analysis (SNA) Carousel for Europe (FWS/001) ➢ WS_Sharing Best Practice in the fight against VAT fraud (FWS/006) ➢ Workshop_BE_IT-Forensic (FWS/018) ➢ WS_Online Cash Registers_IOTA_DG TAXUD (FWS/020) ➢ WS_GB_Social Network Analysis meeting (FWS/022)

Working visits:

- Working visit on fight against illegal movements of excise goods to United Kingdom by three Swedish officials (FWV/005)
- Working visit on investigation in the field of fight against VAT fraud to Romania by two German investigation officials (FWV/006)
- Working visit on tax avoidance in the field of VATto Sweden by a Slovakian tax auditor (FWV/012)
- Working visits on improving excise duties' antifraud measures and controls to four different countries, Hungary, Germany, Portugal and Romania, by four Italian experts (FWV/023)
- Working visit on audits of marked gas oils to Ireland by a Portuguese auditor (FWV/027)
- Working visit on simplification of the Italian tax stamps to Estonia by an Italian senior excise official (FWV/035)
- Working visit on new trends in tax fraud to Italy by a Slovenian senior tax auditor (FWV/039)
- Working visit on fight against intra-EU VAT frauds with focus on VIES information to Spain by an Italian tax official (FWV/048)
- Working visits
- Working visit on fight against intra-EU VAT fraud with emphasis on SCAC forms application (FWV/049)
- Working visit on fight against tax fraud, tax evasion and aggressive tax planning to United Kingdom by Italian tax official (FWV/056)
- Working visits on fight against frauds with mineral oils to Italy by two Czech excise liaison officers (FWV/067)
- Working visit on improving circuits of communication and access to information for tax fraud investigation purposes to Sweden by a Portuguese tax investigator (FWV/074)
- Working visit on fight against alcohol adulteration to Slovenia by a Czech excise liaison officer (FWV/076)
- Working visit on fighting VAT tax frauds to Austria by a Czech tax auditor (FWV/078)
- Working visit on false identities to France by a Swedish tax official (FWV/091)
- Working visit on fight against tax fraud, especially missing traders schemes to Austria by an Italian tax auditor (FWV/094)
- Working visit on fight against fuel counterfeiting to Italy by a Czech excise liaison officer (FWV/108)
- Working visit on fighting tax fraud to Italy by a Czech tax auditor (FWV/111)
- Working visit on combatting tax fraud to Portugal by a Czech tax official (FWV/115)
- Working visit on detection of VAT fraud cases among newly starting entrepreneurs to Finland by a Dutch tax official (FWV/125)
- Working visit on clamping down on tax frauds with income tax to Portugal by a Czech tax official (FWV/128)
- Working visits on fighting VAT frauds: detection and investigation checks, methods and tools to Lithuania, Austria and Czech Republic by three Italian tax officials (FWV/138)
- Working visit on implementation of EUROFISC practices to Spain by a German executive official (FWV/140)
- Working visit on tax treatment of Polish residents working in the Netherlands to Poland by two Dutch auditors (FWV/149)
- Working visit on preventing VAT frauds in pre-and after registration of companies for VAT purposes to Bulgaria by three Estonian tax auditors (FWV/154)
- Working visit on fight against fraud in real estate sector to Poland by a Dutch tax official (FWV/158)
- Working visit on complex tax audits to Poland by a Dutch auditor (FWV/159)
- Working visits on regulating used vehicles market to Italy and the Netherlands by two Estonian tax officials (FWV/161)
- Working visit on cash registers to Belgium by a Finnish tax official (FWV/184)
- Working visit on tax authorities' powers in tax crime investigations and interaction with prosecution bodies to Sweden by a Bulgarian tax official (FWV/185)
- Working visit on fight against VAT fraud to Denmark by a Hungarian tax auditor (FWV/206)
- Working visit on electronic invoicing to Portugal by eight Hungarian policy officials (FWV/209)
- Working visit on VAT audits to Austria by an Estonian tax auditor (FWV/225)
- Working visits on tax audit to Sweden and Hungary by three Estonian tax auditors (FWV/230)
- Working visit on penal systems for tax fraud cases to Austria by an Estonian tax official (FWV/233)

- Working visits on controls in the gambling sector to France and Poland by two Estonian tax auditors (FWV/237)
- Working visit on fight against fraud dealing with missing trader and carousel fraud cases to Poland by a German tax official (FWV/246)
- Working visit on electronic cash register manipulation to Denmark by a German tax auditor (FWV/249)
- Working visit on start-up businesses with international structures to Estonia by a German tax official (FWV/252)
- Working visit dealing with practical arrangements of units for fighting tax fraud to Slovenia by a German tax investigator (FWV/266)

Expected results and their level of achievement:	
Activities are carried-out aiming to support increasing the knowledge and understanding of the tax authorities in this field;	Ongoing
Background information is developed to support possible recommendations for future legislation;	Ongoing
Activities are carried-out to raise the awareness of tax officials about the tools available;	Achieved
Evaluation of Eurofisc and consideration of a possible extension to new working fields, subject to relevant policy decisions;	Achieved
Eurofisc system is monitored to analyse whether improvements can be made especially by increasing the security of the system;	Achieved
eVAT fraud eLearning module is updated.	Postponed to 2015/16

Summary of main outcomes:

Eurofisc

Eurofisc delivered their annual report 2014 (discussed and approved in the Standing Committee for Administrative Cooperation-Expert Group (SCAC-EG) meeting). The report explains that the Eurofisc organised a number of events/meetings and that the network identified risky traders and transactions and tried to prevent new fraud trends causing major damages to national budgets. Eurofisc is constantly trying to improve its operation, for example through searching for new ways to discover fraudulent chains and improving the methods of risk analysis (transaction analysis and ranking tool). The possible extension to new working fields has been considered. Also, further technical improvements were initiated in 2014 and their monitoring is on-going.

On-line cash register

The Fiscalis IOTA-TAXUD workshop which took place in 2014 contributed to raising awareness of participating countries regarding available technical solutions regarding the on-line cash register system, the status of implementation, and challenges faced for both businesses and tax administrations. The participants have been informed about the benefits and warned about the limitations and risks of on line cash register. It also allowed the Commission to get a better knowledge of Member States' practices, and to express its opinion regarding the advantages and risks of such solutions.

Tax-gap project

The project aimed at pooling and exchanging information and experience on the calculation of tax gaps (including the EC VAT Gap). In recent years, there has been a growing need amongst Member States to produce tax gap estimations and hence to better understand the different methodologies of estimation. The group started its activities end of 2014 and will deliver its report early 2016. The findings should be used by the national tax administrations to improve their VAT policy and VAT administration.

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

Specific objective:	
Support the implementation of Union law in the field of taxation by securing exchange of information	
Title of the AWP Project:	
Taxation IT architecture and governance	
Description of the project:	
Currently, the tax European Information Systems (EIS) are all too often developed in isolation at national level. Closer collaboration across taxation domains and across Member States is expected to merge requirements and expertise and thereby significantly increase cost-effectiveness of tax EIS. It is necessary to define a governance structure to facilitate cross-domain and cross-Member State system development; to define and maintain the taxation IT architecture to deliver timely IT systems at minimal costs; to facilitate the IT collaboration initiative amongst willing Member States.	
Actions organised under the programme in 2014:	
Project groups: ➢ IT Collaboration Catalyst Group (FPG/037) ➢ IT Architecture Group (FPG/039) ➢ IT Valuation Group (FPG/040)	
Expected results and their level of achievement:	
First version of the EIS architecture is developed;	Ongoing, result expected to be fully achieved in 2015.
Processes are defined for EIS governance and costs/benefits methods;	Ongoing, result expected to be fully achieved in 2015.
Analysis of collaboration possibilities for Mini One Stop Shop national components is carried out;	Achieved
Activities are organised to support the common work on analysis and design of the European Information Systems based on participation and contributions from MS;	Achieved
Activities are organised to support the identification of modules for potential common implementation.	Achieved
Summary of main outcomes:	
The IT collaboration activities started in 2013 with a pilot project which supported the national implementation of the Mini One Stop Shop (MOSS) through IT collaboration. This initiative determined the feasibility of implementing/developing software in a collaborative manner between some Member States which required discussions of the systems that communicate with each other for the implementation of the MOSS, the working procedures and IT systems requirements at national level beyond the specifications issued at EU level. The works resulted in a better understanding of the work at national level and established the feasibility of IT collaboration and concrete ways of working together. The achievements of this project group which was intiated under the previous Fiscalis programme and finalised in 2014, set the basis for further developing the IT collaboration idea. The concrete strategy for IT collaboration has been put in place during the Malta workshop which took place in March 2014. The workshop benefitted of a remarkable participation: 80 representatives	

from 27 Member States . This extended participation was a good indicator of the high business value the topic represented for the Member States. The workshop helped, amongst others, to reach a common understanding of the value of IT collaboration, to identify collaborative opportunities and required coordination, as well as outlining an action plan to establish IT collaboration under Fiscalis 2020.

All the IT Collaboration activities started in 2014 following this cornerstone Malta workshop. Three Fiscalis project groups (IT Catalyst, IT Arhitecture and IT valuation) were established. The groups have a participation of around 30 participants from 16 Member States in charge of coordinating the IT collaboration activities in the field of taxation. The main goals of the Catalyst group include the management and maintenance of an IT collaborative lifecycle, an IT reference architecture, an IT valuation methodology, a Master plan and a communication plan, as well as the coordination of plenary meetings.

Starting in 2014, the Fiscalis project groups mentioned above have provided a draft framework for IT collaboration which allows for organising a managed and structured IT collaboration. The document depicts the life cycle of IT collaboration, the principles and the governance guidelines. Moreover, under the Fiscalis project – IT architecture - a first draft of an IT architecture has been developed building on activities which were initiated also under Fisclais 2013. This IT architecture is a draft reference document for the IT experts willing to collaborate in a common manner as it contains, *inter alia,* recommended IT standards, agreed terminology and technical references. The IT valuation methodology – under the IT valuation project group - started to be developed as well in 2014. The methodology sets up the basic principles for indentifying and assessing potential IT collaboration projects with costs and benefits analysis approach. The documents were planned for finalisation in 2015.

Furthermore, in the set-up created by the 3 Fiscalis project groups, the first new initiatives for collaboration have been identified: Automatic exchange of information (AEOI) - Directive for Administrative Cooperation (DAC1) Statistics and Enhanced Test Material Framework. The cooperation of the Member States for developing the projects is further taken-up under the programme, in 2015.

Due to the success of the IT ollaboration initiatives, Member States have agreed to launch Expert teams in 2016 to develop AEOI DAC2 national modules and to assure the governance of managed IT Collaboration activities.The results of all these inititiaves are expected to become more concrete in the coming years with new joint development initiatives.

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

Specific objective:
Support the implementation of Union law in the field of taxation by supporting administrative cooperation
Title of the AWP Project:
Mutual recovery assistance
Description of the project:
Since 1 January 2012, Member States apply Council Directive 2010/24/EU for mutual recovery assistance. As recovery of taxes is a corner stone of the fight against fraud, the use of this new legal instrument should be evaluated and enhanced. It is necessary to check whether the new legislation meets the needs of tax authorities to request/provide efficient and effective recovery assistance; to determine whether legislative amendments are needed or whether new legislative initiatives can be taken to improve this assistance; to enhance mutual recovery assistance for example by: o improving the use of existing instruments for exchange of information and develop new ones according to the legislation;

○ promoting the most effective use of practical IT tools.
Actions organised under the programme in 2014:
Project Groups: ➢ EU Tax collection and recovery group (FPG/033) ➢ "Tax recovery assistance and cooperation expert panel " (FPG/031) Workshops: ➢ Sharing information and resources for an effective mutual assistance (FWS/004) ➢ Sharing information between tax authorities and other authorities for an effective mutual assistance (FWS/011) ➢ Sharing information on cars, pleasure boats and aircrafts for an effective mutual assistance (FWS/012) Working visits: ➢ Working visit on mutual recovery assistance to Sweden by a Slovenian tax official (FWV/015)
Expected results and their level of achievement:

Evaluation report is issued;	Achieved
Activities are carried-out to support improving the understanding and implementation of Union law in the area of mutual recovery assistance;	Achieved
Legislation gaps are identified and background information is produced to support possible recommendations for future legislation;	Achieved
A tool for automatic exchange of information is developed;	On-going
The request forms are updated and a tool for statistics reporting is developed.	No

Summary of main outcomes:

Coordination: EU Tax collection and recovery group and Tax recovery assistance and cooperation expert panel

The EU Tax collection and recovery group has the objective to exchange experiences in implementing the legislation concerning the tax collection and the recovery process including mutual assistance for the recovery of claims. In line with Member States' suggestions, practical issues in the implementation of the recovery legislation, recovery processes and use of IT systems for recovery purposes could be discussed The group was launched in 2014. The activities of the group start in 2015. Linked with FPG/033, a Fiscalis project group was set-up in 2014 to discuss and analyse ideas for improving recovery assistance in the future, examining legal constraints (e.g. confidentiality issues, proportionality issues, respect of international legal standards, etc.) and taking into account technical possibilities (FPG/031 - TEACEP). The TEACEP group assists the Commission in the evaluation of the current legal framework on recovery assistance and reflects on the need or wish to amend the legislation concerned.

Cooperation with other authorities in recovery

A Fiscalis workshop (**FWS/012)** took place on 16-17 September 2014. The purpose of this workshop was to discuss the possibilities to organize/improve the exchange of information with regard to vehicles, as this information is particularly important within the framework of tax recovery assistance. The workshop achieved the objectives set. National authorities appreciated this initiative to support the cooperation between different authorities, both at national and international level, for the enforcement of taxes and other claims. As cars are concerned there is a feeling that real improvement can be achieved within a reasonable time period. The further work on this topic is on-

going: discussions with the MS are taking place regarding the legal framework. In addition, the Commission carried on a study on the IT-aspects of this exchange of information.

A second Fiscalis workshop (**FWS/011)** was organized on 18 September 2014. The aim was to raise awareness of the participants on and discuss the possibilities to develop and improve the exchange of information between tax collection and recovery authorities and other authorities responsible for social security payments or for the payment of agricultural subventions. The workshop achieved the objectives set. National authorities appreciated this initiative to support the cooperation between different authorities, both at national and international level, for the enforcement of taxes and other claims**.** Follow-up of this workshop is to be organized at national level, where the competent authorities have to organize their exchange of information.

Sharing information and resources for an effective mutual assistance

A Fiscalis workshop (FWS/004) took place in 15/16 October 2014. The workshop had the objective to address questions on collection and recovery of taxes including the mutual assistance under Council Directive 2010/24/EU of 16 March 2010. The works during the workshop were organised from a comprehensive approach to cover three main perspectives: legislation, processes and mechanisms and IT usage for an effective mutual assistance..

The presentations and discussions provided interesting ideas for the further development of the tax collection and recovery assistance between the Member States, in particular with regard to the exchange of information and notification of documents. This can be further taken into account by FPG/031 (TEACEP). In this sense, an introductory meeting of the FPG/031 was held in the margin of this workshop. Furthermore, the workshop provided useful ideas that can be further developed under the FPG/033 .

The reports discussed at the workshop have been finalised, taking into account comments that were made during the working sessions.

6.5 Part 4 – To Support the implementation of Union law by enhancing administrative capacity of participating countries with a view to assisting in reducing administrative burden of tax authorities and compliance costs for taxpayers - Case Study

Specific objective:
Support the implementation of Union law by enhancing administrative capacity of participating countries with a view to assisting in reducing administrative burden of tax authorities and compliance costs for taxpayers
Title of the AWP Project:
Technical assistance to tax administrations
Description of the project:
In the last years, the Commission has been involved in several technical assistance missions (TA) to Union Member States and non-Union countries to support the capacity of tax revenue administrations, to increase the efficiency and effectiveness of tax administrations in collecting revenue and to support the improvement of administrative procedures and sharing of good administrative practice. TA can cover tax policy, tax administration and legal questions. TA on tax administration is focussed on the internal organisation of the revenue administration, the implementation of tax legislation and procedural aspects of collecting taxes. It merely aims to assist countries in improving the effectiveness of their tax administration and to increase tax compliance. In the context of the reviews of the Economic Adjustment Programs and the European semester, the Commission is providing TA on tax administration in programme countries. Also, specific support to pool best practice can be provided to deal with the recommendations on revenue administration addressed to one or several Member States.

Actions organised under the programme in 2014:

Capacity Building:

- Technical assistance on Tax Administration in Cyprus (FCB/001)
- Technical assistance on Tax Administration in Greece (FCB/002)

Workshops:

- Workshop “Improving VAT compliance – random awards for tax compliance" (FWS/009)
- Workshop on the European Semester: Tax Policies for Jobs, Growth and Investment (FWS/028)

Working Visits:

- Working visit on French VAT refund system PABLO to France by three Spanish experts (FWV/167)
- Working visit on interconnection of taxation and customs IT systems to Spain by five Hungarian policy officials (FWV/222)
- Working visit on awareness and coordination of the European dimension within the MSA to Sweden by a Dutch tax official (FWV/223)
- Working visit on online cash registers to Hungary by two Lithuanian policy officials (FWV/226)

Expected results and their level of achievement:

In the countries identified in the context of the Economic Adjustment Programs and the European Semester in tax policy, tax administration and legal questions: o Administrative procedures and practices are shared; o Activities are carried-out to support the reinforcement of skills and competences of tax officials.	Achieved, to a large extent

Summary of main outcomes:

Provision of Technical Assistance to Greece in relation to Tax Administration

The Greek Tax Administration has been benefiting from intensive technical assistance since Spring 2010 and the beginning of the Economic Adjustment Programme. Initially delivered only by the Fiscal Affairs Department (FAD) of the International Monetary Fund (IMF), this technical assistance has also been supported by the European Commission since Autumn 2011, first through the Task Force for Greece ("**TFGR**") then through its successor service, the Structural Reform Support Service ("**SRSS**"), in partnership with DG TAXUD.

This technical assistance relies on a combination of resident support, provided by Commission or IMF residents. Over 2014, the EC resident team has been stepped up thanks to the posting of tax administration experts (2 British and one Bulgarian) to advance on specific topics (large taxpayer audit, investigation function, revenue analysis and revenue forecasting).

The Fiscalis programme played an important role over 2014 in provision of support to the Greek administration, notably in the following areas:

- Support to tackle VAT carrousel fraud, provided by the Belgian tax administration;
- Continuation of assistance in the set-up of a dispute resolution unit, under the stewardship of a Dutch expert;
- Continuation of efforts in the field of debt collection, notably regarding automation. These efforts relied on a mix of Belgian and Dutch expertise, including the use for a Dutch expert of the possibility opened by the new FISCALIS 2020 regulation to conduct "medium-term expertise missions" that could span over several months.
- Pursuit of cooperation in the field of high-wealth individual audit, with one mission by French experts;
- Various missions by British experts regarding promotion of tax compliance and support on large taxpayer functions (negotiation of advance pricing agreements).

An evaluation conducted in 2014 over the period 2012-2013, commissioned by TFGR and entrusted to Alvares & Marsal and to the Adam Smith Institute came to the conclusion that a model associating a strong resident expert team to follow up on projects and short-term expert visits on more specialized issues was the most effective option.

Looking forward, in keeping with this recommendation, the TA effort will be prolonged in 2015-2016 and will continue to associate a stepped up provision of resident expertise and short-term or medium-term expert visits financed under the Fiscalis 2020 programme.

Provision to Cyprus of technical assistance on Tax Administration

The Cyprus Tax Administration has been benefiting from intensive technical assistance since January 2013 at the beginning of the Economic Adjustment Programme. This technical assistance has been provided by the European Commission in cooperation with the IMF, first through the Support Group for Cyprus ("**SGCY**") then through its successor service, the Structural Reform Support Service ("**SRSS**"), in partnership with DG TAXUD.

Technical assistance has been provided by way of a number of short term expert visits by EC staff and MS experts.

The main challenge is the merger of the VAT Department and the Internal Revenue Service to one Tax Department. In cooperation with IMF, the Commission services and experts from Member States (in particular Bulgaria and The Netherlands) assisted the Cypriot Tax Department in designing and implementing a new Tax Procedure Code, streamlining the business processes for the core functions of a tax administration, designing a tax compliance strategy and setting up a large taxpayer unit. The work on the tax procedure code is still ongoing. The assistance in the field of the business processes has been finalised. Currently, the Commission services are working with the Cypriot colleagues on a training programme for staff in order to be equipped for the work in a new Tax Department. For this programme, the assistance of experts from Member States is requested.

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

Specific objective:
Support the implementation of Union law
Title of the AWP Project:
Mini One Stop Shop
Description of the project:
From 1 January 2015, the place of taxation of all supplies of telecommunications, broadcasting or electronic services to final consumers in the Union will be the place where the consumer is established. The change will be accompanied by the introduction of an electronic mechanism – the VAT mini-one-stop-shop (MOSS). In order for the system to operate properly, Member States will be required to build their web portals in line with the functional and technical specifications as developed by the Commission. In order to support the consistent implementation framework of the Union (primary and secondary) legislation in the area of the MOSS it is necessary to ensure a better understanding of the various legal provisions as well as of the technical development and operation of the MOSS system. It is also important to set up a common framework for obtaining information from traders using this scheme and to coordinate the controls of the system and exchange of information between the tax administrations and with the taxpayers.
Actions organised under the programme in 2014:
Communication activities:

- Communication activities in the context of the VAT 2015 changes (FCM/001 and FCM/003)

Workshops:

- Mini One Stop Shop technical workshops (FWS/003)

Working visits:

- Working visit on MOSS to Finland by a Slovak tax official (FWV/066)
- Working visit on Mini-One Stop Shop to Sweden by a Czech tax official (FWV/073)

Expected results and their level of achievement:	
The MOSS is implemented and operational by 1 January 2015; operational portal as from 1 October 2014;	Achieved
A template standard audit file to be used in the MOSS scheme is developed. The standard template can be used to exchange data between taxable persons and Member States of consumption/identification;	Achieved
Methods are defined to establish contacts with taxable persons and deliver the information to Member States;	Achieved
Best practises for administrative cooperation in the field of carrying out audits and exchanging information are defined and exchanged, with the aim of minimising the administrative burden for both tax administrations and taxable persons;	Achieved
Various target audiences are informed.	Achieved

Summary of main outcomes:

The various **communication events** for stakeholders organised under the Programme (FCM/001 and FCM/003) in Luxembourg, London, Berlin, Warsaw and the United States reached an important number of stakeholders from business. These stakeholders learnt about the upcoming legislative changes and the working of the MOSS system and could directly engage with members of the European Commission and of national tax administrations that were present for further clarifications and exchanges. The outcome of these activities fed into the public webpage developed by DG TAXUD which is dedicated to the VAT 2015 changes: presentations and videos of some of the events and links to external pages were uploaded on the website and the available concise Questions&Answers document was inspired by the feedback received during the first activities held in May and June 2014 right after the start of the new Programme.

It should be stressed that, notably due to the communication events organised in the USA, VAT revenues from non-EU operators have tripled since 1 January 2015 (compared to VoES). Similar activities are envisaged for 2016 (possibly in Hong Kong / China).

The **Technical Workshop** held in July 2014 enabled the coordination of the ongoing implementation of the national applications. The planning was reviewed, specific issues on the exchange of information were discussed and agreed at technical level and information on the standard audit file was provided. Some exchange procedures were identified to be agreed by written procedure. The discussions and agreements were highly instrumental to promote the implementation of the MOSS timely and according to the legal provisions and the interoperability of the national applications.

7. CONCLUSIONS

2014 was a year of transition between two generations of Fiscalis programmes. The trends in the basic parameters in 2014 remained largely the same as compared to 2013, with the exception of an increase in the expenditure on studies, which was due to a large study commissioned in the area of the Mini One Stop Shop and the simplification of VAT obligations.

The Mini One Stop Shop was one of the key initiatives in the taxation area in 2014. This electronic system allows the taxable persons established or not in the EU and supplying telecommunications, broadcasting or electronic services to non-taxable persons to fulfil their VAT obligations in a single place of compliance. The system was finalised during 2014 and became operational on 1 January 2015. The programme financed the development of MOSS and the activities supporting its introduction and roll-out.

2014 was also marked by the opening of two new data centres housed on DG TAXUD premises. This infrastructural investment serves an important purpose in preparing the network for the increased volume of data traffic and the addition of new systems. While this investment will benefit both the customs and taxation systems, it was largely realised under the Customs 2020 programme budget, which demonstrates the synergies that are achieved in streamlining the use of both programmes.

The new Fiscalis 2020 programme also introduced two new types of Joint Actions – expert teams and presences in administrative offices / participation in administrative enquires. Both of these types of Joint Actions will bring added value by opening the potential for more focused and targeted cooperation among tax authorities in certain areas. The preparatory work on the introduction of these new types of Joint Actions started in 2014, and the first activities are expected in the coming period.

Finally, 2014 was also marked by the introduction of the new Performance Measurement Framework which was rolled out simultaneously as the new Fiscalis 2020 programme. All the data obtained from the surveys launched under the framework, therefore, covers only the period from May till December. In this sense, 2014 could be also considered as a pilot year for the new framework, an opportunity to collect first measurements and baselines, as well as learn from the experience in order to improve the framework for the next years.

The indicators obtained under the framework in 2014 give an overall positive assessment, both from the business data perspective and from the feedback obtained from the action managers and the participants to the activities. The indicators suggests that in 2014 the programme was on course to fulfilling its objectives and that it played an important role in facilitating the proper functioning of the taxation systems in the internal market through its European Information Systems, Joint Actions and the Training activities.

Some of the key **strengths and achievements** that can be deduced from the analysis of the indicators:

- **High level of achievement of results of the Joint Actions is reported by the action managers.** This is the case for all Joint Actions, but especially for Working Visits. This indicates that the business owners see the value of the programme for achieving the policy objectives.
- **Very positive evaluation of the achieved results of the Joint Actions, their usefulness and expectations met by national tax officials who participated in them.** This shows that the programme participants find that the programme activities correspond to their stated objectives and are professionally useful to them.
- **Networking and sharing of programme outputs represent both a strength and a room for improvement**. The indicators are high and testify to the networking value provided to the participants by the programme and to the fact that the outputs are often shared nationally through dissemination or training sessions. However, there is a possible room for improvement, which is taken up among the recommendations.
- **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic**. **New systems are developed in line with**

the planning. The volume of data traffic on European Information Systems significantly increased in 2014, while the performance and availability remained very high. The new data centres were opened to prepare the network for the future, the systems are regularly maintained and updated and the user support and training are functioning properly. The new developments are taking place in line with the planning

- **The increased use of online collaboration (PICS) by national and European tax officials.** The number of online groups has nearly doubled during the year, with significant increases in the number of users and the number of exchanged files on the platform.

A number of **conclusions** can be drawn from the analysis of the indicators. These conclusions are primarily addressed at the Commission Programme Management Team at DG TAXUD, but also at other stakeholders involved in the implementation of the programme:

1. **Monitor the number of participants**. The number of participants has been steadily decreasing over the years, with 2014 continuing this trend. It is recommended to keep monitoring the number of participants in the future in order to evaluate whether any action aimed at reversing this trend is warranted.
2. **Undertake to increase awareness about the programme**. National tax officials, beyond those already participating in the programme activities, should be addressed through a targeted communication strategy informing them of the programme and its potential benefits to them.
3. **Provide additional support to networking and the use of the programme outputs** While these indicators are high, they show a room for improvement. A knowledge management policy for the use of programme outputs would open up the programme benefits to new users and facilitate the sharing and findability of programme outputs. The improvement of the online collaboration platform PICS and the introduction of new functionalities could help networking and staying in touch following the end of programme activities.
4. **Monitor the use of the new types of Joint Actions in the Fiscalis 2020 programme - expert teams and presences in administrative offices / participation in administrative enquires.** The preparatory work on the introduction of these new types of Joint Actions started in 2014 and the first activities are expected in the coming period. Indicators on their use will be included in future Progress Reports.
5. **Improve statistics for online collaboration**. Better statistics are needed in order to separate accurately customs / tax groups and users on PICS, as well as differentiate among them based on more precise work areas. The new statistics module and the new taxonomy planned for release in near future should resolve this problem.
6. **Monitor the implementation and use of the Mini One Stop Shop IT system**. MOSS became operational on 1 January 2015, meaning that the first available data on the number of registered economic operators and the use of the system will be available for assessment in the next Progress Report.
7. **Facilitate the collection and processing of data under the Performance Measurement Framework**. It is recommended to introduce necessary IT modifications to the Action Reporting Tool to enable automatic sending of notifications and reminders on the PMF surveys to the programme participants. This should help raise the response rates, as well as eliminate the problem of wrongly entered financial codes by survey respondents. In the longer-term, plans for the development of a statistical module within the ART should be implemented in order to facilitate the merger of programme management and PMF data.
8. **Consider adaptations to the Progress Report structure**. Use the lessons learned and seek stakeholders' feedback to the first Progress Report for future report.