



TADEUS

Tax Administration European Union Summit

Multi-annual plan

Version	Changes	Date of Release
1.0	Initial version	20/11/2018
2.0	Changes further to Deputies meeting of 26/11/2018	18/12/2018
2.1	Changes before the Plenary meeting of 17-18/09/2019	30/08/2019
3.0	Changes introduced after the 1 st Plenary meeting, Helsinki, Finland	21/11/2019
4.0	Changes introduced after the 2 nd Plenary meeting, hosted by Germany	15/07/2021

Overview

The multi-annual plan of **TADEUS – the Tax Administration European Union Summit** – is the roadmap jointly defined and regularly updated by the Heads of tax administration of EU Member States. It provides the common **strategic themes** of tax administrations as well as the **actions and projects** that are, or might be, envisaged to achieve progress in the areas of the strategic themes.

Strategic Themes

The Heads of tax administrations decided in the plenary meeting of November 2020 to concentrate their efforts under TADEUS on three themes of strategic interest:

- (i) digitalisation;
- (ii) tax compliance;
- (iii) implementation of EU legislation, including administrative cooperation.

Meetings

23.06.2021	PLENARY (Heads of tax administration) Videoconference co-hosted by Portugal
29.09.2021	Deputies Meeting Videoconference
October 2021	steering group for plenary Videoconference
November 2021	PLENARY (Heads of tax administration) Physical/hybrid meeting hosted by Slovenia

Actions and Projects

1. Digitalisation

Challenges

Major technological developments are rapidly changing the world into a digital and data driven society while inducing imminent impacts on citizens' behaviour and trust in the tax system. The driving force of digitalisation has two different faces for tax authorities: they have to (1) adapt to and use the opportunities of digitalisation to work better, quicker and cheaper and (2) handle companies insofar as they provide or make use of digital services. As the digital environment is in constant flux, tax administrations will have to keep on adjusting continuously at high speed not only the way they work but also the assessment of the digital economy for tax purposes.

The digitalisation of tax authorities constitutes an opportunity to shape the tax administration of the future. Information technology helps sharing information in a very fast way, matching information and getting more information on the taxpayer's activities. Moreover, the use of algorithms offers untapped potential for the automation of administrative proceedings and the identification of risks. Consequently, information technology will make tax systems simpler, more transparent and more efficient, ultimately improving the business environment for companies.

However, this progress cannot be achieved without investing heavily in tax administration's IT infrastructure. By investing in a coordinated way, Member States will firstly save on their tight resources as well as increase the pace of administrations' digitalisation. Secondly, common or interoperable IT infrastructure will facilitate the sharing and exchange of information between tax authorities.

The digital economy requires tax authorities to cope with new business models, which the existing legislative framework in the tax area predominantly was not designed for. This calls for common legal assessments, enhanced coordination, cooperation and sharing of information among Member States' tax administrations to avoid cherry-picking by taxpayers and come to informed tax treatments of these players.

Actions and projects

After the successful first TADEUS project “Digital and Data” of 2018/2019, which guided the stipulation of reporting standards for digital platforms by the latest amendment of the Council Directive on Administrative Cooperation, the Heads of tax administration will concentrate on other aspects of digitalisation in the years to come. Highly relevant in this respect are new digital ways of using data (e. g. with the help of artificial intelligence) and the examination of the block chain technology’s potential while ensuring at the same time IT security and data protection. Working towards a digital maturity of tax administrations (e. g. by applying the EU Tax HR Management Readiness and Agility Model, developed under TADEUS), using fully digitalised processes and working methods as well as providing business-friendly digital services to taxpayers are also a high priority for tax administrations in the EU.

Furthermore, the Heads of tax administration will use the multi-annual strategic plan for taxation IT projects (MASP-T) to coordinate better the efforts needed for designing, developing and maintaining trans-European taxation information systems and especially their national components required by Union legislation. It will also help to shape the longer-term concepts for the common IT environment of EU Member States.

2. Tax compliance

Challenges

Member States feel increased pressure on their tax revenue. Consequently, tax authorities have a strong need to reduce the “**tax gap**”, i.e. the difference between tax levied and tax supposed to be levied, by enhancing the compliance level of taxpayers. The sources of the tax gap are numerous. Not only fraud and evasion contribute to the tax gap, but also lack of information or incentives on the taxpayer’s side.

Therefore, tax administrations have to identify a **mix of interventions** that effectively stimulate compliance and prevent non-compliance, based on the knowledge of the behaviour of all taxpayers and related to the available resources and capacity. Moreover, tax administrations should, in the spirit of administrative cooperation, help each other and remain vigilant to tackle abuses against public finances, even when the fiscal loss is due to happen in another Member State.

Actions and projects

To better assess the significance of the tax gap, which constitutes firstly the main reason for the need to foster tax compliance and is secondly a measurement of success in that respect, TADEUS Heads approved the new project “Estimations of Tax Gap on Personal Income Tax/Social Security Contributions, Corporate Income Tax, Missing Trader Intra-Community Fraud and VAT e-commerce”.

The just finished TADEUS project on “Enabling building trust and ensuring compliance“¹ laid the ground for future work by providing a full picture of possible action towards taxpayers as well as within

¹ <https://trustandcompliance.com/>.

tax administrations, especially to strengthen tax payers' voluntary compliance. The Heads of tax administrations can individually decide to build on the various promising examples that single tax administrations provided in the project. Furthermore, the upcoming Commission report under Article 12 of Regulation 1553/89 on VAT collection and control procedures as well as the Commission Communication on the VAT gap "Mind the VAT gap" will identify differences between tax administrations and put forward success stories on which tax administrations can build in the framework of TADEUS.

Beyond that, TADEUS will amplify activities in the area of tax compliance, such as putting in place the EU cooperative compliance framework for preventive dialogue between tax administrations in the area of corporate income tax, implementing new ways to achieve compliance by design and further enhance compliance risk management. In this spirit, a further adjustment of taxpayers' reporting obligations and the development of prefilled tax returns will contribute to tax compliance.

3. Implementation of EU tax policy and law

Challenges

Tax administrations have a key role in implementing Union tax policy and legislation at national level. It is essential that legislation is properly implemented, not only from a strictly **legal** perspective but also in terms of **positive results in practice** with the envisaged effects. The key role of tax administrations holds for the implementation of Union legislation not only on substantive tax rules (VAT, excise duties, corporate tax) but also on administrative cooperation, for both direct and indirect taxation.

Further to subsequent economic and financial crises, the necessity to enhance administrative cooperation is not limited to intra-Union cooperation in tax matters. In the coming years, this emerging **external dimension** will probably lead to a number of EU agreements with third countries requiring to mobilise the national tax administrations at the highest level to guarantee an effective implementation.

Actions and projects

The building blocks for the future strategy and governance of EUROFISC, established under TADEUS, have been taken a step further towards implementation with the recent action plan. Some of the identified actions will require further action under TADEUS in particular to ensure that the EUROFISC network supports the national anti-fraud strategies of national tax administrations.

A number of reports highlight implementation issues and contain recommendations for improvement in areas falling under the responsibility of tax administrations in Member States, such as the mutual recovery assistance and on administrative cooperation in the field of direct taxation. TADEUS will deal with those findings and recommendations which require a response from national tax administrations individually or collectively.

Furthermore, the TADEUS project "Measuring the performance of administrative cooperation in the field of taxation" will shortly deliver key performance indicators for administrative cooperation regulated by EU law. Based on their implementation and the resulting new data, the Heads of tax administration will consider further action to enhance the current administrative cooperation and related rules.