



EUROPEAN COMMISSION
DIRECTORATE-GENERAL TAXATION AND CUSTOMS UNION

Direct taxation, Tax Coordination, Economic Analysis and Evaluation
Direct Tax Policy & Cooperation

Brussels, 25th February 2013
TAXUD.D.2.002 (2013) 276169

CONSULTATION PAPER

– A EUROPEAN TAXPAYER'S CODE –

Note:

This document is being circulated for consultation to all interested stakeholders.

The Commission services aim at collecting contributions from all interested stakeholders with a view to translating the suggested action into a concrete initiative. A separate on-line questionnaire identifies the subjects and specific questions on which the Commission services would like to receive contributions.

This document does not necessarily reflect the views of the European Commission and should not be interpreted as a commitment by the Commission to any official initiative in this area. It does not purport either to represent or prejudge any formal proposal of the Commission.

The interested stakeholders are invited to submit their contributions no later than 17 May 2013. They shall do so solely¹ by using the on-line form available under:

<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=TPCODE>.

Otherwise the contribution will not be published nor will, in principle, its content be taken into account.

¹ If you have a disability or a condition that might pose difficulties for you when accessing the questionnaire on-line, please indicate us what arrangements you consider necessary to make it possible for you to provide your responses.

1. INTRODUCTION

In its Action Plan² adopted on 6th December 2012 the Commission proposes as one of 34 measures the development of a European Taxpayer's Code. The proposal reads as follows:

"In order to improve tax compliance, the Commission will compile good administrative practices in Member States to develop a taxpayers' code setting out best practices for enhancing cooperation, trust and confidence between tax administrations and taxpayers, for ensuring greater transparency on the rights and obligations of taxpayers and encouraging a service-oriented approach.

The Commission will launch a public consultation on this at the beginning of 2013. By improving relations between taxpayers and tax administrations, enhancing transparency of tax rules, reducing the risk of mistakes with potentially severe consequences for taxpayers and encouraging tax compliance, encouraging Member States' administrations to apply a taxpayers' code will help to contribute to more effective tax collection."

This public consultation aims at collecting contributions from all interested stakeholders with a view to possibly translating the suggested action into a concrete initiative.

A separate electronic questionnaire³ identifies the subjects and specific questions on which the Commission services would like to receive contributions. The questions first aim at establishing the existing knowledge about and concrete experience with national taxpayer's codes (when they exist). Stakeholders are then invited to give their views on the general and procedural principles to be considered when developing a European Taxpayer's Code. Finally, contributions are asked on additional topics which could be seen as a natural extension of the fundamental principles, rights and obligations of a Taxpayer's Code.

2. BACKGROUND AND CONTEXT

In order to enhance taxpayer compliance and transparency, most Member States have established taxpayer's codes which define the fundamental principles applying to tax matters and in particular the rights and obligations of taxpayers and tax administrations. Depending on the country such instruments may be called: taxpayer's code, bill of rights, taxpayer's charter...

The general scope of such codes, their detailed provisions, the structure and content of the rights and obligations all vary considerably between the different Member States:

- some Member States only include rights and not obligations while others cover both;

² Communication ([COM\(2012\)722 final](#)) from the Commission to the European Parliament and the Council on an Action Plan to strengthen the fight against tax fraud and tax evasion

³ <http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=TPCODE>

- some taxpayer's codes apply only in relation to specific taxes whereas others address all direct and indirect taxes,
- some taxpayer's codes only detail the rights applicable to tax audits but most cover the whole taxation process,
- some taxpayer's codes include provisions about access to information and documents as well as deadlines whereas others are more general in nature and do not cover such procedural aspects.

These differences may be particularly relevant in the case of cross-border operations: the current diversity makes it extremely difficult for ordinary taxpayers to understand and comply with their tax obligations and to identify and assert their rights in different Member States.

Language poses an additional impediment particularly in cross-border situations: none of the existing national taxpayer's codes are available in all EU languages and some are only available in the official language(s) of the Member State concerned.

3. A EUROPEAN TAXPAYER'S CODE

In order to overcome these difficulties the Action Plan proposes to develop a European Taxpayer's Code which would embed a core but comprehensive set of common tax principles and taxpayer's rights and obligations. Member States would then be in a position to establish or adapt their own codes by reference to these common and generally agreed standards.

While adjustments may be necessary to adapt individual codes to national specificities, establishing a core set of principles may improve the general understanding of, and access to, those principles that should govern relationships between taxpayers and tax administrations.

In the specific case of cross-border operations, a European Taxpayer's Code may not only lead to improved access to the internal market but may also help to raise the overall standards of tax administration.

By enhancing cooperation, trust and confidence between tax administrations and taxpayers, ensuring greater transparency of the rights and obligations of taxpayers and tax administrations and encouraging a more service-oriented approach, a European Taxpayer's Charter can contribute to a more effective tax collection.

4. QUESTIONS

According to the Action Plan, the development of a European Taxpayer's Code will set out best practices by compiling good administrative practices in Member States.

In order to do so, this public consultation will first assess the current situation in Member States by posing questions on the existing knowledge about and the concrete experience with national taxpayer's codes or similar existing instruments.

Stakeholders will then be invited to give their views on the specific added value of a European Taxpayer's Code and the general and procedural principles to be considered when developing such a code.

Finally, contributions will be sought on a limited number of additional issues which could be seen as a natural extension of the fundamental principles, rights and obligations of a Taxpayer's Code.

The questionnaire mainly contains closed questions in order to ease the comparison of views held by the different groups of stakeholders taking part in this public consultation. However, free text contributions are also welcome and may provide useful clarification of the responses provided to the closed questions.

5. CONCLUSION

In its Action Plan, the European Commission proposed the development of a European Taxpayer's Code setting out best practices for enhancing cooperation, trust and confidence between tax administrations and taxpayers, for ensuring greater transparency on the rights and obligations of taxpayers and encouraging a service-oriented approach.

For the success of this action it is of the utmost importance that contributions are received from all interested stakeholders.

The outcome of this consultation will inform work on a possible initiative which the Commission intends to present before the end of 2013.