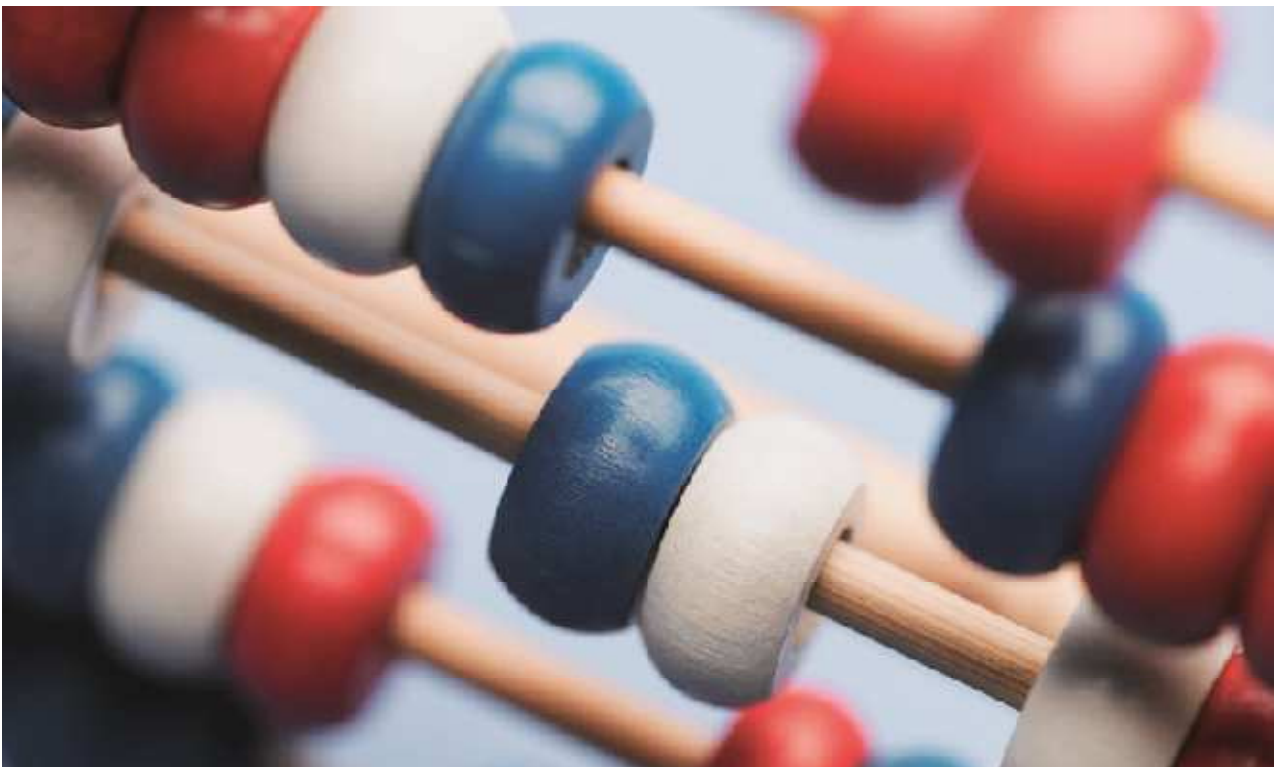


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MID-TERM EVALUATION OF FISCALIS 2013 **FINAL REPORT**



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CONTENTS

	Executive summary	1
	Résumé	8
	Zusammenfassung	15
1.	Introduction	23
1.1	Fiscalis 2008-2013	23
1.2	Overall approach and objectives of the evaluation	26
1.3	Contents of the report	27
2.	Methodology	28
2.1	Data collection strategy	28
2.2	Analytical strategy	32
3.	Effectiveness	34
3.1	Improving information exchange and administrative co-operation	35
3.2	Enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation	52
3.3	Contributing to the development and dissemination of good administrative practice	60
3.4	Supporting candidate countries and potential candidates for them to take necessary measures for accession	64
3.5	Improving the proper functioning of the taxation systems in the internal market	69
3.6	Internal or/and external factors that influenced the achievement of the programme's objectives	81
3.7	Programme management	87
4.	Efficiency	95
4.1	Key facts and figures about programme expenditure	95
4.2	Main findings	96
4.3	Summary of findings	99
5.	Relevance	100
5.1	The extent to which the programme's objectives continue to correspond to the needs	100
5.2	The most relevant objectives of the programme in the past and future priorities	107
6.	EU added value	114
7.	Conclusions and recommendations	121
7.1	Conclusions	121
7.2	Recommendations	126

SUPPLEMENTS

Supplement 1

List of definitions

Supplement 2

Intervention Logic of Fiscalis 2013

Supplement 3

Evaluation matrix

Supplement 4

Survey results

Supplement 5

Case study reports

LIST OF ABBREVIATIONS

AAD	Administrative Accompanying Documents
ART	Activity Reporting Tool
AWP	Annual Work Programme
CCN	Common Communications Network
CIRCA	Communication & Information Resource Centre Administrator
CLO	Central Liaison Office
CSI	Common Systems Interface
EC	European Commission
ELO	Excise Liaison Office
EMCS	Excise Movement and Control System
EU	European Union
IE	Information Exchange
IT	Information technology
MLC	Multilateral Control
MS	Member State
MVS	Movement Verification System
OECD	Organisation for Economic Co-operation and Development
PICS	Programmes Information and Collaboration Space
SEED	System for Exchange of Excise Data
TACTIC	Taxation and Customs Interactive Campus
TEDB	Taxes in Europe Database
TFEU	Treaty on the Functioning of the European Union
ToS	Taxation of Savings System
VAT	Value-added tax
VIIES	Value-added tax Information Exchange System

EXECUTIVE SUMMARY

Since 1993, a series of EU taxation programmes have been in place to ensure the proper functioning of the taxation systems of the internal market, and to assist in the fight against fraud. Along with the development and enlargement of the IT systems, the Matthaeus-tax programme and the Fiscalis programme which followed it have supported activities, processes of cooperation and dissemination of knowledge and best practice between the national tax administrations. Fiscalis 2013 is the latest taxation programme in this series.

The operational objectives for the current programme period 2008-2013 are four-fold:

- to secure efficient, effective and extensive information exchange and administrative cooperation;
- to enable officials to achieve a high standard of understanding of EU law and its implementation in Member States;
- to ensure the continuing improvement of administrative procedures to take account of the needs of administrations and taxable persons through the development and dissemination of good administrative practices; and
- to meet the special needs of candidate countries and potential candidates so that they take the necessary measures for accession in the field of tax legislation and administrative capacity.

With a view to achieving these objectives, the programme has offered to its stakeholders - mainly the Member States and candidate countries and potential candidates, as well as the European Commission - a range of tools: IT systems, Joint Actions (mainly meetings and Multilateral Controls) and training tools. In addition, a programme management team in the Commission and a network of contact points in the Member States (including the Fiscalis National Coordinators) have supported and coordinated the activities of the programme.

The mid-term evaluation of Fiscalis 2013 was commissioned as required by Decision No 1482/2007/EC of the European Parliament and of the Council establishing a Community programme to improve the operation of taxation systems in the internal market (Fiscalis 2013). It assesses progress achieved since 2008, and assesses whether the objectives of the programme are still relevant to the needs of Member States. This evaluation also aims to be of use in adjusting the programme for the remaining years in terms of activity planning, and of feeding into the decision on, and design of, the subsequent programming period. Although the mid-term evaluation mainly concerns the current programme period 2008-2013, the Fiscalis programme has a longer history, and there is a high degree of continuity between the different programming periods. Therefore the assessment of the programme's effectiveness is not limited to the current programme period, but rather looks at the programme from a systemic perspective, taking into account the developments within Fiscalis, as well as the tax cooperation within the EU in general.

The methodology used for this evaluation builds on a classic design, including desk research, surveys, interviews and case studies. In addition, a strong emphasis was placed on the triangulation of sources, in order to ensure that all findings are supported by sufficient evidence. Hence, five surveys targeted to different types of respondents were designed, about 50 to 60 interviews were conducted (including case studies), all available evaluation and monitoring data collected by the programme management unit was analysed and additional desk research was conducted on the Fiscalis activities and the context in which the programme operates.

This executive summary presents the main findings of this mid-term evaluation. The findings indicate that the programme is performing very well overall. The recommendations to the European Commission, with a view to enhancing the performance of the Programme even further, are presented at the end of this summary.

Effectiveness

The evaluation indicates that Fiscalis 2013 has contributed to a large extent to *improving information exchange and administrative cooperation between participating national tax administrations*. In this area, Fiscalis has offered continued support to existing IT systems, which enable easier and timelier access to relevant data from other Member States. The programme has also contributed to the implementation of new tools, which significantly improve information exchange and administrative cooperation in all tax areas. In particular, Fiscalis 2013 has supported the implementation of the Excise Movement and Control System (EMCS), which constitutes a breakthrough in the excise field as it enables a computerised system to monitor movements of excise goods under suspension of excise duties within the EU (previously, this was done through paper work). In the area of direct taxation, the programme has supported the development of e-forms to facilitate administrative cooperation. Meanwhile, Joint Actions have also contributed to the programme's achievement in terms of information exchange and administrative cooperation; they have offered critical support to the development and implementation of IT tools; they have enabled simultaneous controls through Multilateral Controls; and they have been instrumental in supporting the development of informal and regular cooperation and exchange of information and knowledge between national administrations. Fiscalis has furthermore supported the implementation of Eurofisc, an early warning system for the fight against fraud.

Fiscalis 2013 has contributed to a high extent to *enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation*. Evidence indicates that the programme's contribution to this objective is high in the areas of VAT and excise duties. Achievements are particularly significant in the excise field, where the regulation proves to be difficult to implement, and where EMCS implementation has been a challenge for a number of Member States. However, these findings should be nuanced, as the programme's contribution to a high standard of understanding of the Union's law and its implementation in the Member States is significantly lower in the area of direct taxation, where the programme's activities have been limited so far. Also, it is clear that there are different approaches to this objective. In particular, Fiscalis has been instrumental in enabling the European Commission to ensure a high standard of understanding of EU law, especially through the organisation of Seminars and Workshops when new legislation is implemented or problems with existing legislation occur. Meanwhile, participating countries have been focusing on acquiring a better understanding of the *practices and procedures* in the different tax systems of the EU, and on sharing their experiences in applying EU law (Working Visits have proved to be instrumental in this regard). For these reasons, data collected from the participating countries indicates that Fiscalis has contributed to a higher extent to "improving the Union's law implementation in the MSs" than to "achieving a high standard of understanding of the Union's law". Also, e-learning tools are preferred over Seminars and Workshops to acquire a better understanding of EU law.

Fiscalis 2013 has contributed to a very high extent to the *development and dissemination of good administrative practice between national administrations*. Many activities have contributed to this objective. Most of the programme's achievements, including a more uniform and effective application of the EU law and increased capacities to fight against fraud, have been supported by the development and exchange of good administrative practices. Regarding the fight against fraud, significant progress has been made, for instance through the different platforms supported by Fiscalis in the area of risk management and e-audit.

As regards the different tax areas, the contribution of Fiscalis to its operational objectives is assessed as highly significant and positive in the *VAT* and *excise* fields. In the area of *direct taxation*, the programme's contribution is also assessed as significant and positive, but to a lower extent. This is consistent with the fact that Fiscalis activities in direct taxation were limited until recently, because Member States were reluctant to cooperate in this area which is mainly of nationally competence. However, a policy shift has taken place in the course of Fiscalis 2013 and activities in the area of direct taxation have been increasing progressively. Evidence shows that Fiscalis has contributed to raising awareness among national administrations of their mutual interest in cooperation, and since 2008 the programme has supported administrative cooperation in direct taxation.

In terms of *supporting candidate countries and potential candidates for them to take necessary measures for accession*, the conclusions of the evaluation are more ambiguous since, at overall level, participation in Fiscalis has only indirectly contributed to facilitating the necessary measures for accession. Candidate countries and potential candidates have been fully integrated in the programme and have made active use of the programme's activities but, with the exception of working visits (organised on their own initiative), there has been no activity targeted to the specific needs of the candidate countries and potential candidates. Therefore, a causal link is difficult to draw between participation in the programme and progress towards accession; although there is evidence that Fiscalis has supported a better understanding of the EU tax legislation as well as network building, and may thus through these means help prepare states for accession.

With respect to the programme's achievements in terms of its specific and overall objectives, the contribution of Fiscalis 2013 to *improving the proper functioning of the taxation systems in the internal market* is assessed as positive and significant, by survey respondents and interviewees. The programme has contributed to a uniform, effective and efficient application of EU law and has contributed to more effectiveness in the fight against fraud. In some instances (such as Multilateral Controls, but also the VAT Information Exchange System (VIES)), a clear link can be established between increased fraud detection and Fiscalis activities. The achievements of the programme are the most significant in the area of VAT and excise duties. In the area of direct taxation, findings indicate that Fiscalis activities have had positive effects so far, but the intensity of these effects is much lower than in other tax areas. As explained above, this is due to a lower involvement of the programme in direct taxation. The contribution of the programme to decreasing the burden on taxpayers is tangible, but it is rather an indirect consequence of the programme achievements in connection to other objectives. With a few exceptions, Fiscalis 2013 activities have sought to contribute to this objective to a very limited extent. Finally, the evaluation reveals a need for more proactive support to the follow up of activities, dissemination and use of knowledge and good practices, as well as better monitoring of the effects of the programme.

Other aspects of effectiveness

The evaluation identified several *external and internal factors that influence the achievements of the programme's objectives*. In particular, when assessing the extent to which Fiscalis works and delivers, it is important to understand that the programme operates under significant external constraints, mainly due to the fact that tax policies remain to a large extent a nationally-reserved domain. For this reason, common interest and good will from the participating countries are key elements for ensuring cooperation. In addition, the degree of achievement of the programme's objectives depends to a large extent on the decisions of the management in the national administrations, or the policy makers at the EU and national levels.

This having been said, the programme has been very successful in creating an environment of mutual trust and support between participating countries. Although this is not an explicit objective, Fiscalis brings tax officials from different countries closer to each other, which is significant as tax administrations are by nature very inward looking. Fiscalis stimulates contacts, relationships and informal networks, which prepare the ground for a higher degree of achievement of the programme objectives, especially in terms of increased information exchange and administrative cooperation, mutual support and exchange of good administrative practice.

One factor which can constrain the achievements of the programme and the development of its activities is the limited human resources available in both the European Commission and the participating countries' tax administrations for managing the programme. An expansion of the Commission's programme management unit would be necessary to widen the scope of the programme further, while keeping effectiveness and efficiency levels stable.

In terms of *management of the programme*, all findings indicate that it has been optimal for achieving the desired results. The support received from the Fiscalis management teams in the European Commission and national administrations has enabled appropriate coordination of activities, guidance on how to apply for funding, responsiveness to needs and wishes of national administrations, transparency and openness of the priority-setting process, and the organisation of events. Some aspects of the monitoring and reporting on activities could be improved, but in the context of such limited human resources, this needs to be well thought out and automated. Finally, *information sharing* between the Commission and the Member States has improved significantly with the implementation of the PICS¹ and TACTIC² platforms.

Efficiency

Overall, Fiscalis offers high value for money. Evidence indicates that the combined outcomes of the Multilateral Controls (which enable tax fraud detection and recovery) and of the communication and information exchange systems and other databases supported by Fiscalis (which make access to information easier and faster, and so reduce the cost of the fight against fraud in the context of the Internal Market) generate revenues that are significantly higher than the programme's expenditures. According to the Commission's monitoring system ART2, by March 2011, Multilateral Controls supported by Fiscalis 2013 had enabled the identification of about EUR 1.5 billion of tax due.

The calculated average cost per participant in Joint Actions is particularly low (around 1,000 EUR per participant, all costs covered, regardless of the duration of the event, which in some circumstances can last a couple of weeks). Also, the evaluation shows that the programme management has taken steps to ensure increased value for money compared with previous periods, especially where possibilities for improvement had been identified. This includes the creation of Workshops as a new type of Joint Action, which offer a cheaper and more flexible framework than Seminars; also, the new platform PICS was created to facilitate information sharing and will in time include a video conferencing module.

Relevance

Fiscalis 2013 continues to correspond to the stakeholders' needs to a high extent: The specific objectives mentioned in the Fiscalis Decision correspond to the current challenges faced by the national administrations, and the programme's operational objectives offer appropriate approaches to address these challenges.

¹ PICS stands for Programmes Information and Collaboration Space. It is an online system for Tax and Customs administrations which are involved in DG TAXUD's programmes across the EU. It aims to access information relating to programme activities and different topics, co-create content and knowledge, facilitate the development of network of professionals and communities, and provide online workspaces for cooperation and collaboration.

² TACTIC stands for Taxation and Customs Interactive Campus. It is an online system very similar to PICS but tailored to the needs of the trainers' community in the Tax and Customs administrations across the EU.

The high level of tax fraud and tax evasion is, by far, the most significant challenge faced by national administrations. In the context of the Internal Market, this issue is rooted in the high degree of complexity and fragmentation of the taxation systems in the EU. Also, in a changing environment, it requires continuous efforts to support uniform application of EU law and to ensure that Member States have sufficient capacity to fight against fraud. In this regard, Fiscalis' objectives remain highly relevant.

Moreover, a transparent process for setting priorities and a permanent dialogue between the Commission and the participating countries ensures that emerging needs are taken into account to the greatest extent possible. To this end, it is also important that the Fiscalis Annual Work Programmes enable a certain degree of flexibility and hence the possibility to closely follow up the changing political agenda in the field of taxation.

With respect to the different types of activities and tools offered by Fiscalis, evidence shows that they correspond to existing needs to a high extent. The programme offers a comprehensive set of complementary tools that address the specific needs of the different stakeholders.

Looking into the near future, there are no new developments that will urgently need to be addressed or would require a significant change in programme priorities. On the contrary, the flexibility of the programme offers the possibility of addressing almost any issue that arises. However, there are medium/long term issues which would require due attention to ensure that they are appropriately addressed by the programme in the future. These concern mainly:

- The fight against fraud, which will remain a high priority for the future of Fiscalis. There is a demand for particular attention to be paid to voluntary compliance, exchange of information on emerging frauds, and early warning mechanisms like Eurofisc, which only recently became operational.
- The area of direct taxation, which will require increasing Fiscalis involvement, as there is a need for more coordination in this area. This includes a new initiative to reduce the burden on taxpayers, as the complexity of the tax systems in the Internal Market not only encourages fraud, but also creates obstacles to the exercise of Single Market rights.
- A higher degree of involvement by Fiscalis in these two areas would require increased awareness in the Commission and national administrations of the possibilities offered by the programme.
- Finally, there are increasing demands for the programme to:
 - encourage further the participation of a larger community of stakeholders, involving third countries (i.e. countries that are not Member States, candidate countries or potential candidates), businesses and individual taxpayers to a higher extent when this is possible and relevant;
 - open up to activities in the area of integrated processes, harmonised administrative standards and modernisation of administrations.

Of course, the future developments of the programme depend on the willingness of the Member States to increase cooperation in the field of taxation policy, as well as increased management capacities.

EU added value

The evaluation has also clearly shown that Fiscalis offers high EU added value. Findings indicate that the contribution of the programme to the functioning of the tax systems could not be sustained if the programme was to be discontinued. In addition, when considering alternative approaches to improving the functioning of the tax systems in the Internal Market, either through cooperation in the OECD, typical governance mechanisms of the Commission (such as committees and working groups), or simply initiatives taken by the Member States to coordinate themselves, the analysis shows that no option would offer the same value as Fiscalis does.

In terms of effectiveness, the EU added value of Fiscalis lies mainly in a centralized coordination ensuring prioritised, complementary and synchronised activities, secure financial and IT resources (i.e. not subject to national priorities or capacities), opportunities to build formal and informal networks between tax officials from different national administrations, and more collaboration and better quality of dialogue (in particular in areas where political pressure or national interests are high).

In terms of efficiency, the EU added value of Fiscalis lies in easier and faster access to resources and networks for international cooperation, and more efficient coordination.

Conclusions and recommendations

The conclusions of the evaluation are positive, as the programme performs very well in terms of effectiveness, efficiency and relevance. The EU added value of Fiscalis is also clear.

However, there are a few areas in which the programme could perform even better. In order to ensure that progress is made, the evaluation ends with a set of recommendations. These recommendations are:

- Recommendation 1: The European Commission and the Member States should give higher priority to cooperation in the field of direct taxation, and increase Fiscalis activities in this area in order to address the needs, in particular in terms of a more effective and efficient fight against fraud and a reduced burden on taxpayers.
- Recommendation 2: Reduced burden on taxpayers should be a specific objective of Fiscalis in the future, and the European Commission and the Member States should increase the programme's activities targeting this objective with a view to improving the functioning of the internal market.
- Recommendation 3: 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. This monitoring and evaluation system should include the following elements: 1) a clear intervention logic, 2) a set of key output and outcome indicators, 3) a data collection plan, including identified sources and well-defined shared responsibilities for collecting data, 4) to the extent possible, baselines and targets against which progress could be measured, 5) annual reporting activities to monitor progress, and finally 6) mid-term and final evaluations supplementing monitoring data and focusing on assessing and explaining results. The M&E system should build on existing M&E activities and strive to integrate them in a coherent and shared system. The implementation of the M&E system should require reasonable amounts of time and resources from the Commission and the member States; it should preserve the programme's flexibility and give priority to issues that are relevant to both the Commission and the Member States.
- Recommendation 4: In order to maximise the programme's outcomes, the Commission and the Member States should take all possible steps to ensure that knowledge and practices shared or developed with the support of Fiscalis are actually disseminated and used in the national tax administrations.
- Recommendation 5. VIES is one of the major Fiscalis achievements and is widely used in the tax administrations all over Europe, and evidence shows that the system has contributed positively and significantly to the fight against fraud in the Internal Market. For these reasons, the users' see potential for improvement and development of the current system. Hence, the Commission should ensure that the potentialities of the tool are fully used, and that the needs of the tax officials are addressed to the highest extent. Possibilities for tighter quality control procedures of the data and/or more integrated national and EU systems should be explored.

- Recommendation 6: The European Commission should introduce a dedicated planning, monitoring and reporting system for the organisation and follow-up of Working Visits by the Member States. This system should aim for an optimal match between supply and demand. It should not create additional burden on the Fiscalis beneficiaries and, on the contrary, it should result in efficiency gains for managing Working Visits.
- Recommendation 7: In order to increase its impact, the Commission and the Member States should ensure that they fully use the existing potential of the Fiscalis programme to involve a larger community of stakeholders. This includes third countries (i.e. countries that are not Member States, candidate countries or potential candidates), businesses and individual taxpayers.
- Recommendation 8: As it is clear that the Commission's programme management unit has reached the limits of what it can possibly do with the available resources, the continued development of the programme activities would require proportionate programme management capacities in the form of more efficient use of existing resources, more human resources, and closer cooperation with the national Fiscalis management teams.

RESUME

Depuis 1993, divers programmes européens dans le domaine de la fiscalité ont été mis en place pour garantir le bon fonctionnement des systèmes fiscaux dans le marché intérieur et pour contribuer à la lutte contre la fraude. Parallèlement au développement et à l'élargissement des systèmes de technologies de l'information, le programme Matthaeus-tax et le programme Fiscalis qui l'a remplacé ont été à l'origine d'activités, de processus de coopération et d'actions de diffusion de connaissances et de bonnes pratiques entre les administrations fiscales nationales. Fiscalis 2010 est le dernier programme en date dans ce domaine.

Les objectifs opérationnels de la période de programmation actuelle (2008-2013) sont les suivants:

- garantir un échange d'informations et une coopération administrative efficaces, efficaces et à grande échelle;
- permettre aux fonctionnaires d'atteindre un degré élevé de compréhension du droit communautaire et son application dans les États membres;
- assurer l'amélioration continue des procédures administratives de manière à mieux tenir compte des besoins des administrations et des contribuables, par l'élaboration et la diffusion des bonnes pratiques administratives
- satisfaire les besoins particuliers des pays candidats et des candidats potentiels afin qu'ils prennent les mesures nécessaires à l'adhésion dans le domaine de la législation fiscale et des ressources administratives.

Afin d'atteindre ces objectifs, le programme a mis à la disposition des parties prenantes, à savoir essentiellement les États membres, les pays candidats et les candidats potentiels, ainsi que la Commission européenne, une série d'outils: systèmes TI, Actions Conjointes (principalement des réunions et des contrôles multilatéraux) et des outils de formation. En outre, une équipe de gestion du programme établie au sein de la Commission et un réseau de points de contact dans les États membres (y compris les Coordinateurs nationaux Fiscalis) ont soutenu et coordonné les activités du programme.

L'évaluation à mi-parcours de Fiscalis 2013 a été commanditée conformément la Décision n°1482/2007/CE du Parlement européen et du Conseil établissant un programme communautaire pour améliorer le fonctionnement des systèmes fiscaux sur le marché intérieur (Fiscalis 2013). Elle examine les progrès réalisés depuis 2008 et évalue la pertinence des objectifs du programme en fonction des besoins des États membres. Cette évaluation doit également contribuer à un ajustement du programme pour la suite de la période de programmation en termes de planification des activités, ainsi qu'à une décision concernant la reconduite et l'élaboration du programme pour la période de programmation suivante. Même si l'évaluation à mi-parcours concerne essentiellement la période de programmation actuelle, 2008-2013, le programme Fiscalis a une histoire plus longue et il existe une grande continuité entre les différentes périodes de programmation. Par conséquent, l'évaluation de l'efficacité du programme n'est pas limitée à la période de programmation en cours, mais envisage plutôt celui-ci selon une perspective

systémique et tient compte de l'évolution dans le cadre de Fiscalis, ainsi que de la coopération fiscale dans l'UE en général.

La méthodologie utilisée pour cette évaluation est classique et comprend notamment une recherche documentaire, des enquêtes, des entretiens et des études de cas. En outre, l'accent a largement été mis sur la triangulation des sources, afin d'assurer que toutes les conclusions sont étayées par des preuves suffisantes. Ainsi, cinq enquêtes ont été menées auprès des différents types de répondants. Quelques 50 à 60 interviews ont été effectuées (y compris les études de cas). Toutes les données de suivi et d'évaluation collectées par l'unité de gestion du programme ont été analysées et des recherches documentaires additionnelles ont été menées sur les activités Fiscalis et le contexte dans lequel le programme opère.

Ce document de synthèse présente les principales conclusions de l'évaluation à mi-parcours. Les conclusions indiquent que le programme obtient globalement de très bons résultats. Les recommandations à la Commission européenne, destinées à encore améliorer les performances du programme, sont présentées à la fin de ce résumé.

Efficacité

L'évaluation montre que Fiscalis 2013 a contribué dans une large mesure à l'amélioration de l'échange d'informations et de la coopération administrative entre les administrations fiscales nationales participantes. Dans ce domaine, Fiscalis a apporté un soutien continu aux systèmes TI existants, permettant un accès plus aisé et rapide aux données pertinentes d'autres Etats membres. Le programme a également contribué à la mise en œuvre de nouveaux outils, améliorant de manière significative l'échange d'informations et la coopération administrative dans tous les domaines fiscaux. En particulier, Fiscalis 2013 a soutenu la mise en œuvre du système de suivi informatisé des mouvements et des contrôles intracommunautaires des produits soumis à accise (Excise Movement and Control System – EMCS), qui constitue une percée dans le domaine des accises étant donné qu'il permet à un système informatisé de contrôler les mouvements des produits soumis à accises dans l'UE (précédemment, le contrôle se faisait sur papier). Sur le plan de la fiscalité directe, le programme a permis l'élaboration de formulaires électroniques facilitant la coopération administrative. Des Actions conjointes ont également contribué à la réalisation des objectifs du programme en termes d'échange d'informations et de coopération administrative. Elles ont apporté un soutien essentiel au développement et à la mise en œuvre d'outils TI. Elles ont mis en place des contrôles simultanés par le biais de Contrôles multilatéraux. Elles ont également joué un rôle déterminant en soutenant le développement de la coopération et de l'échange d'informations et de connaissances entre les administrations nationales de manière informelle et régulière. Fiscalis a par ailleurs contribué à la mise en œuvre d'Eurofisc, un mécanisme d'alerte précoce dans la lutte contre la fraude.

Fiscalis 2013 a contribué dans une large mesure à permettre aux fonctionnaires d'atteindre un degré élevé de compréhension du droit communautaire et de son application. Les observations indiquent que la contribution du programme à la réalisation de cet objectif est importante dans les domaines de la TVA et des accises. Les réalisations sont particulièrement significatives dans le domaine des accises où la législation s'avère difficile à mettre en pratique, et où la mise en œuvre de l'EMCS s'est avérée être un défi pour un certain nombre d'Etats membres. Ces conclusions doivent toutefois être nuancées, étant donné que la contribution du programme à un degré élevé de compréhension du droit communautaire et à sa mise en œuvre dans les Etats membres est nettement moindre dans le secteur de la fiscalité directe, dans lequel les activités du programme ont été limitées à ce jour. Par ailleurs, il est clair que cet objectif a été abordé selon diverses approches. En particulier, Fiscalis a été un instrument clé utilisé par la Commission européenne pour garantir un degré élevé de compréhension du droit communautaire, particulièrement par l'organisation de séminaires et d'ateliers lors de l'application de nouvelles réglementations ou à la suite de problèmes rencontrés dans le cadre de la réglementation existante. Les pays participants se sont concentrés sur l'acquisition d'une meilleure compréhension des pratiques et procédures en œuvre dans les différents systèmes fiscaux de l'UE et sur le partage d'expériences dans l'application du droit communautaire (les visites de travail ont été extrêmement utiles à cet égard). Dès lors, les données recueillies auprès des pays participants indiquent que Fiscalis a davantage contribué à l'application du droit communautaire

dans les EM qu'à l'acquisition d'un degré élevé de compréhension du droit communautaire. De plus, les outils d'apprentissage en ligne sont préférés aux séminaires et aux ateliers lorsqu'il s'agit d'acquérir une meilleure compréhension du droit communautaire en tant que tel.

Fiscalis 2013 a contribué dans une très large mesure à l'élaboration et la diffusion des bonnes pratiques administratives entre les administrations nationales. De nombreuses activités ont contribué à cet objectif. La plupart des réalisations du programme, y compris une application plus uniforme et efficace du droit communautaire et une meilleure capacité à lutter contre la fraude, ont été rendues possibles par le développement et l'échange de bonnes pratiques administratives. En ce qui concerne la lutte contre la fraude, des progrès significatifs ont été enregistrés, par exemple dans le cadre des différentes plateformes soutenues par Fiscalis dans le domaine de la gestion du risque et de l'e-audit.

Pour ce qui est des différents domaines fiscaux, la contribution de Fiscalis à leurs objectifs opérationnels est considérée comme étant fortement significative et positive dans les domaines de la TVA et des accises. Dans le domaine de la fiscalité directe, la contribution du programme est également perçue comme étant significative et positive, mais dans une moindre mesure. Cette conclusion est tout à fait cohérente étant donné que les activités de Fiscalis en matière de fiscalité directe n'étaient que limitées jusqu'il y a peu, vu que les Etats membres éprouvaient certaines réticences à coopérer dans ce domaine réservé au niveau national. Toutefois, un changement d'orientation s'est opéré durant Fiscalis 2013 et les activités dans le domaine de la fiscalité directe ont pris progressivement de l'ampleur. Les observations montrent que Fiscalis a contribué à sensibiliser plus largement les administrations nationales à l'intérêt mutuel d'une coopération. Dès lors, depuis 2008, le programme a permis de développer la coopération administrative dans le domaine de la fiscalité directe.

Concernant l'aide aux pays candidats et candidats potentiels afin qu'ils prennent les mesures nécessaires à l'adhésion, les conclusions de l'évaluation sont plus ambiguës étant donné que, au niveau global, la participation au programme Fiscalis n'a qu'indirectement contribué à prendre des mesures spécifiques en vue de l'adhésion. Les pays candidats et les candidats potentiels ont été complètement intégrés au programme et ont eu activement recours aux activités et outils proposés mais, à l'exception des visites de travail (organisées à leur propre initiative), aucune activité n'a ciblé les besoins spécifiques des pays candidats et des candidats potentiels. Par conséquent, il est difficile d'établir un lien de cause à effet entre la participation au programme et les progrès réalisés en vue de l'adhésion. Il ne fait cependant aucun doute que Fiscalis a permis une meilleure compréhension de la législation fiscale communautaire ainsi que le développement d'un réseau, ce qui a contribué à préparer l'adhésion.

Sur le plan des réalisations du programme en termes d'objectifs spécifiques et globaux, la contribution de Fiscalis 2013 à l'amélioration du bon fonctionnement des systèmes fiscaux dans le marché intérieur est évaluée comme étant positive et significative par les personnes ayant participé aux enquêtes ou aux entretiens. Le programme a entraîné une application uniforme, efficace et efficiente du droit communautaire et il a amélioré l'efficacité de la lutte contre la fraude. Dans certains cas (comme les Contrôles multilatéraux, mais aussi le Système automatisé d'échange d'informations sur la TVA (VAT Information Exchange System – VIES)), un lien clair peut être établi entre une meilleure détection des fraudes et les activités de Fiscalis. Les réalisations du programme sont particulièrement significatives dans le domaine de la TVA et des accises. Dans le domaine de la fiscalité directe, les conclusions indiquent que Fiscalis a eu des effets positifs jusqu'à présent, mais l'amplitude de ces effets est nettement inférieure à celle enregistrée dans d'autres domaines fiscaux. Comme expliqué ci-dessus, cette situation s'explique par l'activité moindre du programme dans le domaine de la fiscalité directe. La contribution du programme à la diminution de la charge administrative imposée aux contribuables est tangible, mais est davantage une conséquence indirecte des réalisations du programme sur d'autres objectifs. A quelques exceptions près, les activités de Fiscalis 2013 n'ont tenté de contribuer à cet objectif que dans une mesure très limitée. Enfin, l'évaluation révèle la nécessité d'un soutien plus proactif à l'égard du suivi des activités, de la diffusion et de l'utilisation des connaissances et bonnes pratiques, ainsi que d'un meilleur suivi des effets du programme.

Autres aspects de l'efficacité

L'évaluation a identifié plusieurs facteurs externes et internes influençant la réalisation des objectifs du programme. En particulier, s'agissant d'évaluer dans quelle mesure Fiscalis fonctionne et atteint ses objectifs, il est important de comprendre que le programme fait face à de fortes contraintes externes, essentiellement dues au fait que les politiques fiscales demeurent dans une large mesure un domaine national. Dès lors, l'intérêt commun et la bonne volonté des pays participants sont des éléments clés de la coopération. En outre, le degré de réalisation des objectifs du programme dépend fortement de décisions prises par la direction des administrations nationales ou par les décideurs politiques aux niveaux communautaire et national.

Ceci dit, le programme est parvenu à créer un environnement de confiance et de soutien mutuels entre les pays participants. Bien qu'il ne s'agisse pas d'un objectif explicite, Fiscalis rapproche les fonctionnaires de l'administration fiscale des différents pays, ce qui est à souligner étant donné que les administrations fiscales sont, par nature, très introverties. Fiscalis stimule les contacts, les relations et les réseaux informels, ce qui prépare le terrain pour un degré élevé d'atteinte des objectifs du programme, tout particulièrement en termes d'amélioration de l'échange d'informations et de la coopération administrative, de soutien mutuel et d'échange de bonnes pratiques administratives.

Le manque de ressources humaines disponibles pour la gestion de ce programme, à la fois au sein de la Commission européenne et des administrations fiscales des pays participants, est un facteur pouvant entraver la réussite du programme et le développement de ses activités. Un étoffement de l'unité de gestion du programme à la Commission serait nécessaire pour accroître encore la portée du programme, tout en maintenant l'efficacité et l'efficience à des niveaux équivalents à ceux atteints aujourd'hui.

En termes de gestion du programme, l'ensemble des résultats de l'analyse indiquent qu'elle est optimale en vue d'atteindre les objectifs visés. Le soutien offert par les équipes de gestion de Fiscalis au sein de la Commission européenne et des administrations nationales a permis de coordonner de manière adéquate les activités, de distiller des conseils sur la manière de demander des financements, d'être réactif aux besoins et désirs des administrations nationales, de faire preuve de transparence et d'ouverture dans le processus de fixation des priorités, et d'organiser des événements. Certains aspects du contrôle et du suivi des activités pourraient être améliorés, mais vu le manque de ressources humaines, cet aspect doit être repensé et automatisé. Enfin, le partage d'informations entre la Commission et les Etats membres s'est amélioré de manière significative avec le lancement des plateformes PICS³ et TACTIC⁴.

Efficience

Globalement, Fiscalis offre un bon rapport entre les montants investis dans le programme et les résultats obtenus. Les observations indiquent que les effets cumulés des Contrôles multilatéraux (permettant la détection de la fraude et la récupération fiscale) et des systèmes de communication et d'échange d'informations et autres bases de données soutenues par Fiscalis (facilitant et accélérant l'accès à l'information, ce qui réduit le coût de la lutte contre la fraude dans le marché intérieur) génèrent des recettes nettement supérieures aux dépenses du programme. Selon le système de contrôle ART2 de la Commission, jusqu'à mars 2011, les Contrôles multilatéraux effectués dans le cadre de Fiscalis 2013 avaient permis l'identification d'environ 1,5 milliards d'euros de taxes dues.

³ PICS est l'acronyme anglais d'Espace d'information et de collaboration pour les programmes. Il s'agit d'un système en ligne destiné aux administrations fiscales et douanières impliquées dans les programmes de la DG TAXUD dans l'UE. Il a pour but d'accéder à des informations relatives aux activités des programmes et à différents thèmes, de co-crée des contenus et des connaissances, de faciliter le développement d'un réseau de professionnels et de communautés et de fournir des espaces de coopération et de collaboration en ligne.

⁴ TACTIC est l'acronyme anglais de Campus interactif pour la formation en matière de fiscalité et de douane. Il s'agit d'un système en ligne très similaire au PICS mais conçu en fonction des besoins de la communauté des formateurs des administrations fiscales et douanières de l'UE.

Le coût moyen calculé par participant aux Actions conjointes est particulièrement bas (environ 1000 euros par participant, tous frais inclus, indépendamment de la durée de l'événement, qui, dans certains cas, peut aller jusqu'à deux semaines). De même, l'évaluation montre que la direction du programme a pris des mesures pour assurer une meilleure efficacité par rapport aux périodes précédentes, tout particulièrement lorsque des améliorations possibles ont été identifiées. Citons notamment la création des ateliers, constituant un nouveau type d'Action conjointe, offrant un cadre plus flexible et moins onéreux que les séminaires. Par ailleurs, la nouvelle plateforme PICS a été créée pour faciliter le partage d'informations ; elle inclura à l'avenir un module de vidéoconférence.

Pertinence

Fiscalis 2013 continue à satisfaire les besoins des parties prenantes dans une large mesure: les objectifs spécifiques stipulés dans la décision Fiscalis correspondent aux défis actuels auxquels sont confrontées les administrations nationales et les objectifs opérationnels du programme permettent de relever ces défis de manière appropriée.

L'importance de la fraude et de l'évasion fiscale est, de loin, le défi le plus significatif auquel les administrations nationales sont confrontées. Dans le contexte du marché intérieur, cette question est liée au degré élevé de complexité et de fragmentation des systèmes fiscaux dans l'UE. Par ailleurs, dans un environnement en pleine mutation, des efforts continus sont nécessaires pour soutenir l'application uniforme du droit communautaire et pour garantir que les Etats membres ont la capacité suffisante pour lutter contre la fraude. A cet égard, les objectifs de Fiscalis sont tout à fait pertinents.

En outre, un processus transparent de fixation des priorités et un dialogue permanent entre la Commission et les pays participants permettent de veiller à ce que les besoins émergents soient pris en considération autant que possible. A cet effet, il est également essentiel que les programmes de travail annuels de Fiscalis prévoient un certain degré de flexibilité, pour une bonne prise en compte de l'évolution de l'agenda politique dans le domaine de la taxation.

En ce qui concerne les différents types d'activités et d'outils offerts par Fiscalis, les observations montrent qu'ils répondent largement aux besoins existants. Le programme propose une large gamme d'outils complémentaires pour satisfaire les besoins spécifiques des différentes parties prenantes.

Dans un avenir proche, aucun nouveau développement ne requiert d'être abordé de manière urgente ou ne nécessite un changement significatif des priorités du programme. Au contraire, la flexibilité du programme offre la possibilité de s'attaquer à pratiquement tous les problèmes qui se posent. Une certaine attention devra néanmoins être accordée à certains problèmes à moyen et à long terme, afin qu'ils puissent être abordés de manière appropriée par le programme à l'avenir. Il s'agit principalement de ce qui suit:

- La lutte contre la fraude, qui reste une priorité pour l'avenir de Fiscalis. Il existe une demande pour que soit accordée une attention particulière à la conformité volontaire, à l'échange d'informations sur les tendances de fraude émergentes et les mécanismes d'alerte précoce tels qu'Eurofisc, qui n'est opérationnel que depuis peu.
- Le domaine de la fiscalité directe, qui va nécessiter une implication croissante de Fiscalis, étant donné qu'une coordination majeure dans ce domaine est nécessaire. Citons dans ce cadre une nouvelle initiative destinée à réduire la charge administrative sur les contribuables, vu que la complexité des systèmes fiscaux dans le marché intérieur n'encourage pas uniquement la fraude, mais crée également des obstacles à l'exercice des droits liés au marché unique.
- Une plus grande implication de Fiscalis dans ces deux domaines nécessiterait une sensibilisation accrue aux possibilités offertes par le programme au sein de la Commission et des administrations nationales.

- Enfin, il existe une demande croissante pour que le programme:
 - encourage davantage la participation d'une communauté plus vaste de parties prenantes et, notamment, l'implication des pays tiers (ex.: les pays qui ne sont pas des Etats membres, les pays candidats ou les candidats potentiels), des entreprises et des contribuables dans une plus large mesure si nécessaire et utile;
 - comprenne des activités dans le domaine de l'intégration des processus, de l'harmonisation des normes administratives et de la modernisation des administrations.

Naturellement, l'évolution future du programme dépend de la volonté des Etats membres à développer la coopération dans le domaine de la politique fiscale, ainsi que d'un accroissement des capacités de gestion.

La valeur ajoutée européenne

L'évaluation a également clairement démontré que Fiscalis apporte une valeur ajoutée européenne élevée. Les résultats de l'analyse indiquent que la contribution du programme au fonctionnement des systèmes fiscaux ne pourrait être maintenue si le programme devait s'arrêter. En outre, lorsque des approches alternatives à l'amélioration du fonctionnement des systèmes fiscaux dans le marché intérieur sont envisagées, que ce soit dans le cadre d'une coopération au sein de l'OCDE ou par le biais des mécanismes de gouvernance habituels de la Commission (comme les comités et les groupes de travail), ou simplement par des initiatives prises par les Etats membres pour se coordonner, l'analyse montre qu'aucune option n'offrirait la même valeur ajoutée que Fiscalis.

En termes d'efficacité, la valeur ajoutée européenne de Fiscalis réside essentiellement dans la coordination centralisée qui garantit la mise en place d'activités complémentaires, synchronisées et assorties d'une priorité, la disponibilité de ressources financières et technologiques sûres (c'est-à-dire non sujettes aux priorités ou capacités nationales), les opportunités de développement de réseaux formels et informels entre les responsables fiscaux des différentes administrations nationales, une collaboration accrue et un dialogue de meilleure qualité (en particulier, dans les domaines dans lesquels la pression politique et les intérêts nationaux sont élevés).

En termes d'efficacité, la valeur ajoutée européenne de Fiscalis réside dans un accès plus aisé et plus rapide aux ressources et aux réseaux de coopération internationale, ainsi que dans une coordination plus efficiente.

Conclusions et recommandations

Les conclusions de l'évaluation sont positives, étant donné que le programme donne d'excellents résultats en termes d'efficacité, d'efficacité et de pertinence. La valeur ajoutée européenne de Fiscalis est également évidente.

Le programme pourrait toutefois enregistrer de meilleurs résultats dans quelques domaines. Pour que des progrès puissent être réalisés, l'évaluation se conclut sur une série de recommandations. Ces recommandations sont les suivantes:

- **Recommandation 1:** La Commission européenne et les Etats membres devraient accorder une plus grande priorité à la coopération dans le domaine de la fiscalité directe et développer les activités de Fiscalis dans ce domaine afin de satisfaire les besoins, en particulier en termes d'amélioration de l'efficacité et de l'efficacité de la lutte contre la fraude et de la réduction de la charge sur les contribuables.
- **Recommandation 2:** La réduction de la charge sur les contribuables devrait constituer un objectif spécifique de Fiscalis à l'avenir et la Commission européenne et les Etats membres devraient développer les activités du programme visant cet objectif, afin d'améliorer le fonctionnement du marché intérieur.

- **Recommandation 3:** En étroite coopération avec les Etats membres, la Commission devrait mettre en place un système de suivi et d'évaluation (M&E) basé sur les résultats. Ce système de suivi et d'évaluation devrait inclure les éléments suivants: 1) une logique d'intervention claire, 2) une série d'indicateurs de résultats clés, 3) un plan de collecte de données, comprenant des sources identifiées et des responsabilités partagées bien définies en matière de collecte de données, 4) dans la mesure du possible, des niveaux de référence et des objectifs permettant d'évaluer les progrès, 5) une activité de compte rendu annuel pour contrôler les progrès, et enfin 6) des évaluations à mi-parcours et finales complétant les données du monitoring et se concentrant sur l'évaluation et l'explication des résultats. Le système M&E devrait reposer sur les activités M&E existantes et tenter de les intégrer dans un système cohérent et partagé. La mise en œuvre du système M&E devrait nécessiter un investissement en temps et ressources humaines raisonnables de la part de la Commission et des Etats membres. Elle devrait préserver la flexibilité du programme et accorder la priorité aux questions pertinentes à la fois pour la Commission et les Etats membres.
- **Recommandation 4:** Pour maximiser les résultats du programme, la Commission et les Etats membres devraient prendre toutes les mesures possibles pour garantir que les connaissances et les pratiques partagées ou développées avec le soutien de Fiscalis sont réellement diffusées et utilisées dans les administrations fiscales nationales.
- **Recommandation 5.** VIES est l'une des principales réalisations de Fiscalis. Le système est largement utilisé dans les administrations fiscales à travers l'Europe et les observations démontrent qu'il a contribué de manière positive et significative à la lutte contre la fraude dans le marché intérieur. Dès lors, les utilisateurs estiment qu'il existe un potentiel d'amélioration et de développement du système actuel. La Commission devrait veiller à ce que le potentiel de cet outil soit pleinement exploité et que les besoins des responsables fiscaux soient satisfaits autant que possible. Les possibilités de mise en place de procédures plus strictes de contrôle de la qualité des données et/ou de systèmes nationaux et communautaires plus intégrés devraient être examinées.
- **Recommandation 6:** La Commission européenne devrait adopter un système de planification, de suivi et de compte rendu spécifique à l'organisation et au suivi des visites de travail effectuées par les Etats membres. Ce système devrait viser une rencontre optimale entre l'offre et la demande. Il ne devrait pas créer de charges supplémentaires sur les bénéficiaires de Fiscalis, mais, au contraire, entraîner des gains d'efficacité pour mieux gérer les visites de travail.
- **Recommandation 7:** Pour accroître son impact, la Commission et les Etats membres doivent veiller à exploiter pleinement la possibilité existante dans le programme Fiscalis d'impliquer une plus vaste communauté de parties prenantes, à savoir des tiers (soit, des pays qui ne sont pas des Etats membres, des pays candidats ou des pays candidats potentiels), des entreprises et des contribuables individuels.
- **Recommandation 8:** Il est évident que l'unité de gestion du programme de la Commission a atteint les limites de ce qu'elle peut faire avec les ressources disponibles. Le développement continu des activités du programme requiert dès lors des capacités de gestion du programme accrues, sous forme d'une utilisation plus efficace des ressources existantes, davantage de ressources humaines et une coopération plus étroite avec les équipes de gestion de Fiscalis.

ZUSAMMENFASSUNG

Seit 1993 sind eine Reihe von EU Steuerprogrammen eingeführt worden um die Funktionsweise der Steuersysteme im Binnenmarkt zu garantieren und Steuerbetrug effektiv zu bekämpfen. Neben der Entwicklung und Ausweitung der IT-Systeme, haben das Matthäus-Tax-Programm und das anschließend eingeführte Fiscalis-Programm Aktivitäten, Verfahren der Zusammenarbeit und die Verbreitung von Kenntnissen und bewährten Praktiken zwischen den nationalen Steuerverwaltungen gefördert. Fiscalis 2013 ist das jüngste EU-Programm zur Verbesserung der Funktionsweise der Steuersysteme.

Die Programmziele der gegenwärtigen Förderperiode 2008-2013 sind vierfach:

- die Gewährleistung, dass der Informationsaustausch und die Verwaltungszusammenarbeit auf effiziente, wirksame und umfassende Weise erfolgen,
- die Schaffung der Voraussetzungen dafür, dass die Beamten einen hohen Kenntnisstand in Bezug auf das Gemeinschaftsrecht und seine Anwendung in den Mitgliedstaaten erwerben,
- die fortlaufende Verbesserung der Verwaltungsverfahren zur Berücksichtigung der Bedürfnisse der Verwaltungen und der Steuerpflichtigen durch Entwicklung und Verbreitung von bewährten Verwaltungspraktiken, und
- die Berücksichtigung der besonderen Erfordernisse der Bewerberländer und potenziellen Bewerberländer, damit sie die im Hinblick auf den Beitritt erforderlichen Maßnahmen im Bereich des Steuerrechts und der Verwaltungskapazitäten ergreifen.

Um diese Ziele erreichen zu können, hat das Programm allen Beteiligten – vor allem den Mitgliedsstaaten, Bewerberländern und möglichen Bewerberländern sowie der Europäischen Kommission – eine Reihe von Instrumenten zur Verfügung gestellt: IT-Systeme, Gemeinsame Maßnahmen (vor allem Sitzungen und Multilaterale Prüfungen) und Schulungsmittel. Außerdem sorgen eine in der Kommission angesiedelte Einheit zur Programmverwaltung und das Netzwerk von Kontaktstellen in den einzelnen Mitgliedsstaaten (einschließlich der nationalen Fiscalis-Koordinatoren) für eine Verbesserung der Steuerung und Verwaltung der Aktivitäten im Rahmen des Programms.

Die Halbzeitbewertung des Programms Fiscalis 2013 wurde gemäß der Entscheidung Nr. 1482/2007/EG des Europäischen Parlaments und des Rates über ein Gemeinschaftsprogramm zur Verbesserung der Funktionsweise der Steuersysteme im Binnenmarkt (Fiscalis 2013) in Auftrag gegeben. Im Rahmen der Halbzeitbewertung werden die seit 2008 erzielten Fortschritte bewertet und überprüft, ob die Programmziele noch dem Bedarf der Mitgliedsstaaten entsprechen. Die Bewertung soll ebenfalls dazu dienen, das Programm für die verbleibende Programmlaufzeit anzupassen, insbesondere in Hinblick auf die Aktivitätenplanung. Darüber hinaus soll sie einen Beitrag zur Entscheidung über die Fortführung des Programms und dessen Ausgestaltung in der nächsten Förderperiode liefern.

Obwohl die Evaluation vor allem die gegenwärtige Förderperiode 2008-2013 betrifft, blickt das Fiscalis-Programm auf eine längere Geschichte zurück. Es besteht ein hoher Grad an Kontinuität zwischen den verschiedenen Förderperioden. Aus diesem Grund ist die Bewertung der Effektivität des Programms nicht auf die aktuelle Förderperiode beschränkt, sondern das Programm wird von einem systemischen Standpunkt aus untersucht, wobei sowohl die Entwicklung des Fiscalis Programms als auch die Entwicklung der steuerlichen Kooperation innerhalb der EU im Allgemeinen berücksichtigt werden.

Die für die Halbzeitbewertung eingesetzten Methoden basieren auf einem klassischen Evaluationsdesign, das sowohl eine Sekundärquellenanalyse, als auch Umfragen, Interviews und Fallstudien umfasst. Zudem wurde besonderer Wert auf die Triangulation der Quellen gelegt, um zu gewährleisten, dass alle Ergebnisse durch ausreichend Belege gestützt werden. Daher wurden fünf Befragungen, jeweils für verschiedene Zielgruppen, konzipiert und 50 bis 60 Interviews (einschließlich Fallstudien) geführt. Zudem wurden alle verfügbaren Evaluations- und Monitoring-Daten, die von der Programmverwaltung erhoben worden, analysiert und eine weitere Sekundärquellenanalyse zu Aktivitäten und Kontext des Fiscalis-Programms, durchgeführt.

Diese Zusammenfassung beschreibt die wichtigsten Ergebnisse der Halbzeitbewertung. Die Ergebnisse zeigen, dass das Programm insgesamt gut funktioniert. Am Ende des Textes werden die Empfehlungen für die Europäische Kommission, die auf eine weitere Verbesserung der Leistungsfähigkeit des Programms abzielen, vorgestellt.

Effektivität

Die Evaluationsergebnisse zeigen, dass Fiscalis 2013 in hohem Maße dazu beigetragen hat, *den Informationsaustausch und die Verwaltungszusammenarbeit zwischen den teilnehmenden nationalen Steuerverwaltungen* zu verbessern. In diesem Bereich hat Fiscalis eine kontinuierliche Unterstützung für bestehende IT-Systeme bereitgestellt, die einen leichteren und zeitnaheren Zugang zu relevanten Daten anderer Mitgliedsstaaten ermöglichen. Das Programm hat ebenfalls zur Einführung neuer Instrumente beigetragen, welche den Informationsaustausch und die Verwaltungszusammenarbeit in allen Steuerbereichen erheblich verbessern. So hat Fiscalis 2013 insbesondere die Einführung eines Systems zur Kontrolle der Beförderung verbrauchsteuerpflichtiger Waren (Excise Movement and Control System, ECMS) unterstützt; ein Durchbruch auf dem Gebiet der Verbrauchsteuern, da hierdurch ein EDV-System etabliert wurde, dass die Beförderung verbrauchsteuerpflichtiger Waren, die unter Aussetzung der Steuer innerhalb der EU befördert werden, zu überwachen (vorher war dies nur mit Papierformularen möglich). Im Bereich der Direktbesteuerung hat das Programm die Entwicklung von elektronischen Formularen unterstützt, welche die Zusammenarbeit der Verwaltungen erleichtert. In der Zwischenzeit haben die Gemeinsamen Maßnahmen auch zu den Erfolgen des Programms in den Bereichen Informationsaustausch und Verwaltungszusammenarbeit beigetragen: Sie haben kritische Unterstützung für die Entwicklung und Einführung von IT-Tools geleistet; sie haben gleichzeitige Kontrollen durch Multilaterale Prüfungen ermöglicht und sie haben maßgeblich die Entwicklung von informellen und regelmäßigen Formen der Zusammenarbeit sowie des Informations- und Wissensaustausches zwischen den nationalen Verwaltungen unterstützt. Fiscalis hat ferner die Einführung von Eurofisc unterstützt, einem Frühwarnsystem für die Bekämpfung des Steuerbetrugs.

Fiscalis 2013 hat in entscheidendem Maße dazu beigetragen, *es den Steuerbeamten zu ermöglichen, einen hohen Kenntnisstand in Bezug auf das Gemeinschaftsrecht und seine Umsetzung zu erwerben*. Die Ergebnisse deuten darauf hin, dass der Beitrag des Programms zu diesem Ziel in den Bereichen der Mehrwert- und Verbrauchssteuer sehr hoch ist. Besonders hervorzuheben ist die Zielerreichung bei der Verbrauchssteuer, gerade weil sich in diesem Bereich die Verordnung als nur schwierig umsetzbar erwiesen hat und hier die Einführung von EMCS für eine Reihe von Mitgliedsstaaten eine Herausforderung war. Diese Ergebnisse sollten jedoch differenziert werden, da der Beitrag des Programms zu einem hohen Verständnis des EU-Rechts und seiner Umsetzung in den Mitgliedsstaaten im Bereich der Direktbesteuerung erheblich niedriger ist: In diesem Bereich gab es bisher nur wenige Programmaktivitäten. Zudem ist eindeutig, dass es verschiedene Ansätze für die Erreichung dieses Ziels gibt. So wurde Fiscalis maßgeblich von der Europäischen Kommission genutzt, um einen hohen Kenntnisstand des

Gemeinschaftsrechtes zu gewährleisten, besonders durch die Organisation von Seminaren und Workshops, wenn eine neue Verordnung eingeführt wurde oder Probleme mit bestehenden Verordnungen auftraten. Indes haben die teilnehmenden Länder sich darauf konzentriert, ein besseres Verständnis der Verfahren *und Arbeitsweisen* der verschiedenen Steuersysteme in der EU zu erhalten und ihre Erfahrungen in der Anwendung des EU-Rechts auszutauschen (Arbeitsbesuche haben sich in diesem Zusammenhang als dienlich erwiesen). Aus diesen Gründen weisen die in den teilnehmenden Ländern erhobenen Daten darauf hin, dass Fiscalis in einem höheren Maße zur „Verbesserung der *Umsetzung des EU-Rechts* in den Mitgliedsstaaten“ als zu „einem hohen Kenntnisstand des EU-Rechts“ beigetragen hat. So werden auch Instrumente des E-Learning gegenüber Seminaren und Workshops bevorzugt, wenn es darum geht, eine bessere Kenntnis des EU-Rechts als solches zu erlangen.

Fiscalis 2013 hat in sehr hohem Maße zur *Entwicklung und Verbreitung von bewährten Verwaltungspraktiken zwischen den nationalen Verwaltungen* beigetragen. Viele Aktivitäten haben einen Beitrag zur Erreichung dieses Ziels geleistet. Die meisten Erfolge des Programms, einschließlich einer einheitlicheren und effektiveren Anwendung des EU-Rechts und der Erhöhung der Kapazitäten in der Betrugsbekämpfung, wurden durch die Entwicklung und den Austausch von bewährten Verwaltungspraktiken unterstützt. In der Betrugsbekämpfung sind erhebliche Fortschritte gemacht worden, zum Beispiel durch die verschiedenen von Fiscalis gestützten Plattformen im Bereich des Risikomanagements und des E-Audit.

In Bezug auf die verschiedenen Bereiche des Steuerrechts wird der Beitrag von Fiscalis zu den Programmzielen in den Bereichen der *Mehrwertsteuer* und der *Verbrauchssteuer* als wichtig und positiv bewertet. Im Bereich der *Direktbesteuerung* wird der Beitrag des Programms ebenfalls als wichtig und positiv bewertet, aber in einem geringeren Maße. Dies entspricht der Tatsache, dass die Fiscalis-Aktivitäten im Bereich der Direktbesteuerung bis vor Kurzem beschränkt waren, da die Mitgliedsstaaten sich zurückhaltend zeigten in diesem nationalstaatlich besetzten Bereich zusammenzuarbeiten. Während der Laufzeit von Fiscalis 2013 kam es jedoch zu einer politischen Akzentverschiebung und die Aktivitäten im Bereich der Direktbesteuerung haben schrittweise zugenommen. Fiscalis hat erwiesenermaßen dazu beigetragen, dass die nationalen Verwaltungen sich ihres gegenseitigen Interesses an Zusammenarbeit zunehmend bewusster werden; und seit 2008 hat das Programm die Verwaltungszusammenarbeit im Bereich der Direktbesteuerung gefördert.

Im Bereich der „*Unterstützung der Beitrittskandidaten und potenzieller Beitrittskandidaten, damit sie die notwendigen Maßnahmen für den Beitritt durchführen können*“, sind die Schlussfolgerungen der Bewertung nicht ganz so eindeutig, da allgemein die Teilnahme bei Fiscalis nur indirekt dazu beigetragen hat, dass die für den Beitritt notwendigen Maßnahmen ergriffen wurden. Beitrittskandidaten und potenzielle Beitrittskandidaten sind vollständig in das Programm integriert worden und nutzten die Aktivitäten des Programms. Allerdings sind keine Aktivitäten auf die spezifischen Bedürfnisse der Beitrittskandidaten und der potenziellen Beitrittskandidaten ausgerichtet worden, mit Ausnahme der Arbeitsbesuche (die auf eigene Initiative organisiert werden). Aus diesem Grund ist es schwierig, einen Kausalzusammenhang zwischen der Beteiligung am Programm und Fortschritten auf dem Weg zum Beitritt festzustellen; obwohl es Anzeichen dafür gibt, dass Fiscalis ein besseres Verständnis von EU-Steuerlegislation sowie den Aufbau von Netzwerken unterstützt hat, und auf diese Weise dazu beiträgt Staaten auf den Beitritt vorzubereiten.

Hinsichtlich der Erfolge des Programms im Bereich der spezifischen und allgemeinen Ziele wird der Beitrag von Fiscalis 2013 zur *Verbesserung der richtigen Funktionsweise des Steuersystems im Binnenmarkt* von den durch Umfragen und in Interviews befragten als positiv und wichtig bewertet. Das Programm hat zu einer einheitlichen, effektiven und wirksamen Anwendung des EU-Rechts und zu einer wirksameren Bekämpfung von Betrug beigetragen. In einigen Fällen (wie den Multilateralen Prüfungen, aber auch beim MwSt-Informationsaustauschsystem (MIAS)) kann eine eindeutige Verbindung zwischen der erhöhten Anzahl an aufgeklärten Betrugsfällen und den Fiscalis-Aktivitäten hergestellt werden. Die Erfolge des Programms sind am deutlichsten im Bereich der Mehrwert- und Verbrauchssteuer. Im Bereich der Direktbesteuerung weisen die Ergebnisse darauf hin, dass die Fiscalis-Aktivitäten bisher zwar positive Auswirkungen hatten, aber die Intensität dieser Auswirkungen ist deutlich geringer als in anderen Steuerbereichen. Wie

oben erläutert, hängt dies mit einer geringeren Einbindung des Programms im Bereich der Direktbesteuerung zusammen. Der Beitrag des Programms zur Reduzierung der Belastungen für den Steuerzahler ist spürbar, aber es handelt sich hier eher um indirekte Konsequenzen der Programmterfolge in Verbindung mit anderen Zielen. Mit einigen wenigen Ausnahmen haben die Fiscalis 2013 Aktivitäten nur zu einem geringen Grad angestrebt diese Ziele zu erfüllen. Die Bewertung zeigt zuletzt, dass eine proaktivere Unterstützung der Folgemaßnahmen, die Verbreitung und die Nutzung von Kenntnissen und bewährten Verfahren sowie eine verbesserte Beobachtung möglicher Auswirkungen der Programme notwendig sind.

Andere Aspekte der Effektivität

Die Evaluation identifiziert verschiedene *externe und interne Faktoren, die das Erfüllen der Programmziele beeinflussen*. Dies betrifft besonders die Bewertung ob und in welchem Umfang das Fiscalis-Programm funktioniert und Ergebnisse liefert. Es ist wichtig zu verstehen, dass das Programm vor dem Hintergrund erheblicher externer Zwänge agiert, welches hauptsächlich auf den Umstand zurückzuführen ist, dass die Steuerpolitik in großen Teilen ein den Nationalstaaten vorbehalten Bereich ist. Aus diesem Grund sind die Schlüsselemente für die Zusammenarbeit das gemeinsame Interesse und der gute Wille der teilnehmenden Länder. Zusätzlich hängt das Erfüllen der Programmziele in hohem Maße von den Entscheidungen der nationalen Verwaltungsbehörden sowie von den politischen Entscheidungsträgern auf EU- und nationaler Ebene ab.

Nichtsdestotrotz war das Programm sehr erfolgreich darin ein Umfeld des gegenseitigen Vertrauens und der Unterstützung zwischen den teilnehmenden Ländern zu schaffen. Obwohl dies nicht explizit zu den Zielen gehört, bringt Fiscalis die Steuerbeamten aus verschiedenen Ländern näher zusammen, was bedeutend ist, da Steuerverwaltungen von Natur aus sehr nach innen gerichtet sind. Fiscalis fördert den Aufbau von Kontakten, Beziehungen und informellen Netzwerken. Diese ermöglichen ein besseres Erfüllen der Programmziele, besonders hinsichtlich der Intensivierung des Informationsaustausch und einer verbesserten Verwaltungszusammenarbeit sowie der gegenseitigen Unterstützung und dem Austausch bewährter Praktiken.

Ein Faktor, der die Erfolge des Programms und die Entwicklung der Aktivitäten beeinträchtigen kann, sind die begrenzten personellen Ressourcen der Programmverwaltung, sowohl bei der Europäischen Kommission als auch in den Steuerverwaltungen der teilnehmenden Staaten. Eine Aufstockung des Programmverwaltungsreferates der Kommission wäre notwendig, um den Anwendungsbereich des Programms auszubauen, und gleichzeitig das bestehende Effektivitäts- und Effizienzniveau beizubehalten.

Im Bereich der Programmverwaltung deuten alle Ergebnisse darauf hin, dass das Programm optimal dazu geeignet ist, die erwünschten Ergebnisse zu erzielen. Die Unterstützung der Fiscalis-Verwaltungseinheiten der Europäischen Kommission sowie der nationalen Verwaltungen ermöglichte eine angemessene Koordinierung der Aktivitäten, der Beratungen zur Beantragung von Finanzmitteln, das Eingehen auf Bedürfnisse und Wünsche der nationalen Verwaltungen, die Herstellung von Transparenz und Offenheit im Prozess zur Festlegung von Prioritäten sowie die Organisation von Veranstaltungen. Einige Aspekte des Monitorings und der Berichterstattung über Aktivitäten könnten verbessert werden, aber vor dem Hintergrund der eingeschränkten personellen Ressourcen muss dies gut durchdacht und automatisiert werden. Letztendlich wurde auch der *Informationsaustausch* zwischen der Kommission und den Mitgliedsstaaten durch die Einführung der Plattformen PICS⁵ und TACTIC⁶ erheblich verbessert.

⁵ PICS (Programmes Information and Collaboration Space) ist ein Online-System für Steuer- und Zollverwaltungen, die in die Programme der Generaldirektion für Steuern und Zollunion (GD TAXUD) in der ganzen EU involviert sind. Das Ziel besteht darin, einen Zugang zu Informationen über die Programmaktivitäten und verschiedene Themen zu verschaffen, Wissen und Kenntnisse gemeinsam zu schaffen, die Entwicklung von Netzwerken zwischen Experten und Gemeindeverwaltungen zu erleichtern und einen Online-Arbeitsplatz für die Zusammenarbeit zu bieten.

⁶ TACTIC (Taxation and Customs Interactive Campus) ist ein Online-System, das PICS sehr ähnlich ist, aber den Bedürfnissen der Trainer in der Steuer- und Zollverwaltung in der EU angepasst ist.

Effizienz

Insgesamt bietet Fiscalis ein attraktives Preis-Leistungs-Verhältnis. Die Erkenntnisse legen nahe, dass die Kombination der Ergebnisse der Multilateralen Prüfungen (welche das Aufspüren von Steuerbetrug und entsprechenden Rückfordern ermöglichen) und der Kommunikations-Informationsaustauschsysteme sowie anderer von Fiscalis unterstützter Datenbanken (die den Zugang zu Information schneller und einfacher machen, und so die Kosten der Betrugsbekämpfung im Kontext des Binnenmarktes reduzieren), Einnahmen generieren, die erheblich höher sind als die Ausgaben des Programms. Laut dem Monitoringsystem der Kommission ART2 haben die von Fiscalis 2013 unterstützten Multilateralen Prüfungen bis zum März 2011 die Identifizierung von mehr als 1,5 Milliarden Euro Steuerschulden ermöglicht.

Die berechneten Durchschnittskosten pro Teilnehmer an den Gemeinsamen Maßnahmen sind sehr niedrig (rund 1.000 EUR pro Teilnehmer, wobei alle Kosten gedeckt sind, unabhängig von der Veranstaltungsdauer, die in einigen Fällen mehrere Wochen betragen kann). Die Bewertung zeigt zudem, dass die Programmverwaltung auch Maßnahmen ergriffen hat, um eine im Vergleich zu vorherigen Förderperioden gesteigerte Ressourceneffizienz zu gewährleisten; ganz besonders an den Stellen, an denen Verbesserungspotenzial identifiziert worden war. Hierzu gehört auch die Schaffung von Workshops als neue Art der Gemeinsamen Maßnahme, die einen kostengünstigeren und flexibleren Rahmen als Seminare bieten; außerdem wurde die neue Plattform PICS eingerichtet, um den Informationsaustausch zu erleichtern; in Kürze wird auf der Plattform auch ein Videokonferenz-Modul eingeführt.

Relevanz

Fiscalis 2013 entspricht den Bedürfnissen der Beteiligten weiterhin in hohem Maße: Die spezifischen Ziele, die im Fiscalis-Beschluss genannt werden, entsprechen den gegenwärtigen Bedürfnissen der nationalen Verwaltungen und die Programmziele bieten angemessene Ansätze um diese Bedürfnisse bedienen zu können.

Die hohen Zahlen von Steuerbetrug und Steuerhinterziehung sind bei weitem die beiden bedeutendsten Herausforderungen für die nationalen Verwaltungen. Vor dem Hintergrund des Binnenmarktes liegen die Wurzeln des Problems in hohem Maße in der Komplexität und der Zersplitterung der Steuersysteme in der EU. Außerdem ist es, in einem im Wandel begriffenen Umfeld, ständig erforderlich Anstrengungen zu unternehmen, um die einheitliche Anwendung des EU-Rechts zu fördern sowie zu gewährleisten, dass die Mitgliedsstaaten über ausreichende Kapazitäten verfügen, um Steuerbetrug zu bekämpfen. In diesem Zusammenhang bleiben die Ziele von Fiscalis von relevanter Bedeutung.

Darüber hinaus gewährleisten ein transparenter Prozess zur Festlegung der Prioritäten sowie ein ständiger Dialog zwischen der Kommission und den teilnehmenden Staaten, dass auftretende Bedürfnisse so weit wie möglich berücksichtigt werden. Zu diesem Zweck ist es ebenfalls notwendig, dass die jährlichen Arbeitsprogramme von Fiscalis einen gewissen Grad an Flexibilität erlauben wodurch die Möglichkeit besteht, die sich ändernde politische Agenda im Steuerbereich eng zu verfolgen.

Hinsichtlich der verschiedenen Arten der Aktivitäten und Instrumente, die von Fiscalis angeboten werden, wird in der Bewertung deutlich, dass sie den bestehenden Bedürfnissen in hohem Maße entsprechen. Das Programm bietet eine umfassende Reihe von sich ergänzenden Instrumenten, welche die spezifische Bedürfnisse der verschiedenen Beteiligten bedienen.

Mit Blick auf die nähere Zukunft sind keine neuen Entwicklungen zu erwarten, die eine grundlegende Veränderung der Programmprioritäten dringend erfordern würden. Im Gegenteil, die Flexibilität des Programms bietet die Möglichkeit beinahe alle möglicherweise auftretenden Probleme zu lösen. Mittel- und langfristige gibt es jedoch Punkte, die aufmerksam verfolgt werden müssen, damit sie in Zukunft vom Programm zufriedenstellend bearbeitet werden können. Hierbei geht es vor allem um:

- Die Betrugsbekämpfung, die eine hohe Priorität in der zukünftigen Ausrichtung von Fiscalis bleiben wird. Es besteht Bedarf, vor allem in der freiwilligen Steuerbefolgung, dem Informationsaustausch über entstehende Betrugsfälle und den Frühwarnsystemen wie Eurofisc, das erst vor kurzem in Betrieb genommen wurde, besondere Beachtung entgegen zu bringen.
- Der Bereich der Direktbesteuerung erfordert eine verstärkte Beteiligung von Fiscalis, da hier eine stärkere Koordinierung notwendig ist. Dies beinhaltet eine neue Initiative zur Reduzierung der Belastung der Steuerzahler, denn die Komplexität der Steuersysteme im Binnenmarkt fördert nicht nur den Betrug, sondern schafft auch Hindernisse für die Ausübung der Rechte im Rahmen des Binnenmarktes.
- Eine höhere Beteiligung von Fiscalis in diesen beiden Bereichen bedeutet, dass die Kommission und die nationalen Verwaltungen sich der Möglichkeiten dieses Programms stärker bewusst werden müssen.
- Abschließend gibt es höhere Anforderungen an das Programm, nämlich dass es:
 - in einem höheren Maße die Einbeziehung eines größeren Kreises von Beteiligten, auch Drittländern, (z.B. Ländern, die nicht Mitgliedsstaaten, Beitrittskandidaten oder potenzielle Beitrittskandidaten sind), Unternehmen und individuellen Steuerzahlern fördert, sofern dies möglich und von Bedeutung ist;
 - sich für Aktivitäten im Bereich der integrierten Verfahren, der harmonisierten Verwaltungsstandards und der Modernisierung von Verwaltungen öffnet.

Die zukünftigen Entwicklungen des Programms hängen natürlich sowohl von der Bereitschaft der Mitgliedsstaaten ab die Zusammenarbeit im Bereich der Steuerpolitik zu verstärken, als auch von gesteigerten personellen Kapazitäten zur Verwaltung des Programms.

Mehrwert der EU

Die Untersuchung hat eindeutig gezeigt, dass Fiscalis einen hohen europäischen Mehrwert bietet. Die Ergebnisse weisen darauf hin, dass der Beitrag des Programms zur Funktionsweise der Steuersysteme nicht aufrechterhalten werden könnte, falls das Programm eingestellt werden sollte. Außerdem zeigt die Analyse, dass bei der Betrachtung von alternativen Ansätzen zur Verbesserung der Funktionsweise der Steuersysteme im Binnenmarkt - entweder die Zusammenarbeit in der OECD, typische Governance-Mechanismen der Kommission (wie Ausschüsse und Arbeitsgruppen) oder auch mittels einfacher Initiativen der Mitgliedsstaaten wie sich selbst zu koordinieren - keine dieser Optionen den gleichen Wert wie Fiscalis bietet.

Im Bereich der Effektivität beruht der EU-Mehrwert von Fiscalis vor allem in der zentralen Koordinierung, die sicherstellt dass die Aktivitäten sich ergänzen und aufeinander abgestimmt sind. Zudem liegt der Vorteil der zentralen Koordination in der Bereitstellung sicherer Finanz- und IT-Ressourcen (die z. B. nicht abhängig sind von nationalen Prioritäten oder Kapazitäten), den Möglichkeiten formelle und informelle Netzwerke zwischen Steuerbeamten aus verschiedenen nationalen Verwaltungen aufzubauen sowie einer verstärkten Zusammenarbeit und einer erhöhten Qualität des Austausches (ganz besonders in Bereichen, wo der politische Druck oder das nationale Interesse groß sind).

Hinsichtlich der Effizienz beruht der Mehrwert durch die EU mit Fiscalis in einem einfacheren und schnelleren Zugang zu Ressourcen und Netzwerken für die internationale Zusammenarbeit und in einer effizienteren Koordinierung.

Schlussfolgerungen und Empfehlungen

Die Schlussfolgerungen der Evaluation sind positiv, da das Programm im Bereich der Effektivität, der Effizienz und der Relevanz sehr gut abschneidet. Der europäische Mehrwert von Fiscalis ist eindeutig.

Es gibt jedoch einige Bereiche, in denen das Programm noch besser abschneiden könnte. Um einen Fortschritt zu garantieren, schließt die Bewertung mit einigen Empfehlungen. Hierbei handelt es sich um:

- Empfehlung 1: Die Europäische Kommission und die Mitgliedsstaaten sollten der Zusammenarbeit im Bereich der Direktbesteuerung eine höhere Priorität einräumen und die Aktivitäten von Fiscalis in diesem Bereich verstärken, um die vorhandenen Bedürfnisse zu decken, besonders im Bereich der effektiven und effizienten Betrugsbekämpfung und bei Reduzierung der Belastungen für den Steuerzahler.
- Empfehlung 2: Die Reduzierung der Belastungen für den Steuerzahler sollte in der Zukunft ein spezifisches Ziel für Fiscalis sein; und die Europäische Kommission und die Mitgliedsstaaten sollten die Aktivitäten des Programms mit diesem Ziel verstärken, auch im Hinblick auf eine Verbesserung der Funktionsweise des Binnenmarktes.
- Empfehlung 3: Die Kommission sollte in enger Zusammenarbeit mit den Mitgliedsstaaten ein wirkungsorientiertes Monitoring- und Evaluationsystem für das Fiscalis-Programm einführen. Dieses Monitoring- und Bewertungssystem (M&B) sollte folgende Elemente enthalten: 1) eine klare Interventionslogik, 2) eine Reihe von Ergebnis (Output)- und Wirkungs (Outcome)-Indikatoren, 3) einen Datenerfassungsplan, einschließlich bekannter Quellen und klar definierter gemeinsam wahrgenommener Verantwortlichkeiten für das Erfassen von Daten, 4) wenn möglich, die Erstellung von Ausgangsbasen (baselines) und Zielen, anhand derer die Fortschritte gemessen werden können, 5) jährliche Berichte zur Durchführung der Aktivitäten um den Fortschritt zu messen, und schließlich 6) Evaluierungen zur Mitte und zum Abschluss des Programmzeitraumes, welche die Monitoringdaten vervollständigen und welche auf die Bewertung und Erläuterung der Ergebnisse fokussieren. Das Monitoring- und Bewertungssystem sollte auf bestehenden M&B-Aktivitäten aufbauen und versuchen, diese in ein kohärentes und integriertes System zu überführen. Die Einführung eines M&B Systems sollte eine angemessene Menge an Zeit und Ressourcen der Kommission und den Mitgliedsstaaten beanspruchen; es sollte die Flexibilität des Programms bewahren und jene Probleme vorrangig behandeln, die sowohl für die Kommission als auch die Mitgliedsstaaten von Bedeutung sind.
- Empfehlung 4: Um die Ergebnisse des Programms zu optimieren, sollten die Kommission und die Mitgliedsstaaten alle möglichen Maßnahmen ergreifen um zu gewährleisten, dass die Kenntnisse und bewährte Praktiken, die dank Fiscalis ausgetauscht oder entwickelt werden, auch wirklich verbreitet und von den nationalen Steuerverwaltungen genutzt werden.
- Empfehlung 5: MIAS ist eine der bedeutendsten Errungenschaften von Fiscalis und wird von den Steuerverwaltungen in ganz Europa eingesetzt. Das System hat erwiesenermaßen einen positiven und wichtigen Beitrag zur Betrugsbekämpfung im Binnenmarkt geleistet. Aus diesen Gründen sehen die Nutzer hier Potenzial für eine Verbesserung und Weiterentwicklung des bestehenden Systems. Deshalb sollte die Kommission gewährleisten, dass die Möglichkeiten welche die Instrumente bieten vollständig ausgeschöpft werden, und dass die Bedürfnisse der Steuerbeamten so weit wie möglich berücksichtigt werden. Die Möglichkeiten für strengere Verfahren der Qualitätskontrolle der Daten und/oder besser integrierte nationale und europäische Systeme sollten untersucht werden.

- Empfehlung 6: Die Europäische Kommission sollte ein eigenes Planungs-, Monitoring- und Berichterstattungssystem für die Organisation und die Verlaufskontrolle der Arbeitsbesuche der Mitgliedsstaaten einführen. Dieses System sollte auf einen optimalen Ausgleich zwischen Angebot und Nachfrage abzielen. Es sollte dadurch keine zusätzliche Belastung für die Begünstigten von Fiscalis entstehen, im Gegenteil das System sollte zu Effizienzsteigerungen bei der Planung der Arbeitsbesuche führen.
- Empfehlungen 7: Um die positiven Auswirkungen zu erhöhen sollten die Kommission und die Mitgliedsstaaten gewährleisten, dass sie die bestehenden Möglichkeiten des Fiscalis-Programms nutzen, um eine breitere Gemeinschaft aller Beteiligten einzubeziehen. Dies umfasst auch Drittländer (z.B. Länder, die nicht zu den Mitgliedsstaaten, Beitrittskandidaten oder den potenziellen Beitrittskandidaten zählen), Unternehmen und einzelne Steuerzahler.
- Empfehlung 8: Es ist eindeutig, dass das Programmverwaltungsreferat der Kommission mit den verfügbaren Ressourcen die Grenzen des Machbaren erreicht hat. Die weitere Entwicklung der Programm-Aktivitäten erfordert deshalb angemessene Kapazitäten zur Programmverwaltung. Dazu zählen: eine effizientere Nutzung bereits bestehender Ressourcen, eine Aufstockung des Personals und eine engere Zusammenarbeit mit den nationalen Fiscalis-Verwaltungseinheiten.

1. INTRODUCTION

1. Since 1993, a series of Community programmes have been operating to ensure the proper functioning of the taxation systems of the internal market. The current Fiscalis programme (the third running under this name) was established in 2007 through the adoption of Decision No 1482/2007/EC (hereinafter referred to as the Decision) and will run until 2013. The Decision establishes the provisions for the work to be carried out in the framework of this programme, the responsibilities of the Commission and the Member States (MS) and the budget for the programming period. The Decision also calls for a mid-term evaluation to be carried out by July 2011 to "review the results obtained at the mid-term of the duration of the Programme in terms of effectiveness and efficiency, as well as the continued relevance of the objectives of the Programme and impact of its activities. It shall also assess the use of funding and the progress of follow-up and implementation".
2. This document presents the mid-term evaluation of the Fiscalis 2008-2013 programme, carried out by Ramboll Management Consulting, mandated by the European Commission.

1.1 Fiscalis 2008-2013

3. The overall objective of the Fiscalis 2013 programme is to ensure and improve the functioning of the taxation systems in the internal market. In pursuit of this goal, the programme focuses particularly on extending the use of electronic communication between Member States in the different tax areas covered by the programme, the modernisation and uniform application of the EU legislation on taxation and support for increased Member State cooperation on combating fraud. The main objectives for a coherent and coordinated tax approach are to eliminate discrimination and double taxation, to prevent unintended non-taxation and evasion, and to reduce the compliance costs associated with being subject to more than one taxation system⁷.

1.1.1 Background

4. The first Community programme on taxation, Matthaeus-tax (1993) was established to ensure that the removal of frontier controls on 1 January 1993 did not encourage indirect tax fraud, and was an action programme aimed at establishing cooperation between the national tax administrations by training their indirect tax officials, importantly in the use of VIES.

⁷ COM(2006)826 final.

5. The first Fiscalis programme (1998-2002) continued this development by including training as an important element, but also focused on building the basis for and introducing further IT systems to support the cooperation between member states, and on preparing the Central and Eastern European countries, Malta and Cyprus in the use of the VAT and excise systems under the enlargement process, as most of these new member states had no VAT system prior to entering the European Union.
6. With the second Fiscalis programme (2003-2007) the strong focus on IT supported information exchange systems as the foundation of cooperation between the Member States was cemented with 70% of the programme budget earmarked for IT, including the VIES and CCN (Common Communications Network). The remaining 30% was spent on various training and preparation activities in line with previous projects.
7. The present Fiscalis 2013 programme continues this budgetary focus with approx. 70% of the budget allocated to communication and information exchange systems and approx. 30% to joint actions, common training tools, and the continued focus on meeting the special needs of candidate countries and potential candidates for accession in the field of tax legislation. Thus, both the focus and tools used in the previous Fiscalis project are maintained, albeit with a much bigger budget due to the EU enlargement. Compared to the budget of the previous Fiscalis programme, the present Fiscalis budget has been increased from 67,250 to 159,900 million EUR, or almost 60%. This means that for the IT systems alone, the Fiscalis 2013 programme has 114,600 million EUR at its disposal.
8. All 27 Member States participate in the Fiscalis 2013 programme as do the 4 candidate or potential candidate countries, Turkey, Croatia, Serbia, and the Former Yugoslav Republic of Macedonia. As participation in the Fiscalis activities is voluntary, States' participation varies.

1.1.2 Objectives

9. The Fiscalis 2013 programme specifies objectives (Article 4 of the decision on establishing Fiscalis) that aim to obtain the overall objective *of improving the proper functioning of the taxations systems in the internal market* by increasing cooperation between participating countries, their administrations and officials. The objectives relate to 4 areas, being:
 - VAT and excise duties (on alcohol, tobacco, energy products and electricity)
 - Taxes on income and capital
 - Taxes on insurance premiums
 - Special needs of candidate countries and potential candidates in preparation for accession in the field of EU tax legislation
10. The specific objectives of the Fiscalis programme, as established by the Directive, are:
 - to secure efficient, effective and extensive information exchange and administrative cooperation;
 - to enable officials to achieve a high standard of understanding of EU law and its implementation in Member States;
 - to ensure the continuing improvement of administrative procedures to take account of the needs of administrations and taxable persons through the development and dissemination of good administrative practice;
 - to meet the special needs of candidate countries and potential candidates so that they take the necessary measures for accession in the field of tax legislation and administrative capacity.
11. The Annual Work Programme (AWP), which is structured according to the overall objective and the specific objectives of the Decision and the different areas mentioned above, establishes the key initiatives and priorities in the taxation area for the specific year.

12. The achievement of the objectives is pursued through the means of different IT tools and databases to facilitate exchange of information and administrative cooperation, training activities (particularly e-learning) and the so called Joint Actions: Multilateral Controls (MLC), Working Visits, Project Groups, Seminars and Workshops (for an illustration of the programme's intervention logic - the intended causal links between programme activities, specific and overall objectives (see Supplement 2)

1.1.3 Activities

13. The activities of the FISCALIS 2013 programme are originally listed in Decision No 1482/2007/EC. In the Annual Work Programme 2010 they are grouped into three categories:
- Information exchange systems for the MS 27 Tax Administrations
 - Joint actions (Seminars and Workshops, Multilateral controls, Project Groups, Working Visits)
 - Training tools (e-learning)
14. The **Information Exchange Systems** financed by the FISCALIS 2013 programme represent around 70% of the total budget. The most important ones in relation to this evaluation are the online tax databases VIES and EMCS (previously SEED) and the different types of e-forms, used by MSs to request information from other tax administrations in a standardised manner. The continued development and maintenance of the information exchange systems by FISCALIS is regarded as the basis or foundation for cooperation between tax administrations.
15. The **Joint Actions** under FISCALIS 2013 is the broadest set of activities in the programme, and interviews with stakeholders indicate that they are the most well known or profiled as FISCALIS 2013 events. Within Joint Activities, the following set of activities can be funded
- **Seminars and Workshops:** one-off events of one day duration or more, providing an opportunity to bring the administrations of all participating countries together to discuss or examine a specific topic.
 - **Multilateral Controls (MLC):** 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.
 - **Project Groups:** a project group has specific predefined objectives and expected outputs and is composed of a limited number of interested countries. Project Groups are operational during a fixed period of time during which a certain number of meetings take place to discuss/resolve the pertinent issues.
 - **Working Visits:** outgoing or ingoing working visits, of maximum 28 days duration, where officials of national administrations work to study any agreed kind of activity or subject (operational, technical, strategic, policy level) within the scope of the programme.
16. In the **common training, e-learning tools** have been prioritised as a cost-effective way of disseminating knowledge. E-learning modules are developed by the European Commission in cooperation with tax officials (e.g. in Project Groups) on for example new legislation, new tools for information exchange and other topics of common interest. This activity category is not solely directed towards tax administration officials, but also to candidate countries and potential candidates, economic operators and other stakeholders with a possible benefit from greater understanding and knowledge of the EU legislation.

1.1.4 Programme management

17. The overall management and coordination of the Fiscalis programme is anchored in the European Commission, DG TAXUD, unit R3. While R3 is in charge of the programme budget, IT tools, monitoring, etc, colleagues from other units in DG TAXUD who are specialists in specific areas of taxation are often involved in concrete activities and the organisation of these, in cooperation with the MSs.

18. In each MS and candidate country, a national coordinator oversees the overall coordination of the programme at the national level and functions as the main point of entry to the Fiscalis management of the particular country. In practice, this function may be divided between several people (e.g. one for VAT and direct tax and another for excise). Besides the national coordinator, the participating countries have coordinators for the different types of Fiscalis activities (e.g. MLCs and working visits) who are in charge of organisation and international coordination of specific activities in the MS.
19. The Fiscalis Committee brings together representatives of both the Commission and the MSs for discussions on the larger lines and strategic focuses of the programme which are manifested in the AWP, drafted and (upon approval of the Committee) adopted by the Commission.

1.2 Overall approach and objectives of the evaluation

20. This evaluation is **a mid-term evaluation**, which means that the focus of the evaluation will be based on the following assumptions:
- The evaluation will assess progress so far in the programming period, whether the objectives are still relevant to the needs in the area, and whether implementation has been working as intended.
 - The results of this evaluation are to be used to adjust the programme for the remaining years in terms of activity planning, feeding into the decision on and design of the subsequent programming period.

1.2.1 Scope of the evaluation

21. The midterm evaluation concerns mainly the current programming period, 2008-2013. However, even though Fiscalis 2013 has only been ongoing since 2008, the Fiscalis programme has a longer history. Therefore the assessment of effectiveness will not be limited to the current programming period, but rather look at the programme from a systemic perspective, taking into account the development within Fiscalis as well as the tax cooperation within the EU in general (as for example illustrated through the survey questions on exchange of information and administrative cooperation and case studies).
22. The evaluation questions, listed here as given in the Terms of Reference, form the basis of the evaluation and the development of the evaluation methodology, and have not been altered by the modified targeted approach:
- **EQ1.** In what cases and to what extent has the programme contributed to improve the proper functioning of the taxation systems in the internal market with regard to each of the following objectives:
 - **EQ1a.** improved information exchange and administrative co-operation between participating national tax administrations,
 - **EQ1b.** enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation,
 - **EQ1c.** improved administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice?
 - **EQ1d.** What internal or/and external factors have influenced the achievement of those objectives?
 - **EQ2a.** To what extent has the programme facilitated taking the necessary measures for accession in the field of tax legislation and administrative capacity in the candidate countries and potential candidates? **EQ2b.** What internal or/and external factors have influenced the achievement of that objective?

- **EQ3a.** To what extent has the programme management (transparency, decision-making, priorities, coordination, involvement of stakeholders, action plans and guidelines, monitoring and follow-up, etc.) been optimal to achieve the desired results?
- **EQ3b.** To what extent has the sharing of information (between the participating countries, and between the participating countries and the Commission) resulting from the activities of the programme, helped to consolidate more effective functioning of the taxation systems in the internal market?
- **EQ4.** To what extent have the programmes' resources produced best possible results at the lowest possible cost?
- **EQ5a.** To what extent do the objectives of the programme continue to correspond to the needs of the, primarily, participating national tax administrations, and of other stakeholders? **EQ5b.** Which of the objectives of the programme proved most relevant and what should be the main focus for the future? **EQ5c.** What internal or/and external factors might influence the achievement of those objectives upon the programme's termination?
- **EQ6.** What is the added value of the programme at the EU level?

23. These evaluation questions pertain to four evaluation criteria: Relevance, effectiveness, efficiency and EU added value. This is further elaborated in the methodology section below, and in the evaluation matrix available in Supplement 3.

1.3 Contents of the report

24. This report is structured according to the different evaluation criteria addressed by the evaluation questions:
25. Firstly, Chapter 2 provides a brief overview of the methodology applied in the evaluation.
26. Chapter 3 then examines the programme's effectiveness, i.e. the extent to which Fiscalis has achieved its different operational and specific objectives. In addition, this chapter also examines transversal effectiveness-related issues, namely the internal/external factors that influence the achievement of the objectives, and the programme management. This chapter is the most sizable of the report, as it covers all aspects of the implementation of the programme.
27. Chapter 4 analyses the programme's efficiency, i.e. the value for money it offers. Chapter 5 analyses the relevance of the programme, i.e. the extent to which Fiscalis' objectives and activities correspond to the needs. This chapter includes a brief summary of selected secondary sources, in order to refine the analysis of the future priorities. Chapter 6 accounts for the EU added value offered by Fiscalis.
28. Finally, Chapter 7 concludes the report with clear and short answers to each of the evaluation questions. It also includes recommendations for the continued implementation of the programme.
29. All chapters dedicated to the evaluation criteria follow the same structure. Each evaluation question is treated separately in a specific section (with a few exceptions that are made explicit in the report). Each of these sections includes separate presentations of the main findings from the surveys on the one hand, and a presentation of the main findings from interviews and cases studies on the other hand. Findings from secondary data are either presented in a separate section if such data constitutes a major input for the analysis, or are used along the way to confirm or invalidate the findings from the primary data. This structure, which is based on the principle of triangulation, aims at offering full transparency to the reader.

2. METHODOLOGY

30. This chapter describes the methodological approach used for this evaluation. It offers a full overview of the data collection activities carried out for this study and gives an account of the analytical strategy implemented to analyse the data and infer judgement.

2.1 Data collection strategy

31. The following paragraphs describe the different sources and data collection tools used for the evaluation, which is based on a combination of qualitative and quantitative data from primary and secondary sources.
32. As the programme under evaluation continues on from and integrates with the previous Fiscalis programmes, there is no clear baseline with which results and findings can be compared. Thus, the evaluation results and conclusions depend to a large extent on the opinions and statements of involved stakeholders and participants. For this reason, the data collection strategy has been used to enable structured triangulation of data in order to validate the findings.

2.1.1 Secondary data

33. The Programme Management unit in DG TAXUD monitors the implementation and progress of the FISCALIS 2013 programme. Most data collected is financial and output-oriented, although work is progressing on identification and gathering of more performance-oriented data. The table below summarizes the data available to the evaluators and the way it is used in the evaluation.

Table 1 Overview of secondary data

Type of data	Source
Financial	<ul style="list-style-type: none"> Activity Reporting Tool 2 (ART2)
Monitoring	<ul style="list-style-type: none"> ART2 (output monitoring data) IT systems: monitoring data; annual activity reports from DG TAXUD Fiscalis awareness poll Multilateral Control Result Indicators
Activity evaluations	<ul style="list-style-type: none"> Evaluation forms for the Seminars and Workshops Working Visit annual reports Survey satisfaction reports from Common Training
Other studies and reports	<ul style="list-style-type: none"> The Single Market Act The Monti report on the future of the Single Market The Internal Market Scoreboard The 27th annual report on monitoring the application of EU law (2009)

34. Besides the abovementioned data, the Decision to establish Fiscalis, the annual work programme and the evaluation of the previous Fiscalis 2007 programme have of course also been used; particularly in the first steps of the evaluation process for acquiring an understanding of the programme and its context and intervention logic (see Supplement 2).

2.1.2 Primary data collection

35. The primary data used in the evaluation has been collected by the evaluation team through the use of three different tools: Surveys, interviews and case studies.

2.1.2.1 Surveys

36. To supplement the “user satisfaction” data available from the awareness poll and other evaluation tools developed by the programme management unit, the evaluation team carried out a set of surveys, including a comprehensive one directed at programme participants, and targeted surveys to national coordinators and national experts in the different taxation areas of Fiscalis (VAT, excise duties and direct taxation).

37. **The general survey to participants** in the programme activities was a comprehensive survey, covering the entire programme. The matrix below outlines the areas covered by the general survey and the evaluation criteria addressed by it.

Table 2 Outline structure of the general survey to participants

Evaluation Criteria	Specific Questions
Relevance	Assessment if Fiscalis is: <ul style="list-style-type: none"> Targeting the needs of the sector Targeting the needs of respondents Other activities that could be more relevant
Effectiveness	Assessment if Fiscalis is: <ul style="list-style-type: none"> Achieving anticipated direct results, breakdown per activity Contributing to the overall objective
EU Added Value	Assessment if Fiscalis <ul style="list-style-type: none"> Did not exist? Was phased out?

38. **The targeted surveys** were carried out with stakeholders with expertise in certain areas, as part of the targeted approach to assess specific topics in more depth. The targeted surveys were sent to the following respondent groups:
- Fiscalis National Coordinators: all National Coordinators mentioned in the contact list provided by Unit R3
 - VAT line managers: one per participating country
 - Excise line managers: one per participating country
 - Direct taxation line managers (taxation on savings): one per participating country

39. The targeted surveys were concise and, in addition to closed questions, included a set of open-ended questions. While focusing more on the different aspects of the programme relevant to horizontal coordination activities or specific tax areas, these surveys provide an assessment of the programme by key persons in the national administrations, in a position to give an overall assessment from their own angle. The matrix below outlines the areas covered by the specific surveys and the evaluation criteria addressed by them.

Table 3 Outline structure of the survey to the National Coordinators and targeted surveys to the tax experts

Evaluation Criteria	Specific Questions
Relevance	Assessment if Fiscalis is: <ul style="list-style-type: none"> • Targeting the needs of the specific tax areas • Targeting the needs of respondents
Implementation and Management	Assessment of: <ul style="list-style-type: none"> • Information sharing and communication between programme management and national administrations • Transparency and consultations • Tools, guidelines and support
Effectiveness	Assessment if Fiscalis is: <ul style="list-style-type: none"> • Achieving the anticipated direct results in the tax area • Contributing to the overall objective
Efficiency	Assessment if Fiscalis is: <ul style="list-style-type: none"> • Providing value for money • Other activities that could be more cost effective
EU Added Value	Assessment if Fiscalis did not exist

40. Overall, the level of participations has been satisfying for all survey, as indicated in the table below:

Table 4 Number of respondents to the surveys

Data source	Data sample
General survey to participants	2,181 respondents <ul style="list-style-type: none"> • 20 countries > 50 respondents • 5 countries 10<>50 respondents • 4 countries < 10 respondents
Targeted survey to National Coordinators	48 respondents 31 countries (100% coverage)
Targeted surveys to tax experts	Targeted surveys to tax experts (one respondent per participating country) <ul style="list-style-type: none"> • VAT: 28 respondents (90% coverage) • Excise: 29 respondents (94% coverage) • Direct taxation: 26 respondents (84% coverage)

2.1.2.2 Interviews

41. Interviews were conducted with different stakeholders in order to get more nuanced information and allow for a deeper understanding of the mechanisms and drivers in Fiscalis 2013. The matrix below provides an overview of the different stakeholder groups targeted in interviews and the evaluation criteria that they aimed at contributing to.

Table 5 Overview of the interviews with Fiscalis stakeholders

Evaluation Criteria	Specific Questions
DG TAXUD	<ul style="list-style-type: none"> • 5 members of Unit R3 Programme Management, staff and management • Group interviews with policy units (VAT/Fraud C4, Excise C2 and Direct Taxation D2)
National Fiscalis coordinators	<ul style="list-style-type: none"> • 6 Member States (FR, DE, NL, SE, DK, PL) • 2 candidate countries (HR, RS)
Other Commission Services	<ul style="list-style-type: none"> • 2 desk officers for candidate countries and potential candidates from DG ELARG (CR, RS)

42. In the analysis, the information gathered from the interviews has particularly contributed different points of view on the Fiscalis programme, the activities and results, as well as concrete examples of these.

2.1.2.3 Case studies

43. Case studies have been carried out to generate more in-depth knowledge of the results achieved in specific areas of the Annual Work Programme and the activities undertaken during the first three years of Fiscalis 2013. In total, nine case studies have been conducted.
44. The cases were selected on the basis of the priorities in the AWP, and seven specific topics were chosen for cases. Each case study examines a number of selected activities and how they contributed to achieving the objectives of the Fiscalis programme within these specific areas. The case studies build on different types of secondary data available on the selected activities (monitoring data, evaluation reports, etc.) and phone interviews with the Commission contact point for the topic area and selected participants in the activities from different MSs.
45. This approach has allowed for the verification and establishment of results achieved from specific activities. The case studies have provided preliminary conclusions on the evaluation questions and criteria within their various specific topic areas used as input, and to provide specific examples for, the overall assessment of the Fiscalis programme.
46. The reports on the case studies are available in Supplement 5⁸.

⁸ Only for the case study on candidate countries a separate report has not been prepared, in order to avoid redundancy with section 3.4, which offers a full account of the findings relevant to (potential) Candidate Countries.

Table 6 Overview of case studies

Theme	Data sources
E-audit	1 interview with a staff member of DG TAXUD 5 interviews with participants from MSs desk research
EMCS	1 interview with a staff member of DG TAXUD 5 interviews with participants from MSs desk research
Recovery	1 interview with a staff member of DG TAXUD 5 interviews with participants from MSs desk research
Direct taxation	1 interview with a staff member of DG TAXUD 2 interviews with participants from MSs desk research
Risk management	1 interview with a staff member of DG TAXUD 3 interviews with participants from MSs desk research
Used cars	1 interview with a staff member of DG TAXUD 3 interviews with participants from MSs desk research
VAT MTIC/carousel fraud	1 interview with a staff member of DG TAXUD 4 interviews with participants from MSs desk research
Denatured alcohol:	1 interview with a staff member of DG TAXUD 4 interviews with participants from MSs desk research
Candidate Countries	2 interviews with staff members of DG ELARG 2 interviews with National Coordinators 4 interviews with participants from CCs desk research

2.2 Analytical strategy

2.2.1 Evaluation matrix

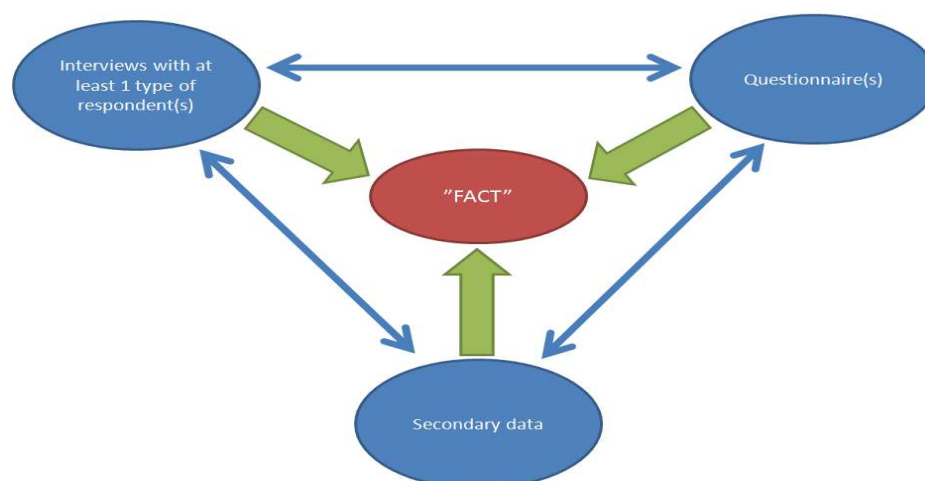
47. To ensure that all the evaluation questions could be answered by means of the available and collected data, and in order to structure the analysis and judgement phase, an evaluation matrix was established during the inception phase. This matrix is available in Supplement 3.
48. The evaluation matrix provides an overview of the links between the evaluation criteria, the evaluation questions pertaining to each criterion, the sub-questions proposed by the evaluator to specify and help answer the evaluation questions, the established indicators, secondary and primary data sources to be used, and the judgment criteria to be applied for the final assessment.
49. Sub questions were developed to specify the elements analysed in order to answer each evaluation question. Identifying these elements was a deductive process necessary to ensure that abstract and ambiguous concepts could be analysed. By doing this, the evaluator made explicit which elements of the evaluation question were in focus in the data collection and analysis.
50. Indicators (or descriptors) are key elements of the evaluation design and analytical strategy. Indicators describe in detail the information required to answer the question. They are measured using the data collected, and compared against judgement criteria. The quality of the answer relies on the availability and measurability of the indicators for the programme under observation.

51. Judgement criteria are norms defined by the evaluator with the support of the European Commission. They take the form of targets, benchmarks or qualitative statements against which indicators' measurements are assessed.
52. The evaluation matrix and all its components have been used in the evaluation process to guide the data collection and analysis. Moreover, it has been used to structure this report and the analysis presented in it. Evaluation questions and, to the extent possible, the indicators used to answer them are made explicit in the report by referring back to them, the data sources used and the collection tools.

2.2.2 Triangulation

53. To ensure that all findings and conclusions are substantiated, the data analysis is based on the principle of triangulation. This basically means that all "facts" or, in this case, findings presented in the evaluation, are supported by evidence from three different data sources. The figure below illustrates the principle of triangulation and how the different data sources are used to confirm or reject a stated "fact" originating from the evaluation.

Figure 1: The principle of triangulation



54. In the final analysis, findings from the different data sources have been compared and contrasted to establish and describe in a clear and understandable way:
 - common trends across cases and possible explanations,
 - deviations from the common trends and possible explanations,
 - extremes and possible explanations,
 - illustrative examples for better understanding and more interesting reading.
55. This analysis and qualitative assessment based on triangulation provide the foundation for the judgement on the performance of Fiscalis 2013, rather than using fixed judgement criteria. A higher degree of common trends and validated positive findings serve to establish the extent of the success of the programme's activities.

3. EFFECTIVENESS

56. This chapter examines the programme's effectiveness, defined as "the extent to which the objectives set for the programme are achieved". It is structured around the different levels of objectives in the programme's intervention logic. For an overview of the different levels of objectives, the intervention logic is available in Supplement 2.
57. In the first three sections, the degree of achievement of the *operational objectives* is assessed. Outputs are measured in terms of:
- contribution to improved information exchange and administrative co-operation
 - contribution to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation
 - contribution to the development and dissemination of good administrative practice
 - supporting candidate countries and potential candidates to take necessary measures in preparation for accession
58. In a fourth section, the degree of achievement of the *specific objectives* is examined. Results are measured in terms of "contribution to improve the proper functioning of the taxation systems in the internal market".
59. Then, in order to provide some explanations as to the programme's successes or (relative) failures, contextual elements are analysed in terms of external/internal factors.
60. In the final section, the management of the programme is assessed.

3.1 Improving information exchange and administrative co-operation

EQ1a In what cases and to what extent has the programme contributed to improved information exchange and administrative co-operation between participating national tax administrations?

61. The operational objective “improved information exchange and administrative cooperation” corresponds to objective 2 in the Fiscalis 2013 Annual Work Programmes.

3.1.1 Key facts and figures about IT tools

62. Fiscalis contributes to a large variety of IT tools aimed at supporting the exchange of information between the MSs and facilitating administrative cooperation between participating countries. The following table is an attempt to give an overview of the existing tools, which are currently developed, operated and/or maintained with the support of Fiscalis 2013.

Table 7 Overview of IT tools supported by Fiscalis

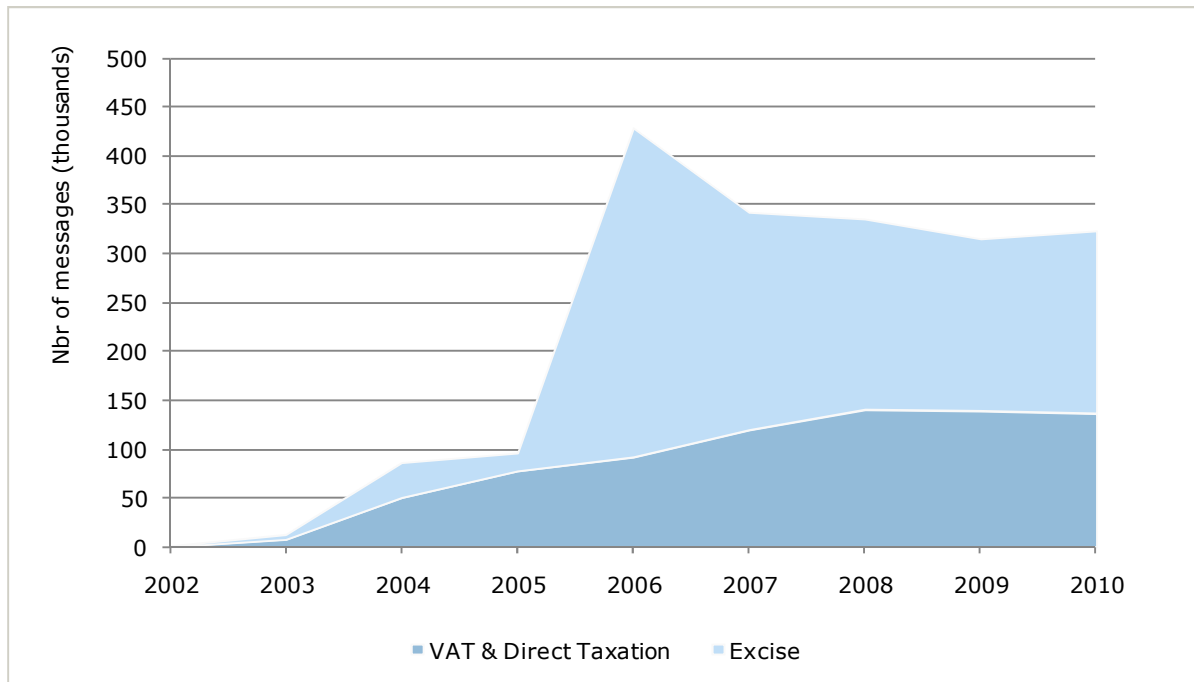
Type	Fiscalis tool
Communication network	<ul style="list-style-type: none"> Common Communications Network and Common Systems Interface (CCN/CSI)
Automated information-exchange	<ul style="list-style-type: none"> VAT Information Exchange System (VIES) Excise Movement and Control System (EMCS) System for Exchange of Excise Data (SEED)
Admin cooperation between national administrations	<ul style="list-style-type: none"> Early Warning System for Excise (EWSE) Movement Verification System (MVS) CCN Mail and CCN Mail2 Excise Liaison Office (ELO) Taxation of Savings System (ToS) Mutual Assistance E-forms Recovery E-forms
E-government	<ul style="list-style-type: none"> VAT on e-Services VAT refund
Information to taxpayers	<ul style="list-style-type: none"> Taxes in Europe Database (TEDB and TEDB2) SEED-on-EUROPA VIES-on-the-web Taxation Trends in the EU (structure reports)

3.1.1.1 Use and performance of the communication and information exchange systems

63. When assessing the contribution of Fiscalis 2013 to improved information exchange and administrative cooperation, it is important to take into consideration the support of Fiscalis to ensure availability, and to provide the corrective and evolutive maintenance for the existing systems. This can be analysed by examining statistics on the use of existing systems, as well as other performance indicators when they exist. Below, two examples of some of the major IT tools supported by Fiscalis are given. Sources used are the TAXUD R4 Annual Activity Reports for 2008, 2009 and 2010, as well as monitoring data.

CCN Mail

64. CCN Mail is a tool that allows tax administrations to exchange information. It functions like a traditional e-mail system, but operates in the secured CCN network. The exchange of forms through the CCN Mail has increased in importance after the adoption of Regulation No 1798/2003 on administrative cooperation. CCN Mail has been added at the end of 2001 and is a completely decentralized system. All messages and files are stored on the local CCN gateway.

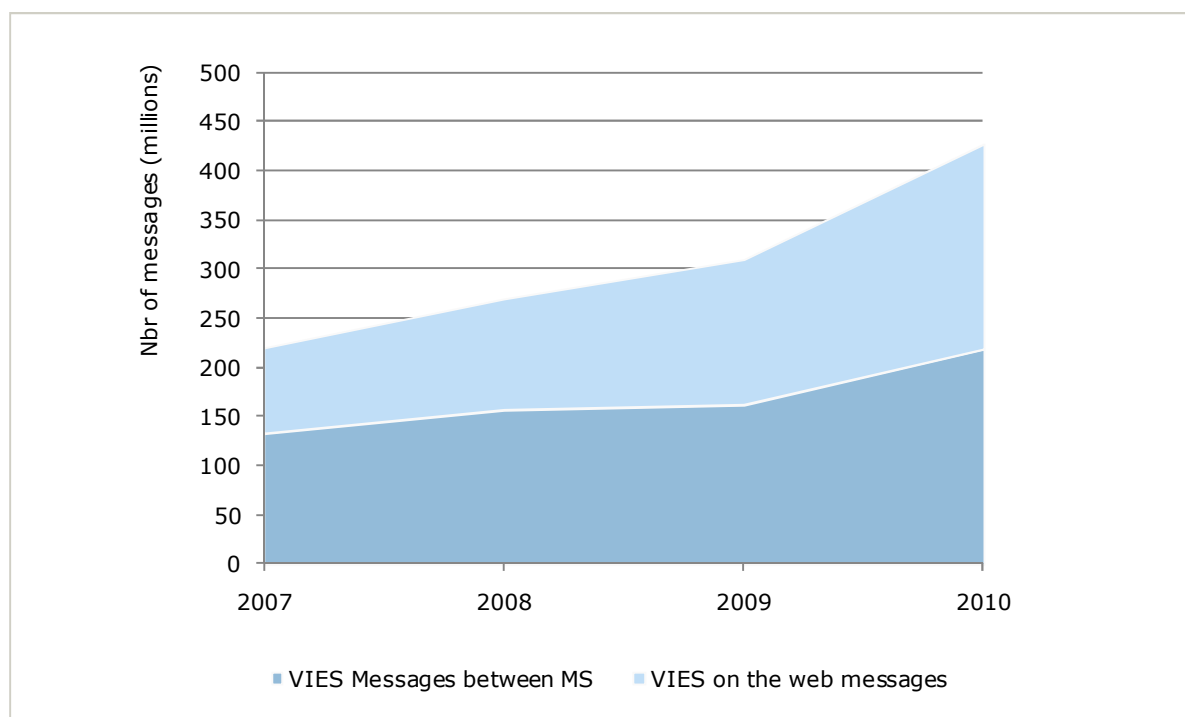
Chart 1 Number of messages exchanged in CCN Mail2 (2002-2010)

Source: TAXUD R4 Annual Activity Reports

65. As can be seen from the chart above, the number of CCN/Mail messages exchanged has remained stable over the 2008-2010 period:
- According to the TAXUD R4 2010 Annual Activity Reports, this relates to the fact that the processing of the requests requires significant manual effort, while the number of taxation officers available does not increase over time either. MSs confirm that this does not pose a business problem, as more information is being exchanged in a fully automated way via other means than CCN/Mail2 funded by Fiscalis (e.g. VIES, EMCS etc.; see Table 7).
 - Also, it is the evaluator's view that the stable exchange of messages during the period 2008-2010 indicates that that the tools supported by Fiscalis enable a sustained exchange of information and administrative cooperation between MSs.
66. When looking into the types of messages exchanged, the data indicates a rapidly decreasing number of CLO messages. This is explained by the fact that the CLO messages perform essentially the same function as the VIES/Web requests (see below). This indicates that the continuing increase in use of VIES/Web has reduced the need to resort to (manual) CLO interventions. Technology reduces the need for manual work here.
67. Finally, it must be noted that CCN has never been down throughout the 13 years of its functioning.

VIES/VIES on the web

68. The VAT Information Exchange System (VIES) is an electronic means of transmitting information relating to VAT-registration (i.e. validity of VAT-numbers) of companies registered in the EU. The EU requires that when goods or services are procured within the EU, VAT has to be paid only in the MS where the purchaser resides. For this reason, it is necessary that the supplier has an easy way to validate the VAT number presented by the purchaser. This validation is performed through VIES. Since October 2001, traders have had the possibility to verify, on the web, the validity of VAT numbers of other traders registered for VAT in the EU via "VIES on the web".

Chart 2 Number of messages exchanged in VIES (2007-2010)

Source: TAXUD R4 Annual Activity Reports

69. Throughout the whole Fiscalis 2013 period, the total number of VIES messages has continuously increased and amounted to 428 million in 2010, which is 95% more than in 2007. This increase is characterized by a significant boost of the use of VIES-on-the-Web, producing 209 million VIES messages in 2010 (150% more than in 2007, including a sharp increase of 41% in 2009).
70. According to the TAXUD R4 Annual Activity Reports for 2010, this increase is caused by the increasing need for traders to validate the VAT numbers of their trading partners. It also coincides with the introduction of B2B services and the Reduction of Timeframes, which respectively lead to an increase in the number of traders registered in the VIES database, and require more traders to submit their VAT declarations monthly instead of quarterly, and hence require more traders to validate the VAT on a monthly basis.
71. Noteworthy are:
- the strong availability of the national VIES applications (96% in 2007, 95.6% in 2008, 96.5% in 2009 and 96.7% in 2010), which is well above targets⁹.
 - the continued low response time (0.6 seconds in 2007, 0.62 seconds 2008, 0.63 seconds in 2009 and 0.6 seconds in 2010).

3.1.1.2 Major achievements by Fiscalis 2013

72. Over the period 2008-2013, a number of development activities have been supported by Fiscalis in terms of IT actions. In order to outline the contribution of Fiscalis 2013 to improved information exchange and administrative cooperation, a few major achievements are presented above. Sources used are the TAXUD R4 Annual Activity Reports for 2008, 2009 and 2010, as well as monitoring data.

⁹ According to the DG TAXUD Management Plan 2011, medium-term target of taxation IT systems availability is expected to be 95% of time between 08:00 and 20:00 and 85% otherwise. http://ec.europa.eu/atwork/synthesis/amp/doc/taxud_mp.pdf

Excise Movement and Control System (EMCS)

73. EMCS is a computerised system for monitoring movements of excise goods under suspension of excise duties within the EU, i.e. for which no excise duties have yet been paid. With the introduction of EMCS between 1st April and 31st December 2010, the paper-based Administrative Accompanying Documents (AADs), and related exchanges of information, are being replaced with electronic Information Exchange (IE) messages. The EMCS system is required in EU law by Chapter IV of Directive 2008/118/EC, and details of the computerised procedures are set down in Commission Regulation (EC) 684/2009.
74. The objectives of this system are both to eliminate the weaknesses of the former paper-based system (in the aim of reducing fraud) and to provide all partners with complementary services, in particular to bring real-time information during the excise movement to all actors of the EMCS project community.
75. Electronic filing of all EMCS messages is mandatory from 01/01/2011. In the interim, between 01/04/2010 and 31/12/2010, all traders involved in intra-EU movement of duty suspended excise products, had to be at least capable of issuing an electronic receipt if an electronic AAD (e-AD)¹⁰ was received. Overall, during this nine-month period, MSs Authorities have sent about 765,000 messages over the Common Domain, in support of about 313,000 movements.
76. Not only has Fiscalis contributed to the development and implementation of the system at the EU level, it has also supported its implementation in the MSs through Joint Actions (see case study on "EMCS implementation" in Supplement 5)

VAT refund

77. VAT Refund is an entirely new IT system, for which the procedure is laid down in Council Directive 2008/9/EC. This new procedure simplifies the refund process by allowing business to directly apply for a VAT refund in their MS of establishment for VAT incurred in other MSs.
78. The new system entered into operations on the 1st of January 2010. On the 1st April 2010, its second module related to decision and adjustments entered into production. By the end of 2010, the total volume and size of exchanges (1.98 million messages and 349 GB) was significantly lower than the MSs' estimations indicated before operations (3.6 million and 1.440 GB).
79. Although the entry into production went smoothly and exchanges have increased rapidly, some issues were encountered. A workshop took place in June 2010 to address a number of minor problems, such as the rejection of VAT Refund Applications (in June 2010 the percentage of VAT Refund Applications rejected by the MSs equalled 44%). It was agreed that the conclusions of this workshop were to be implemented in two stages: September 2010 at the latest, and April 2011. Since the workshop, the average percentage of the rejected applications has equalled 13%. This is a good example of how Joint Actions can support the implementation of IT Actions.

Development and implementation of e-Forms

80. Substantial IT development can also be observed in the area of administrative cooperation. Interestingly, the most significant work is relevant to the area of direct taxation. This provides an indication that, in spite of the fact that administrative cooperation between MSs in the area of direct taxation is in the nascent phase, Fiscalis is supporting current developments and progress.

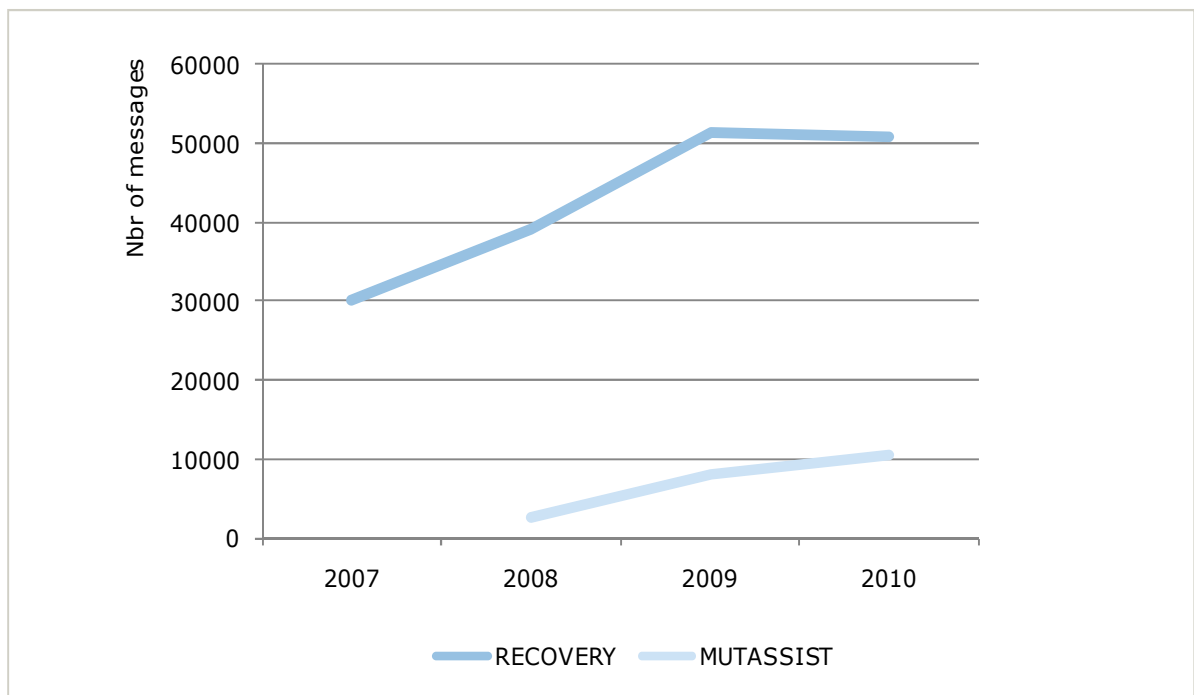
¹⁰ The administrative document is defined in Article 21(2) of Directive 2008/118/EC and in Article 3(1) of Regulation (EC) 684/2009. In the context of EMCS, the AAD is embodied by the electronic AD (e-AD).

- 81. *Recovery e-Forms:* In order to support the application of Council Directive 2008/55/EC on mutual assistance for the recovery of claims relating to certain levies, duties, taxes and other measures, the Working Group approved in 2008 the launch of a pilot phase, based on the e-Forms developed by the Netherlands. The specifications for the Recovery forms were based on Regulation (EC)1179/2008, and then updated at a later stage following the reviewed 76/308 Directive (Council Directive 2010/24/EU concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures). Specifications for the Recovery forms were completed in 2010. The same year, the forms were produced and released, along with the related training materials. This work was supported by Fiscalis 2013.

- 82. *E-Forms of Mutual Assistance in the field of direct taxation:* Concerning the e-Forms for Mutual Assistance related to the Mutual Assistance in the field of direct taxation under the legal base of Council Directive 77/799/EEC, a prototype for the "Exchange of Information on Request" form was created and presented in Finland during a Fiscalis seminar in 2008. Then, after completion of the Specifications and Translation Material for the structured e-Forms of Mutual Assistance in the field of direct taxation, the final form was released in 2010, and an e-learning module has been developed. This work was and continues to be supported by Fiscalis 2013, as well.

- 83. As can be seen from Chart 3 below, the number of recovery e-Forms (RECOVERY) and e-Forms of Mutual Assistance in the field of direct taxation (MUTUASSIST) has been increasing since 2007. This shows that the support offered by Fiscalis to the development of e-Form has resulted in (or accompanied) enhanced administrative cooperation in relevant areas. This is all the more remarkable given that the total number of messages exchanged through CCN/Mail in the areas of VAT and direct taxation has remained stable over the same period (see Chart 1 above).

Chart 3 Number of e-Forms exchanged in CCN/Mail (2007-2010)

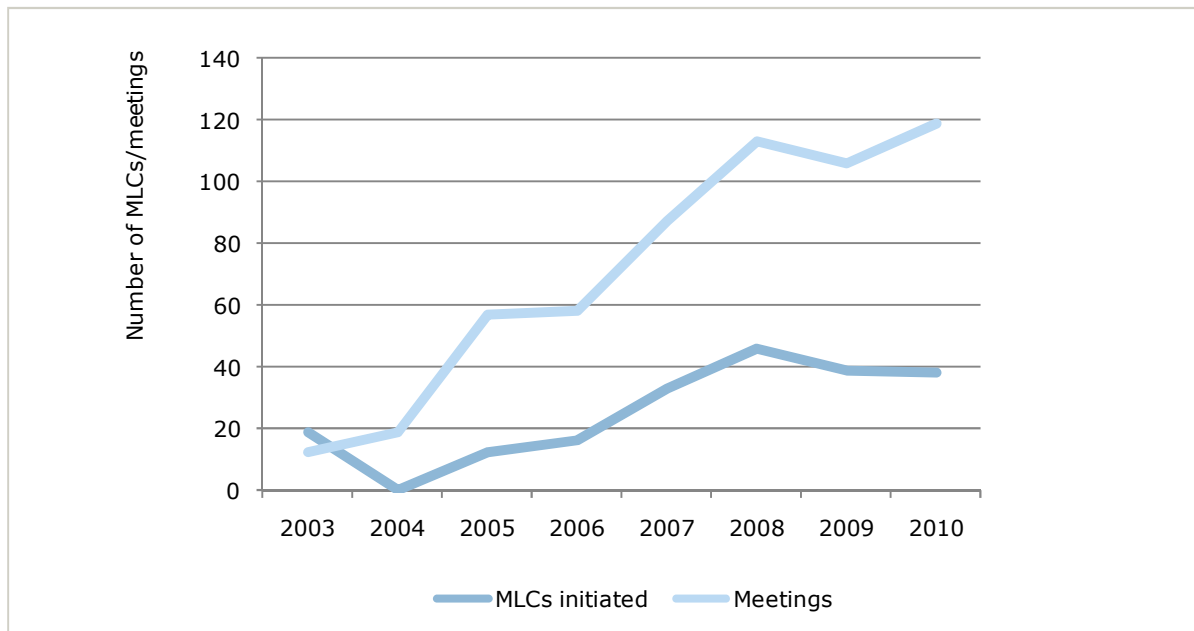


Source: DG TAXUD R4

3.1.2 Key facts and figures about MLCs

84. According to Decision No 1482/2007/EC establishing FISCALIS 2013, 'multilateral control' means the coordinated control of the tax liability of one or more related taxable persons organised by two or more participating countries with common or complementary interests, which include at least one MS. Coordinated controls find their legal basis in the EU legislation on mutual assistance in the field of taxation, and MLCs supported by Fiscalis are aimed at encouraging and facilitating such controls.
85. Monitoring data – collected by the Commission's programme management unit through the monitoring tool ART2 – indicates that the number of MLCs increased drastically until 2008 and then stabilised around 40 MLCs initiated and more than 110 meetings organised each year (see Chart 4 below). Based on this, it can be said that Fiscalis 2013 has supported a significant durable increase in the number of coordinated controls between MSs.

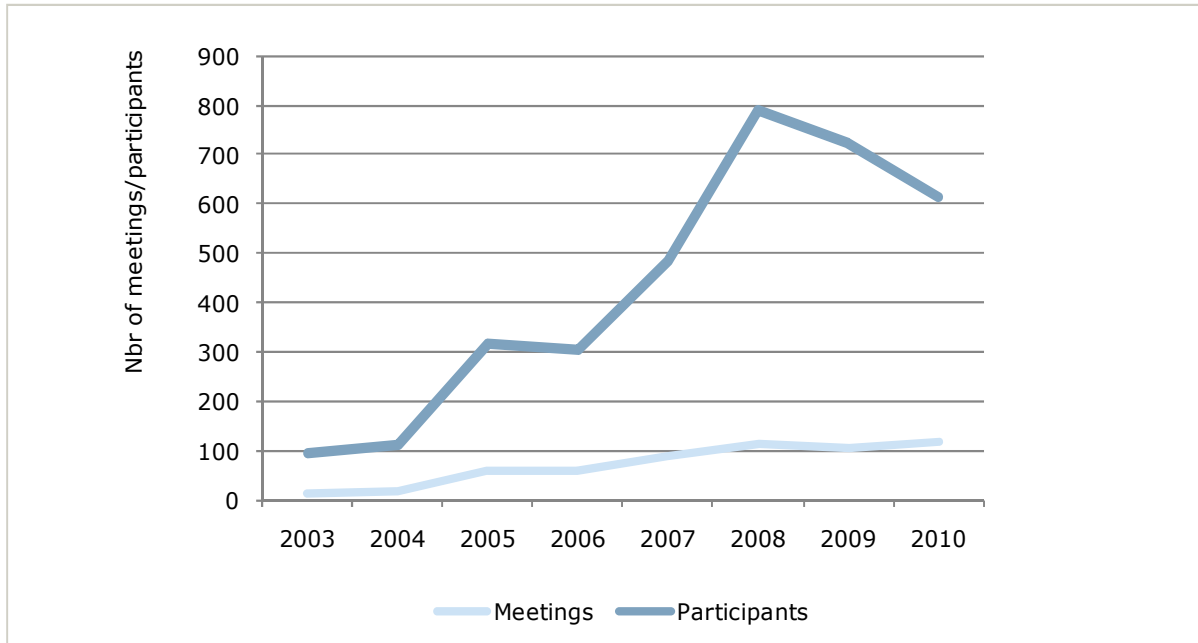
Chart 4 Number of MLCs initiated and meetings organised (2003-2010)



Source: DG TAXUD R3 (ART2), March 2013

- 86. The total number of participants and the average number of participants per meeting have been decreasing since 2008 (see Chart 5 below). The monitoring system does not provide the data necessary to assess whether this is due to a lower participation of some countries or a gain in efficiency.

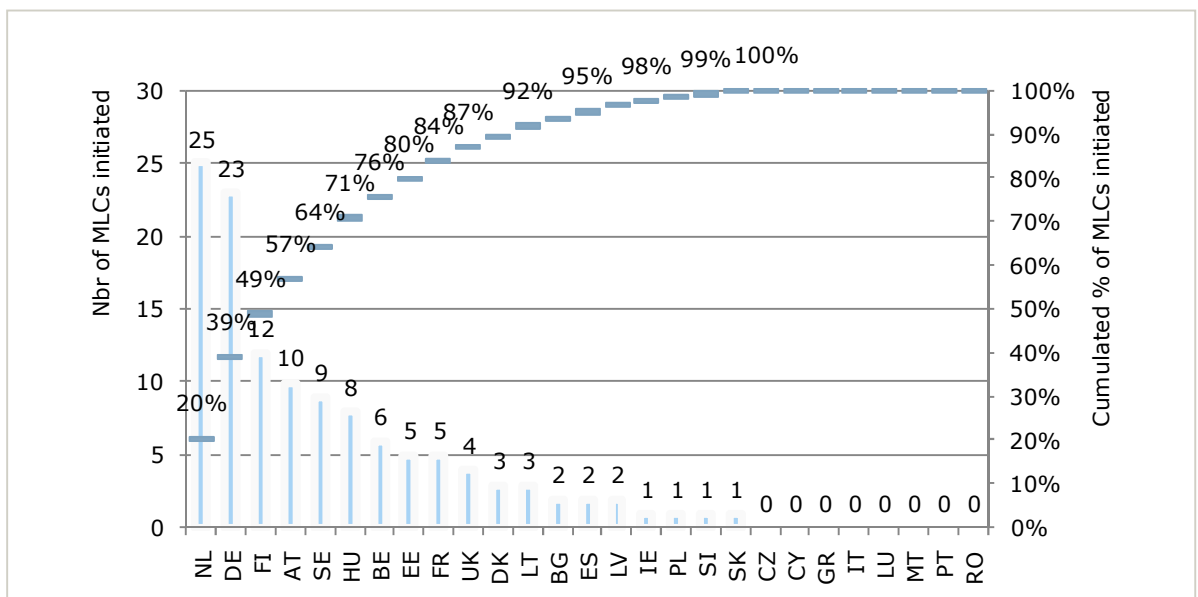
Chart 5 Number of MLCs' meetings and participants (2003-2010)



Source: DG TAXUD R3 (ART2), March 2013

- 87. In terms of the countries that initiated MLCs, monitoring data from ART2 indicates that Fiscalis 2013 has not contributed much to a larger diversification of initiating countries. As can be seen from Chart 6 below, three countries (the Netherlands, Germany and Finland) have initiated one MLC out of two, and eight countries have initiated four MLCs out of five. A comparison of annual data during 2008, 2009 and 2010 does not indicate any improvement; no data is available from the previous period.

Chart 6 Number of MLCs initiated per country (2008-2010)



Source: DG TAXUD R3 (ART2), March 2013

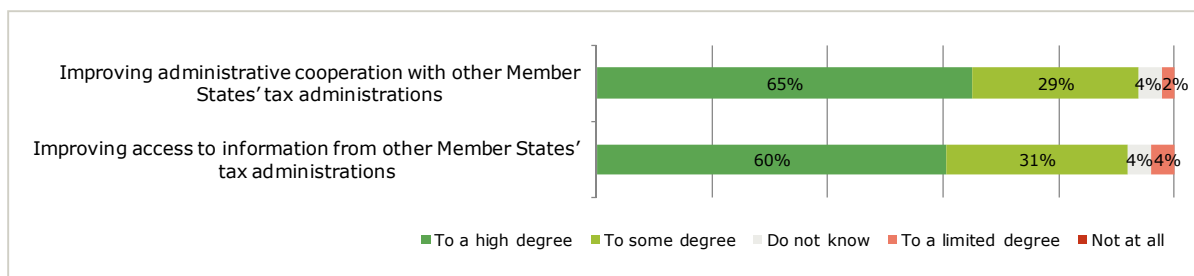
88. Last, but not least, the Commission's monitoring data indicates that MLCs have a strong potential impact on the fight against fraud: by March 2011, MLCs had enabled the identification of about EUR 1.5 billion of tax due. This is a strong piece of evidence pointing to the contribution of Fiscalis in the fight against fraud (see also section 3.5).

3.1.3 Main findings from surveys

3.1.3.1 Survey to the National Coordinators

89. According to the National Coordinators, Fiscalis 2013 has contributed to a very high extent to improved information exchange and administrative co-operation between participating national tax administrations.
90. In particular, the contribution of the programme to improving *administrative cooperation* is assessed very positively by the National Coordinators, as 65% of respondents believe that the programme has contributed to a high degree to this objective (second best answer to Q13).

Chart 7 On an overall level, please assess the extent to which the Fiscalis 2013 programme has contributed to...

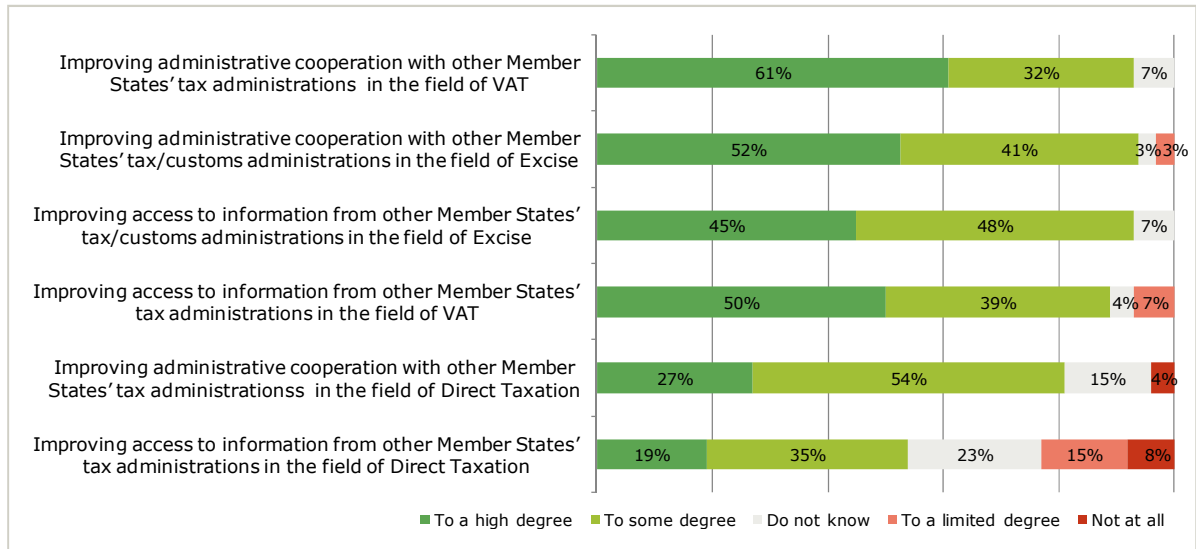


Source: Survey to National Coordinators (Q13)

3.1.3.2 Targeted surveys to tax experts

91. According to a great majority of the tax experts who participated in the targeted surveys, Fiscalis 2013 has contributed to a high, or to some, degree to “improved information exchange and administrative co-operation” between participating national tax administrations.

Chart 8 Please assess the extent to which the Fiscalis 2013 programme has contributed to...



Source: Targeted surveys to experts in VAT (Q7), excise duties (Q8) and direct taxation (Q8)

92. In the area of direct taxation:

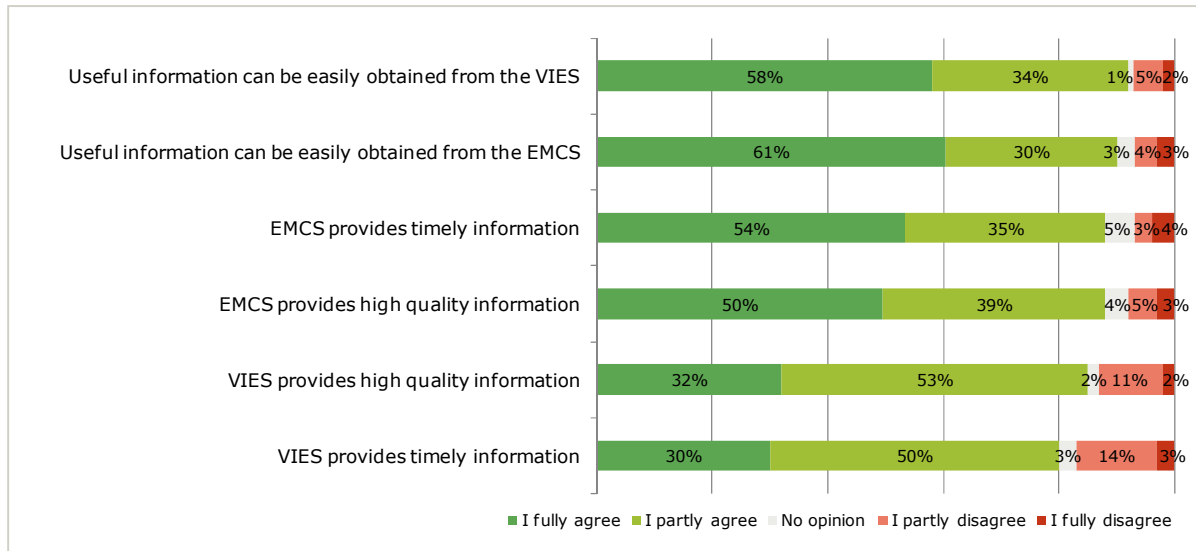
- Overall, the contribution of Fiscalis 2013 to this objective is seen as significantly lower compared with other tax areas. This is consistent with the activities of the programme, which so far have been limited in the area of direct taxation. However, Fiscalis has been involved in this area very recently, and such a high level of positive answers indicates significant progress.
- In terms of “administrative cooperation”, the contribution of the programme is, according to respondents, higher (best answer to Q8): this is an acknowledgment of the progress made thanks to the development and implementation of structured e-Forms of Mutual Assistance in the field of direct taxation (released in 2009).

3.1.3.3 General survey to participants

Communication and information-exchange systems

93. Overall, a large majority of respondents agree that VIES and EMCS have had a positive impact on the information exchange between participating national tax administrations. In general, EMCS receives slightly more positive assessments than VIES.

Chart 9 Please comment on the following statements regarding communication and information-exchange systems that you use in your work:



Source: General survey to participants (Q30)

94. The ease of obtaining information is assessed in a highly positive way by the respondents. On the other hand, the timeliness and quality of the information are less favourably assessed. In this regard, it should be mentioned that:

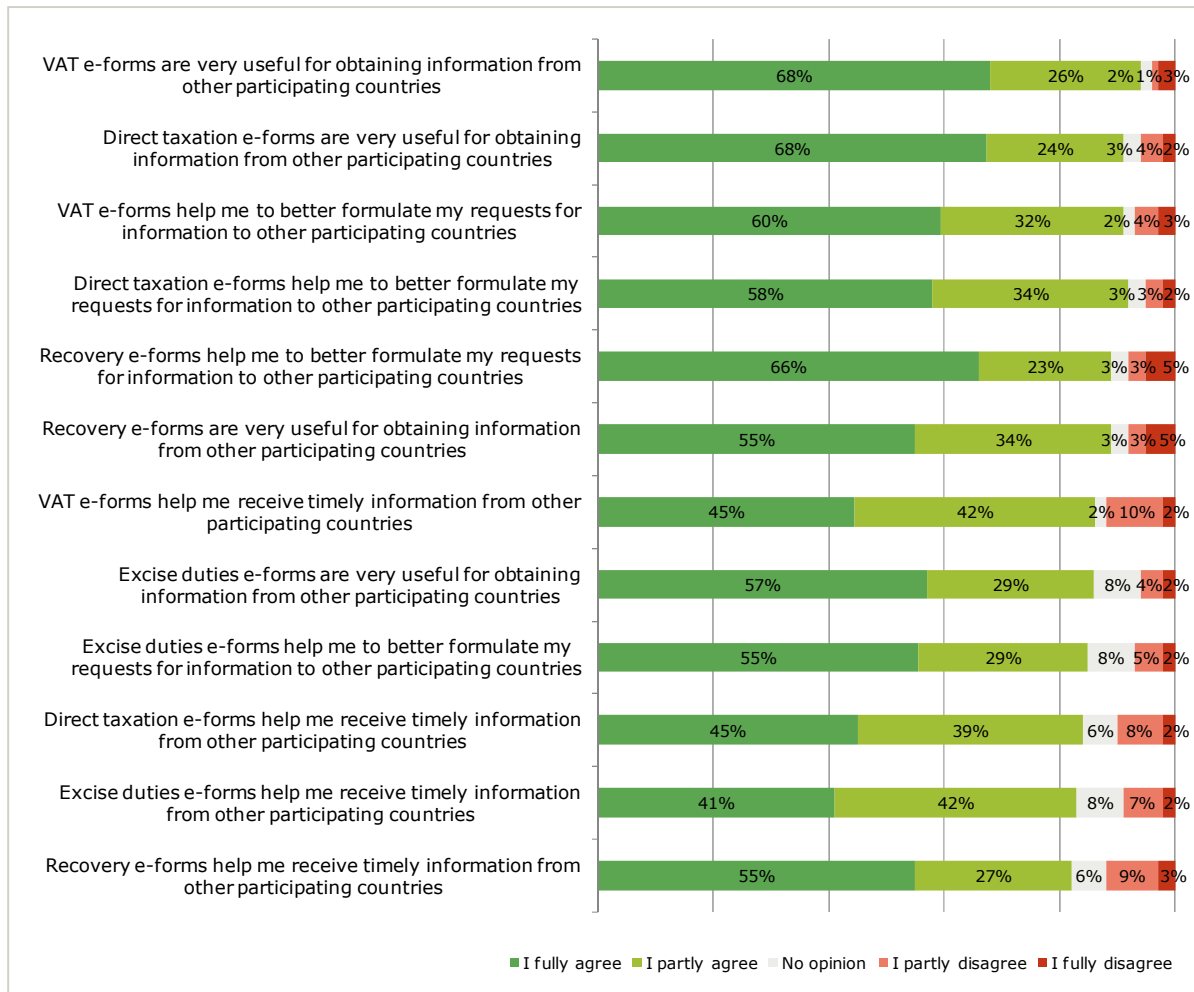
- *On quality:* In their answers to the open-ended question on VIES (Q32), respondents express a certain degree of dissatisfaction regarding the quality of the data provided by VIES. Main issues concern the limited scope and degree of details of available data, as well as the lack of accurate and updated information. However, it should be noted that a Project Group on the improvement of the quality of the information exchanged has existed since 2008. Also, the Commission services have no control over the information stored by national administrations.
- *On timeliness:* The response time as measured by the Commission is actually constantly low (0.60 seconds in 2007, 0.62 seconds 2008, 0.63 seconds in 2009 and 0.6 seconds in 2010, according to the TAXUD R4 Annual Activity Reports). However, in their answer to the open-ended question, respondents complain about the fact that the system is slow and not user-friendly (which should increase the time needed to obtain the information needed). Again, it is important to note that the Commission services have no control over the availability, continuity and performance of the national databases.

95. Moreover, when asking participants to consider the scenario that certain aspects of the communication and information-exchange systems did not exist, the survey results emphasise further – and less ambiguously than the above results – the positive contribution of the IT systems to information exchange and, as a result, the fight against fraud (see section 3.5.1.3).

e-Forms

96. Overall, an overwhelming majority of respondents agree that e-Forms provided with the support of Fiscalis have had a positive impact on information exchange and administrative co-operation between the MSs.

Chart 10 Please comment on the following statements regarding the instruments for administrative cooperation that you use in your work:



Source: General survey to participants (Q34)

97. The survey results offer a good indication of the value offered by e-Forms to their users:

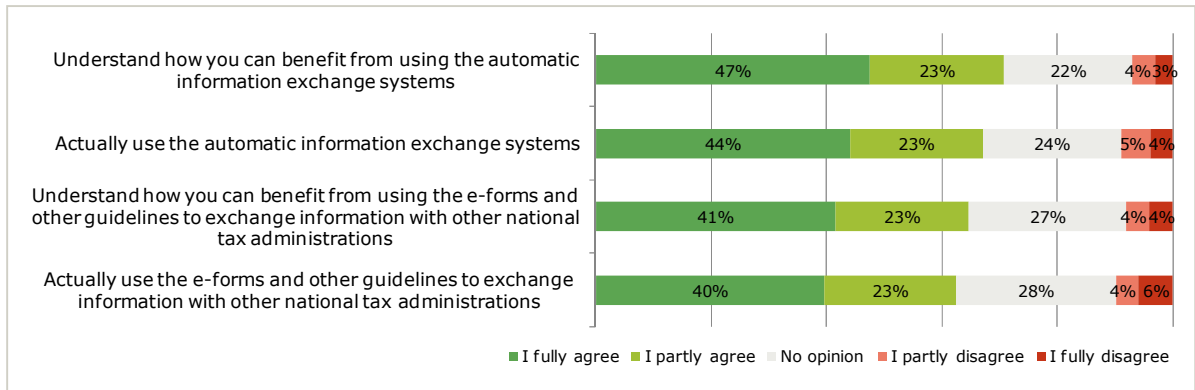
- In the areas of VAT, direct taxation and excise, e-Forms are assessed as being most valuable in simply obtaining information from other participating countries.
- In the area of e-recovery, e-Forms are considered most valuable in helping tax officers to better formulate their requests for information to other participating countries.
- In all tax areas, the respondents' assessment is less positive on the extent to which e-Forms help them to receive "timely information" from other participating countries.

IT training and e-learning tools

98. When looking at the overall views of respondents on the effects of e-learning tools (Q42), the survey results indicate that 85% of respondents agree with the fact that e-learning tools provide useful information on use and development of communication and information-exchange systems (50% of respondents fully agree and 35% partly agree).

- 99. When looking into the more tangible effects of the participation in IT training, answers are less positive, mainly due to a relatively high number of respondents who have “no opinion” about this. The fact that the share of positive answers gets lower is an indication that putting knowledge/awareness into practice is not straightforward. This observation can be made for all survey results, where the distinction is clear between overall views and tangible effects in practice.

Chart 11 Please comment on the following statements regarding the IT training you participated in and whether it significantly improved your capacity to...



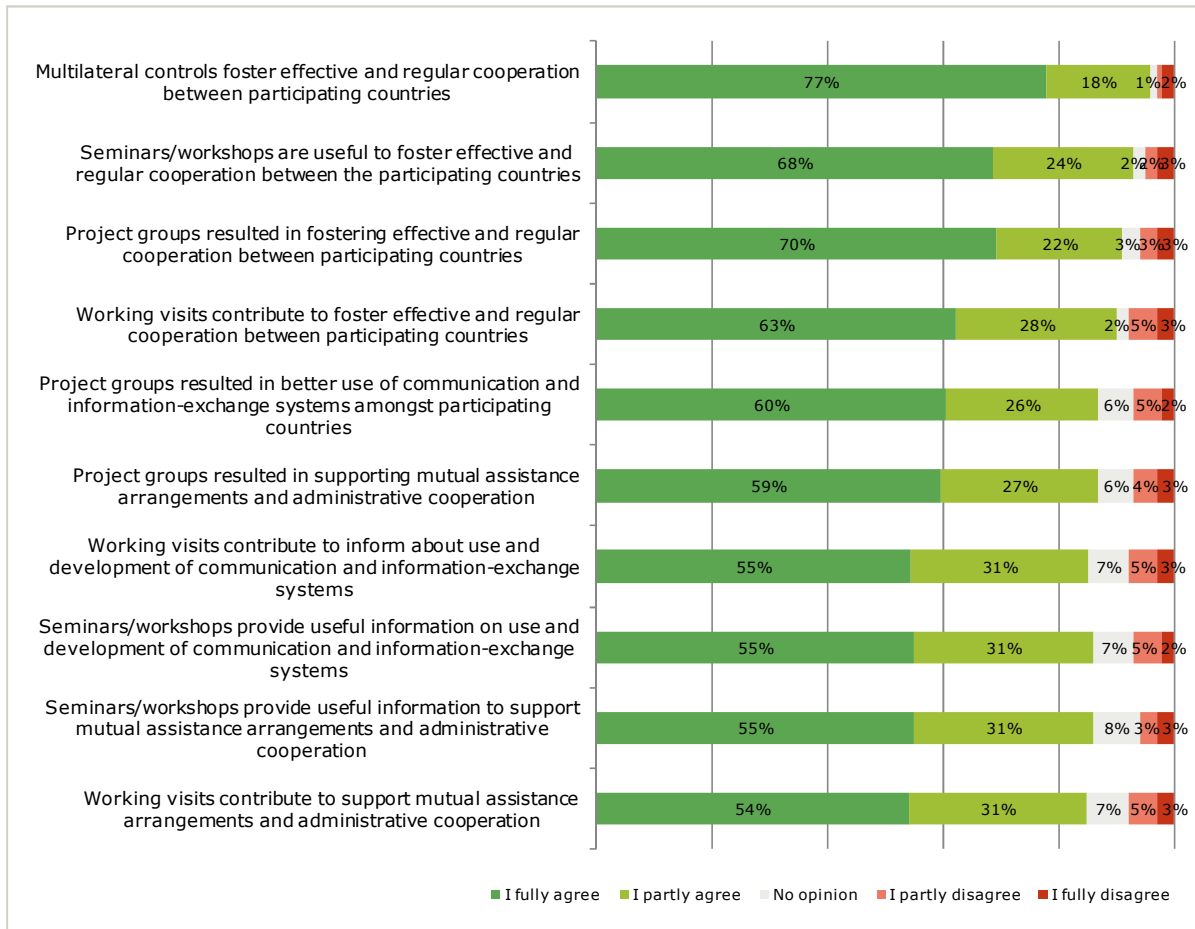
Source: General survey to participants (Q39)

- 100. It should be noted that only few e-learning modules for IT applications have been developed by Fiscalis so far. Existing achievements mainly concern training material to support the implementation and use of e-Forms.

Joint Actions

- 101. Overall, respondents give a positive assessment of the contribution of Joint Actions to improved information exchange and administrative cooperation between MSs.
- 102. The type of impact that Joint Actions have on the exchange of information and administrative cooperation is however different in nature to the impact of IT tools or IT trainings. From the survey results, one can see that the most positive assessment concerns the contribution of the Joint Actions to “effective and regular cooperation between participating countries”. This outlines the fact that the Joint Actions bring participants and MSs closer to each other, fostering cooperation that goes beyond the formal exchange of information and administrative cooperation. In a way, Joint Actions contribute to creating “human networks” rather than “computerised networks”, through which information circulates.

Chart 12 Please comment on the following statements regarding your overall view on the effects of Joint Actions, taking into account your own experiences:



Source: General survey to participants (Q7, Q13, Q19, Q26)

103. The Multilateral Controls’ (MLCs’) contribution to fostering effective and regular cooperation between participating countries is, according to participants, particularly high. This is an interesting finding, as it shows that MLCs are not only one-off coordinated controls of one or more related taxable persons, but also an opportunity to foster cooperation between the MSs as a result of this common experience. This is further emphasised in the answers to the open-ended question on MLCs (Q28), which indicates that MLCs are also beneficial due to the networks and relationships they contribute to establishing between tax officials. In this respect, MLCs contribute to administrative cooperation at a broader level. There is also evidence that MLCs contribute to a better understanding of the national tax systems and the exchange of best practice, beyond the scope for which they were initially set up (see section 3.3.1.2).
104. Although answers remain positive, the contribution of Seminars and Workshops to the use and development of communication and information exchange systems, and to the use and support of mutual assistance arrangements and administrative cooperation, is seen as relatively less significant. In this respect, it should be noted that Seminars and Workshops have been used by the Commission to develop IT tools and related trainings (AWP objective 2.3) and to stimulate administrative co-operation arrangements between tax administrations through the development of common forms, feedback systems and liaison officers’ networks (AWP objective 2.1)¹¹. This contribution to improving information exchange and administrative cooperation is not fully reflected in the survey results. An explanation could be that the types of activities supported by Seminars and Workshops in view of improving information exchange and administrative cooperation are not necessarily visible to the end-users who answered the survey.

¹¹ By January 2011, 20 out of 94 Seminars and Workshops had been organised under AWP objectives 2.1 and 2.3, while 8 out of 50 Project Groups had been organised under AWP objective 2.1 (no PG under 2.3).

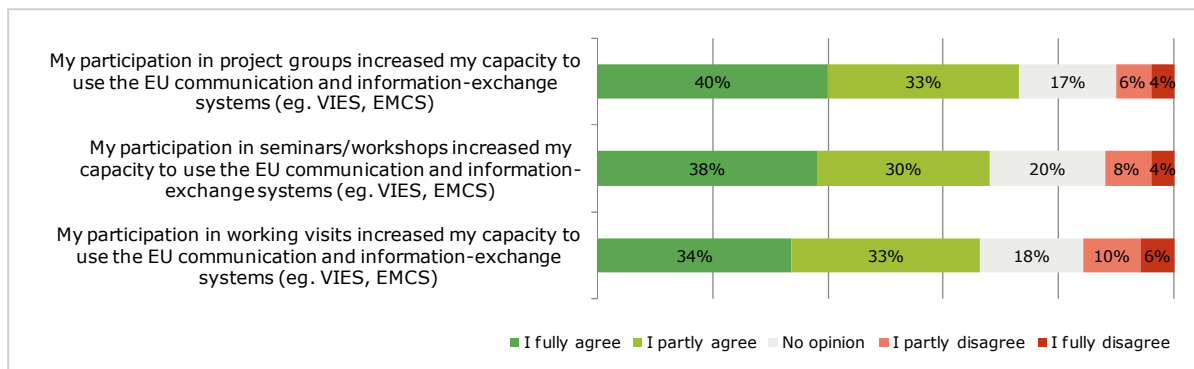
105. Looking at the survey results per tax area, these indicate clearly that in the area of excise duties, the effects of Working Visits on the participants' increased capacity to use the Community communication and information-exchange systems (e.g. EMCS) has been more significant than in the areas of VAT and direct taxation. This indicates that Working Visits have been widely and successfully used to support the implementation of EMCS in the MSs.

Also, it should be noted that in the area of excise duties, a lower share of respondents would like to participate in a Working Visit in the future (57% compared with approximately 90% in the others tax areas). Two possible explanations can be given for this:

- As far as the implementation of EMCS is concerned, the large support offered by Fiscalis through Working Visits has fulfilled the needs; survey respondents (who participated in EMCS-related working visits in the past) do not expect to be in need of the same level of cooperation in the future,
- Within the remits of the programme, there are fewer conflicting issues in the excise area than in VAT and direct taxation.

106. When looking at the more tangible effects of the Joint Actions in terms of improving the participants' capacity to "use the Community communication and information exchange systems (e.g. VIES, SEED, EMCS etc.)", the share of positive answers gets lower. The above explanation that the types of activities supported by Joint Actions are not necessarily visible to the end-users who answered to the survey, applies here as well. In addition, Fiscalis 2013 has only to a very limited extent supported activities dealing directly with these topics.

Chart 13 Please comment on the following statements regarding the results of the cooperation through Seminars and Workshops



Source: General survey to participants (Q8, Q14, Q20)

3.1.4 Main findings from interviews and case studies

107. Interviews with members of the Commission, National Coordinators and programme participants confirmed the positive assessments provided by survey respondents.

Communication and information-exchange systems:

108. Interviewees mention EMCS as a major tangible achievement of Fiscalis 2013, which contributes to easier, quicker and secured information exchange for the national administrations.
109. The case study on "EMCS implementation" (see Supplement 5) clearly illustrates how Joint Actions were effectively used to support the implementation of EMCS in the Member States. They offered possibilities to improve the officials' understanding of the underlying legal background and the system's technical specificities, share experience in implementing the system and find solutions to technical issues, and finally develop and disseminate good practices.

110. While putting the emphasis on the contribution of Seminars and Workshops in supporting the implementation of EMCS, interviewees from the Commission also mention IT training modules under development:
- a first EU e-learning course named 'Core Business' should support the implementation of the new EU-wide system by informing tax/custom and trade officials about EMCS' IT tool through a presentation of its functionalities, processes, best practice etc.
 - a second e-learning course will be developed in 2011. It will be more detailed, focusing on EMCS processes. It will build on descriptions of best practice on control techniques, fraud modus operandi, etc.
111. Finally, National Coordinators convey a certain degree of dissatisfaction regarding the quality of available data in VIES. Interviewees from the Commission, who receive complaints from the MSs, acknowledge that technical problems can occur and that the quality of data could be improved. The conclusion is that national tax administrations also need to make efforts to facilitate a smooth functioning of VIES. This can be confirmed by available monitoring data, as indicated above (see section 3.1.1.1).

Exchange of information and knowledge, cooperation and mutual assistance

112. National Coordinators mention e-Forms and MLCs as supportive tools to improve administrative cooperation, but they insist more on the contribution of Joint Actions to support regular exchange of information, cooperation and mutual support (this issue is also analysed, from a different angle, in section 3.6 on the internal and external factors).
113. The case study on the "Fight against VAT Fraud" is a very illustrative example of how Fiscalis 2013 supports regular exchange of knowledge and information, as the basis for further initiatives in the area of information exchange and administrative cooperation. Fiscalis Seminars and Workshops have been organised in the area of the fight against VAT fraud for the purpose of bringing tax officials together to network and share information, in order to improve the collective knowledge of the European tax administrators, increase awareness of the mutual interest MSs have to cooperate and, ultimately, enhance administrative cooperation.
114. Interviewees from the Commission and national administrations also welcome the creation of Eurofisc (set up as a Steering Group), which will ensure a permanent exchange of information on (potential) tax fraud between MSs. Eurofisc will involve a multilateral early warning mechanism and the coordination of both data exchange and the work of liaison officials in acting upon warnings received.
115. Finally, the case study on "E-audit" (see Supplement 5) provides an interesting example of how Fiscalis contributes to fostering regular cooperation, exchange of information and knowledge, by supporting so-called "platforms". The case study on "e-Audit" shows that Fiscalis 2013 has indirectly ensured continuity with the previous programme: as a follow up on Fiscalis activities, the Portuguese tax administration has from its own resources set up a network of e-Audit Contact Persons, twinning activities between administrations in the field of e-audit (so called "brother country system") and a web-based system to share information between e-Auditors (the Forum).

Administrative cooperation and exchange of information in the area of direct taxation

116. Interviewees, in particular from the Commission, also emphasise Fiscalis 2013 achievements in the area of direct taxation, where significant progress has been made.
117. The case study on “direct taxation” (see Supplement 5) shows how Fiscalis contributed to a breakthrough in this area, while MSs were initially reluctant to cooperate. In the same way as Fiscalis 2013 has been supporting further cooperation in the area of the fight against VAT fraud, Fiscalis has, since 2005, contributed to raising awareness among national administrations of their mutual interest in cooperation. Fiscalis 2013 has taken over and is supporting concrete actions in the area of administrative cooperation. Recent achievements in the area of direct taxation include:
- Recovery e-Forms (all tax areas) and direct taxation e-Forms, which have been successfully tested and distributed to the MSs, offering substantially more information and flexibility. In particular, the new direct taxation e-Forms will support the implementation of the new Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation, repealing Directive 77/799/EEC. One can also mention the project groups FPG064 on e-learning and FPG070 on pool of trainers for common e-Forms for direct taxation.
 - Country profiles, which are currently developed by a Project Group with the support of Fiscalis 2013 (FPG58). These computerized country profiles should provide tax officials with fundamental information regarding the administrative and legal framework of the receiving country in connection with a request for information.
118. Also, the Commission observes an increasing number of MLCs supported by Fiscalis in the area of direct taxation, usually in combination with other taxes.

3.1.5 Summary of findings

119. In general, all sources indicate that Fiscalis 2013 contributed to a very high extent to “improved information exchange and administrative cooperation”.
120. Fiscalis has contributed to ensuring the continuous availability and performance of EU communication and information exchange systems, while also supporting major development. Among these, one can mention EMCS and VAT Refund, as well as e-Forms for the recovery of claims and for mutual assistance in the field of direct taxation. The latter illustrates increasing support of Fiscalis in the field of direct taxation, although less has been achieved in this area so far.
121. Communication and information exchange systems have contributed very positively and significantly to increasing and facilitating access to information between the national tax administrations. However, despite good performance at EU level, communication and information exchange systems– and in particular VIES – suffer from low quality data and slow processing of requests. Evidence indicates that this is the responsibility of the MSs. The Commission services have no control over the information stored by national administrations, or the availability, continuity and performance of the national databases. The recently adopted Council Regulation (EU) 904/2010 should considerably improve this situation as Member States will clearly become more responsible for keeping the information in the VIES database more accurate and up to date.
122. E-Forms have been continuously improved and developed with the support of Fiscalis 2013. Their contribution towards improving administrative cooperation is perceived as positive and significant, in particular in terms of facilitating access to information and easing formulation of requests.

123. Finally, Joint Actions have also contributed to improving information exchange and administrative cooperation:

- They have supported the development and implementation of the communication and information exchange systems and e-Forms through complementary activities.
- Fiscalis 2013 has supported a durable increase in the number of coordinated controls between MSs.
- More significantly, Joint Actions have fostered effective and regular cooperation between participating countries through 1) Seminars and Workshops to exchange knowledge and raise awareness of emerging threats and the need for cooperation, 2) formal platforms (such as the MLC, Risk Management and e-Audit Platforms as well as Eurofisc) to facilitate a continuous exchange of information, knowledge and best practice and 3) informal networks, as participation in Fiscalis (and in particular MLCs) contributes to getting tax officials acquainted, build trust and encourage mutual assistance.

3.2 Enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation

EQ1b In what cases and to what extent has the programme contributed to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation

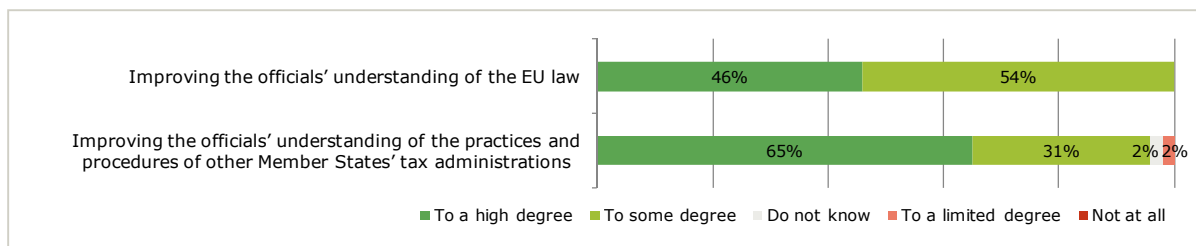
124. The operational objective “enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation” corresponds to objective 3 in the Fiscalis 2013 AWP. However, for the purpose of the evaluation, the scope of the analysis is not limited to activities that were supported by Fiscalis under this objective, but includes any contribution of the programme’s activities to the achievement of this objective.

3.2.1 Main findings from surveys

3.2.1.1 Survey to the National Coordinators

125. Overall, National Coordinators consider that Fiscalis has enabled tax officials to achieve a high standard of understanding of the Union's law and its implementation in the MS.

Chart 14 On an overall level, please assess the extent to which the Fiscalis 2013 programme has contributed to



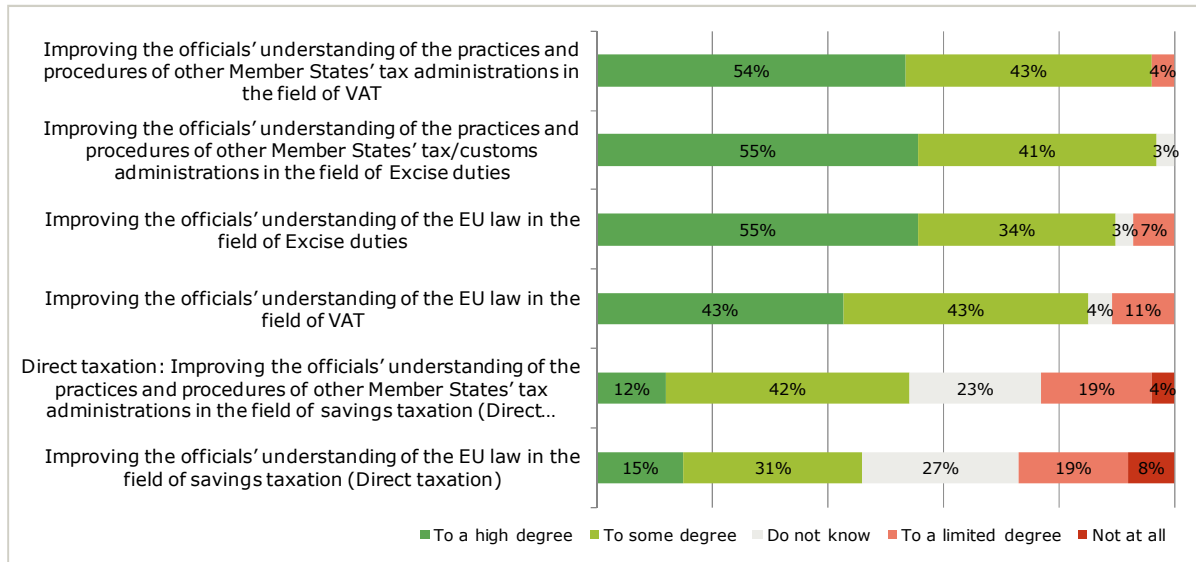
Source: Survey to the National Coordinators (Q13)

126. However, the National Coordinators also indicate that the contributions of the programme to this objective are not homogenous. As confirmed by survey results (see below), the extent to which Fiscalis contributed to “improving the officials’ understanding of the practices and procedures of other MSs’ tax administrations” is higher than the contribution to “improving the officials’ understanding of the EU law”. When comparing between the different operational objectives, the first one receives the most positive assessment while the latter receives the least positive assessment from the National Coordinators.

3.2.1.2 Targeted surveys to tax experts

127. According to a great majority of the tax experts who participated in the surveys, Fiscalis has contributed to a high or to some degree to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation in the area of VAT and excise duties.

Chart 15 Please assess the extent to which the Fiscalis 2013 programme has contributed to...



Source: Survey to experts in VAT (Q7), excise duties (Q8), direct taxation (Q8)

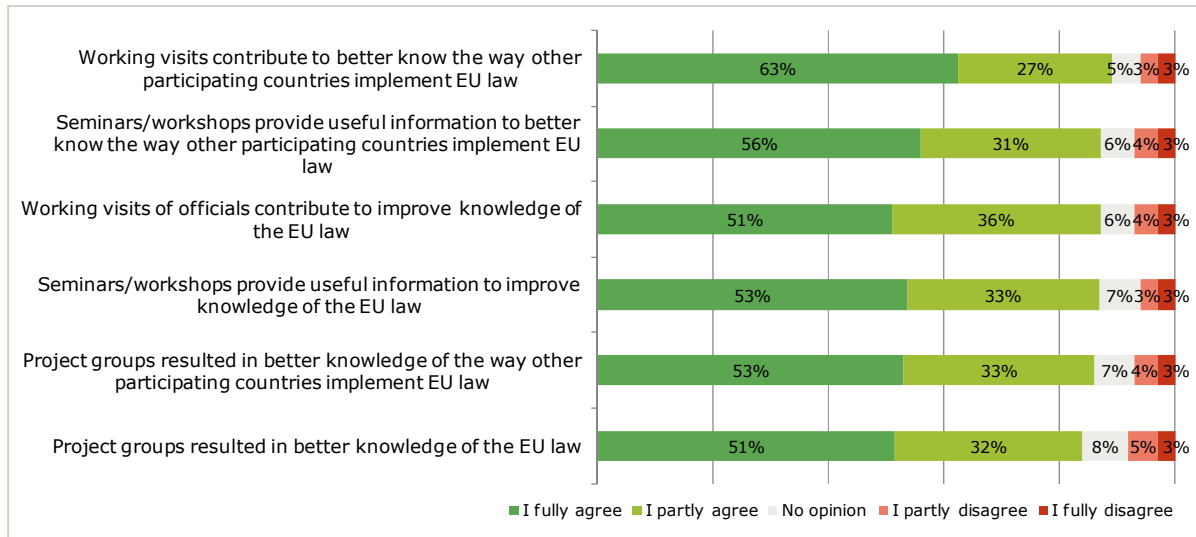
128. In the field of excise duties, the contribution of the programme to this objective is particularly high. When compared with other operational objectives, "improving the officials' understanding of the practices and procedures of other MSs" and "improving the officials' understanding of the EU law" receive the most positive assessments. Interestingly, while interviews and case studies outlined the complexity of EU legislation on excise duties and its implementation in the MSs, the survey results indicate that Fiscalis has positively and significantly contributed to addressing this issue (see section 3.2.2).
129. In the area of direct taxation, the contribution of Fiscalis to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation is lower compared with other tax areas. This again reflects lower Fiscalis involvement in this area so far. Yet, as mentioned earlier (see section 3.1.4), it should be noted that Fiscalis has contributed to developing "country profiles" in the area of direct taxation, which should contribute to improving the officials' understanding of the practices and procedures of other MSs.

3.2.1.3 General survey to participants

Joint Actions

- 130. According to survey respondents, Joint Actions have had a highly positive effect in contributing to achieving a high standard of understanding of the Union's law and its implementation among tax officials.

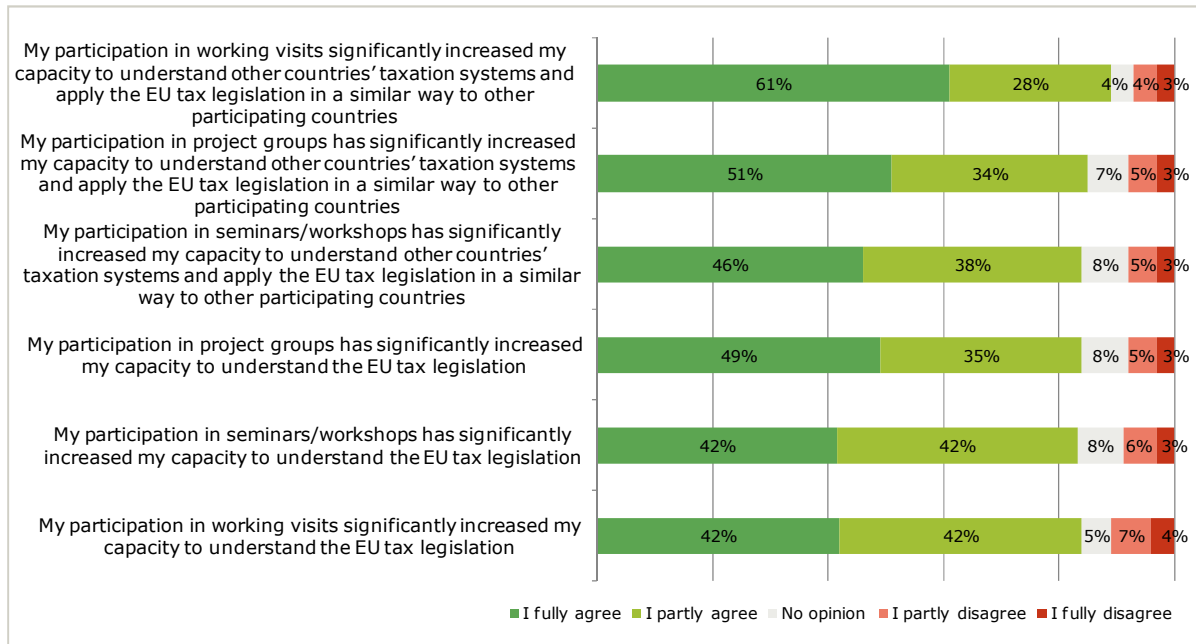
Chart 16 Please comment on the following statements regarding your overall impression of the effects of Seminars and Workshops, based on the Seminars and Workshops in which you participated:



Source: General survey to participants (Q7, Q13, Q19)

- 131. Consistent with previous results, the contribution of the Joint Actions to improved knowledge of the way other participating countries implement EU law tends to be higher than their contribution to improved knowledge of the EU law. When comparing with other types of effects, the latter receives the lowest assessment from the participants in Joint Actions.
- 132. As a possible explanation of the above results, it can be mentioned that answers to the open-ended question on Seminars and Workshops (Q11) indicate a disinterest in events which are too theoretical and a preference for practical approaches based on examples. In their answers, respondents ask for more practical Seminars and Workshops.
- 133. Working Visits are assessed particularly positively with regard to their contribution to better knowing the way other participating countries implement EU law. Answers to the open-ended questions on Working Visits (Q23) confirm this. Also, they indicate that Working Visits contribute to improving mutual understanding between administrations, as they highlight differences in cultural and legal contexts.

Chart 17 Please comment on the following statements regarding the results of the cooperation through Joint Actions:



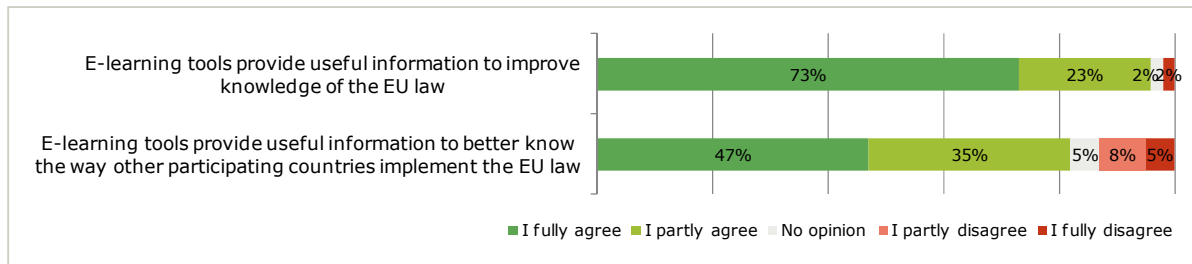
Source: General survey to participants (Q8, Q14, Q20)

- 134. When looking at the more tangible effects, a great majority of survey respondents believe that their participation in Joint Actions have increased their capacity to understand the EU tax legislation and its implementation in countries' taxation systems. However, compared with the overall impression of participants analysed above, respondents assess the tangible effects less positively: this confirms that Joint Actions' participants tend to be careful in their assessment of the concrete effects of the programme on their work, although they remain highly positive.
- 135. The contribution of the Joint Actions to improve participants' capacity to understand other countries' legislation is higher than their contribution to the participants' capacity to understand the EU legislation. This is consistent with other survey results.
- 136. Again, Working Visits are assessed particularly positively with regard to their contribution to the understanding of the other countries' taxation systems.

IT trainings and e-learning tools

137. Overall, the contribution of the e-learning tools to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation is assessed very positively by the survey respondents.

Chart 18: Please comment on the following statements regarding the instruments for administrative cooperation that you use in your work:



Source: General survey to participants (Q34)

138. When looking more into details, it is interesting to see that the relative contribution of e-learning tools to “improving the officials’ understanding of the practices and procedures of other MSs” and “improving the officials’ understanding of the EU law” is the opposite of other survey results. The contribution of the e-learning tools to improve knowledge of the EU law is particularly high, and e-learning tools are assessed more positively with regard to this objective. All this indicates that, compared with other Fiscalis activities, e-learning tools are the most appropriate to improve knowledge and understanding of the EU law.

3.2.2 Main findings from interviews and case studies

139. Evidence indicates that the contribution of Fiscalis to “enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation” is assessed differently by interviewees, depending on whether this is examined from the Commission’s or from the MSs’ point of view. This contribution is seen as more significant by the Commission, and in most cases it is the Commission who initiates Fiscalis activities in this area. This can be explained from two different angles:
- *A matter of awareness:* It is the Commission’s responsibility to oversee the implementation of EU law; also, the Commission is in a better position to identify potential or existing problems, while national administrations see their own problems only.
 - *A matter of priority:* The Commission gives a higher level of priority to this objective than the participating countries do. While it is the Commission’s role to enforce EU law, national administrations are more centred on their own law and own interest. This second element provides an explanation to why survey results are less positive with regard to this objective. This second explanation is also confirmed by the survey results presented in section 5.1.1.1.
140. Interviewees from the Commission confirm the survey results, according to which Fiscalis contributes to improving tax officials’ understanding of the EU law and ensuring a consistent implementation framework of the legislation. Policy officers from the Commission consider that Fiscalis is highly instrumental to achieving this objective. Based on interviews and case studies, *three types of situations* can be identified, in which Fiscalis proves to be instrumental:

141. *MSs have difficulties understanding and applying the legal framework appropriately and/or consistently:* Fiscalis 2013 has contributed to ensuring an appropriate enforcement of the EU law, when the MSs have encountered difficulties understanding and applying the legal framework appropriately, or where the legislation is unclear and results in diverging practices:
- One example is provided by the case study on “Denatured alcohol” (see Supplement 5), where participants to a MLC pointed out the extreme complexity of the denaturing regime set out by the Council Directive 92/83/EEC on the harmonization of the structures of excise duties on alcohol and alcoholic beverages: more than 40 procedures for complete denaturing are recognised under the implementing Regulation (EC) No 3199/93 and several hundreds of procedures for partial denaturing are subject to mutual recognition. This diversity of the national denaturing regimes renders appropriate controls difficult, time consuming and costly. A Project Group (FPG49) contributed to clarifying this situation by mapping all practices and creating a database of existing denaturing processes.
 - Another example is given by the application of EU VAT legislation in the yachts sector: A MLC on fraud in the sector of big yachts highlighted a number of issues in this sector, including different interpretations of the EU VAT legislation, limited investigation powers of the tax officials, and the need for improved cooperation between the customs and tax officers. As a result, a Project Group (FPG51) on yachts was set up to contribute to remedying this shortcoming.
142. *MSs face emerging issues and need to determine whether and how the existing legal framework can enable the tackling of these issues:* Fiscalis 2013 has contributed to ensuring an appropriate enforcement of EU law, when MSs have been facing emerging issues. In such cases, there has been a need to find out whether and how the existing legal framework can enable the tackling of them. This is particularly relevant in the case of excise duties, where many such examples can be found. One example is the contribution of the Project Group for the treatment of bio-fuels within the excise field (FPG36). The rationale behind the Project Group was to discuss the types of bio-fuels to be included in the control system: the MSs were facing difficulties in applying Council Directive 2008/118/EC concerning the general arrangements for excise duty and repealing Directive 92/12/EEC), which does not cover all products and can be too general. The Project Group offered to the participating MSs the possibility to discuss the subject in detail; it concluded that the existing framework needed to be modified, in order to ensure better application and control.
143. It should be noted that in the case of Project Groups, the contribution of Fiscalis to achieving a high standard of understanding of the EU law and its implementation in the MSs is closely related to the dissemination of good administrative practices, which, according to the Fiscalis AWP, are separate objectives. In particular, Project Groups tend to contribute to these objectives simultaneously, as the development and dissemination of best practice are used to support a good understanding of the legislation and its implementation in the MSs.
144. *A new legislation needs to be implemented:* There are a number of instances where the Commission has used Fiscalis 2013 to ensure a high standard of understanding of new EU legislation: a seminar on “better understanding and applying the new recovery assistance directive” (FSM/120), a seminar on “new VAT refund procedure for officials dealing in practise with the VAT refunds” (FSM/103) or, relating to the same piece of legislation, a seminar on “the new electronic VAT refund procedure replacing the 8th VAT Directive”. Also, the case study on “EMCS implementation” (see Supplement 5) shows that Fiscalis 2013 has supported the MSs to comply with their obligation and implement the computerized system. For this, Seminars and Workshops enabled participants to exchange problems encountered and discuss possible solutions.

145. When interviewed, National Coordinators acknowledge that Seminars and Workshops have been useful in improving the understanding of the EU law, especially when a new regulation is issued or when MSs have difficulties applying the regulation in an appropriate way. However, they also put the emphasis on the fact that the persons who participate in these Seminars are usually experts, who already have a good understanding of the legislation. Therefore, in order to make sure that Seminars and Workshops deliver, it is important to focus on the exchange of practices on how to implement the regulation, and also to ensure the dissemination of knowledge and practices in the national administration after the event. These concerns are confirmed by the survey findings, and especially answers to the open-ended question on Seminars and Workshops (Q11), which indicate that dissemination and use of the new knowledge in the national administrations is a widely shared concern. This issue is discussed further in sections 3.6 and 3.7 of this report.
146. Also, National Coordinators spontaneously refer to e-learning modules as the most appropriate tool to disseminate knowledge and ensure appropriate understanding of the EU legislation. Fiscalis offers the possibility to develop such modules to support the implementation of new legislation. Such examples can be found in the area of VAT, where e-learning modules have been developed to ensure a good understanding of the most recent EU legislation in this area (Fiscalis 2013 outputs include eVAT and eVAT2, eVAT Fraud and eVAT Refund).
147. On the contribution of Fiscalis 2013 to improving participating countries' knowledge of other tax administrations in the area of direct taxation, the case study on "direct taxation" (see Supplement 5) highlighted the (future and expected) contribution of the country profiles. A Project Group (FPG58) was set up to identify the most suited tool and determine the content of these country profiles. These country profiles will support the tax officials' understanding of the data received from other MSs through e-Forms, but will also contribute to raising awareness of the different administrative and legal frameworks that exist in the EU.

3.2.3 Summary of findings

148. In general, all sources indicate that Fiscalis contributed to a high extent to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation, especially in the area of VAT and direct taxation.
149. On the programme's contribution to enabling a better understanding of other tax administrations' practices and procedures, collected data and in particular survey results indicate that Joint Actions are an effective instrument. More specifically, Working Visits have been particularly useful in achieving this objective; they are said to contribute to mutual understanding between different tax administrations.
150. A significant contribution to enabling tax officials to achieve a high standard of understanding of the Union's law can also be observed, although results are less clear-cut compared with other operational objectives. In particular, the programme's contribution to this objective is seen as less significant by the MSs, while the Commission sees it as a major achievement of the programme. This reveals diverging priorities with regard to this objective.
151. Seminars are widely used by the Commission to clarify the legislation and ensure its appropriate implementation. However, and despite positive evaluations from the participants in the end of the meeting (evaluation forms), some concerns are raised on whether the knowledge shared during such Seminars and Workshops is actually disseminated and implemented in the national administrations. In general, participants prefer practical approaches.
152. E-learning tools are considered to contribute significantly to achieving a high standard of understanding of the EU law.

153. Findings indicate that the contribution of the programme to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation has been particularly significant in the field of excise duties. In this area, a harmonised and appropriate implementation of the EU law is a challenge, as existing national systems are diverse, and existing regulation results in complex situations. Also, stronger evidence of the programme's achievements with regard to this objective can be found in this area. It should be noted that the most striking examples are Project Groups, which tend to offer more practical approaches.

3.3 Contributing to the development and dissemination of good administrative practice

EQ1c In what cases and to what extent has the programme contributed to improved administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice?

154. The operational objective “improved administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice” corresponds to objective 4 in the Fiscalis 2013 AWP. However, for the purpose of the evaluation, the scope of the analysis is not limited to activities that were supported by Fiscalis under this objective, but includes any contribution of the programme’s activities to the development and dissemination of good administrative practices.

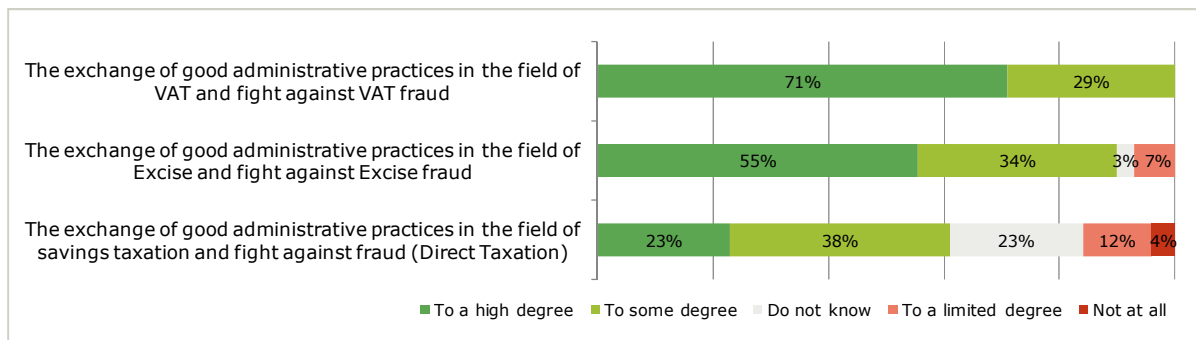
3.3.1 Main findings from surveys

3.3.1.1 Survey to the National Coordinators and tax experts

155. According to the National Coordinators, Fiscalis has contributed to a high extent to the “exchange of good administrative practices in taxation”: 60% of the National Coordinators “fully agree” with this statement, while 35% partly agree.

156. According to the tax area experts who participated in the surveys, Fiscalis has contributed to a high extent to the exchange of good administrative practices in the area of VAT and excise duties. Compared with other operational objectives in the areas of VAT and excise, the extent to which the programme contributed to the exchange of good practices is relatively high.

Chart 19 Please assess the extent to which the Fiscalis 2013 programme has contributed to:



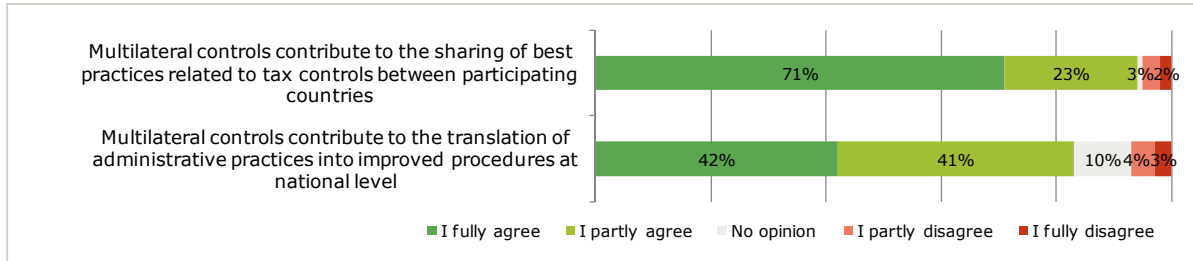
Source: Survey to experts in VAT (Q7), excise duties (Q8), direct taxation (Q8)

157. Compared with the other tax areas, the programme has contributed to a lower extent to the exchange of good administrative practice in the area of direct taxation. However, the survey results remain positive, keeping in mind that Fiscalis has been involved in the area of direct taxation to a limited extent.

3.3.1.2 General survey to participants

Joint Actions

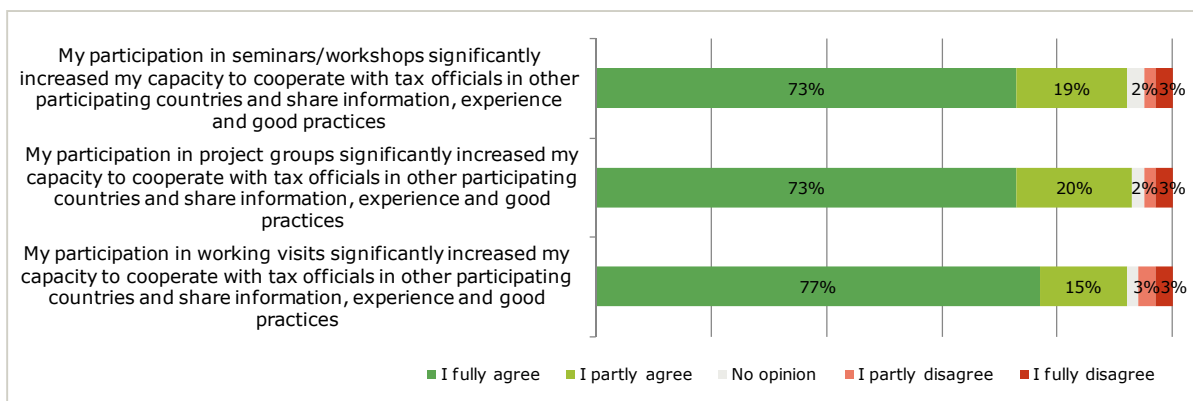
Chart 20 Please comment on the following statements regarding your overall view on the effects of multilateral controls, taking into account your own experiences:



Source: General survey to participants (Q26)

- 158. According to survey respondents, MLCs contribute to improved administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice. Consistent with the results presented in section 3.1.3.3, this indicates that not only have MLCs supported by Fiscalis been useful in enhancing administrative cooperation through coordinated control operations (which is their primary objective), but they have also contributed to the exchange of good practices on how to best fight against fraud. These findings are confirmed by the answers to the open-ended question on MLCs (Q28).
- 159. Analysing the results in more detail, one can see that respondents are less assertive about the actual translation of administrative practices into improved procedures at the national level. This raises the issue of the dissemination and implementation of practices shared and lessons learned: MLCs’ final reports are not sufficient to ensure the implementation of good practice, which depends on many factors that are not controlled by the MLCs participants themselves (see section 3.6.2). This issue is also raised by the answers to the open-ended question on MLCs.
- 160. When looking at other types of Joint Actions, survey respondents claim that their participation in the programme activities increased to a very high extent their capacity to cooperate with tax officials in other participating countries and share information, experience and good practices. Also, when compared with other operational objectives, it is the most positively assessed for each type of Joint Action.

Chart 21 Please comment on the following statements regarding the results of the cooperation through Joint Actions:



Source: General survey to participants (Q8, Q14, Q20)

161. Working Visits' contribution to the sharing of information, experience and good practices is the most significant compared with other types of Joint Actions. However, it should be mentioned that answers to the open-ended question on Working Visits (Q23) also raise concerns on whether the use of Working Visits is optimal. Among the most recurring issues, respondents claim that Working Visits could be better targeted towards specific topics, that their organisation could be improved (it is said to be highly dependent on the capacities of the host organisations) and that results could be disseminated more systematically.

3.3.2 Main findings from interviews and case studies

162. When asked about the contribution of Fiscalis to the development and dissemination of good administrative practices, interviewees do not spontaneously mention the activities that have been carried out under this objective in the Fiscalis AWP (such as: audit techniques, risk management etc.); they refer more generally to all the good practices exchanged during Joint Actions by the participants.

163. The National Coordinators refer more frequently to the contribution of the Working Visits and MLCs to exchange good administrative practices between MSs. Working Visits are systematically mentioned by the National Coordinators, who refer to it as a very effective tool for exchanging good practices on highly specific issues. One of the interviewees mentioned that Working Visits had been used to receive support from other MSs on how to best implement EMCS. Another interviewee said that the MS' administration has been using Working Visits to support modernisation efforts. Here, it should be mentioned that the analysis of the national reports on Working Visits show pretty clearly that Working Visits contribute to a high extent to the development and dissemination of good administrative practice, although it also contributes to a high standard of understanding of EU law and its implementation in the MS (on the analysis of the annual reports on Working Visits, see also section 3.7.3.2).

MLCs also contributed to the exchange of good administrative practices. National coordinators and participants in MLCs who were interviewed insisted on this aspect of the activity. One example is given by MLCs organised in the area of yacht and luxury boats, which according to interviewees proved to be useful as it contributed to improving practices in the area of the fight against fraud.

164. Policy officers from the Commission also acknowledge the fact that MLCs and Working Visits are useful for the MSs to exchange good practices. However, they also admit to hardly being aware of what is going on during Working Visits, and of the type of practices that are exchanged. Also, information and good practices are to a high extent exchanged informally, through personal networks built thanks to Fiscalis, which makes it even more diffuse and difficult to monitor and measure. These observations show that there is a need for more explicit objectives for the Working Visits.

165. Fiscalis Seminars and Workshops or Project Groups have contributed to the development and dissemination of good practices in situations where practices need to be improved - either because MSs encountered difficulties implementing the existing framework or have been facing arising issues that need to be addressed within the existing, or within a new legal framework:
- In all the examples provided in section 3.2.2 above, Fiscalis has contributed to the development and dissemination of best practice, as a means to address difficulties in understanding and implementing the EU law in the MSs.
 - Another example is given by the car taxes based on CO² emissions of individual passenger cars, where the high diversity of national systems and approaches did not ensure a consistent application of the existing legal framework. Hence, there was a need to examine the possibilities, best practice and practical methods for applying differentiated car taxes based on CO² emissions of individual passenger cars. For this purpose, Fiscalis Seminars were organised in order to develop good administrative practices based on the MS' experience. These good practices are now available to the MS, and enable them to take into account the CO² emissions in the car taxation systems in a way that is more uniform and in line with Article 110 of the TFEU (prohibition of discriminatory taxation) and ECJ case law.
166. Also, Fiscalis Seminars, Workshops and Project Groups have contributed to the development and dissemination of good practices through different platforms, such as the Platform on E-audit and the Platform on risk management, which are analysed in case studies (see Supplement 5). These Platforms, set out as Project Groups, have been highly focused on improving practices through the development of good practice in very specific areas, depending on where the needs were identified. Also, evidence from case studies indicates that these Platforms have been focusing on the dissemination of good practices in the national administrations. Specific dissemination tools have been designed, such as a web-based forum, guidance papers and newsletters in the case of E-audit, and through the publication of the RMG in the case of risk management. Most interviewees take the view that without the programme to catalyse and support the organization of meetings, cooperation and exchange of best practice in these fields would not have reached a level of priority such as to ensure broad and active participation from tax officers. However, changes in national practice thanks to these activities are not monitored and concrete examples are few.
167. The use of practical experience and good practice from the MSs in Seminars, Workshops and Project Groups is encouraged by the National Coordinators. This confirms the survey results presented earlier, which indicates that participants prefer practical to theoretical approaches.

3.3.3 Summary of findings

168. In general, all sources indicate that Fiscalis contributed to a very high extent to the development and dissemination of good administrative practice, especially in the area of VAT and excise duties.
169. According to participants, Working Visits and MLCs have been instrumental in comparing and exchanging practices. However, although survey results are clear, such exchange of practices is difficult to establish, due to a lack of monitoring and reporting. Also, there are indications that Working Visits could be improved in order to increase their contribution to the programme's objectives.
170. According to all respondents and interviewees, Project Groups, but also Seminars and Workshops, have contributed to the development and dissemination of good administrative practices. These activities have been more streamlined and transparent in this regard, and there are numerous pieces of evidence. Most striking examples are the platforms set up for this purpose. However, despite obvious dissemination efforts, only few concrete examples of change in national practice can be identified.

3.4 Supporting candidate countries and potential candidates for them to take necessary measures for accession

EQ2a. To what extent has the programme facilitated taking the necessary measures for accession in the field of tax legislation and administrative capacity in the candidate countries and potential candidates?

EQ2b. What internal or/and external factors have influenced the achievement of that objective?

171. This section focuses on the contribution to meeting the specific needs of candidate countries and potential candidates for them to take necessary measures for accession in the field of tax legislation and administration. It corresponds to objective 6 of the Fiscalis 2013 AWP and to Objective 2 (d) of Article 4 of the Fiscalis 2013 Decision.
172. External and internal factors specific to candidate countries and potential candidates and influencing the achievement of this objective will also be examined.

3.4.1 Main findings from the surveys

3.4.1.1 Survey to the National Coordinators

173. At the overall level, the five National Coordinators from candidate countries and potential candidates who responded to the targeted survey are positive about the contribution of the programme, for instance to improving administrative cooperation with other MSs' tax administrations, which was described as "very important to better understand the EU acquis and to learn from other experience" by one respondent.
174. At the operational level, answers from the National Coordinators indicate that participation in Fiscalis activities has direct, positive impact on administrative capacity of candidate countries and potential candidates, since the direct contribution of Fiscalis to improved administrative practices or/and procedures in relevant taxation fields is assessed rather positively.

3.4.1.2 General survey to participants

175. Respondents to the general survey from candidate countries and potential candidates are very positive about the specific usefulness of Seminars and Workshops for those countries to transpose tax legislation and improve administrative capacity.
176. However, they are even more positive about the usefulness of Seminars and Workshops to foster effective and regular cooperation between participating countries and to increase informal exchange of information between national administrations. Those were also the most positively assessed aspects of Fiscalis Seminars and Workshops by all the respondents to the general survey.

Table 8 Please comment on the following statements regarding your overall impression of the effects of Seminars and Workshops, based on the Seminars and Workshops in which you participated:

	Respondents from candidate countries and potential candidates only			All respondents ¹²		
	I partly/ fully disagree	I partly/ fully agree	No opinion	I partly/ fully disagree	I partly/ fully agree	No opinion
Seminars/workshops provide useful information to transpose tax legislation in candidate countries and potential candidates participating in the programme	4%	89%	7%	8%	64%	28%
Seminars/workshops provide useful information to improve administrative capacity in the candidate countries and potential candidates participating	6%	89%	6%	7%	69%	24%
Seminars/workshops are useful to foster effective and regular cooperation between the participating countries	4%	93%	4%	5%	93%	2%
Seminars/workshops are useful to increase informal exchange of information between national administrations	6%	91%	4%	6%	93%	1%

Source: General survey to participants (Q7)

177. When asked about their increased capacity as a result of a seminar or workshop, participants from candidate countries and potential candidates are positive about the fact that:
- they are able to cooperate more with tax officials in other participating countries and share information, experience and good practices;
 - they can better understand EU tax legislation;
 - they can better understand other countries' taxation systems and can apply tax legislation in a similar way to other participating countries.
178. The assessment of the results of Project Groups by participants from candidate countries and potential candidates is very positive as well and consistent with the above findings relating to Seminars and Workshops.
179. The assessment of the results of Working Visits by participants from candidate countries and potential candidates is also very positive. Answers to the general survey indicate, however, that Working Visits are especially useful to improve administrative capacity in the participants' country, and slightly less so to transpose tax legislation.
180. It is worth mentioning that respondents from candidate countries and potential candidates assess the usefulness of Seminars and Workshops, Project Groups and Working Visits more positively than other respondents. What is more, Project Groups and Working Visits are not negatively assessed by a single respondent from candidate countries and potential candidates.
181. This positive assessment of the results of Seminars and Workshops, Project Groups and Working Visits by participants from candidate countries and potential candidates shows that the programme increases the knowledge and understanding of EU tax legislation of those participants and thus facilitates taking the necessary measures for accession.

¹² Given their very small proportion, respondents from (potential) candidate countries cannot have a significant impact on the overall results, which is why comparison between them and all respondents is possible.

3.4.2 Main findings from interviews and case studies

3.4.2.1 Contribution to taking the necessary measures for accession in the field of tax legislation and administrative capacity in the candidate countries and potential candidates? (EQ2a.)

Uniform/effective application of EU law

182. In the fields of VAT and excise, harmonization of tax rates and systems has political implications, since it can have a high impact on taxpayers. Considering the main findings of the 2010 Progress report for Turkey, there is no strong evidence that participation in Fiscalis particularly facilitates taking the necessary measures to prepare for accession. Among other things, the report highlights some progress on alignment on taxation (e.g. eliminating discriminatory practices on tobacco). On the other hand, increases in excise duty on alcoholic beverages contradict the action plan agreed with the Commission. Interviewees from DG ELARG confirmed that it is not possible to draw causal links between participation in Fiscalis and readiness of the countries for accession.
183. However, in some areas at least, advantages from participation in Fiscalis activities in terms of preparation for the implementation of certain requirements can be demonstrated. In the case of EMCS in Croatia, the last annual workshop on EMCS (FSM/111) was an opportunity for the Croatian delegates to hear about the first practical experiences of MSs with EMCS, and about changes to Regulation 2073/2004 envisaged to adapt it to the system. Although Croatia has not yet started using EMCS and its legislation is not yet aligned with Regulation 2073/2004, attending the seminar certainly helped Croatian officials to gain a better understanding of issues at hand, either legal or technical. In time, this will help them implement EU law and requirements in a uniform, effective way.
184. Nevertheless, the effectiveness of participation of candidate countries in Fiscalis activities is limited by the fact they have not yet implemented all the *acquis* in the field of taxation or all the technical requirements for connection to common IT systems. One national coordinator stressed that the programme is very much oriented towards EU law, which results in a large number of activities in which candidate countries and potential candidates cannot – or cannot actively – participate. In this respect, the programme does not systematically address the specific needs of candidate countries and potential candidates.

More effective fight against fraud

185. Exchange of experience and good practices is praised by interviewees, who generally consider that it contributes to strengthen administrative capacity and to strengthen the fight against fraud.
186. Administrative cooperation and exchange of information was also put forward in a general way by several Croatian interviewees as an important help in combating fraud. In this regard, the possibility offered to candidate countries and potential candidates is seen as an opportunity to become part of the EU network of national tax administrations, and so contribute to the sharing of information and mutual assistance efforts at an early stage.

3.4.2.2 Internal and external influencing factors (EQ2b.)

Hindering factors

187. Candidate countries and potential candidates participating in Fiscalis stand at very different levels in terms of alignment of their taxation laws and systems with EU law and requirements. Therefore they have different needs and expectations from the Fiscalis programme. For instance, in Croatia, which is the closest to accession, almost all Fiscalis activities are welcome and meet the needs of the tax administration to prepare for accession. In the case of potential candidates, however, like the former Yugoslav Republic of Macedonia or Serbia, a certain amount of Fiscalis activities do not match their specific needs, since there are still a lot of EU law and common systems that they have not implemented. As a result, they can only participate as spectators in many activities, if they can participate at all.
188. In addition, a few interviewees put forward the existence of a 'language barrier'. Not all taxation officials speak English, especially the older ones. Yet, the latter have the most experience with their country's taxation system and are therefore in the best position to participate in Fiscalis activities, exchanging views and good practices with their counterparts from the MSs. A possible solution is to send officials in pairs to Fiscalis activities, taking advantage of both the language skills of a young official and the experience of an older official, as has been done in some cases. But language barriers may also come from other MSs' officials. Indeed a Croatian respondent reported that communication with their French counterparts was difficult due to the need to speak French.
189. The necessity to get a visa to attend a Fiscalis activity can represent an obstacle and discourage participation from candidate countries and potential candidates, as a few respondents mentioned. The risk of discouraging participation is increased by the fact that Fiscalis activities are not always announced well in advance.
190. Budgetary and capacity issues may constitute hindering factors to the participation of candidate countries and potential candidates. Among others, one example is the implementation of Fiscalis-related common IT systems, which requires significant investments in software, material, internal IT capacities and time, at least in the beginning. The software for the functioning of the Croatian component of EMCS for example is subject to an application for a loan from the World Bank.
191. What is more, although Croatian delegates being invited to more and more taxation-related meetings with the Commission (e.g. Excise Contact Group, Excise Committee, ECWP) is a positive outcome of their participation in Fiscalis, costs incurred for participants to attend such meetings are not covered by the programme.
192. Finally, there can be country-specific hindering factors generally affecting the relationship between EU and a particular country, and the progress of the latter towards accession. As far as Turkey is concerned, the blockage of the negotiation process due to the Cyprus dispute has slowed down progress. According to officials from DG ELARG, Turkey needs an accession date to move on regarding certain issues, such as administrative capacity.

Enabling factor

193. Pre-accession programmes like IPA and TAIEX can have a mutually-reinforcing effect with Fiscalis. For example, tax officers from Croatia participate in a twinning programme with France and have been able to attend Working Visits in other countries in the framework of IPA. Those are mutually-reinforcing with Fiscalis activities and contribute to the same general objective.

3.4.3 Summary of findings

194. At the overall level, participation in Fiscalis does not contribute directly to taking the necessary measures for accession. Also, a causal link is difficult to draw between participation in the programme and progress towards accession.

195. Nevertheless, on a more operational level, participants in activities believe that it helps them to know and understand EU tax legislation better, to increase capacities and to better prepare for accession. This finding is confirmed by answers to the general survey.
196. Participants are also convinced that administrative cooperation and exchange of information as well as exchange of good practices and experience generated by the programme improve the fight against fraud, although concrete evidence of this was not provided in interviews.
197. Candidate countries and potential candidates suffer from a number of hindering factors, ranging from limited implementation of EU law or common systems to more practical problems linked with language, visas or budgetary issues.

3.5 Improving the proper functioning of the taxation systems in the internal market

EQ1 In what cases and to what extent has the programme contributed to improving the proper functioning of the taxation systems in the internal market?

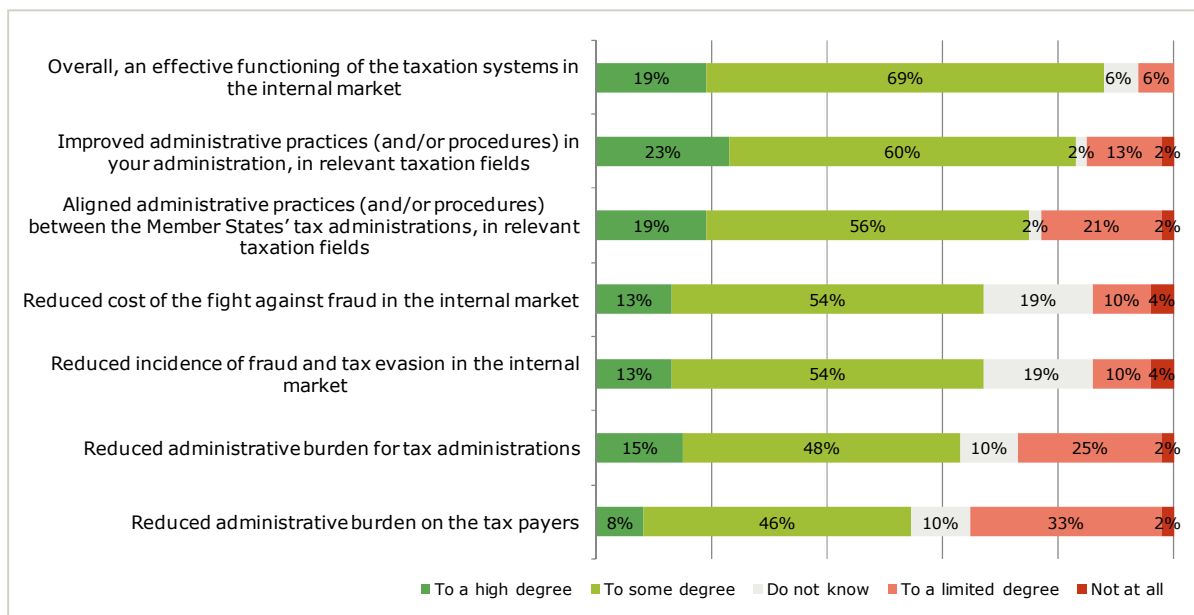
198. This section focuses on the contribution to the specific and overall objectives of the programme. According to the analysis of the programme’s intervention logic, based on the Fiscalis regulation and the AWP’s, the *overall objective* is to “Improve the proper functioning of the taxation systems in the internal market and fight against fraud”.
199. The overall objective of the programme is supported by three *specific objectives*, which are examined in this section:
- Uniform and effective application of EU law
 - Reduced burden on the administrations and taxpayers
 - More effective fight against fraud
200. For an overview of the different levels of objectives, the intervention logic is available in Supplement 2.

3.5.1 Main findings from surveys

3.5.1.1 Survey to the National Coordinators

201. A large majority of National Coordinators agree that Fiscalis has contributed to improving the functioning of the taxation systems in the internal market. This general statement received 88% positive answers from the National Coordinators (those who answer “to a high degree” or “to some degree”). Also, when looking at the different specific objectives, the contribution of the programme to their achievement is considered as positive and significant by a majority of respondents.

Chart 22 On an operational level, please assess the extent to which Fiscalis 2013 activities carried out have contributed directly to...



Source: General survey to participants (Q15)

202. When compared with the contribution of Fiscalis to the different operational objectives set out for the programme (see 3.1, 3.2 and 3.3), the National Coordinators assess less positively the extent to which Fiscalis has contributed to its overall (improving the proper functioning of the taxation systems in the internal market) and specific objectives (a uniform and effective application of EU law, reduced burden on the administrations and the taxpayers, and more effective fight against fraud). This is not surprising, as one would usually expect a higher degree of achievement of the operational objectives compared with overall and specific objectives, which come last in the causal chain; also, the "Internal Market" is a rather abstract notion. However, it underlines further the need to ensure appropriate dissemination and effective use in the national administrations of the knowledge, practices and tools developed with the support of Fiscalis.
203. When comparing between the different specific objectives of the programmes:
- National Coordinators consider that Fiscalis has contributed to the highest extent to a uniform and effective application of EU law, through improved and aligned administrative practices in the national administrations.
 - National Coordinators tend to assess less positively the results of Fiscalis on decreasing administrative burdens, as a sizable share of respondents consider that Fiscalis activities have not, or have to a limited degree, contributed to reduced administrative burdens for tax administrations and for taxpayers.
204. When asked to justify their answers (Q16), the National Coordinators focus on the contribution of the programme to a more effective fight against fraud. They list different activities carried out in this area, and in particular the platforms for e-Audit and risk-management, as well as Eurofisc (Project Groups), indicating a clear link between these activities (in terms of exchange of information and good practice) and a more effective fight against fraud.

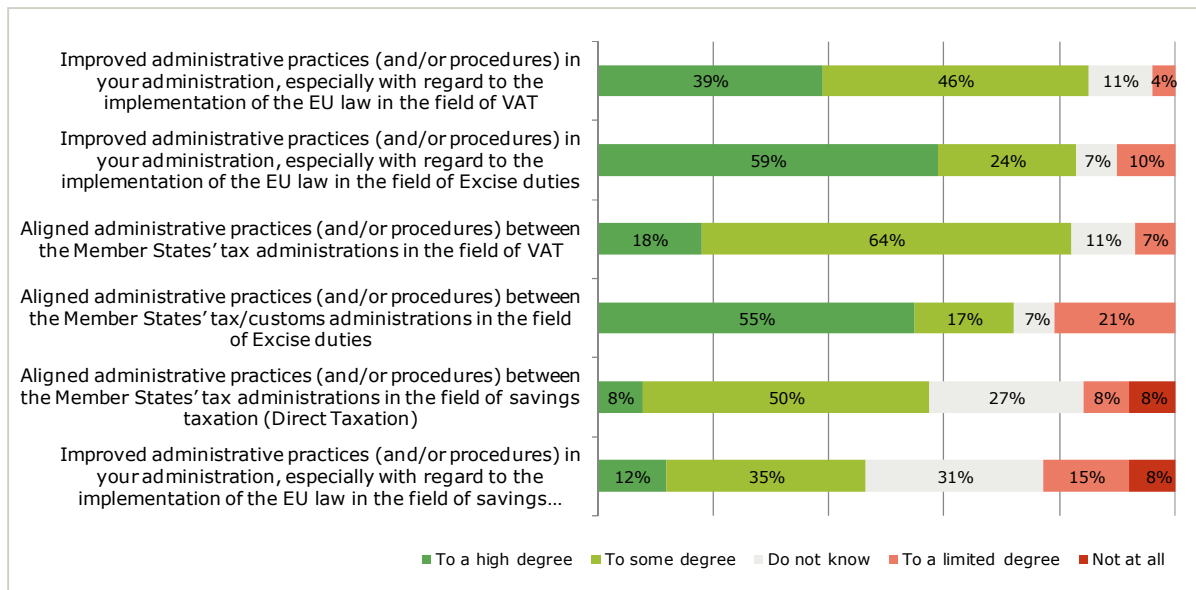
3.5.1.2 Targeted surveys to tax experts

205. Overall, tax experts have positive views on the extent to which Fiscalis has contributed to the proper functioning of the taxation systems in the internal market, through uniform and effective application of EU law, reduced burden on the administrations and the taxpayers, and more effective fight against fraud.
206. When compared with its contribution to the operational objectives (see sections 3.1, 3.2 and 3.3), the extent to which the programme has contributed to improving the functioning of the internal market is lower.
207. When comparing between the different tax areas, the extent to which Fiscalis has contributed to the proper functioning of the taxation systems in the internal market is, according to the experts, significantly lower in the area of direct taxation. This again is the result of the fact that Fiscalis has been involved in this area to a lower extent. However, this does not indicate that in this area, implemented activities have produced less outputs and results. On the contrary, the analysis of the general survey to participants indicates that the percentage of positive assessments in the area of direct taxation is similar to the percentage of positive assessments in the fields of VAT and excise duties, and this in all aspects of the programme.

Uniform and effective application of EU law

208. A majority of tax experts who responded to the survey consider that Fiscalis has contributed to a *uniform and effective application of EU law*. Depending on the angle from which this is examined, from 47% to 83% of respondents agree that Fiscalis has, to a high or to some extent, had a positive effect on the administrative practices.

Chart 23 Please assess the extent to which Fiscalis 2013 activities carried out have contributed directly to...



Source: Survey to VAT experts (Q9), excise duties experts (Q10), direct taxation experts (Q10)

209. When comparing between the different specific objectives of the programme (i.e. a more effective fight against fraud and reduced burden on administrations and taxpayers), the survey results indicate that the contribution of Fiscalis to a uniform and effective application of the EU law is the most significant.

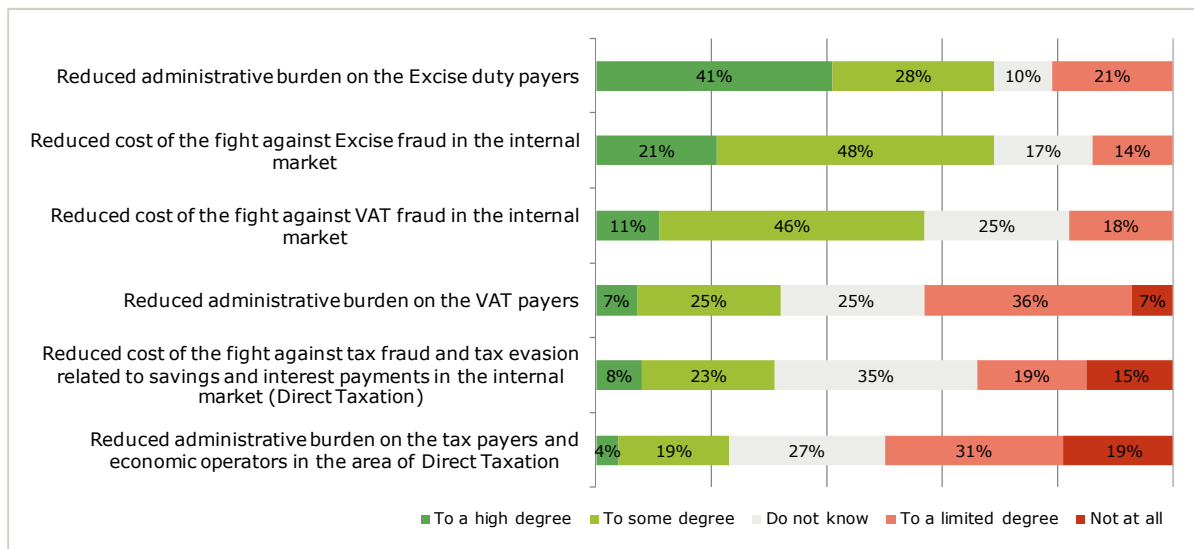
210. When comparing between the different tax areas:

- the extent to which Fiscalis has contributed to a uniform and effective application of EU law is, according to respondents, higher in the area of excise duties, where the percentage of respondents who answer "to a high degree" is particularly high
- On the other hand, such contribution is seen as significantly lower in the area of direct taxation.

Reduced burden on the taxpayers and the administration

- 211. With the exception of direct taxation (see above), a majority of tax experts who responded to the survey consider that Fiscalis has contributed to more efficient tax systems in the area of excise duties, through *reduced burden on the taxpayers and the administration* (i.e. reduced costs of the fight against fraud).

Chart 24 Please assess the extent to which the Fiscalis 2013 programme has contributed to...



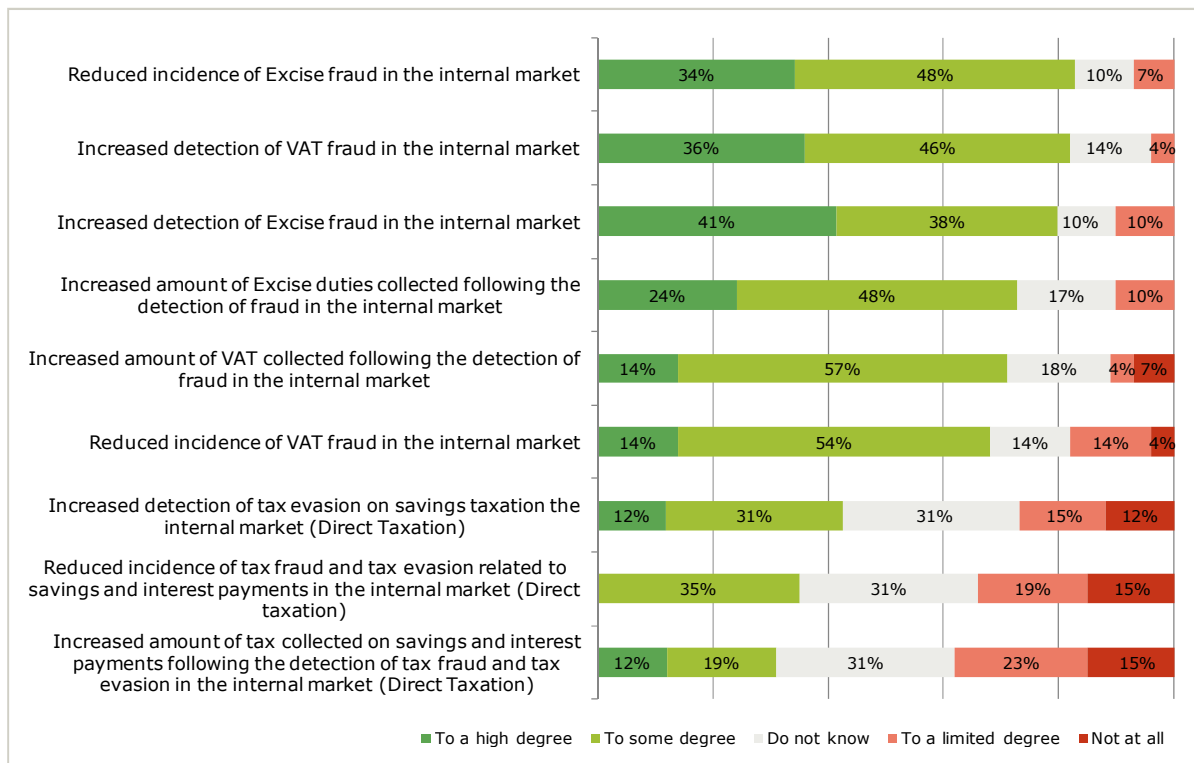
Source: Targeted surveys to experts in VAT (Q9), excise duties (Q10) and direct taxation (Q10)

- 212. When comparing the different specific objectives of the programme (i.e. a more effective fight against fraud and reduced burden on administrations and taxpayers), the survey results indicate that the contribution of Fiscalis to *reduced burden on the taxpayers and the administration* is the lowest.
- 213. When comparing between the different tax areas, the survey results are remarkably high in the excise field, where 69% of survey respondents agree that Fiscalis has contributed to reduced administrative burden on the excise duty payers. This is a particularly positive result, taking into consideration that reduced burden on taxpayers is not assessed very positively throughout the different survey results. This positive result is the consequence of the implementation of EMCS (EMCS is explicitly referred to in the survey questions).
- 214. Apart from the area of excise duty, the contribution of Fiscalis to reduced administrative burden on taxpayers is, according to the survey results, less significant than the contribution to reduced burden on tax administrations (reduced costs of the fight against fraud): 43% of the respondent in the area of VAT and 50% in the area of direct taxation partially or fully disagree that Fiscalis has contributed to reduced administrative burden on the taxpayers.

More effective fight against fraud

- 215. Finally, a majority of respondents consider that Fiscalis has contributed to a *more effective fight against fraud* in the areas of excise duties and VAT. Depending on the angle from which this is examined, from 68% to 82% of respondents consider that Fiscalis has to some or to a high degree contributed to this objective.

Chart 25 Please assess the extent to which the Fiscalis 2013 programme has contributed to



Source: Targeted surveys to experts in VAT (Q9), excise duties (Q10) and direct taxation (Q10)

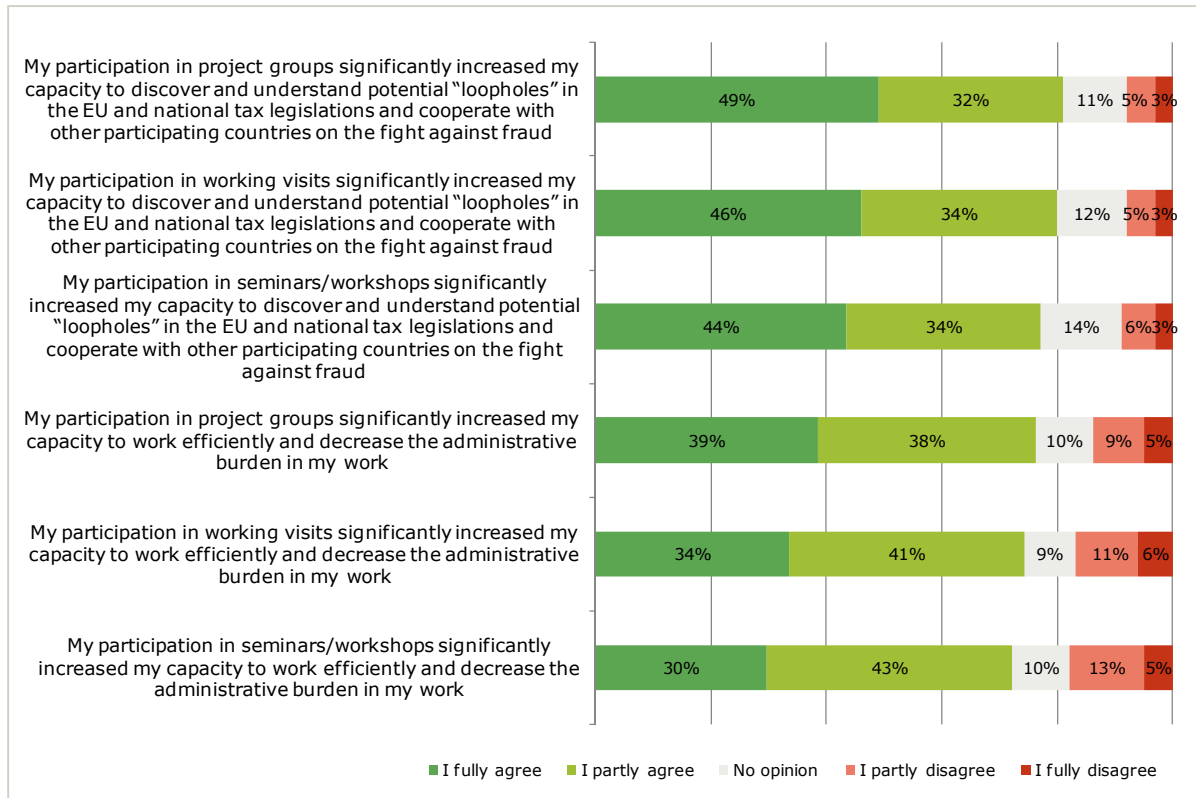
- 216. One of the most significant contributions of Fiscalis to a more effective fight against fraud in the areas of excise duties and VAT concerns the increased detection of fraud in the internal market. Consistent with the results of the general survey to participants, this is linked to the contribution of Fiscalis to improved information exchange and administrative co-operation between participating national tax administrations, which has been assessed very positively by the same respondents (see 3.1.3.2). This link has also been established when considering a scenario wherein certain aspects of the communication and information exchange systems did not exist (see next section 3.5.1.3).
- 217. When comparing between tax areas, the extent to which Fiscalis contributed to a more effective fight against fraud is, according to respondents, higher in the area of excise duties. On the other hand, such contribution is seen as significantly lower in the area of direct taxation: more than one third of the respondents consider that Fiscalis has not or has to a limited degree contributed to a more effective fight against fraud; one third of the respondents have no opinion.
- 218. Finally, the positive and significant contribution of Fiscalis to the fight against fraud, especially in the area of excise duties and VAT, is further outlined by the results of the targeted surveys when looking at the EU added value. Survey results indicate that, according to respondents, in a situation where Fiscalis didn't exist, the level of detection of tax fraud and the amount of tax collected following the detection of fraud would be lower (see section 6.1).

3.5.1.3 General survey to participants

Joint Actions

219. Overall, the survey respondents consider that the Joint Actions have contributed to a high extent to improving the proper functioning of the taxation systems in the internal market, through a *more effective fight against fraud and reduced burden on administrations.*

Chart 26 Please comment on the following statements regarding the results of the cooperation through Joint Actions:

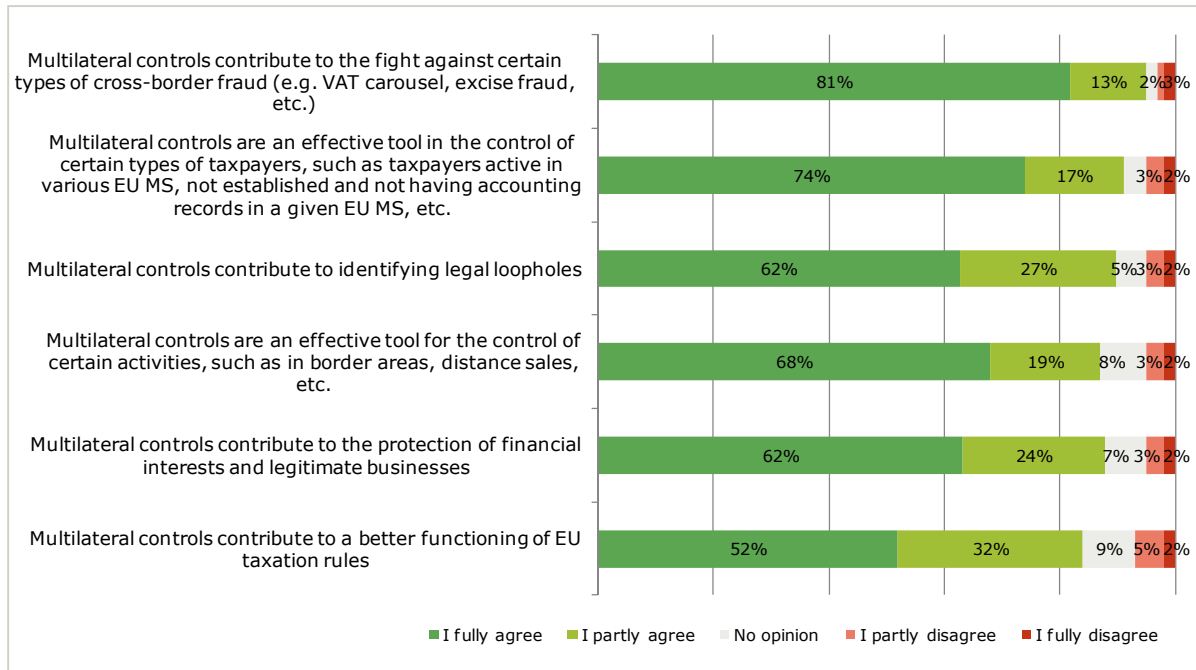


Source: General survey to participants (Q8, Q14, Q20)

220. However, it should also be mentioned that in relative terms, i.e. when compared with other results of the cooperation through Joint Actions, "work efficiently and decrease the administrative burden in my work" receives the least positive assessment from the survey respondents, regardless of the type of Joint Actions.

221. Overall, MLCs have a highly positive impact on the functioning of the taxation systems in the internal market. Depending on the angle from which this is examined, the share of respondents answering positively to the different statements ranges from 85% to 95%, which is remarkably high. Unsurprisingly, the impact of MLCs is particularly positively assessed regarding its contribution to the fight against fraud in the Internal Market; this is made evident by the large amount of tax due identified with the support of Multilateral Controls (see section 3.5.2 below and section 4.2.2 on efficiency).

Chart 27 Please comment on the following statements regarding your overall view on the effects of multilateral controls, taking into account your own experiences:

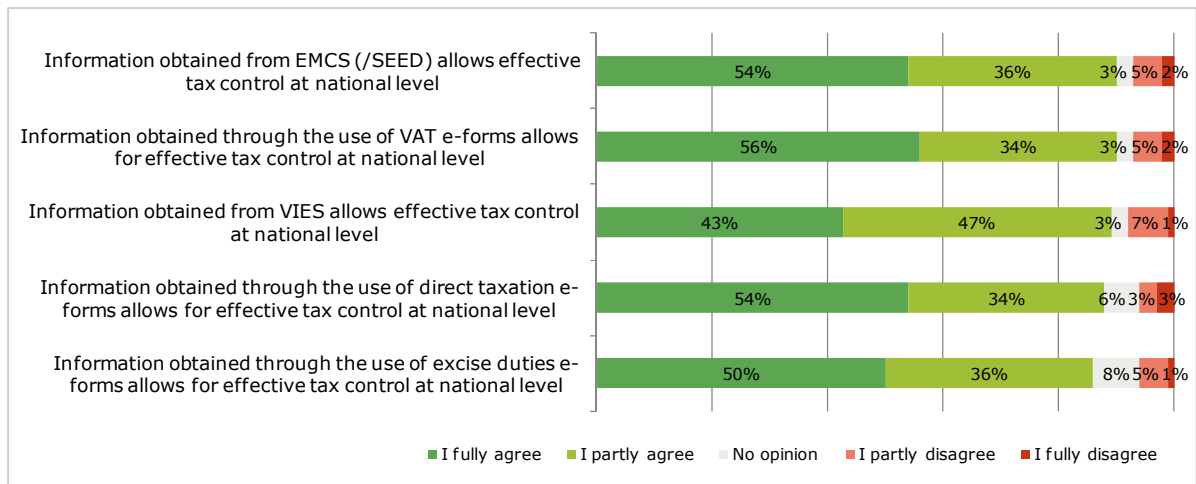


Source: General survey to participants (Q26)

IT tools

222. According to the survey participants, communication and information exchange systems and e-Forms developed and maintained with the support of Fiscalis have contributed to a *more effective fight against fraud*. Depending on the tools, from 86% to 90% of the respondents fully or partly agree that IT tools allow for effective tax control at national level.

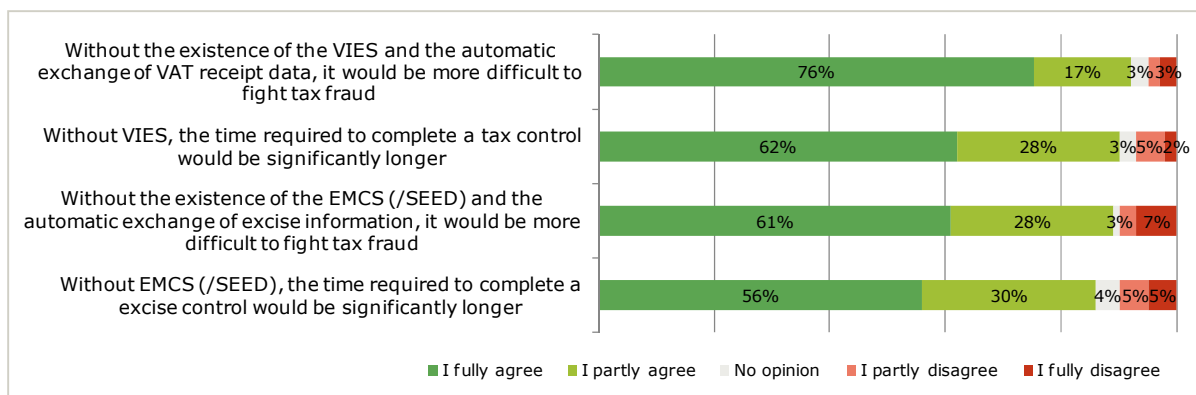
Chart 28 Please comment on the following statements regarding communication and information-exchange systems and instruments for administrative cooperation that you use in your work



Source: General survey to participants (Q30, Q34)

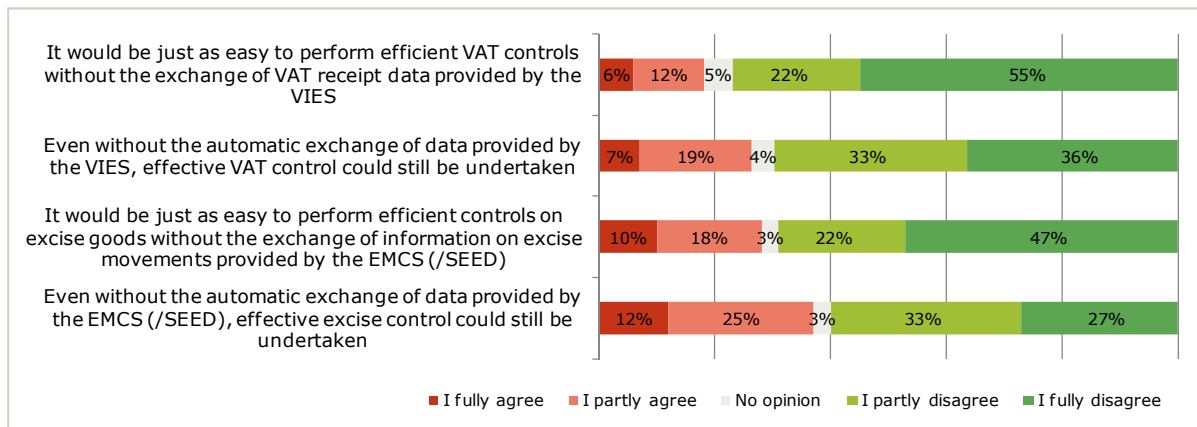
223. As was the case when assessing the quality and usefulness of the information exchange systems (see section 3.1.3.3), VIES receives a slightly less positive assessment from the survey participants.
224. However, when considering a scenario in which certain aspects of the communication and information exchange systems did not exist, the survey results are clearer and the positive contribution of the communication and information exchange systems to a more effective fight against fraud becomes more obvious:

Chart 29 Please comment on the following statements regarding the scenario that certain aspects of the communication and information-exchange systems did not exist



Source: General survey to participants (Q31)

Chart 30 Please comment on the following statements regarding the scenario that certain aspects of the communication and information-exchange systems did not exist



Source: General survey to participants (Q31)

225. The above results establish a clear link between the programme's contribution to improved information exchange and administrative co-operation (operational objective) and a *more effective fight against fraud* (specific objective).

3.5.2 Main findings from interviews and case studies

Uniform/effective application of EU law

226. The contribution of Fiscalis to uniform and effective application of the EU law can be easily observed when Fiscalis activities lead to a modification of the EU law. There are examples, where the Fiscalis Project Groups, Seminars and Workshops lead to recommendations for a new or modified legislation. One example is provided by the Project Group for the treatment of bio-fuels within the excise field (FPG36), which concluded that the existing framework (Council Directive 2008/118/EC concerning the general arrangements for excise duty and repealing Directive 92/12/EEC) needed to be modified, in order to ensure better application and control. Another example is given by the case study on "Denatured alcohol" (see Supplement 5), where the new euro-denaturant for complete denatured products defined by the Project Group on the basis of existing good practices, could feed into a legislative proposal concerning Council Directive 92/83/EEC, which would ensure a complete harmonization of practices.
227. In some cases, the Commission takes the initiative and uses Fiscalis to support new legislative developments, in order to ensure that they offer applicable solutions and ensure consistent and effective application of the EU law. When such legal and concrete steps are taken, they are of course strong and concrete evidence that Fiscalis contributes to uniform and effective application of EU law. Two examples can be given in the field of exchange of information and administrative cooperation:
- In order to implement the Recast Regulation on administrative cooperation (Regulation (EC) 904/2010) the Commission needs to make some changes to the Regulation 1925/2004 (this Regulation implements the current Regulation (EC) 1798/2003 on administrative cooperation). Together with MS, the Commission has set up Project Groups, which give the opportunity to discuss what should be done on certain topics. These topics include: e-Forms that need to be updated following the recently-adopted legislation; conditions under which the MS can refuse to conduct an administrative enquiry when requested to do so by another MS; the improvement of the statistical reporting, relating to the tools of administrative cooperation.

- Another example is given by the case study on “Recovery” (see Supplement 5). In this case, Fiscalis activities contribute directly to the development of the new legal framework for mutual recovery assistance, and its application through the design and use of supportive tools. Fiscalis activities set out to provide input and inspiration to the development of the new Directive and its approaches to recovery (2008 Seminar in Antwerp, FSM61) assist in the development of a system of contact points for the extension of recovery assistance to all administration levels (Project Group for contact points for recovery, FPG55), and instruct in the use of and test the usability of the newly-developed electronic version of request forms (workshop in Porto June 2010, FWS022). In turn, this should contribute to a uniform and effective application of the legal framework for mutual recovery assistance.

228. Apart from the activities which resulted in, or supported, a modification of the EU law, interviewees rarely provide evidence of changes in the national administrations’ practices and procedures. When asked whether Fiscalis contributed to a more uniform and effective application of EU law, respondents usually provided the same type of examples as those presented to illustrate the contribution of the programme to a high standard of understanding of the EU law and to the development and dissemination of good administrative practices (see sections 3.2.2 and 3.3.2). This outlines very well the causal link that exists – or that is expected – between these outputs and result, but it does not constitute evidence of a more uniform or effective application of EU law. This being said, there are a few exceptions where results have been observed. One example is provided by the case study on “Recovery” (see Supplement 5), where a MS decided to implement a system presented by another MS during a seminar: this system for recovery concerned information on unpaid taxes, which is provided in the automatic recognition of number plates upon routine checks; this approach was applied and proved to work very well. Another striking example presented at the FWS/022 workshop on electronic requests for mutual recovery assistance relates to a MS's practice of publishing the names of taxable persons not paying their (large) tax debts. It appears that this example has already inspired other MSs too.

229. The following explanations can be given to the general lack of clear evidence that the knowledge and good administrative practices exchanged during Fiscalis activities have an actual impact on the national practices:

- There are many contextual factors that hinder changes in practices. This is analysed in details in section 3.6.
- Change requires time. Also, change can occur at the micro level, when tax officials modify the way they work and apply the EU law. All this makes change difficult to observe. In this regard, case studies provide many examples of “expected results”. This is exemplified in the case study on “Denatured Alcohol”, where there are strong indications that MSs may use the new euro-denaturant as a basis for future developments, although this has not happened yet.
- The Commission does not proactively encourage nor monitor the use of knowledge or good practices in national administrations. All interviewees agree that there is a knowledge gap and action discontinuity. The Commission justifies this by the fact that, in the absence of EU legislation, it has no competency to follow up and encourage the use of knowledge and practices.

230. An interesting example of the abovementioned difficulties in monitoring results is given by the customs clearance costs with VAT relief under Customs Procedure 42. This procedure enables imports of goods free of VAT from a non-EU country into a port or airport of one EU MS, and the supply onward to another EU MS. The customs duties are paid on the import declaration filed at the port or airport and no VAT is due. However, this requires follow up by the tax administration to ensure that in the end VAT is collected and paid. The Commission observed that this follow up was not always ensured, due to a lack of communication between tax administrations on the one hand, and customs administrations on the other. In order to solve this issue, the Commission took action to 1) clarify the legislation and 2) complete the single administrative document (SAD) to facilitate and ensure the follow up of goods. A Project Group was created for this purpose (under Fiscalis 2007) whose work eventually led to this; the Project Group recommended that MSs should take measures to ensure that information was shared and that national administrations follow up the product on the VAT aspects. Upon the request of the Court of Auditors,¹³ a Fiscalis seminar was organised with the MSs in order to ensure that the Project Group's recommendations were taken into consideration.

Reduced burden on administrations and taxpayers

231. To the question of whether Fiscalis has contributed to reduced burdens on administrations and taxpayers, interviewees have more difficulties providing evidence and they acknowledge that less has been achieved in this area.
232. However, interviewees mention that an immediate effect of the communication and information exchange systems, e-Forms for mutual assistance as well as databases (such as the database of denaturants) is to facilitate the work of the tax officials, who spend less time in finding the information they need. This is mentioned several times in case studies.
233. A concrete example of Fiscalis contributing to reduced burdens on administrations and taxpayers is EMCS. This computerized system for the exchange of administrative documents reduces administrative burden for both the administrations and taxpayers. According to one interviewee from the Commission's policy unit in charge of excise, EMCS means simplification of procedures, paperless administration, and quicker release of the guarantee for traders (evidence that the goods arrived at their destination will come faster in a safer way), which has a positive effect on their cash flow.

More effective fight against fraud

234. When asked to what extent and in what case Fiscalis contributed to a more effective fight against fraud, interviewees refer systematically to MLCs, which have a direct impact on the detection of fraud and the collection of taxes following detection. This is confirmed by the monitoring data collected by the Commission, which indicates that by March 2011, MLCs enabled to identify about EUR 1.5 billion of tax due. This is a strong piece of evidence pointing to the contribution of Fiscalis in the fight against fraud (see also section 3.1.2).
235. Apart from this, interviewees acknowledge a more or less direct positive effect of all Fiscalis activities on the fight against fraud. Again, this is hardly sustained by facts and figures, but by demonstrating a strong causal link between activities and results on the fight against fraud. Among other examples, one can mention the programme's activities in the area of the fight against carousel fraud, where cooperation between MSs is crucial; Risk Management and e-Audit Platforms, which contribute to capacity building through the development and dissemination of good practices in the fight against fraud; Eurofisc, which takes over informal networks and, with the support of Fiscalis 2013, enables information exchange about threats, early warning and improved fight against fraud.

¹³ VAT is a Community resource.

3.5.2.1 Summary of findings

236. Overall, Fiscalis 2013 has contributed positively to improving the functioning of the taxation systems in the internal market, through a uniform and effective application of EU law, reduced burden on administration and taxpayers, and a more effective fight against fraud.
237. However, when compared with the operational objectives (outputs), the positive assessment of the programmes' contribution to its specific objective (results) is sustained by weaker evidence¹⁴. Results are always more difficult to produce and identify than outputs, because they come further downstream in the causality chain (inputs-outputs-results-impacts). This is why there is a need to ensure that all conditions are fulfilled to maximise the likelihood of outputs materialising into results. This underlines the necessity to ensure that knowledge is disseminated and used in national administrations, as well as the need for closer monitoring of results.
238. As another general finding, it should be mentioned that, in terms of the contribution of the programme to improving the proper functioning of the tax systems in the internal market, the gap between VAT and excise fields on the one hand, and direct taxation on the other, is marked. This does not indicate that Fiscalis activities are less useful or have lower effects in the area of direct taxation (in this regard, findings are equally positive across tax areas); it means that the direct taxation field would benefit from a higher involvement of Fiscalis.
239. Findings indicate that Fiscalis 2013 has contributed to a high extent to a *uniform and effective application of EU law*. This finding is sustained by survey results, which indicate that the most significant result of the Joint Actions concerns improved and aligned practices. This is confirmed by the many examples collected during interviews and case studies, which establish a clear link between the programme's contribution to a high standard of understanding of the Union's law and its implementation, and to the development and dissemination of good administrative practices on the one hand, and a uniform and effective application of EU law on the other hand. However, although this link can be established and exemplified, concrete evidence of changes in practice is scarce.
240. The contribution of Fiscalis 2013 to reduced *burden on administrations and taxpayers* is relatively low compared with other specific objectives. This is consistent with the fact that this has hardly been an explicit objective of the Fiscalis activities. However, some of the evidence collected indicates that the programme's contribution to reduced burdens is significant and positive: In the area of excise duties, where the contribution of the programme to this objective is assessed most positively, EMCS is directly contributing to reduced burden on administrations and taxpayers. The same can be concluded about all communication and information exchange systems and IT-tools, which obviously significantly reduce the time needed to access information for the administrations and the taxpayers. When looking at the counterfactual (EU added value), findings indicate that the cost of the fight against fraud would be higher without Fiscalis.
241. Finally, the programme's contribution to a *more effective fight against fraud*, in terms of higher detection of tax fraud and higher collection of taxes, respondents are careful not to be too assertive in their assessment. However, when looking in more detail, a strong link can be established between improved information exchange (in particular VIES) and administrative cooperation (MLCs) and a more effective fight against fraud. In addition, the permanent exchange of knowledge, practices and information established through Fiscalis activities and networks are necessary to improve the fight against fraud in the Internal Market. Positive effects in terms of higher detection of tax fraud and higher collection of taxes cannot be shown through facts and figures, but the analysis indicates a strong causal link as well.

¹⁴ For an overview of the different levels of objectives, the intervention logic is available in Supplement 2

3.6 Internal or/and external factors that influenced the achievement of the programme’s objectives

EQ1d. What internal or/and external factors have influenced the achievement of those objectives?

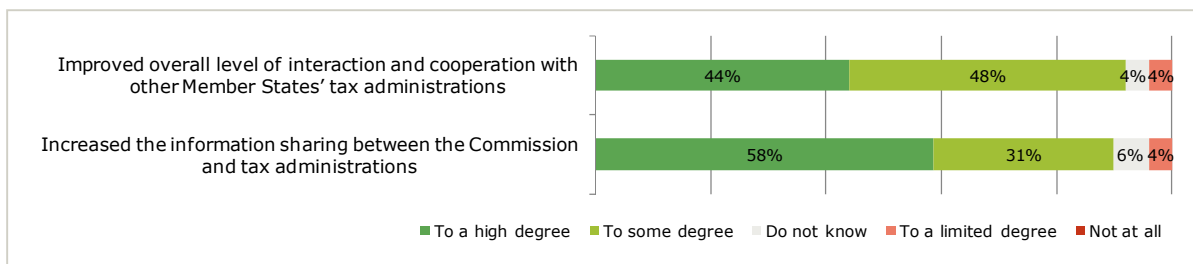
242. This section examines the contextual elements that have an impact on the effectiveness of the programme.

3.6.1 Main findings from surveys

3.6.1.1 Survey to the National Coordinators

243. One of the most striking findings when looking at the survey results is the remarkably high assessment given by respondents to the contribution of Fiscalis to increased interaction and information sharing between the MSs’ tax administrations, and between the Commission and the tax administrations. When compared with other types of outputs or results assessed in the survey, the contribution of Fiscalis to information sharing and cooperation receives the most positive assessment from survey respondents.

Chart 31 On an operational level, please assess the extent to which Fiscalis 2013 activities carried out have contributed directly to

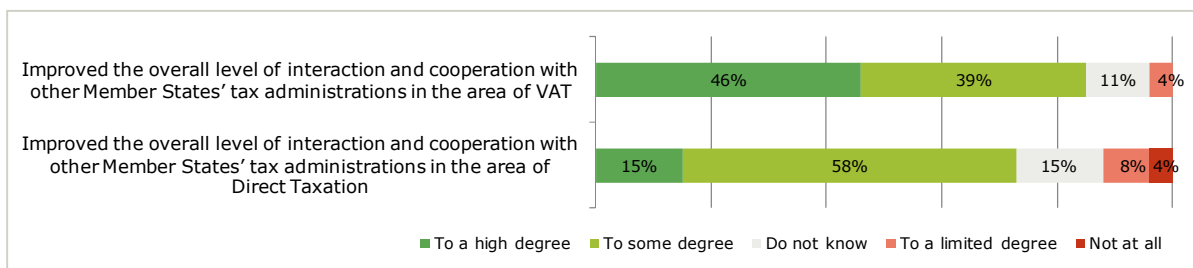


Source: Survey to National Coordinators (Q15)

3.6.1.2 Targeted surveys to tax experts

244. The results of the survey to tax experts offer a similar picture. VAT and direct taxation experts were asked whether Fiscalis 2013 has improved the overall level of interaction and cooperation with other MSs’ tax administrations. Answers are very positive, especially in the area of VAT. Also, when compared with other types of effects, the contribution of Fiscalis to information sharing and cooperation receives the most positive assessment from the experts.

Chart 32 Please assess the extent to which the Fiscalis 2013 programme has contributed to:

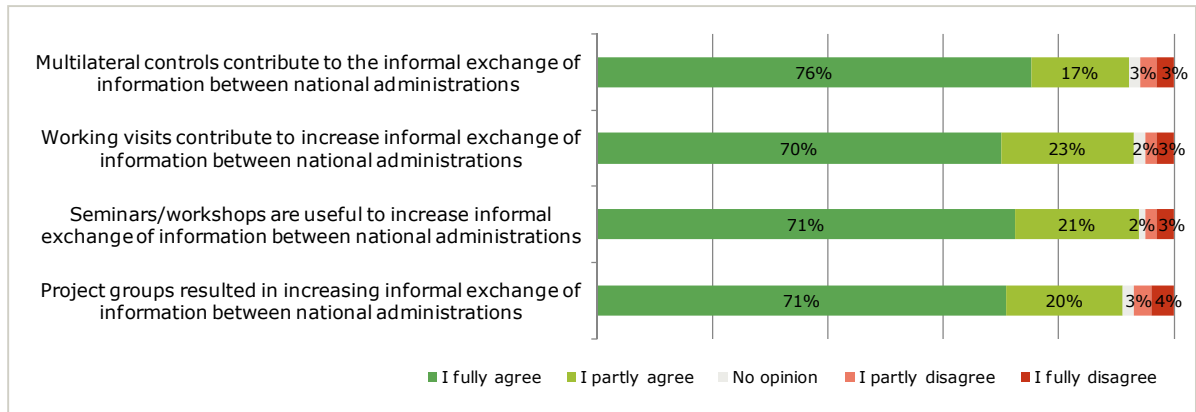


Source: Targeted surveys to experts in VAT (Q9), excise duties (Q10) and direct taxation (Q10)

3.6.1.3 General survey to participants

245. Answers to the general survey to participant also give striking results as Fiscalis’ contribution to the “informal exchange of information between national administrations” is assessed remarkably positively. Compared with other types of effect, the programme’s contribution to the informal exchange of information receives the most positive assessment from survey respondents as far as Seminar and Workshops, Project Groups and Working Visits are concerned.

Chart 33 Please comment on the following statements regarding your overall impression of the effects of Joint Actions:



Source: General survey to participants (Q7, Q13, Q19, Q26)

246. When assessing the contribution of Fiscalis to improved information exchange and administrative cooperation (see section 3.1), survey results indicate that “Effective and regular cooperation between participating countries” is the most significant effect of the Joint Actions. This is confirmed by the above results, which indicate that the Joint Actions bring participants and MSs closer to each others, fostering a cooperative spirit that goes beyond information exchange and administrative cooperation as such. While not being an explicit objective of the programme, this “network effect” and “cooperation spirit” are highly supportive to the achievements of its objectives.

247. Answers to open-ended questions (Q11, Q17, Q23 and Q28) offer a large amount of information about the different aspects of the Fiscalis activities and contextual issues, which constitute enabling or hindering factors to the achievement of the Fiscalis objectives. The most important findings have been mentioned earlier in the report: it concerns mainly the lack of follow up, dissemination activities and monitoring of results, as well as issues with regard to participants and content of the activities. As these comments closely correspond to the findings from the interviews and case studies, they are analysed altogether in section 3.6.2.

248. Finally, referring to the lack of dissemination mentioned above, survey results indicate that e-learning modules are useful dissemination tools that could help addressing this: 92% of respondents fully or partly agree that e-learning modules are an appropriate way to disseminate information and knowledge within the national administrations (Q42).

3.6.1.4 Awareness poll

249. Every two years, the Commission carries out a poll to assess the tax officials' awareness of the Fiscalis programme and the degree of dissemination and use of knowledge and practices.
250. On the degree of dissemination and use of knowledge and practices¹⁵, interesting findings from the 2011 awareness poll can be summarized as follows¹⁶:
- 37% of respondents participated in a Fiscalis activity. Among them, 73% took action to share what they learned with colleagues (41% of them talked with colleagues and 35% wrote a report).
 - 63% of respondents did not participate in Fiscalis activities. Among them, 59% received information or knowledge from a colleague they know and who participated in a Fiscalis activity (46% of them talked with their colleagues and 24% read the report).
 - 12% of respondents used in their professional life an output produced by the programme; 17% are not aware but may have done so, and 71% did not.
 - Compared with 2008, a lower percentage of participants took action to share the knowledge with colleagues (73% of participants did so, instead of 89% in 2008).
251. These results show that the degree of dissemination is not optimal and the knowledge is used to a limited extent only.

3.6.2 Main findings from interviews and case studies

252. Interviews with the Commission's policy and programme management units, National Coordinators in the MSs, and Fiscalis participants (case studies), revealed a number of internal and external factors, which are extremely important for the understanding of the way the programme works, delivers, but also faces limitations. All these findings are confirmed by the answers to open-ended questions in the general survey to participants.

Internal enabling factors:

253. As evidenced by the survey results, one of the most significant achievements of Fiscalis is increased informal exchanges and interactions between the national tax administrations. This goes beyond the Fiscalis objective of improving information exchange and administrative cooperation as such. Almost systematically, interviewees mention the building of relationships and networks, mutual trust and cooperation spirit, as some of the most important outcomes of Fiscalis, which in turn facilitate a higher degree of interaction, exchange of information and knowledge, and mutual assistance between national administrations. Although this is not an explicit objective of the programme, it is an important and necessary outcome: it lays the grounds for a high degree of achievement of the programme's objectives.¹⁷

¹⁵ The level of awareness of Fiscalis is analysed in section 3.7.3.3

¹⁶ It should be mentioned that the dataset provided has not been cleaned up but used directly for the purpose of a first analysis. Some inconsistencies in answers were noticed, and a more in-depth use of the awareness poll's results would require careful data cleaning, which is out of the scope of this evaluation.

¹⁷ This was a hypothesis made by the evaluator when analysing the intervention logic of the programme; for this reason, the intervention logic mentions "improved cooperation between administrations" as an output of the programme. In a way, it corresponds to the AWP objective 1 "improve the proper functioning of the taxation systems in the internal market", and in particular objective 1.1 on the "fight against fraud", which are broad objectives under which one can find activities that are not highly specific to any other AWP objective.

254. Along with the above, another important enabling factor is the "Fiscalis network". For the implementation of the programme, MSs have nominated National Coordinators in their administrations, but also Working Visits coordinators and members of Steering Groups for MLCs, platforms, trainings, EU communication and information networks, etc. This constitutes a network of several hundred persons who are in regular contact with each other to discuss the priorities, proposals and implementation of the programme. This network complements the ELO/CLO networks, formally responsible for ensuring administrative cooperation between MSs. Fiscalis coordinators offer entry points to the national administrations nebula, when looking for the right person to discuss a specific issue.
255. Finally, an important enabling factor is the fact that Fiscalis targets tax officials who usually work at an operational level. By doing so, Fiscalis avoids the political pressure that can be detrimental to the quality of the work and exchanges. On the contrary, it focuses on practical issues, for which it is easier to find mutual interest and ensure cooperation.

Internal hindering factors:

256. One of the hindering factors most frequently mentioned is the lack of dissemination, follow up and monitoring activities to ensure that the knowledge, good practice and recommendations developed and shared during Seminars, Workshops and Project Groups are used. Also, respondents formulate similar comments about Working Visits, claiming that their objectives are not explicit enough and their results not disseminated and monitored to the appropriate extent. This general lack of dissemination and follow-up activities - also pointed out previously in this section and other sections in the report (see sections 3.2.2, 3.5.1.1 and 3.7) - is partly due to the fact that tax policies and national administrations' organisations and processes remain largely a national exclusive domain: the Commission cannot impose on the MSs any kind of objectives in terms of the implementation and dissemination of knowledge and practices, unless a legal framework supports this. However, interviewees formulate recommendations, such as tougher reporting requirements and more systematic follow-up meetings - possibly by video-conference - a few months after the end of a Fiscalis event.
257. Interviews indicate clearly that limited human resources for managing the programme constitute a factor that hinders some of the programme's achievements. Indeed, the size of the Fiscalis management team in the Commission is limited (about 4 FTE plus one FTE shared with the Customs programme for the training activities). This can at least partly explain why the programme suffers from under-expenditure, as limited management capacities make it difficult to increase the number of activities unless processes are improved and tasks automated (see also section 3.7.2). Tight programme management resources can also explain the weaknesses in the reporting on and monitoring of activities. Finally, it should be mentioned that, according to interviewees from the Commission, participating countries tend to rely more and more on the Commission to organise activities and prepare background documents.
258. As far as direct taxation is concerned, the Commission's policy unit in charge of this tax area claims that there is a general lack of awareness within the Commission of the support that Fiscalis can offer to improve coordination between national administrations and foster the application of "EU soft law" (e.g. Communications etc.). A higher degree of awareness would probably increase the programme's activities and achievements in the area of direct taxation.

External hindering factors:

259. Tax policies remain to large extent a nationally reserved domain and tax administrations are essentially nationally-minded. Therefore, the Commission has limited leverage on the extent to which administrative practices can be improved, aligned and harmonised, and the degree of achievement of the Fiscalis objectives depends highly on the willingness of the participating countries. In particular, interviews and case studies offer evidence that:
- International cooperation is not a priority for the tax authorities and, although Fiscalis contributes to shift priorities (see Chapter 6 on the EU added value) and provides the national administrations with supportive tools, significant efforts are still needed to ensure that the necessary measures are taken to guarantee a high degree of cooperation and a proper functioning of the tax systems in the context of the EU.
 - Larger scope and better quality of the information exchanged, appropriate implementation of the EU law in the MSs, improved and aligned practices and processes; all this depends on the willingness of the MSs. In particular, it was mentioned several times that the use of good administrative practice developed and disseminated with the support of Fiscalis depends on a decision from management. The same issue arises when looking at the monitoring, evaluation and follow-up of results: MSs are not always eager to cooperate on this¹⁸.
 - Due to the extreme diversity of the national contexts, in terms of organisational set ups and practices in the MSs, to disseminate and apply knowledge and good practices in the tax administrations is in any case a challenge.
 - Finally, as mentioned earlier, one possible way for the Commission to ensure a high degree of achievement of the Fiscalis objectives is to modify existing, or to create new legislation, so that it becomes compulsory for the MS to ensure a better functioning of the tax systems. However, this depends also on policy makers' decisions at the EU and national levels.
260. Another external hindering factor concerns the participants of Fiscalis activities who, according to interviewees and survey respondents, are not always the right persons to ensure the best possible results. This is the responsibility of the participating countries – and in particular the Fiscalis coordination teams in the MSs – to ensure that the right participants are sent to the right activities. However, interviewees claim that selection criteria are not always focusing on maximising the activities' outcomes, and some internal considerations can also be taken into account. Also, the fact that Seminars and Workshops require all participating countries to be invited (they are free to abstain) encourages this "free riders" issue.
261. The language barrier is a recurring issue. Stakeholders and participants complain against the lack of language skills of some of the participants. This hinders their capacity to make useful contribution to the work in Joint Actions, and also results in translation costs. There is however a trade-off, as the language barrier is an exclusive factor which tends to limit access to Fiscalis activities to the elite. It is the programme management's view that a balanced approach is needed, in order to ensure a broader audience. The Commission's awareness poll confirms that the use of a foreign language remains an obstacle to cooperation: to the question "can you easily speak with foreign colleagues in a foreign language on professional topics?" 57% of respondents answer "no, I cannot".

¹⁸ As a good indication of the reluctance of some MSs to cooperate in reporting, monitoring and evaluation activities, one can look at the number of respondents per country to the general survey and the awareness poll.

262. Finally, participating countries also face the issue of limited human resources, as officials participating in Fiscalis cannot perform their national duties at the same time. Although Fiscalis is instrumental in covering part of the costs, and so facilitates a shift in priorities (see chapter 6), restricted national budgets for human resources undermine the capacity of the Fiscalis coordination teams in the MSs to undertake more activities, as well as the capacity of administrations to make people available for international cooperation activities. Despite the cost reduction and revenues that Fiscalis can generate (see sections 3.5 and 4.2), these are limiting factors for the programme to develop further and reach a higher degree of achievement of its objectives. This limitation of resources in administrations conflicts with the fact that participants ask for longer and more frequent Seminars, Workshops, Project Groups and Working Visits in order to be able to address highly complex issues, as well as better monitoring and follow up activities to ensure the dissemination and use of knowledge and practices.

3.6.3 Summary of findings

263. Fiscalis operates under very high external constraints, mainly due to the fact that the tax policies remain to a large extent a nationally-reserved domain. Common interest and good will from the participating countries are key elements for ensuring cooperation.
264. The degree of achievement of the programme's objectives depends on the decisions of the management in the national administrations, or the policy makers at the EU and national levels.
265. Internal enabling factors, including the programme's capacity to create relationships and networks, mutual trust and cooperation spirit, and involve people at an operational level, contribute to overcome these constraints.
266. Also, tight human resources in the Commission and participating countries are limiting factors for increased number of activities.

3.7 Programme management

EQ3a. To what extent has the programme management (transparency, decision-making, priorities, coordination, involvement of stakeholders, action plans and guidelines, monitoring and follow-up, etc.) been optimal to achieve the desired results?

EQ3b. To what extent has the sharing of information (between the participating countries, and between the participating countries and the Commission) resulting from the activities of the programme, helped to consolidate more effective functioning of the taxation systems in the internal market?

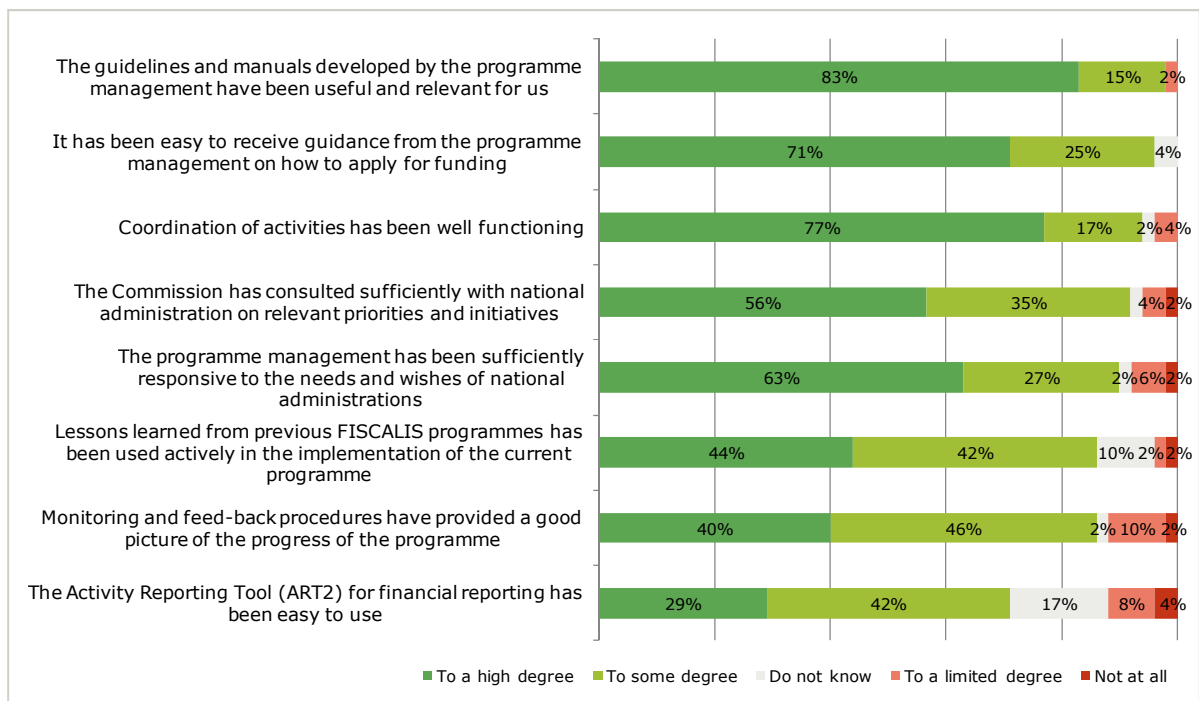
267. This section addresses the different aspects of the programme management, including the sharing of information which is supported by the online data management systems provided by the Commission.

3.7.1 Main findings from surveys

3.7.1.1 Survey to National Coordinators

268. Overall, National Coordinators assess highly positively the different aspects of the *programme management*: Depending on the angle from which this is examined, between 71% and 92% of respondents agree, to a high or to some degree, that the programme management has been optimal to achieve the desired results.

Chart 34 Please answer to the below questions on the Fiscalis programme

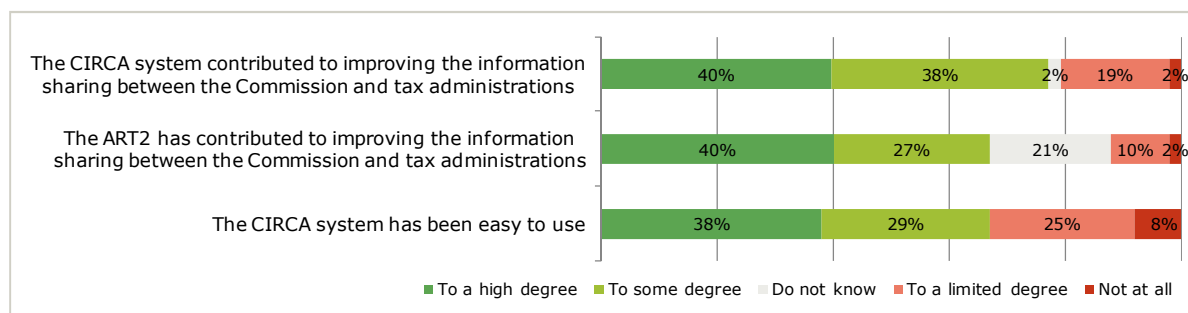


Source: Survey to National Coordinators (Q9)

269. The support provided by the programme management team receives the most positive assessments when looking at available guidelines and manuals, guidance on how to apply for funding, and the coordination of activities.

270. Also, a great majority of National Coordinators agree that the priority setting process is open, transparent and responsive, indicating that the needs and wishes of national administrations are addressed appropriately. This supports other positive findings on the extent to which the programme and its activities continue to be relevant to needs (see section 5.1).
271. Monitoring, reporting and follow-up are also assessed positively, but to a lesser extent compared with other aspects of the programme management. This can be seen as an indication that progress margins exist in this area, as indicated earlier in this report. This concerns the financial reporting on ART2 and, to some extent, the monitoring and feed-back procedures. When asked to justify their assessment (Q10), the National Coordinators mention that monitoring and reporting activities could be improved; especially, the National Coordinators would like to have access to the conclusions of the Working Visits and MLC groups.
272. Looking at the monitoring tool ART and the data management system CIRCA (information sharing), overall assessments remain positive, although answers indicate that progress could be made with regard to *information sharing* using CIRCA.

Chart 35 Please answer to the below questions on the Fiscalis programme:



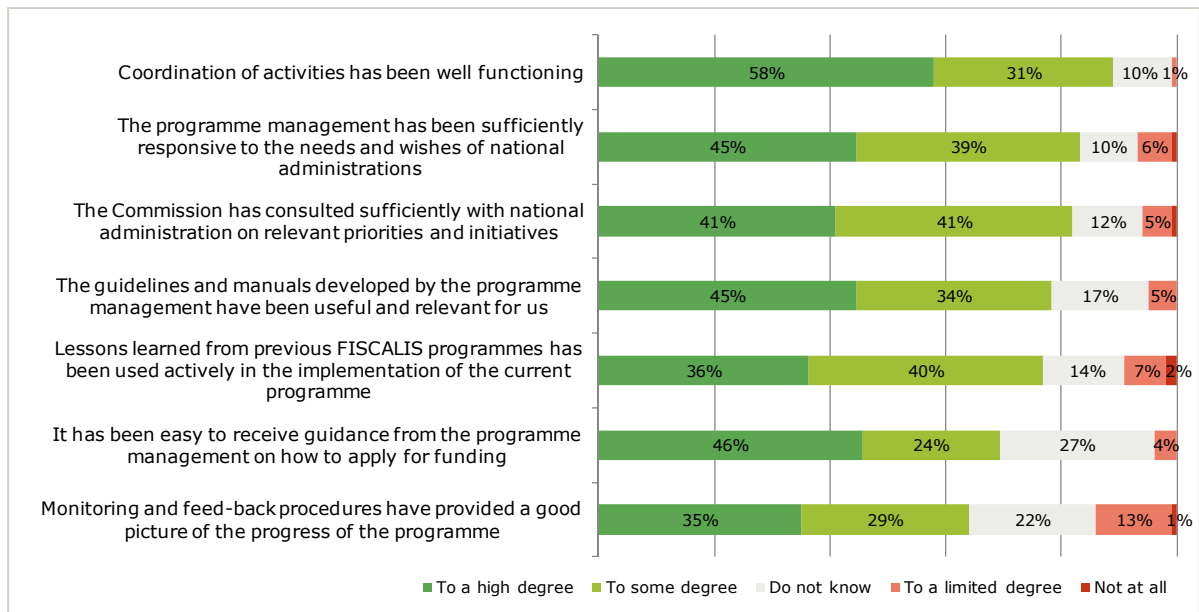
Source: Survey to National Coordinators (Q9)

273. When asked to justify their assessment (Q10), the National Coordinators mention the following:
- Despite some problems when launching the implementation of the programme, the transfer from ART to ART2 has been very beneficial to the monitoring and reporting activities, and the sharing of information between the Commission and the participating countries.
 - CIRCA is unanimously criticised for its lack of user-friendliness and, at the time of the survey, the upcoming platform PICS is longed-for.

3.7.1.2 Targeted surveys to tax experts

274. Overall, the tax experts make a very positive assessment of the different aspects of the programme management: From 64% to 89% of respondents agree to a high or to some degree with the different statements on the extent to which the programme management been optimal to achieve the desired results.

Chart 36 Please rate the following statements about the implementation and management of the Fiscalis programme:



Source: Targeted surveys to experts in VAT (Q6), excise duties (Q7) and direct taxation (Q7) (Aggregated results)

275. When compared with the National Coordinators’ answer, the expert’s assessment of the programme management is slightly less positive. This is partly due to the significant share of respondents who answered “do not know”, indicating that they do not think they are in the best position to judge. This also indicates that respondents are slightly more critical towards the programme management, as they tend to answer “to some degree” more frequently. This could be explained by a “positive bias” in the National Coordinators answers, who are asked to assess the support provided by the Commission’s Fiscalis management team.

276. Apart from this, the expert’s answers are very consistent with the National Coordinators’ assessment:

- The support provided by the programme management (supposedly, both the Fiscalis coordination team in the national administration and the programme management team in the Commission) in terms of available guidelines and manuals, guidance on how to apply for funding, and coordination of activities, receives, overall, the most positive assessment.
- Also, a great majority of experts agree that the priority-setting process is open, transparent and responsive, indicating that their needs are addressed appropriately.
- Finally, although positively assessed by a majority of respondents who answered “to a high degree” or “to a limited degree”, the monitoring and feedback system received the least positive assessment.

3.7.1.3 General survey to participants

277. Answers to open-ended questions in the General survey to participants (Q11, Q17) provide interesting comments and suggestions on how to improve the management of Seminars, Workshops and Project Groups in order to optimise their output. Most frequent comments and suggestions concern:
278. In terms of the events organisation:
- The selection of participants could be improved in order to ensure homogeneity of the groups as well as active and useful contribution from all participants
 - Events could be longer and more frequent, in order to ensure in-depth discussions and findings, and longer term follow up (according to respondents, longer events would also mean more value for money, as the return on organisation and travel costs would be higher)
 - Background documents should be disseminated further in advance, and a better preparation of the participants encouraged
 - Follow-up and dissemination should be enhanced
279. In terms of content of the events:
- Seminars and Workshops should be less theoretical and more practical
 - Events should be narrower in scope, in order to enable detailed discussions within limited timeframe
280. Comments and suggestions on the Working Visits overlap to a high extent with the above. In addition, participants suggest that the topics of Working Visits should be better defined and narrower in scope, and the objectives clearer. Also, some of the respondents would like to have a more flexible schedule to enable in-depth investigation of a particular issue. Yet, the diversity of comments indicates that Working Visits cover many different approaches and types of activities. In their answers to the survey, participants suggest that they could be better streamlined.
281. As far as MLCs are concerned, an interesting suggestion from the participants concerns the creation of a team of well-trained MLCs leaders to ensure appropriate organisation and management of the coordinated controls. In order to facilitate this, the MLC platform has recently set up a 5th subgroup providing training to both the auditors and managers involved in MLCs.

3.7.2 Main findings from interviews and case studies

Programme management

282. Findings from interviews and case studies confirm the highly positive assessment of the programme management from the surveys.
283. In their answers, National Coordinators express a high degree of satisfaction regarding their cooperation with the Fiscalis management team, which is said to be easily accessible and responsive to needs e.g. in terms of accepting late applications for an action/event, accepting requests for increased national budget to organise Working Visits, or simply responding quickly to specific questions with regard to the management of the programme and activities.
284. With regard to the priority setting and preparation of the AWP, both policy units and participating countries agree that they are systematically consulted and that the process is transparent and inclusive. Also, all stakeholders admit that the programme and AWP objectives offer the necessary degree of flexibility: they can be "bend" to match their needs. This, according to the Fiscalis management team, is a conscious choice. Interviews show that this approach is supported by the MSs and the Commission's policy units.

285. Yet, interviewees raised some concern about the lack of management, coordination and monitoring of the Working Visits, whose objectives are not always well-defined in the application, and cannot be monitored: In the AWP, Working Visits are included under objective 1.1, that is the broader "fight against fraud" (as part of objective 1: "Improve the proper functioning of the taxation systems in the Internal Market"). There are indications from the interviewees that such flexibility has been used to address a large variety of needs (e.g. supporting modernisation efforts of the national administration, preparing the presidency of the EU etc.) through a large variety of set ups (e.g. individual vs. collective visits, formal or non-formal, etc.).
286. The Commission has organised a workshop on how to improve reporting activities on Working Visits. Conclusions are positive as MSs have agreed that there is a need to ensure reporting and dissemination, but there is no evidence yet that it has come to effect.
287. Case studies offer evidence that the complementarity of activities have been "organised" to ensure effectiveness. In the case study on "Denatured Alcohol" for instance (see Supplement 5), one can see that a set of complementary tools has offered progressive, flexible, and practical solutions to emerging needs: a MLC was used to share experience and identify common problems; a Project Group was used to find practical solutions; finally, a seminar was used to share and test findings before moving up to the policy level. Other examples include the use of Joint Actions to support the implementation of EMCS, the use of workshops of Project Groups to develop e-Forms etc.
288. National coordinators see the move from ART to ART2 as a major improvement, which has streamlined and sped up the application process to Joint Actions and facilitated budget reporting activities. However, ART2 still requires manual computing tasks for the approval for MLCs applications and lacks functionalities for financial reporting. This can prove to be time-consuming.

Information sharing

289. In terms of information sharing, interviewees acknowledge that CIRCA has been of great help but is now outdated. Although it gives access to the knowledge exchanged and developed as part of the Joint Actions, it is almost impossible to find information in the system without knowing where this information has been stored. This of course is a major obstacle to information sharing, and all interviewees who have been introduced to the new tool PICS expressed high levels of expectations.
290. Concerning the Training sector, the TACTIC platform has been developed with the joint support of Customs 2010 and Fiscalis 2013 programmes. The purpose of the platform is to provide an online environment for information sharing and collaboration amongst national tax and customs training administrations. The platform was launched in March 2010 and in January 2011, it accounted 1048 users. It is now integrated into PICS.
291. Case studies and interviews show that several web platforms, forums and databases have been created with the support of Fiscalis. Although this reflects a high degree of information sharing, there are increasing concerns that this could result in high complexity and fragmented information.

3.7.3 Main finding from secondary data

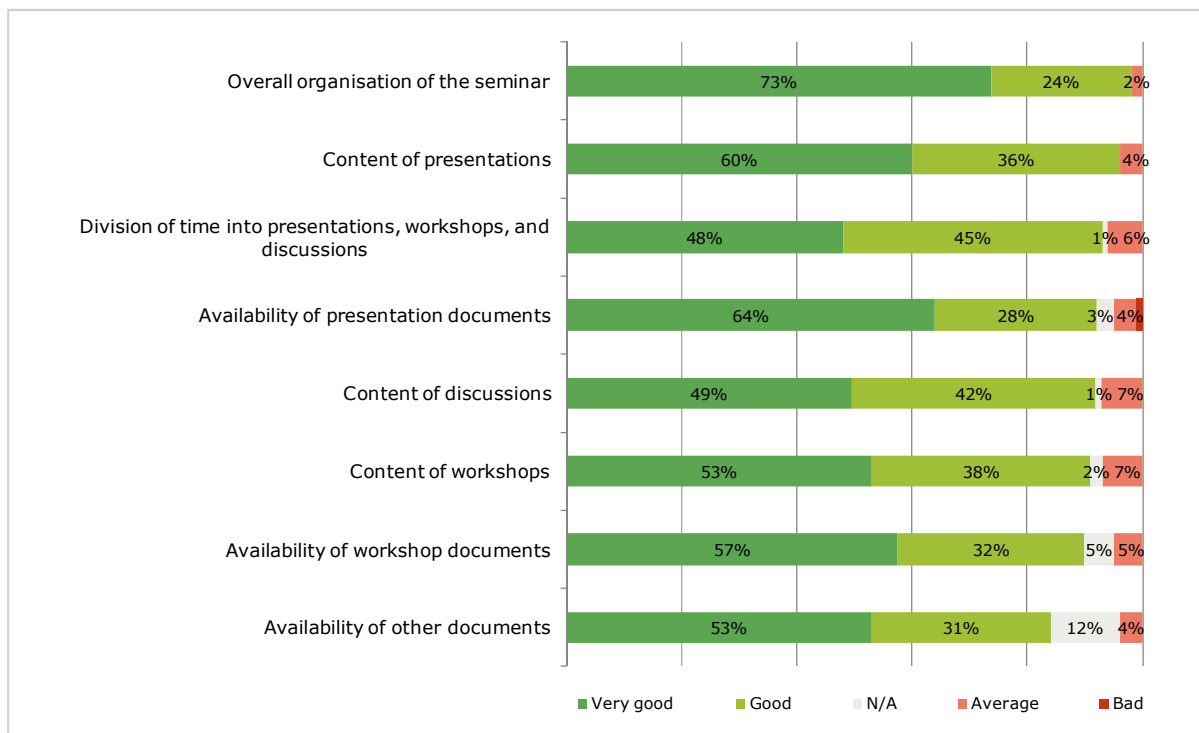
3.7.3.1 Seminars and Workshops evaluation forms

292. In the end of a Seminar or Workshop, participants are asked to fill in an evaluation form. Answers have been analysed and the results show that participants are highly satisfied with the seminar or workshop they took part in. This indicates that the above suggestions and comments are not necessarily major issues, but rather possibilities to improve even further the quality of the programme activities.

293. Key results from the analysis of the evaluations forms are:

- Overall, participants are highly satisfied with the organisation of the Seminars and Workshops: 73% answered that the organisation was very good.
- When looking more into details, the different aspects of the organisation of the Seminars and Workshops are also very positively assessed (see Chart 37 below). Yet, in relative terms, one can say that there is some room for improvement on the division of time into presentations, workshops, and discussions, and the content of some presentations, workshops and discussions; this is consistent with the demand for more practical approach identified above.
- In terms of the degree of achievement of the objectives, respondents answer that 42% of the objectives have been “fully achieved” and 46% “quite achieved”.

Chart 37 Evaluation of the Seminars and Workshops organisation by participants



Source: Seminars and Workshops evaluation forms (DG TAXUD R3)

294. Finally, participants are asked if their administration envisages any activities to allow them to share their new knowledge. 80% answer “yes”, among whom 87% will write a report, and 32% will use the intranet to disseminate the knowledge. This indicates that “proactive” dissemination activities remain limited after Seminars and Workshops.

3.7.3.2 Annual reports on Working Visits

295. An analysis of the annual reports on Working Visits provides interesting insight on how these actions contribute to the programme's objectives, and in particular the "dissemination of good administrative practice".
296. In addition, there are lessons to be learned from the way these Working Visits are reported and monitored¹⁹:
- First of all, not all MSs or Fiscalis teams (in case of more than one Fiscalis team in the national administration) have submitted a report to the Commission;
 - The style, quality, length and contents vary a lot from one report to the other;
 - Most of the time, reports give information on outputs (organised visits) but a minority of them provides information on the use of these outputs in the national administration;
 - There are not so frequent examples of dissemination activities (e.g. participants write a report which is available on the intranet; the administration prepares an inventory of other MSs' best practices etc.);
 - All reports provide a quantitative overview of the achievements, but the indicators used are of very different types, making it more difficult to monitor at EU level;
 - Reporting on incoming visits is done by all MSs but is often of poor quality (mostly factual, no description of the outputs or usefulness).

3.7.3.3 Awareness poll

297. In addition to the degree of dissemination and use of knowledge and practices (see section 3.6.1.4), the Commission's annual poll assesses the tax officials' awareness of the Fiscalis programme. This is used as a monitoring tool by the programme management team, and one of the success criteria is: "The awareness of the programme is considered to evolve successfully if the Programme Awareness Indicator remains at the 2008 level or increases further"²⁰.
298. In this regard, the level of awareness of the programme is higher in 2011 compared with 2008, with 79% instead of 71% of respondents being aware that "Europe has a support programme that aims to increase cooperation between taxation and customs administrations of the EU MSs". According to the awareness poll the objective has been reached.
299. However, these results have to be considered with care, since the population of respondents differs to a very high extent from one year to the other:
- 9,840 persons participated in the poll in 2011, while 18,243 persons participated in 2008 (16,848 replies were valid, i.e. the profile information was completed);
 - 48% of respondents in the 2011 poll are from Finland, Hungary and Sweden, compared with the 2008 when 54% of the respondents were from the Czech Republic, Belgium and Sweden;
 - 37% of respondents from the 2011 poll participated in a programme activity, compared with 15% in 2008.

¹⁹ It should be reminding that, according to Fiscalis regulation (article 9), "each Working Visit shall target a particular professional activity and shall be sufficiently prepared, monitored and subsequently evaluated by the officials and administrations concerned".

²⁰ It should be mentioned that the dataset provided by Unit R3 has not been "cleaned" but used directly for the purpose of a first analysis. Some inconsistencies in answers were noticed, and a more in-depth use of the awareness poll's results would require careful data cleaning, which is outside the scope of this evaluation.

3.7.4 Summary of findings

300. Overall, the *programme management* has been optimal to achieve the desired results. All findings indicate the support provided by the Fiscalis management team in the Commission and the National Administration has been highly appreciated.
301. Coordination of activities, guidance on how to apply for funding, responsiveness to needs and wishes of the national administrations, transparency and openness of the priority-setting process, as well as organisation of events; all aspects receive positive assessments.
302. Areas of possible improvement are as follows:
- Some aspects of the organisation and content of the activities could be improved, in order to optimize the achievement of the objectives: according to some participants, possible improvements include a better selection of participants, longer and more frequent events, follow-up and dissemination of results, more practical approaches and narrower scope for each event
 - Working Visits could be more closely managed, coordinated and monitored, to optimize results
 - Some ART2 functionalities could be fully automated, including those relevant to monitoring activities.
303. *Information sharing* has significantly improved, with the creation of TACTIC in the training sector and PICS for the overall sharing of information.
304. Some concerns are raised about the increasing number of platforms and databases, which at the end of the day could be detrimental to the sharing of information.

4. EFFICIENCY

EQ4. To what extent have the programmes' resources produced best possible results at the lowest possible cost?

305. This chapter examines the programme's efficiency, defined as "the extent to which the desired programme effects are achieved at a reasonable cost". In other words, it focuses on the value for money of the programme.
306. After a brief overview of the level of expenditure, a critical assessment of the value for money is made, based on surveys, interviews and cases studies.

4.1 Key facts and figures about programme expenditure

307. The table presents the total available and spent budget per type of activity. It shows that the programme has been facing under-expenditure of the annual available budget for 2008 and 2009.

Table 9 Budget status (million EUR)

	2008			2009			2010		
	Planned	Spent	% Spent	Planned	Spent	% Spent	Planned	Spent	% Spent
IT Systems	15.0	10.4	69%	16.2	15.5	96%	17.4	nc	
Fiscal Systems		4.4			9.9				
CCN Network		4.8			3.9				
Quality Assurance		1.2			1.7				
Joint Actions	5.2	4.5	87%	5.5	4.4	81%	6.0	nc	
Training Tools	0.4	0.4	109%	0.5	0.5	106%	0.6	nc	
Other Activities	-	-	-	-	0.0	-	-	nc	
Total	21.0	15.0	73%	22.1	20.5	93%	24.0	nc	

Source: *Fiscalis Annual Work Programmes and DG TAXUD R3 (ART2), March 2011*

308. The total cost per participant in Joint Actions was about EUR 1,100 in 2008 and 2009. Having in mind that this amount 1) includes travel, accommodation, daily allowance, as well as necessary organisational costs, translation and linguistic support, and that 2) it covers events of various duration (which can be several days), the total cost per participant is, to the best judgement of the evaluator, very reasonable.

309. There is no data to compare the cost per participants/day and type of activities. However, it is the evaluator's opinion that such a comparison would make little sense, since Fiscalis activities, and in particular the different types of Joint Actions, are complementary to each other.

Table 10 Number of participants to Joint Actions and cost per participant

	2008	2009	2010 ²¹
Multilateral Control	892	768	616
Project Group	395	397	325
Seminar	810	760	374
Steering Group	182	173	238
Working Visit	1,211	1,338	1,218
Workshop	624	638	861
Total	4,114	4,074	3,632
Total cost for Joint Actions (in EUR)	4,533,303	4,429,368	
Cost/participant (in EUR)	1,102	1,087	

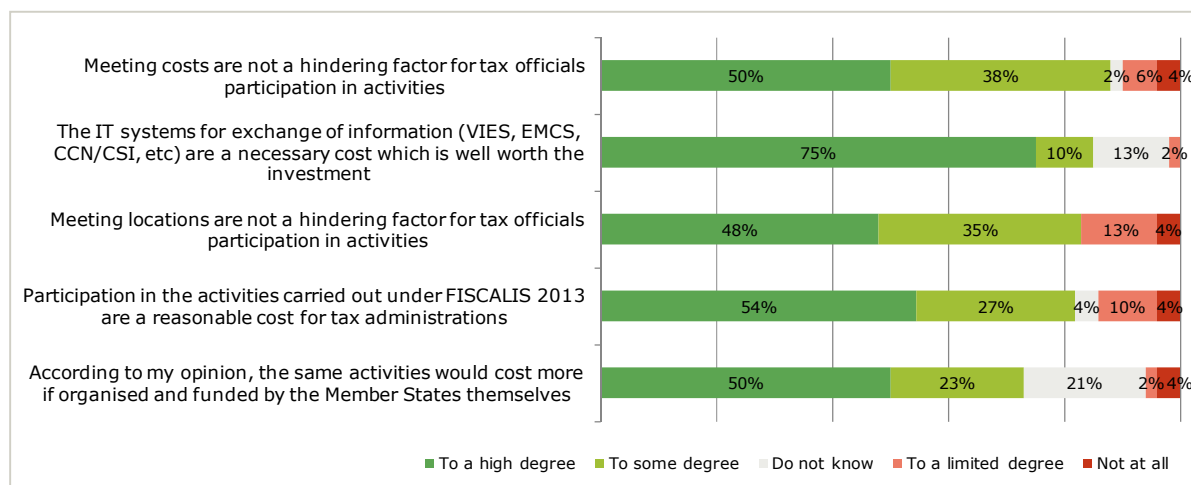
Source: DG TAXUD R3 (ART2), October2010

4.2 Main findings

4.2.1 Main findings from the survey to National coordinators

310. According to survey results, National Coordinators believe that the Fiscalis programme offers high value for money: a majority of respondents agree "to a high degree" to each of the statements on the efficiency of the programme.

Chart 38 To what extent to you agree with the following statements regarding the value for money of Fiscalis funded activities?



Source: Survey to National Coordinators (Q11)

311. The value for money offered by the IT systems for automated exchange of information is, according to National Coordinators, particularly high. This is all the more a positive result, as these IT systems represents the largest budget heading of Fiscalis.

²¹ Until October 2010 only.

312. Also, from the point of view of national administrations, the costs for participating in the programme are reasonable, and meeting costs and locations (i.e. travel times) are not hindering factors. This indicates that the National Coordinators believe that national administrations receive value for money when participating in Joint Actions.
313. Finally, a majority of National Coordinators are convinced that the same activities would cost more if organised and funded by the MSs themselves (Q17): 50% agree "to a high degree" with this statement, while 23% agree "to some degree". Taking into consideration that 21% answered "do not know", this is a highly positive assessment. When asked to justify their answers (Q12), the National Coordinators add nuances to the rather positive assessment they make, and they refer frequently to travel and accommodation costs as a source of potential dissatisfaction. In particular, they mention costs and difficulties to access meeting places, especially those located in remotely located areas²².

4.2.2 Main findings from interviews and case studies

Input/output ratio:

314. According to participants, Joint Actions provide a framework that limits costs while optimizing results:
- This is particularly true for Working Visits or subgroup meetings e.g. as part of a Project Group (such as "Activity Teams" in the case of the e-Audit Platform), which according to interviewees provide an optimal framework for focused, detailed and result-driven discussions, while involving a limited number of participants and restricting additional expenditures to travel and accommodation costs. In such cases, interviewees claim that the input/output balance is extremely positive.
 - Also, Fiscalis rules require that MLCs are concluded within 3 years, which according to participants encourages efficiency.
315. The above findings should of course be nuanced in light of the comments and suggestions made by respondents to the general survey to participants, who indicate that such meetings could be optimized and offer higher value for money, by means of more targeted topics, better selected participants and enhanced dissemination and follow up.
316. With regard to travel and accommodation costs, and despite the fact that interviews and case studies reflect the same concerns as those expressed by the National Coordinators in their survey answers, there is also a consensus that videoconferencing should not replace meetings: firstly, face-to-face meetings facilitate contacts and networking, and in this way offer high value for money; also, meetings in different host countries ensure a high level of ownership of the programme for all participating countries.
317. In order to improve the value for money offered by the programme where concerns had been raised, the Fiscalis management team has taken appropriate actions:
- Findings indicate that some meetings, especially short meetings, tend to generate unreasonable costs (most frequently, preparatory meetings for Seminars and Workshops, and selection events for MLCs are mentioned). In order to reduce costs:
 - To prepare Seminars and Workshops, the video-conferencing facilities of the Commission are used: participating countries either link to it using their own video-conferencing system or go to the Commission delegation office in their capital city.
 - The new platform PICS developed and implemented with the support of Fiscalis 2013 is intended to offer videoconferencing functionality in the coming two years.

²² It should be noted that the MS who organizes the event in its territory chooses the meeting location.

- Seminars are widely criticized for being costly, especially due to a large number of participants (at least 1 and generally 2-3 participants per participating country) and demanding technical specifications (including interpretation facilities, number of meeting rooms). Fiscalis 2013 introduced Workshops a new tool which responds to the same needs as a Seminar (one-off event providing an opportunity to bring the administrations of all Participating Countries together to discuss or examine a precise topic) while offering more flexibility in terms of duration, number of participants and logistics (no translation is required).
318. Both the Fiscalis management team and policy units are careful to ensure that money is well spent when considering a proposal from the MSs. For instance, the policy unit for VAT/Fight against fraud would consider two criteria before accepting a proposal from the MSs: the proposal should have the support from a number of MSs that is sufficiently high; the proposal should not overlap with ongoing work at the Council or the OECD for instance. One example is given by a MS who wanted to set up a Project Group for designing and implementing Standard Audit Files (SAF-T: a computer file that allows the easy export of a predefined set of accounting records in a commonly-readable format²³); such tools are already developed at the OECD level and for this reason the policy unit rejected the proposal. Instead, the Commission proposed a workshop on the implementation of this tool in practice and exchange of best practice between participating countries (FWS/032).
319. Where possible, complementarities are used between the Customs and Fiscalis programmes in order to ensure efficiency:
- The management procedures of the Fiscalis and Customs programmes have been aligned fully (ART2 is a common tool, the different guides are common, proposal procedure are the same etc.); this results in efficiency gains.
 - The training sector is a shared function between the Fiscalis and Customs programmes, which is also a source of efficiency gains: for instance, the platform TACTIC for the sharing of information in the area of trainings has been co-financed by the two programmes; also, Fiscalis can benefit from the long experience of the Customs programme in training activities.
320. When looking at the EU added value of the programme, interviews and cases studies also indicate that Fiscalis offers easy and fast access to resources and partners. In this regard, Fiscalis proves to be more time efficient than the OECD (see section 6.2).

Input/outcome ratio

321. Interviewees insist on the fact that Fiscalis not only enables cooperation at a reasonable cost (input/output ratio) but also contributes to an efficient fight against fraud, as the programme by itself generates cost reduction and revenues:
322. First of all, interviewees consider that Fiscalis contributes to increased tax revenues. As analysed in section 3.5, survey participants and interviewees consider that Fiscalis contributes to a more effective fight against fraud in terms of reduced incidence of fraud, increased detection of fraud and increased amount of tax collected following the detection of fraud (tax recovery). In particular, interviewees insist on the MLCs' contribution to fraud detection and tax recovery, as this instrument offers strong evidence of the value for money offered by Fiscalis. According to the monitoring data collected by the Commission's Fiscalis management unit, MLCs supported by Fiscalis 2013 enabled to identify about EUR 1.5 billion of tax due by March 2011.

²³ http://www.oecd.org/LongAbstract/0,3425,en_2649_33749_34910278_1_1_1_1,00.html

323. On the other hand, interviewees consider that Fiscalis generates a reduction of the costs for the fight against fraud. This is due to faster access to data (not to mention the communication and information exchange systems). The case study on "denatured alcohol" shows that, the new database developed with the support of Fiscalis and the network of chemists that was created as a result of the cooperation through Project Groups have contributed to reduce from 3 weeks down to a few minutes the time needed to obtain the formula of a denaturant used in another MS.

4.3 Summary of findings

324. Overall available data indicates that Fiscalis 2013 offers high value for money.
325. Findings indicate that the programme management has taken action to ensure increased value for money compared with the previous periods. In addition, there is a concern shared by the Commission to avoid unnecessary work and costs.
326. Fiscalis by itself generates cost reduction and revenues that are higher than the programme expenditure. This is strongly evidenced by the large amount of tax due (about EUR 1.5 billion), which MLCs enabled to identify according to the Commission's monitoring data.
327. Although the value for money offered by the Joint Actions is high, comments and suggestions made by survey respondents indicate that the level of output could be improved in some cases (in particular, Working Visits).

5. RELEVANCE

328. This chapter examines the programme's relevance, defined as "the extent to which the programme's objectives are pertinent to the needs, problems and issues to be addressed."

329. Relevance is approached here from two different angles:

- Looking at the current programme, a first section analyses whether objectives and tools have corresponded to needs and are expected to continue to do so;
- Looking at the most relevant priorities during the first period of Fiscalis 2013 implementation and comparing it with emerging needs, a second section seeks to identify priorities for the future of the programme.

5.1 The extent to which the programme's objectives continue to correspond to the needs

EQ5a To what extent do the objectives of the programme continue to correspond to the needs of, primarily, participating national tax administrations, and of other stakeholders?

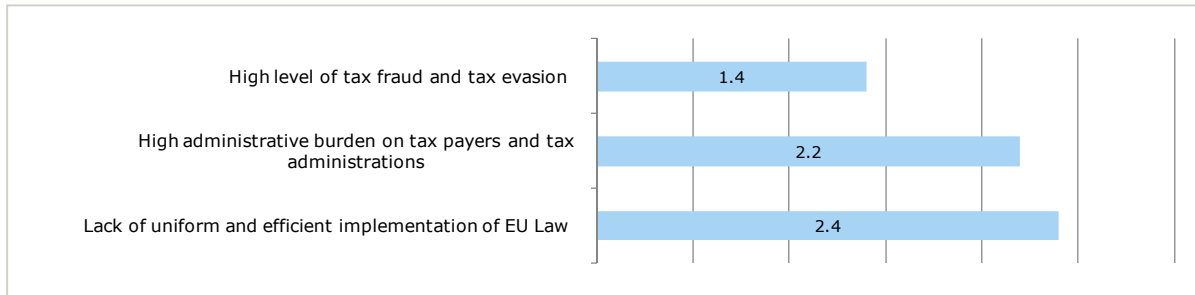
330. This section focuses on the needs of the different stakeholders. By examining the main challenges faced by stakeholders in the Internal Market, it provides an analysis of the extent to which the programme's objectives continue to correspond to needs.

5.1.1 Main findings from surveys

5.1.1.1 Survey to the National Coordinators

331. According to the National Coordinators, the high level of tax fraud and tax evasion is, by far, the highest challenge faced by the national administrations.

Chart 39 In your opinion, what are the main challenges faced by the national tax administration with respect to improving the proper functioning of the taxation systems in the Internal Market? Please rank the needs 1 to 3, with 1 being the most important (average)

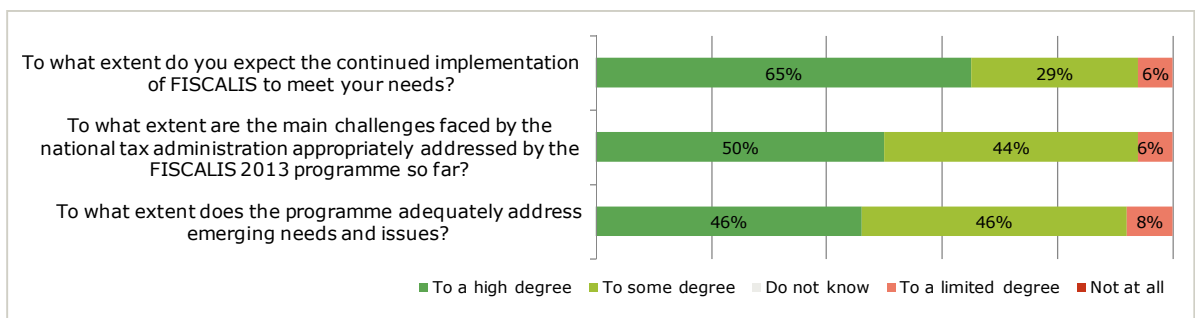


Source: Survey to National Coordinators (Q4)

332. When asked whether there are other more or equally important challenges (Q5), the National Coordinators answers are very few, indicating that the above mentioned challenges reflect the difficulties in the MSs to a high degree. Among the few answers, the high complexity of the existing legislation and the high diversity of the tax systems are mentioned.

333. Overall, the answers from the National Coordinators indicate that the objectives of the programme continue to correspond to the needs of the participating national tax administrations: According to a majority of respondents, FISCALIS has to a high degree appropriately addressed the main challenges faced by the national tax administrations, and its continued implementation is expected to meet the needs in the future.

Chart 40 Chart 41 Please answer to the below questions on the FISCALIS programme



Source: Survey to National Coordinators (Q7)

334. One important aspect of FISCALIS with regard to its capacity to continuously respond to needs is the ability of the programme and programme management to adequately address emerging needs. The assessment of the National Coordinators is also highly positive in this respect.

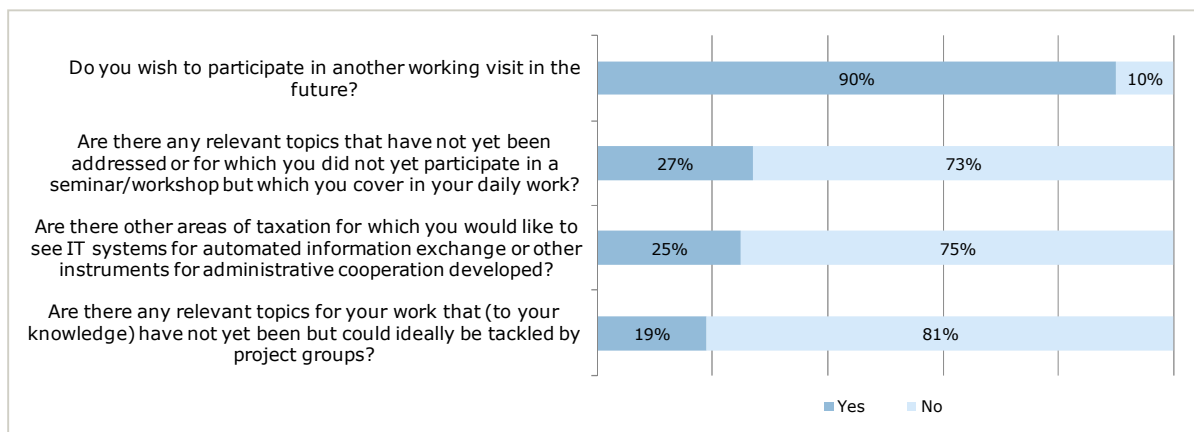
5.1.1.2 Targeted surveys to tax experts

- 335. In the area of excise duties, experts consider that the support provided so far by Fiscalis met the needs of their administration: A total of 90% of the respondents consider that the support provided by Fiscalis has been relevant to a high or to some degree (Q5). The fact that the majority of respondents answer "to some degree" however indicates that improvement is possible.
- 336. When focusing on the EMCS system, survey answers are significantly more positive. In particular, respondents assess the EMCS as a highly appropriate tool, with 69% expecting the system to meet their needs to a high degree (Q5).
- 337. In the area of direct taxation, a majority of experts who participated in the survey consider that the programme has offered appropriate support. However, compared with the overwhelmingly positive answers provided by the National Coordinators or the experts in the area of excise duties, the survey results also indicate that there is room for improvement: To the question "to what extent has Fiscalis 2013 offered appropriate support to your administration so far, in order to fight against tax fraud and tax evasion in the field of savings taxation?", 23% of respondents answered "to a high degree", 46% "to some degree", 4% "to a limited degree" and 12% "not at all" (Q5).

5.1.1.3 General survey to participants

- 338. The survey results indicate that the members of the tax administration who have participated in, or benefited from, Fiscalis 2013 consider that their needs have been adequately addressed by the Fiscalis activities:
 - When asked whether there are any relevant topics or areas of taxation that have not yet been addressed by the Seminars and Workshops, Project Groups, or IT systems and tools, a great majority of respondents answer "no", hence indicating that their needs have been adequately addressed.
 - When asked whether they wish to participate in another Working Visit, 90% of the respondents answer "yes", indicating that this instrument is appropriate to their needs.

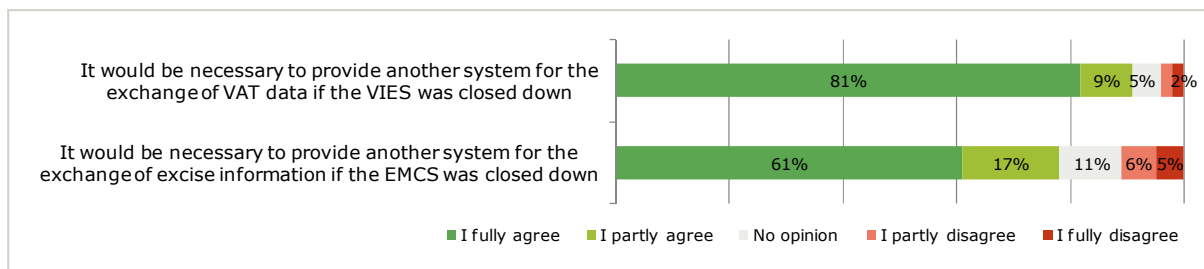
Chart 42 To what extent have Fiscalis activities corresponded to the needs of the participating national tax administrations?



Source: General survey to participants (Q9, Q15, Q21, Q35)

339. When analysing the topics that have not yet been addressed or for which respondents did not yet participate (Q10 and Q16), the result is a long list of all kind of possible topics, some of them being already addressed by Fiscalis 2013. Therefore, it is possible to conclude that there is no major loophole in coverage of topics/issues by Fiscalis, while it also indicates that there is work for Fiscalis in the future.
340. The survey results also indicate that a continued support to the IT systems for automated information exchange is needed, indicating that these systems are fully appropriate to the needs of the national tax administrations (Q37):

Chart 43 Please comment on the following statements regarding the scenario that certain aspects of the communication and information-exchange systems did not exist



Source: General survey to participants (Q31)

5.1.2 Main findings from interviews and case studies

Challenges

341. According to interviews and case studies, ensuring that the fight against fraud is carried out effectively remains the highest challenge faced by tax administrations and the Commission in the context of the Internal Market. This challenge provides the ground for European cooperation in this area, as all stakeholders have a common interest in this, and both the MSs and the European Commission need to secure resources in a context of high budgetary constraints.
342. Ensuring the *effective fight against fraud* is a continuous challenge in the context of the Internal Market:
- Tax policies and systems remain largely a nationally-reserved domain, while taxpayers increasingly exercise their right to free movement of goods and services in the Internal Market. This means that, while fraudsters as well as their goods and capital are highly mobile, tax collection remains tied up in national and often very different administration systems, making it difficult to locate persons or businesses and make tax claims when they move across borders.
 - Where EU legislation tries to harmonize or approximate rules and practices, its application on the ground is not always uniform, and complexity remains. This complexity and lack of harmonisation of the EU tax systems is a favourable ground for loopholes and fraudulent practices; it also generates a high burden for the tax administrations – for whom controls tend to be costly – and taxpayers – for whom compliance tends to be costly.
 - The context is continuously evolving: goods and services, selling methods, administrative systems, as well as policy priorities evolve. In this context, Members states continuously adapt their tax systems. These efforts are not or are hardly coordinated, which results in further-increasing complexity. Also, risks and threats evolve as fraud practices adapt to this changing context.

Do the programme's objectives continue to appropriately address existing challenges?

343. According to respondents, the programme objectives correspond well to needs and there is no necessity to change them. This is illustrated by many examples, where the programme's objectives prove to offer an appropriate answer to ongoing and upcoming challenges:
344. As an example of the persistent gap between the free movement of goods and services in the Internal Market, and the national and fragmented tax systems, one can mention the area of direct taxation. Whereas cooperation between tax administrations in the area of VAT has a relatively long history and a legal basis at the EU level, cooperation on direct taxation is new. According to interviewees, there has been high degree of reluctance from the MSs and their administrations to cooperate, due to a lack of trust in the intentions of the Commission and a fear that they were trying to impose obligations on the MSs. In this context, bilateral cooperation has long been preferred, which has resulted in flawed and fragmented coordination systems. These systems do not meet the challenge of the Internal Market, not only in terms of effective and efficient fight against fraud, but also in terms of the burden it generates for taxpayers (see also section 5.2.3). Although the situation has improved since 2005 and the first attempts to raise awareness among national administrations of the need to improve cooperation, there is still a need to build trust and cooperative spirit, and *improve administrative cooperation* in this area. Directive 2011/16/EU (replacing Directive 77/799/EEC) sets the legal framework for enhanced cooperation on direct taxation, but a lot needs to be done to make this happen.
345. The area of excise duties provides numerous examples of diverging application of EU law. The case of "Denatured Alcohol", which is very illustrative in this regard, can be mentioned (see Supplement 5). The Council Directive 92/83/EEC harmonises the structure for excise duties on alcoholic beverages and alcohol contained in other products. It defines the categories of alcohol and alcoholic beverages, which are subject to excise duty, and also provides exemptions from excise duty, subject to rules, for these particular purposes. In spite of this common legal framework, the denaturing regime remains complex as it enables different ways of complying with it: more than forty procedures for complete denaturing are recognised under Regulation (EC) No 3199/93 and several hundred procedures for partial denaturing are subject to mutual recognition. This diversity of national denaturing regimes does not encourage mutual trust, and renders appropriate controls difficult, time consuming and costly²⁴. In such a situation, there is a need to *better understand how MSs apply the regulation*, but also to *harmonise and improve processes on the basis of best practice* identified in the MSs.
346. As examples of evolving markets, the increasing use of biofuels and the necessity to ensure that these products are subject to appropriate controls can be mentioned. This situation falls within the scope of Council Directive 2008/118/EC concerning the general arrangements for excise duty and repealing Directive 92/12/EEC (referred to as the Horizontal Directive on Excise Duties). This Directive does not cover all products or can be too general. Also, MSs can have difficulties applying the legislation, as has been the case when facing increasing movement of biofuels over the years, and so need to discuss the legislation and its possible application in the MS, in order to ensure that biofuels are controlled appropriately. The MSs conclude that the existing framework needed to be modified, in order to address their need to have a better control over biofuel products.

²⁴ The lack of certificates and transparency makes it difficult to check whether a product has been denatured in accordance with EU and national laws; the knowledge of denaturants used in other MSs is limited and information is difficult to obtain; laboratories need to be over-equipped to be able to test all the different denaturants. More details are provided in the case study report (see Supplement 5)

347. As an example of evolving fraud practices along with changing context, the case study on “e-Audit” provides a good and topical example (see Supplement 5). The use of electronic systems and documents has been continuously increasing in some MSs. For others, it has become a necessity when, for example, the VAT Directive 2006/112/EC requires MSs to recognise the validity of e-invoices. Also, with the development of more and more sophisticated systems, the complexity of audit activities and of detecting fraud increases²⁵. Therefore, MSs have to make sure their audit capacities are constantly upgraded to cope with the fast evolution of electronic environments. Some MSs’ tax administrations (e.g. Denmark, the Netherlands) have developed audit techniques and processes at the same time as the use of electronic systems and documents increased. For others, this area of auditing activities is still little known. In such a context, where in addition to changing environments, capacities to react are uneven, there is a need to *develop and disseminate good practices* in order to ensure an effective fight against fraud in all MSs.
348. Finally, on the extent to which the programme’s objectives continue to correspond to needs, it is the view of the interviewees that the programme’s and AWP’s objectives offer a flexible framework, which can be “bent” to comply with a large range of needs. As mentioned earlier in this report, this is a conscious choice from the programme management team and stakeholders to keep the programme’s objective broad and vague. In addition, the annual process of selecting priorities is transparent and ensures that stakeholders’ needs are taken into consideration. Finally, the programme offers a platform for continuing dialogue for the MSs and the Commission, which creates a favourable ground to ensure relevance of the programme and its activities.

Do the programme’s activities address the needs of stakeholders?

349. From the interviews and the analysis of cases, but also from the results of the surveys analysed earlier in this report, it is clear that Fiscalis 2013 offers a range of complementary tools that are relevant to address needs and challenges. No situation has been identified where Fiscalis could not offer an appropriate type of activity; also, no suggestion has been made for a new type of activity.
350. The following table (Table 11) is an attempt to summarize the use of the different Fiscalis activities depending on needs. It is a non-comprehensive overview that illustrates the complementarity of the different activities, and their relevance to the programme’s objectives, depending from which stakeholder’s point of view this is examined. Sources used are mainly interviews and case studies, but it is also supported by an analysis of all the open Joint Actions under Fiscalis 2013.

²⁵ In the specific context of “points of sales”, for instance, new types of fraudulent behaviours like zappers and phantom-wares take advantage of the diversity of existing systems.

Table 11 Relevance of the different Fiscalis activities

Objectives (=<=> needs)	Participating countries	European Commission
Improved information exchange and administrative co-operation	<ul style="list-style-type: none"> • Communication and information exchange systems; e-Forms => to ensure effective, efficient and secured information exchange • Workshops (IT trainings) and e-learning modules => to learn how to use IT tools • Multilateral Controls => to actually conduct simultaneous controls • Joint Actions => to facilitate trust and network building, informal cooperation and permanent exchange of information 	<ul style="list-style-type: none"> • Communication and information exchange systems; e-Forms => to ensure effective, efficient and secured information exchange • Workshops (IT trainings) and e-learning modules => to ensure appropriate use of IT tools • Seminars (mainly) and Workshops, Project Groups => to support the development and implementation of IT tools • Project Groups => to maintain permanent platforms for exchange of information
A high standard of understanding of the Union's law and its implementation	<ul style="list-style-type: none"> • Multilateral Controls, Working Visits => to raise awareness of the different tax systems and working procedure and create mutual understanding • e-Learning modules => to learn about the legal and theoretical background 	<ul style="list-style-type: none"> • Seminars (mainly) and Workshops => to ensure appropriate and common understanding of EU law • e-Learning modules => to ensure appropriate and common understanding of EU law, disseminate knowledge and practices
Improved administrative procedures through development and dissemination of good administrative practice	<ul style="list-style-type: none"> • Working Visits, Multilateral Controls => to exchange good practice for capacity building or problem solving • Project Groups (incl. Platforms) => to exchange good practice for capacity building and compliance 	<ul style="list-style-type: none"> • Workshops (mainly) and Seminars, Project Groups (incl. Platforms) => to ensure uniform and effective application of EU law; to support the development of appropriate legal framework

5.1.3 Summary of findings

351. The programme continues to correspond to needs to a high extent: The specific objectives mentioned in the Fiscalis Decision correspond to the current challenges faced by the national administrations; the programme's operational objectives offer appropriate approaches to address these challenges.
352. According to all sources, the high level of tax fraud and tax evasion is, by far, the highest challenge faced by the national administrations. In the context of the Internal Market, this issue is rooted in the high complexity of the EU tax systems. Also, in a changing environment, the fight against fraud requires continuing efforts.
353. A high burden on administrations and taxpayers, and a lack of uniform and efficient implementation of EU law, are important issues as well. However, they are seen as being secondary or intermediate issues, which would be addressed in view of fighting against fraud.
354. Transparent priority setting, permanent dialogue with the Commission and other Participating Countries and flexibility of the programme objectives ensure that Fiscalis continues to correspond to needs
355. The types of activities proposed by Fiscalis continue to be relevant in view of achieving the programme's objectives. Also, they are highly complementary to each others.

5.2 The most relevant objectives of the programme in the past and future priorities

EQ5b Which of the objectives of the programme proved most relevant and what should be the main focus for the future?

EQ5c What internal or/and external factors might influence the achievement of those objectives upon the programme's termination?

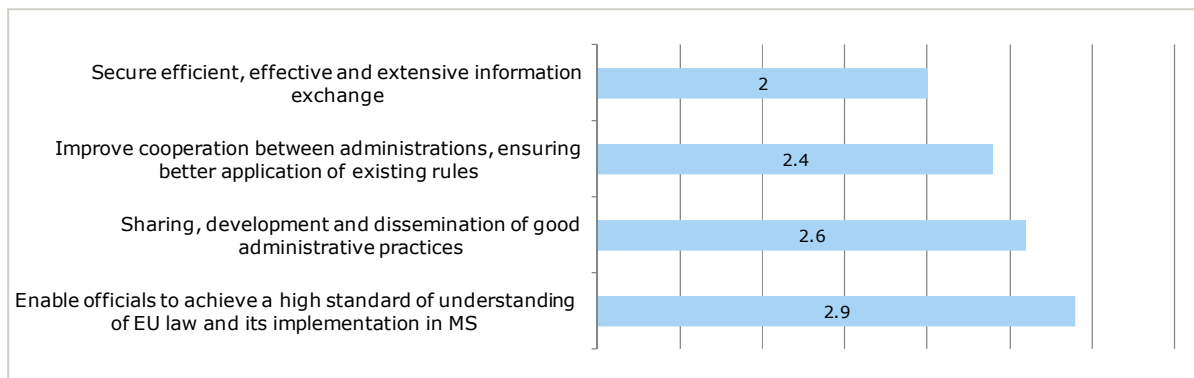
356. This section focuses on the objectives of the programme. It examines which objectives proved to be more relevant in the past and, in light with previous findings, consider possible focus for the future.

5.2.1 Main findings from surveys

5.2.1.1 Survey to the National Coordinators

357. According to the National Coordinators, "Secure efficient, effective and extensive information exchange" has been the programme's most appropriate objective to target the challenges faced by the national tax administrations.

Chart 44 Which objectives of Fiscalis have been the most appropriate to target these needs according to you? Please rank from 1 to 4, 1 being the most important (average)



Source: Survey to National Coordinators (Q6)

358. On the other hand, "Enable officials to achieve a high standard of understanding of EU law and its implementation in MS" has been the least appropriate objective to target the needs of the administrations. However, one can observe contradictory answers with regard to this objective, as 21% of respondents indicate this objective as the most important and 48% as the least important: there is a lack of consensus, which reflects the difference in priorities between VAT on the one hand, and excise duties on the other.

359. When asked about the needs that should be better addressed in the future (Q8), recurring answers from the National Coordinators include:

- Enhanced cooperation between the national administrations, including aligning objectives and better integrating the management and control systems
- Enhanced dissemination of practices and knowledge through common trainings and exchange of trainers

5.2.1.2 Targeted surveys to tax experts

360. “Improve cooperation between administrations, ensuring better application of existing rules” is, according to the experts who responded to the survey, the most appropriate objective of the programme.

Table 12 Which objectives of FISCALIS have been the most appropriate to your needs so far? Please rank from 1 to 4, 1 being the most important and 4 the least important (AVERAGE)

	VAT	Excise duties	Direct taxation	ALL (average)
Improve cooperation between administrations, ensuring better application of existing rules	2.3	2.3	2.2	2.3
Secure efficient, effective and extensive information exchange	2.2	2.8	2.5	2.5
Sharing, development and dissemination of good administrative practices	2.6	2.5	2.6	2.6
Enable officials to achieve a high standard of understanding of EU law and its implementation in MSs	2.9	2.5	2.8	2.7

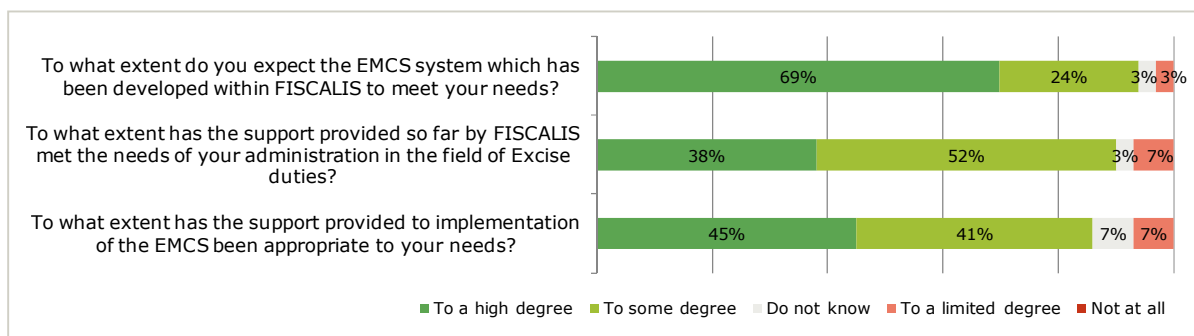
Source: Targeted surveys to tax experts in VAT (Q4), excise (Q4) and direct taxation (Q4)

361. When compared with the National Coordinators, there is an inversion between the two most relevant objectives: “Secure efficient, effective and extensive information exchange” is ranked 1st by the National Coordinators and 2nd by the tax experts; “Improve cooperation between administrations, ensuring better application of existing rules” is ranked 2nd by the National Coordinators and 1st by the tax experts. However, it should be noted that these two objectives are combined in the programme’s intervention logic and AWP (objective 2).

362. In the area of excise duties, survey results indicate that “Secure efficient, effective and extensive information exchange” has been less a priority, while “Enable officials to achieve a high standard of understanding of EU law and its implementation in MSs” has been more relevant. This contradicts the fact that, with the implementation of EMCS, information exchange has been high on the agenda these last few years. However, this can be understood as an indication that, while EMCS has required major investments and constitutes a significant improvement in the excise duty field, a shift in priorities is needed in the future.

363. In this regard, survey results show that EMCS is a relevant tool, which is expected to meet the needs of the tax administration to a very high degree. Meanwhile, the support offered by FISCALIS to its implementation has been appropriate to needs.

Chart 45 Please rate the below question on the FISCALIS programme



Source: Survey to experts in Excise (Q5)

364. Finally, the tax experts were asked about the needs that should be better addressed by Fiscalis in the future. The following can be said about their answers:
- In general, proposed topics are already reflected in the current objectives of the programme
 - In the area of VAT (Q5), recurring suggestions concern the fight against fraud. Also, respondents tend to favour more targeted “one-topic” activities
 - In the area of excise (Q6), respondents mention 1) a better understanding of the current administrative procedures in the MSs and 2) the harmonisation of national procedures

5.2.2 Main findings from interviews and case studies

Most appropriate objectives in the past

365. According to interviewees, the fight against fraud has been and remains the highest priority for both the Commission and participating countries. In order to achieve this, *to improve information exchange and administrative cooperation* has been the most relevant objective. This confirms the survey results, and is consistent with the significant share of the total budget that has been allocated to this priority. According to ART2 data, IT systems represent about 70% of the total expenditure in 2008 and 2009, and activities organised under AWP objective 2 “Information exchange and administrative co-operation among MSs” represent more than 50% of Joint Actions’ expenditure during the same period²⁶.
366. The Commission has also put the emphasis on *achieving a high standard of understanding of the EU law*, in order to ensure its uniform and effective application. MSs have shared this priority, but they have been focusing on the more practical aspects, i.e. *a better understanding of the implementation of the EU law in the MSs*, when too much heterogeneity in the application of the EU law has become detrimental to an effective and efficient fight against fraud.
367. Also, the *development and dissemination of good administrative practice* has been a shared priority for both the Commission and the MSs. This is seen as an appropriate way to achieve a uniform and effective application of the EU law, and an effective fight against fraud. Developing and disseminating good practices on the basis of existing experience avoids “reinventing the wheel”, as good and practical solutions to problems usually already exist in the EU27; this is also a way for the Commission to reach consensus using a bottom-up approach. This objective remains highly relevant for the future.
368. Reduced burden on administrations and taxpayers has, so far, not been a high priority. According to interviewees, this objective has been addressed indirectly. This has been confirmed in the previous sections of the report.

Priorities for the future

369. When talking about priorities for the future, interviewees, and in particular interviewees from the Commission, insist on the necessity of keeping a certain degree of flexibility. In the area of taxation, it is important to be able to take action when there is sufficient willingness from the MSs to progress in a certain area. For instance, energy taxation could well be a priority in the future, but it is not possible for the Commission to make it a priority at this stage, because it is up to the MSs to decide.

²⁶ Source : ART2, DG TAXUD R3, March 2011

370. In the field of direct taxation, there is momentum, and increased involvement of Fiscalis in this area is expected. The application of the new Directive 2011/16/EU on administrative cooperation in the field of taxation should be supported by increasing Fiscalis activities. In addition to this, other existing (or future) legislative instruments and corpus of soft law (especially as regards tax coordination) would need to be promoted by Fiscalis.
371. According to the Commission's policy unit for direct taxation, further developments would require:
- Increased awareness in the Commission (including other DGs such as DG MARKT) and the National Administrations of the possibilities offered by Fiscalis
 - Better coordination between the direct taxation and VAT sectors: in the management of the programme, these two areas are kept very separate, while in most national administrations both tax areas are often handled by the same authority. Better coordination would be highly beneficial for increased cooperation in the area of direct taxation.
372. Increased involvement of the programme in the area of direct taxation could come along with higher priority given to reducing the burden on taxpayers. Indeed, the heterogeneity of the tax systems in the Internal Market is an obstacle to the free movement of persons, goods and services. This is a well identified issue, especially in the area of direct taxation, but which so far has been given little priority.
373. Also, a better focus on voluntary compliance could be a priority for the future. This would be coherent with the objective of a reduced burden on taxpayers, as high compliance costs encourage fraudulent behaviours. Also, increasing voluntary compliance means decreasing costs of the fight against fraud, which becomes a high priority in the national administrations due to budgetary cuts.
374. The above priorities would induce an increasing involvement of the business community in Fiscalis activities. While businesses and taxpayers at large are programme's stakeholders, they have been involved in Fiscalis activities to a very limited extent. Examples of such involvement have been identified by the case studies on "Denatured alcohol" and "Fight against VAT fraud", where these stakeholders have been involved, although to a limited extent.
375. In general, the fight against fraud should, and will, remain a high priority of the programme. In particular, there is a need to continuously monitor emerging fraud, and increase the exchange of information and practices. Earlier detection of emerging fraud through early warning mechanisms becomes increasingly critical, and high support should be given to Eurofisc.
376. In the Excise field, there should be a shift in priority, now that EMCS is operational. In the future, Fiscalis should support increasing initiatives in the area of administrative cooperation, through the development of common e-Form and an increasing number of MLCs. In addition to this, there is a need for improved and aligned administrative practice through the development and dissemination of good administrative practice.
377. Finally, interviews and cases studies indicate that there could be a need to push forward the boundaries of the programme, which to some extent has reached the limits of what it enables stakeholders to do. In particular, there are demands for:
- integrated processes, including central clearance
 - harmonised administrative standards
 - modernisation of administrations

378. Also, there is an increasing demand to involve further countries who are not MSs, candidate countries or potential candidates in the activities of the programme. In some areas, Fiscalis tends to overlap with OECD activities, while in the meantime it has demonstrated its ability to deliver faster and better than the international organisation. For instance, Canada, USA and Mexico have asked to be granted access to the direct taxation e-Forms developed with the support of Fiscalis. This of course is a competitive advantage, as the EU is in a position to promote its standards. So there is a common interest from the Commission and the MSs for these countries to attend..

5.2.3 Main findings from secondary data

379. A review of key documents shows that, although the programme objectives are clearly relevant to the broader EU Agenda, there is a need to more directly target the area of direct taxation, in a view to not only fighting against fraud, but also to reducing the burden on taxpayers and ensuring their Single Market rights.

5.2.3.1 The Single Market Act²⁷

380. The Single Market Act is a compact plan of 12 key actions to be implemented by the end of 2012 "to boost growth and strengthen confidence". It points to several issues to be tackled with implications in the area of taxation.
381. In particular, key action # 9 focuses on a review of the Energy Tax Directive, expected in the 2nd quarter of 2011. The main purpose of the action is to reduce administrative burdens for businesses operating in several MSs and thus to facilitate relations between businesses and tax authorities. This also necessitates organizing administrative cooperation between the MSs' tax authorities. This is consistent with the findings that administrative cooperation should be reinforced in the future and supports the idea that reducing administrative burdens should be given a higher priority than it has been given so far.
382. Another core issue in the Single Market Act is linked with the digital aspects of the Single Market. As stated in the Single Market Act, "the development of digital technology is one of the main levers for boosting growth and employment in the EU". However, the development of e-commerce is a challenge for MSs' tax administrations, which must be able to control e-commerce activities, lest this trend should result in revenue loss for the MSs. Fiscalis has proved highly relevant in this area, since issues raised by the growing use of electronic systems are being addressed by the programme activities, like the e-audit Platform (FPG/027, see case study on "e-Audit" in Supplement 5). Findings from the surveys, interviews and case studies pointing to the need to keep the objective of fighting against fraud high on the Fiscalis agenda are supported by the foreseen growth in e-commerce.
383. Finally, by the end of 2011, the Commission intends to identify the elements of a VAT Strategy which should lead on to legislative initiatives.

5.2.3.2 The Monti report on the future of the Single Market²⁸

384. One year before the Single Market Act, the Monti report on the future of the Single Market also featured tax-related recommendations to relaunch the Single Market, starting with "cutting tax-related administrative burdens and compliance costs for business and citizens".

²⁷ http://ec.europa.eu/internal_market/smact/docs/20110413-communication_en.pdf#page=2

²⁸ http://ec.europa.eu/bepa/pdf/monti_report_final_10_05_2010_en.pdf

385. Key recommendations in the area of taxation also cover

- administrative cooperation and exchange of information: “updating rules on cross-border relief”, “introducing a binding dispute settlement mechanism covering double taxation suffered by individuals”;
- reform of VAT rules “in a Single Market-friendly way”.

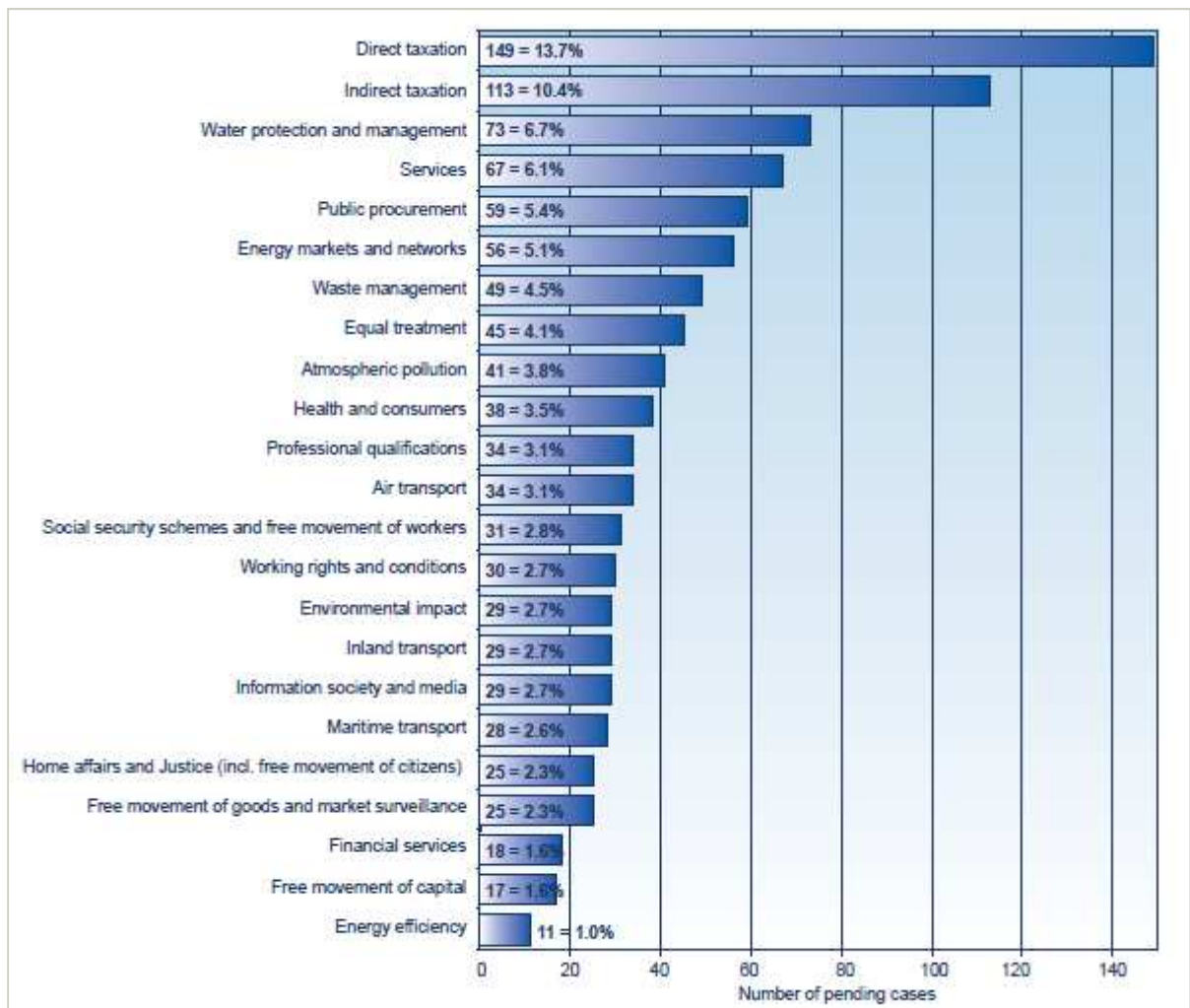
386. Recommendations also support the idea that there are needs beyond those currently addressed by the programme, for instance in relation to the modernisation of tax administrations.

5.2.3.3 The Internal Market Scoreboard

387. The last Internal Market Scoreboard (# 22) shows that a lot remains to be done to ensure a uniform and effective application of EU law in the area of taxation. Cases related to direct and indirect taxation account for almost one fourth of all infringement proceedings pending in December 2010. Direct taxation is the most pressing issue, with the highest number of infringement cases in relative terms.

388. This supports the finding from surveys and interviews that the application of EU law remains one of the main challenges to be addressed in the area of taxation.

Chart 46 Infringement proceedings per area



Source: Internal Market Scoreboard 22: December 2010

5.2.3.4 The 27th annual report on monitoring the application of EU law (2009)²⁹

389. The Commission staff working document, accompanying the report from the Commission's 27th annual report on monitoring the application of EU law (2009), provides some interesting explanation of the data presented in the Internal Market Scoreboard.
390. The report indicates that, considering the lack of secondary Community legislation in the area of direct taxation, action from the Commission relates mainly to breaches of EU law raising issues of principle, i.e. application of the fundamental treaty freedoms in respect of differential treatment of domestic and cross-border situations. The report notes "a marked increase in enquiries, complaints and references for preliminary rulings" in this area, which has been the trend for several years now. The Commission has adopted a horizontal approach to infringement against this, looking at similar infringements in different MSs and encouraging them to consider more cooperation in the area of direct taxation, in order to actively promote compliance with EU law and remove discrimination.

5.2.4 Summary of findings

391. The fight against fraud has been the highest priority so far, and the current programme's objectives have proved to be relevant in this regard. The fight against fraud will remain a priority for the future of Fiscalis, while more emphasis should be put on the following upcoming issues:
- Voluntary compliance
 - Exchange of information on emerging fraud
 - Making the most of the early warning mechanisms of "Eurofisc"
392. There is momentum for increased activities in the direct taxation field, especially in the area of information exchange and administrative cooperation. This would go hand in hand with increased focus on a reduced burden on taxpayers, as the complexity of the tax systems in the Internal Market does not only encourage fraud, but also creates obstacles to the exercise of the Single Market rights. A higher degree of involvement of Fiscalis in these two areas would require increased awareness in the Commission and the national administrations of the possibilities offered by the programme.
393. There are indications that the boundaries of the programme could be pushed forward. Especially:
- The community of stakeholders should be enlarged to a higher extent to businesses, taxpayers and countries that are not MSs, candidate countries or potential candidates, where useful,
 - There are demands for more activities in the area of integrated processes, harmonised administrative standards and modernisation of the administrations.
394. The future developments of the programme depend on the willingness of the MSs to increase cooperation in the field of taxation policy, and the capacity of the management teams to increase their activities.

²⁹ (http://ec.europa.eu/eu_law/docs/docs_infringements/annual_report_27/sec_2010_1143_en.pdf)

6. EU ADDED VALUE

EQ6. What is the added value of the programme at the EU level?

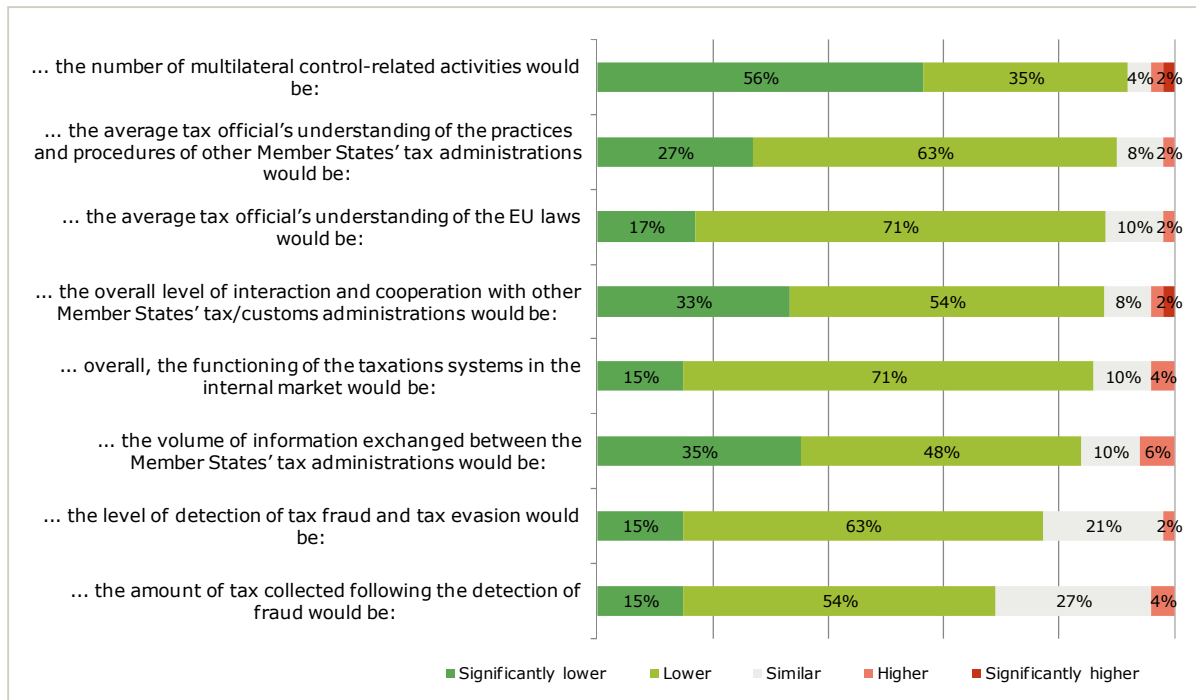
395. This chapter examines the programme's EU added value, defined as "the 'value' resulting from an EU intervention that is additional to the "value" that would have resulted from intervention at national or regional levels".
396. The EU added value is not always easy to capture. For the purpose of this evaluation, this evaluation criterion has been examined mainly through an analysis of the counterfactual situation: in surveys and interviews, respondents were asked to consider a hypothetical situation without Fiscalis, i.e. the MSs would have to organise themselves to cooperate.

6.1 Main findings from surveys

6.1.1 Survey to National Coordinators

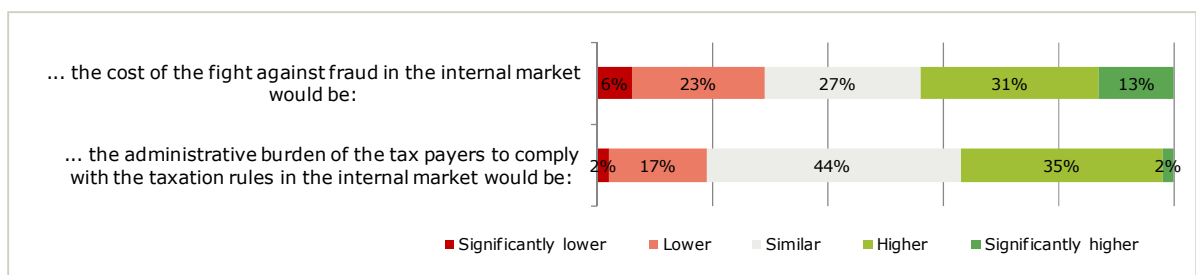
397. Overall, the discontinuation of the Fiscalis programme would have a very negative impact: depending on the type of impact considered, from 83% to 92% of the National Coordinators consider that without Fiscalis, i.e. the MSs would have to organise themselves, the situation would deteriorate.

Chart 47 How would you compare a hypothetical situation - without Fiscalis, i.e. the MSs would have to organise themselves to cooperate – with the current situation?



Source: Survey to National Coordinators (Q17)

Chart 48 Chart 39 How would you compare a hypothetical situation - without Fiscalis, i.e. the Member States would have to organise themselves to cooperate – with the current situation?



Source: Survey to National Coordinators (Q17)

398. According to the National Coordinators, the most significant impact of the discontinuation of Fiscalis would be lower information exchange and administrative cooperation (including fewer MLCs).

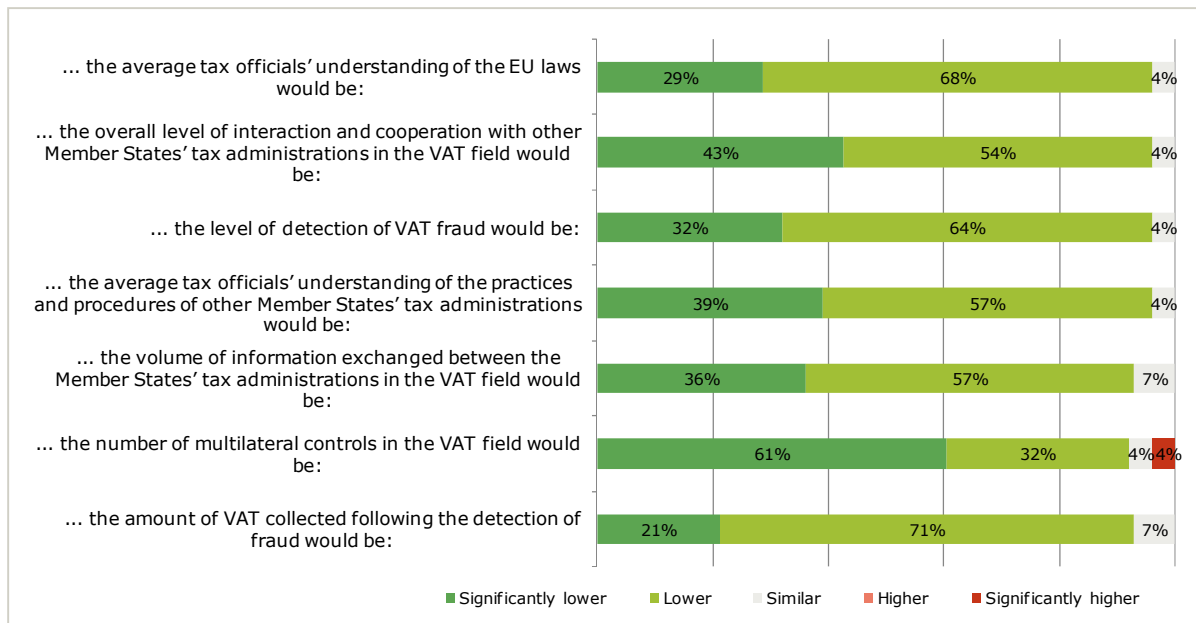
399. Consistent with the assessment of the programme's effectiveness by the National Coordinators, the negative impact of the discontinuation of Fiscalis would be more significant on its direct outputs rather than on its broader outcome on the functioning of the tax systems in the Internal Market (including the fight against fraud).

400. According to the National coordinators, a situation without Fiscalis (i.e. the MSs would have to organise themselves to cooperate) would also have a negative impact on the efficiency of the tax systems.
401. Finally, it should be noted that when looking at the hypothetical situation without Fiscalis (i.e. the MSs would have to organise themselves to cooperate), the picture is the opposite of the current situation: the higher the positive contribution of the programme to the functioning of the tax systems in the Internal Market, the more significant the negative impact of its discontinuation. Also, the discontinuation of the programme on the burden on the taxpayers would be negative, but less significant than on other aspects of the functioning of the tax systems in the Internal Market.
402. When asked to justify their answers in an open-ended question (Q18), the National Coordinators elaborate further on the EU added value of Fiscalis. The numerous comments collected can be summarized as follows. When compared with a situation where the MSs would have to organise themselves to cooperate, the EU added value of Fiscalis lies in :
- A centralised coordination, which ensures prioritized, complementary and synchronised activities
 - Momentum, which encourages the MSs to cooperate, support each other, and share practices; according to the National Coordinators, the cooperation between MSs would be reduced to a minimum without Fiscalis
 - More multilateral and cross-EU cooperation; according to the National Coordinators, the MSs would favour bilateral and regional initiatives without Fiscalis
 - Secured financial and IT resources; without Fiscalis, the MSs would not make these resources available for cooperation, since this would not be a priority
 - An opportunity to get in close contact with tax officials from other MSs; in particular, such opportunity does not exist elsewhere for the candidate countries and potential candidates
 - A large network of tax officials connected to each other all over Europe
 - Easier and faster access to resources for international cooperation; without Fiscalis, it would be necessary to systematically negotiate a budget for every single cooperation activity in every single participating country
 - More efficient simultaneous controls, as Fiscalis MLC have to be terminated within three years after their initiation.

6.1.2 Targeted surveys to tax experts

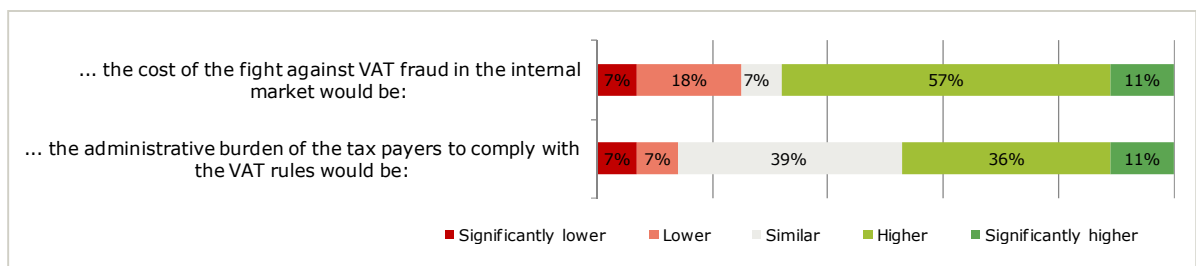
- 403. Overall, the targeted surveys to tax experts confirm that without Fiscalis, i.e. the MSs would have to organise themselves to cooperate, the different aspects of the functioning of the taxation systems in the EU would deteriorate.
- 404. In the area of VAT, the discontinuation of the Fiscalis programme would have a very negative impact on the national administrations and the functioning of the taxation systems in the EU: The share of respondents who would expect a negative impact in the area of VAT ranges from 93% to 96%, depending on the angle from which this is examined.

Chart 49 How would you compare a hypothetical situation - without Fiscalis, i.e. the Member States would have to organise themselves to cooperate – with the current situation?



Source: Survey to experts in VAT (Q11)

Chart 50 Chart 40 How would you compare a hypothetical situation - without Fiscalis, i.e. the Member States would have to organise themselves to cooperate – with the current situation?



Source: Survey to experts in VAT (Q11)

- 405. Also, the survey results show that the discontinuation of Fiscalis would have a significant negative impact on the effectiveness (lower level of detection and lower amounts of VAT collected following the detection of fraud) and the efficiency of the fight against fraud. This confirms the results from the general survey to participants, which establish a clear link between Fiscalis supported tools – and in particular VIES and MLCs - and a more effective fight against fraud (see sections 3.5 and 4.2.2).

406. When comparing between different aspects of the functioning of the tax systems in the Internal Market, the impact of a discontinuation of the programme on the burden on the taxpayers would be negative but less significant. This is consistent with other survey results, which indicate that the negative impact of a discontinuation of Fiscalis would be correlated to its positive contribution to the functioning of the tax systems in the Internal Market.
407. When compared with other tax areas, a discontinuation of Fiscalis would have the most significant negative impact in the area of VAT.
408. In the area of *excise duties*, the survey results are similar to those in the area of VAT. The impact of a hypothetical discontinuation of Fiscalis is expected to be negative on all aspects of the functioning of the taxation systems in the Internal Market. Depending on the angle from which this is examined, from 52% to 93% of respondents consider that the discontinuation of the programme would have a negative impact (Q12).
409. When comparing with other tax areas, the impact of the counterfactual situation on the administrative burden on the taxpayers is clearer in the area of excise duties: according to 55% of respondents, a situation without Fiscalis would result in a higher administrative burden on the taxpayers to comply with the excise rules. This can be related to the positive contribution of EMCS in reducing the administrative burden on the tax administrations and the taxpayers, and which has been established in section 3.5.1.2.
410. The survey results in the area of *direct taxation* indicate that the discontinuation of Fiscalis would also have a negative impact on the programme's objectives and the functioning of the taxation systems in the EU.
411. When compared with other tax areas, however, such an impact is expected to be far less significant. This is consistent with other survey results and can be explained by the fact that Fiscalis has been involved to a lower extent in the area of direct taxation so far.

6.1.3 General survey to participants

412. The EU law on administrative cooperation offers the possibility for the MSs to conduct simultaneous controls. These controls, if justified and successful, supposedly ensure a higher amount of taxes and duties collected, meaning that the MSs should expect a return on investment. For these reasons, the question of the EU added value is particularly relevant regarding the support provided by Fiscalis to the MLCs.
413. However, the survey results show that Fiscalis support to MLCs offers added value (Q12):
- According to 54% of respondents (who "fully disagree" or "partly disagree" with the statement), MLCs would most probably not take place without European funding.
 - According to a large majority of respondents, the absence of Fiscalis-supported MLCs would have a negative impact on the level of tax detection and the protection of financial interests and legitimate businesses.

6.2 Main findings from interviews and case studies

414. First of all, interviewees from the participating countries acknowledge that almost all international cooperation activities in which their administration is involved occur within Fiscalis. Because this would not be a priority for the national administration, and the budget would therefore not be available, interviewees are convinced that very little would happen without the programme.
415. Also, interviewees believe that the contribution of Fiscalis to the functioning of the tax system in the Internal Market is not self-sustainable, at least not in the medium term:
- Without the support from Fiscalis, cooperation activities would decrease and the relationships between the tax officials would tarnish, meaning less formal and informal exchange of information and knowledge.
 - Also, if the programme was discontinued, the communication and information exchange systems could not be maintained, especially in the “not so well-off” participating countries.
416. Interviewees believe that there is a natural tendency in the MSs to cooperate bilaterally or regionally, as it is still the case in the area of direct taxation for instance. In this regard, Fiscalis serves as a catalyst for multilateral cooperation and without the programme cooperation would probably decline from multilateral to bilateral or regional cooperation.
417. Apart from the situation where the MSs would have to organise themselves to cooperate, there are two current alternatives to Fiscalis, which further emphasize the added value of the programme: the “classic” Commission’s committees and working groups, and the OECD:
418. In comparison with the Commission’s committees and working groups, Fiscalis enables enhanced cooperation and better quality results:
- Participants in Fiscalis activities are not representatives of their MS, but experts invited to cooperate with their peers on very practical aspects of their work. For this reason, they can contribute to the work without feeling the unnecessary pressure to present the official position of their country, in an area that is a national domain.
 - In such a set up, it becomes easier to create momentum and enhance cooperation: through formal but also informal interactions, Fiscalis is able to raise awareness of the need to cooperate on issues of common interest, create mutual trust and a cooperative spirit. This phenomenon can be currently observed in the area of direct taxation.
 - Fiscalis enables activities that focus on practical issues. It brings experts together to discuss the issues in details, share experience, knowledge and practices, and identify possible solutions. All this ensures the quality of the work done.
419. In comparison with the OECD, Fiscalis enables easier and faster decisions and progress:
- In the OECD, MSs’ representatives need to negotiate a budget for each cooperation activity they want to be involved in. This means that progress depends on whether MSs want to make international cooperation a priority. In the OECD, this situation usually ends up with a few countries offering their contribution to ensure that progress can be made. Such a situation creates delays.
 - Fiscalis, on the contrary, offers secured and dedicated financial and IT resources. This means that access to resources for international cooperation is easier and faster.
 - As a result, compared with the OECD, Fiscalis is always first to deliver. One example is given by the work on e-Forms for direct taxation (eFDT). Some steps had already been taken by OECD in order to develop such forms when the Commission and the MSs decided to move on with the support of Fiscalis. After 6 months of rapid progress, the OECD decided to stop its activities and to wait for the results of the Commission’s work. Instead, the Commission gave Canada, USA and Mexico access to these forms for free at their request and proposed to the OECD to endorse the EU e-Forms as being also EU/OECD e Forms. The OECD could therefore in a near future propose to its member countries to use the EU e Forms.

6.3 Summary of findings

420. Overall, the EU added value of Fiscalis is high and can be clearly seen through evidence.
421. Findings indicate that the contribution of the programme to the functioning of the tax systems could not be sustained if the programme were to be discontinued.
422. In terms of effectiveness, and when compared with a situation where the MSs would have to organise themselves to cooperate, the EU added value of Fiscalis lies in :
- A centralized coordination, which ensures prioritised, complementary and synchronised activities
 - Secured financial and IT resources; without Fiscalis, the MSs would not make these resources available for cooperation, since this would not be a priority
 - For the “poorer” or “smaller” MSs, a possibility to participate on equal basis to exchange information and cooperate administratively (an issue of cost) and early preparation of legislation (an issue of power)
 - An opportunity to build formal and informal networks between tax officials from different national administrations
 - Sustainability of the IT systems as well as the informal information channels, which would shrink without Fiscalis
 - More cooperative and better quality of dialogue, free of political pressure or national interests
 - Multilateral cooperation, while the Member States tend to cooperate more on a bilateral and regional basis without EU support
423. In terms of efficiency, the EU added value of Fiscalis consists in :
- Easier and faster access to resources for international cooperation
 - Faster cooperation, as Fiscalis enables informal set ups on a voluntary basis
 - More efficient coordination, as Fiscalis offers an established network of national coordinators, that is easily accessible to all

7. CONCLUSIONS AND RECOMMENDATIONS

424. This chapter concludes the report with clear and short answers to each of the evaluation questions. Then, it presents the evaluator's recommendations for better achievements, where progress margins were identified.

7.1 Conclusions

425. As is shown in this first section, the conclusions of the mid-term evaluation of Fiscalis are positive. Overall, the programme should continue on the same path.

426. ***EQ1 In what cases and to what extent has the programme contributed to improve the proper functioning of the taxation systems in the internal market with regard to each of the following objectives?***

427. The contribution of Fiscalis 2013 to improving the proper functioning of the taxation systems in the internal market is positive and significant.

428. The programme has contributed to a uniform, effective and efficient application of the EU law, and has contributed to a more effective fight against fraud. In some instances, such as the MLCs and the communication and information exchange system VIES, a clear link can be established between increased fraud detection and Fiscalis activities. In the case of MLCs, this can even be measured in terms of the amount of tax fraud detected thanks to MLCs supported by Fiscalis 2013 (about EUR 1.5 billion). In other cases, the nature of the activities makes it more difficult to measure their impact on the fight against fraud in a tangible way, but triangulated findings from stakeholders indicate that this impact is also positive.

429. Achievements of the programme are the most significant in the area of VAT and excise duties. In the area of direct taxation, findings indicate that a higher involvement of Fiscalis would be beneficial.

430. The contribution of the programme to decreasing the burden on the taxpayers is tangible but is an indirect consequence of the programme achievements with regard to other objectives. With a few exceptions –the implementation of EMCS – Fiscalis 2013 activities have sought to contribute to this objective to a very limited extent.

431. Evidence of the programme's contribution to improving the proper functioning of the taxation systems is weaker compared with evidence of the programme's contribution to its operational objectives. This indicates a need for better follow up of the actions and monitoring of the results from both the Commission (who should specify more clearly the monitoring requirements) and the participating countries (who should collect data and report on it).

432. ***EQ1a In what cases and to what extent has the programme contributed to improved information exchange and administrative co-operation between participating national tax administrations***

433. Fiscalis 2013 has contributed to a high extent to improving information exchange and administrative cooperation.

434. In this area, Fiscalis has offered continued support to existing IT systems, while also contributing to the implementation of new tools as a consequence of newly adopted legislation. In 2008 and 2009, IT systems represented 72% of the total programme expenditure. According to monitoring data on the use of the systems and evaluation's findings on their utility, these IT systems have contributed to improve significantly the information exchange and administrative cooperation in all tax areas.

435. VIES would benefit from higher quality data and faster processing of requests. Evidence indicates that this is the responsibility of the MSs: while monitoring data shows good performance of the system at EU level, the Commission services have no control over the scope and quality of the information stored by national administrations, or the availability, continuity and performance of the national databases.

436. Joint Actions have also contributed to the programme's achievement in this area. They have offered critical support to the development and implementation of the IT tools. They have also been instrumental in supporting the development of informal and regular cooperation and exchange of information and knowledge between national administrations.

437. ***EQ1b In what cases and to what extent has the programme contributed to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation?***

438. Fiscalis 2013 has contributed to a high extent to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation.

439. The programme's achievements are the most significant in terms of improving the understanding of the other MSs' practices in *implementing* EU law. Difficulties in implementing the EU law have been overcome through the exchange of experience and practices, and mutual support.

440. The programme's achievements tend to be less significant in terms of achieving a high standard of *understanding* of the EU law as such. In particular, the programme's contribution to this objective is seen as less significant by the MSs, while the Commission sees it as a major achievement of the programme. This reveals diverging priorities with regard to this objective: while it is the Commission's role to enforce EU law, national administrations are more centred on their own problems in implementing the EU law.

441. ***EQ1c In what cases and to what extent has the programme contributed to improved administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice?***

442. Fiscalis 2013 has contributed to a very high extent to the development and dissemination of good administrative practice between national administrations.

443. All types of Joint Actions have contributed to this objective. Working Visits and Multilateral Controls have been instrumental to the exchange of practices, and Project Groups (as well as Seminars and Workshops to some extent) have supported the development of good practices. Most of the programme's achievements in terms of a more uniform and effective application of the EU law and increased capacities to fight against fraud have been supported by the development and exchange of good administrative practices.

444. The extent to which practices in the MSs have changed as a result of Fiscalis cannot be demonstrated in a tangible way. While obvious examples are given when the development of good practice has resulted in a modification of the EU legislation, strong evidence that shared knowledge and practice has been used in the tax administration is scarce and anecdotal.

445. ***EQ1d. What internal and/or external factors have influenced the achievement of those objectives?***

446. Fiscalis operates under high external constraints, due to the fact that the tax policies remain to a large extent a nationally-reserved domain. The management and achievements of the programme depend on decisions at the executive level in the national administrations, and the policy makers at the EU and national levels.

447. While working under these constraints, the ability of the programme to create a sense of common interest, stimulate mutual trust, informal cooperation, networking and cooperation spirit, has been a critical success factor. Joint Actions have been instrumental in this regard, as they have enabled experts from the same field in different MSs to meet and get to know each other.

448. ***EQ2a. To what extent has the programme facilitated taking the necessary measures for accession in the field of tax legislation and administrative capacity in the candidate countries and potential candidates? EQ2b. What internal or/and external factors have influenced the achievement of that objective?***

449. Fiscalis does not contribute directly to taking the necessary measures for accession and no specific activity has been targeted to this objective.

450. A causal link is difficult to draw between participation in the programme and progress towards meeting the criteria for accession, but candidate countries and potential candidates mainly benefit from the programme through a better understanding of the taxation systems in the EU and building a network of partners within the EU to prepare for accession.

451. Language, visas, and limited human resources and capacities are hindering factors to the achievement of the programme's objective.

452. Pre-accession programmes like IPA and TAIEX are complementary to Fiscalis and offer appropriate and more specific support to candidate countries for them to take the necessary measures for accession in the field of tax legislation and administrative capacity.

453. ***EQ3a. To what extent has the programme management (transparency, decision-making, priorities, coordination, involvement of stakeholders, action plans and guidelines, monitoring and follow-up, etc.) been optimal for achieving the desired results?***

454. The programme management has been optimal to achieving the desired results. Necessary actions have been taken to improve the programme's achievements where problems have been identified.

455. There are some weaknesses in the monitoring activities of the programme. They can partly be explained by limited human resources for management activities in both the European Commission and the national administrations. Also, monitoring and evaluation requirements are not very clear and remain loosely applied.

456. ***EQ3b. To what extent has the sharing of information (between the participating countries, and between the participating countries and the Commission) resulting from the activities of the programme, helped to consolidate more effective functioning of the taxation systems in the internal market?***

457. Fiscalis has enabled the building of networks for the sharing of information between stakeholders. Such networks are both formal (e.g. platforms) and informal (e.g. Joint Actions contribute to a high extent to network building between tax officials who have the opportunity to meet and work together). These are seen as being critical for the improvement of mutual assistance between participating countries. In order to support networking and the sharing of information, Fiscalis has assisted the development of IT tools (e.g. web-platforms, forums, databases etc.).

458. A new platform for information sharing (PICS) has been launched in the beginning of 2011. It is expected to be complementary to CIRCA and it offers possibilities of social media and social communication that CIRCA is not offering; as such, it is expected to address some of the weaknesses of CIRCA.

459. ***EQ4. To what extent have the programmes' resources produced best possible results at the lowest possible cost?***

460. Fiscalis 2013 has offered high value for money. On the one hand, Fiscalis offers a high input/outcome ratio as it generates cost reductions (reduced costs of the fight against fraud in the Internal Market thanks to easier and faster access to information and improved practices) and revenues (increased fraud detection and tax recovery). According to the Commission's monitoring data, revenues potentially generated by Fiscalis 2013 are higher than the programme's expenditure, as the amount of tax due identified thanks to MLCs is about EUR 1.5 billion (March 2011).

461. On the other hand, evidence shows that the input/output ratio is low. Where possible, the programme management has taken action to ensure increased value for money compared with previous periods.

462. One possibility to increase further the input/output ratio is to improve the level of outputs with the same amount of resources. This would require increased human resources for the programme management in order to increase the percentage of expenditure, and better monitoring and follow up of actions. Another possible axe for improvement is innovation, through the creation on new tools.

463. ***EQ5.a To what extent do the objectives of the programme continue to correspond to the needs of the, primarily, participating national tax administrations, and of other stakeholders?***

464. The programme continues to correspond to needs to a high extent: The specific objectives of the Fiscalis Decision correspond to the current challenges faced by the national administrations; the programme's operational objectives and activities offer appropriate approaches to address these challenges.

465. Transparent priority setting, permanent dialogue with the Commission and other Participating Countries, and flexibility of the programme objectives ensure that Fiscalis continues to correspond to needs.

466. ***EQ5.b Which of the objectives of the programme proved most relevant and what should be the main focus for the future? EQ5.c What internal or/and external factors might influence the achievement of those objectives upon the programme's termination?***

467. The fight against fraud has been the highest priority so far, and it will remain a priority for the future. Yet, more emphasis should be put on voluntary compliance, exchange of information on emerging fraud, and early warning mechanisms.

468. There is demand for more involvement of Fiscalis in the field of direct taxation, not only in the area of information exchange and administrative cooperation where it is already used, but also for the other aspects of direct taxation.

469. There is a need for an increased focus on reduced burden on the taxpayers, as the complexity of the tax systems in the Internal Market encourages fraud and creates obstacles to Single Market rights.

470. The boundaries of the programme should be pushed forwards, in order to enable increased participation of stakeholders in the programme (e.g. businesses, taxpayers and OECD countries) and to take up some new challenge in terms of coordination of the taxation systems in the EU.

471. The willingness of the MSs and the capacity of the management teams will influence the achievements of the programme in the future.

472. ***EQ6. What is the added value of the programme at the EU level?***

473. Fiscalis offers high EU added value: evidence shows that most of the programme's achievements could not result from intervention at national or regional levels, European Commission's committees and working groups, or in the OECD.

474. The EU added value of Fiscalis 2013 lies in a higher degree and a better quality of cooperation between national administrations, and lower costs of such cooperation.

7.2 Recommendations

475. Despite the positive conclusion of this evaluation, there is still some room for improvement. In this section, the evaluator puts forward a number of recommendations for even better achievements, with a view to improving the proper functioning of the taxation systems in the internal market.
476. The recommendations below are aimed at the European Commission. They take into account the contextual factors that limit the possibility to take initiative in the area of taxation policies without full consent of the MSs.
477. ***Recommendation 1: The European Commission and the Member States should give higher priority to cooperation in the field of direct taxation, and increase Fiscalis activities in this area in order to address the needs, in particular in terms of a more effective and efficient fight against fraud and a reduced burden on the taxpayers.***
478. *Recommendation 1.1:* The Commission should support activities aiming at increasing the awareness of the programme and promoting a sense of mutual interest among stakeholders in the field of direct taxation. This could take the form of: 1) Consultations within the DG TAXUD services to explain and discuss how Fiscalis could help to implement legislation and soft law (mainly Communications from the Commission) and contribute to the achievement of the Commission's policy objectives in the area of taxation; 2) Seminars and Workshops, initiated by the Commission in areas of mutual interest, in order to explain and discuss with MSs and other stakeholders the possibilities offered by Fiscalis, and investigate areas of possible cooperation.
479. *Recommendation 1.2:* The Commission should ensure that Fiscalis funding possibilities are used as much as possible to support the implementation of the Council Directive 2011/16/EU on administrative cooperation in the field of taxation. This directive is opening new opportunities and, building on previous experience in the area of VAT and excise duties, Fiscalis should play a major role in implementing the new legislation. A Fiscalis road map on the implementation of the directive should be considered to anticipate possible or necessary activities.
480. *Recommendation 1.3:* The Commission and MSs should exploit more systematically the complementarities that exist between the VAT and direct taxation sectors in order to create synergy and stimulate cooperation. For example, the Commission should ensure that direct taxation has been considered when initiating a new Joint Action in the area of VAT (including MLCs); also, possible complementarities should be systematically investigated and/or promoted as part of permanent initiatives such as the different platforms on risk management, e-audit, MLCs etc. To exploit such complementarities more systematically, concrete connections should be made explicit in the future Annual Work Programmes.
481. ***Recommendation 2: Reduced burden on the taxpayers should be a specific objective of Fiscalis in the future, and the European Commission and the Member States should increase the programme's activities targeting this objective with a view to improving the functioning of the internal market.***
482. *Recommendation 2.1:* The Commission should promote the objective of reduced burden on the taxpayers as a core objective of Fiscalis, not only in view of fighting against fraud, but also in order to reduce obstacles to the exercise by taxpayers of their Single Market rights and fostering economic growth. For this, the Commission should 1) restore this objective in the programme's intervention logic and 2) make this objective explicit in its Annual Work Programmes. By doing so, the Commission would be in a better position to take initiatives in this area and to monitor progress.

483. *Recommendation 2.2:* The Commission should support activities aiming at increasing the awareness of the programme among stakeholders who have an interest in the area of reduced administrative burden. Possible stakeholders are DG MARKT and DG ENTR of the European Commission, services responsible for the modernisation of the tax administration in the MSs, as well as the business community. This could take the form of: 1) Consultations within the Commission's services to explain and discuss how Fiscalis could contribute to the achievement of the Commission's policy objectives in terms of reduced burden on the taxpayers; 2) Seminars and Workshops, initiated by the Commission in areas of mutual interest, in order to explain and discuss with MSs and other stakeholders the possibilities offered by Fiscalis, and investigate areas of possible cooperation. While doing this, the interest of the National tax administrations should be promoted, and possible links with voluntary compliance should be exploited.
484. *Recommendation 2.3:* More specifically, the Commission should investigate possible complementarities between Fiscalis on the one hand and the Future Single Market policy on the other hand. Taxation is one of the "twelve levers to boost growth and strengthen confidence" identified in the "Single Market Act" (COM(2011) 206 final). Not only could Fiscalis be used to support key actions identified in the Single Market Act, if necessary, but it should also support efforts to improve the functioning of the internal market with own initiatives. Relevant areas of cooperation include the review of the Energy Tax Directive and of the EU VAT system, the implementation of a common consolidated corporate tax base for businesses (CCCTB), and measures aiming to improve cooperation in cross-border taxation of citizens.
485. ***Recommendation 3: The Commission, in close cooperation with the MSs, should set up a results-based monitoring and evaluation (M&E) system for the Fiscalis programme. This monitoring and evaluation system should include the following elements: 1) a clear intervention logic, 2) a set of key output and outcome indicators, 3) a data collection plan, including identified sources and well-defined shared responsibilities for collecting data, 4) to the extent possible, baselines and targets against which progress could be measured, 5) annual reporting activities to monitor progress, and finally 6) mid-term and final evaluations supplementing monitoring data and focusing on assessing and explaining results. The M&E system should build on existing M&E activities and strive to integrate them in a coherent and shared system. The implementation of the M&E system should require reasonable amounts of time and resources from the Commission and the member States; it should preserve the programme's flexibility and give priority to issues that are relevant to both the Commission and the Member States.***
486. *Recommendation 3.1:* The Commission should clarify the programme's intervention logic, which should then be used as a basis for the planning, monitoring and reporting of activities. By doing this, the Commission could ensure that the programme's objectives, as well as the hierarchy and causality links between them, are clear. Particular attention should be paid to the specific objectives, where some of them are a source of confusion in their current form. The intervention logic should also be used to better structure the Annual Work Programme. Activities should be clearly linked to the programmes' objectives.
487. *Recommendation 3.2:* On the basis of the programme's intervention logic, indicators should be developed and monitored. Many of the existing indicators can be used, but they need to be better aligned with the programme's objectives and put together in a coherent and integrated M&E system. The set of indicators should include both output and outcome indicators. Regarding the latter, indicators should enable monitoring of the dissemination and use of knowledge and practices in the national administrations. In order to avoid unnecessary indicators should focus on issues that are relevant to the Commission and the Member States.

488. *Recommendation 3.3:* The Commission should consider carefully the different sources for collecting monitoring data, and subsequently enforce reporting and monitoring obligations on all Fiscalis beneficiaries. While doing so, it is important to make sure that monitoring and reporting activities do not create a disproportionate burden for the tax administrations. Thus, the Commission should ensure that all monitoring and reporting activities are aligned with the M&E system requirements, and unnecessary activities should be changed or removed. Also, the Commission should ensure that the necessary IT support to collect the data is provided. The potential of ART2 for this should be considered, since it is currently the main tool used to monitor activities. PICS offers a lot of potential in this respect as well, but for the reason explained above, a single tool should be preferred.
489. *Recommendation 3.4:* Within the boundaries of the current budget, financial resources should be allocated to the design of a fully operational M&E system. The evaluation unit of DG TAXUD should offer its support for this task.
490. ***Recommendation 4: In order to maximise the programme's outcomes, the Commission and the Member States should take all possible steps to ensure that knowledge and practices shared or developed with the support of Fiscalis are actually disseminated and used in the national tax administrations.***
491. *Recommendation 4.1:* Once the objective of improved dissemination is commonly shared by the Commission and the Member States, it is up to them to decide how to make this happen on a practical level. Although the Commission should aim to have a structured approach for considering which parts of the different activities developed under the programme would deserve active follow up, it is equally important to ensure that such an approach takes account of the different internal national procedures and practices.
492. *Recommendation 4.2:* As part of a more structured approach to dissemination activities, possible areas of interventions are:
- increase awareness and commitment at the executive management level of national administrations, through their participation in targeted seminars or workshops;
 - reinforce the link between the priority-setting process of the training sector in the Commission's programme management on the one hand, and the outcomes of the Joint Actions on the other hand;
 - support follow up activities for selected topics using the Fiscalis budget .
493. ***Recommendation 5: VIES is one of the major Fiscalis achievements and is widely used in the tax administrations all over Europe, and evidence shows that the system has contributed positively and significantly to the fight against fraud in the Internal Market. For these reasons, the users' see potential for improvement and development of the current system. Hence, the Commission should ensure that the potential of the tools is fully used, and that the needs of the tax officials are addressed to the highest extent. Possibilities for tighter quality control procedures of the data and/or more integrated national and EU systems should be explored.***
494. *Recommendation 5.1.:* As a first step, the Commission should commission a study looking at VIES from a user's perspective. The objective would be to identify needs for improvement and/or development, in view of improving the fight against fraud.

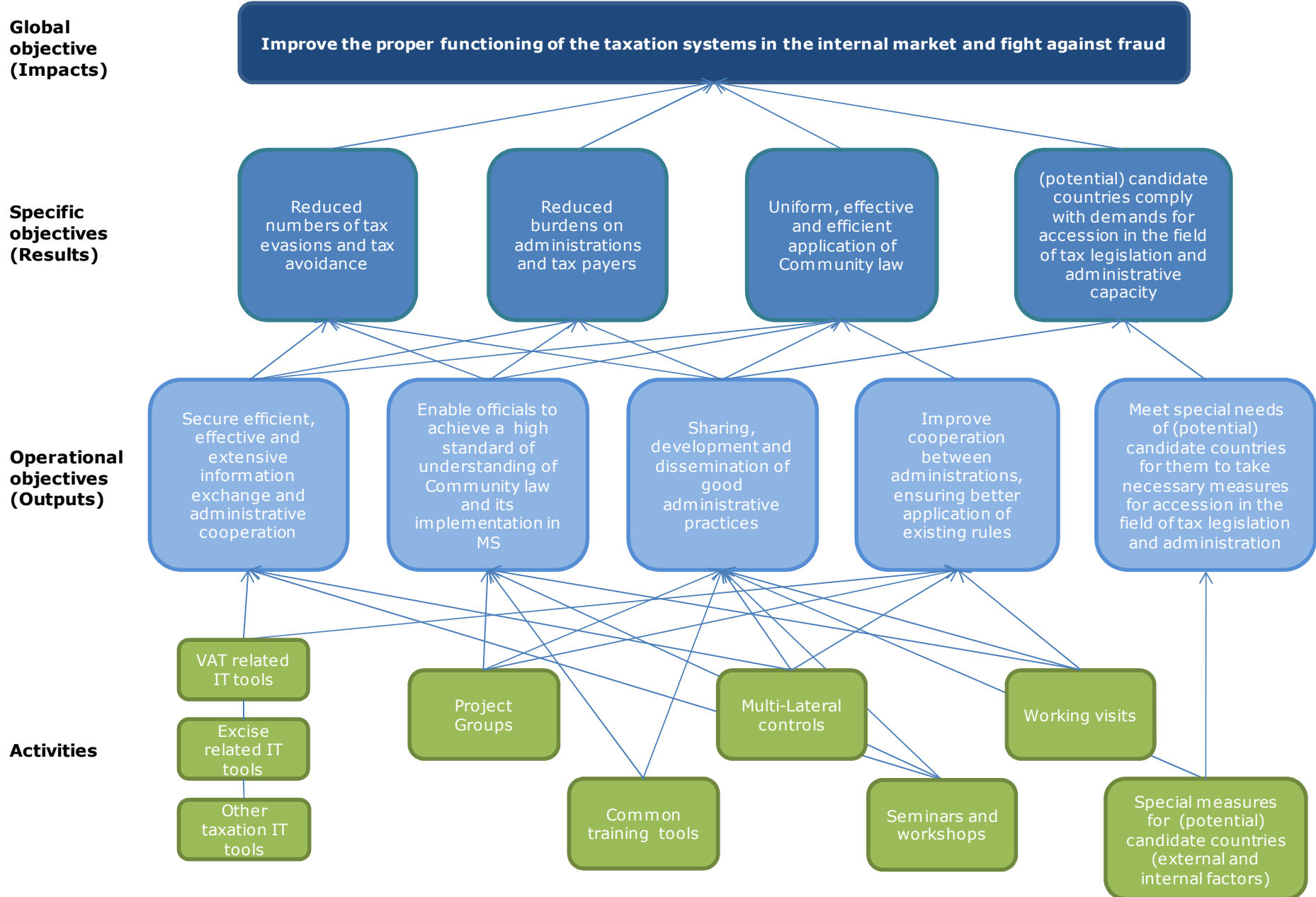
495. ***Recommendation 6: The European Commission should introduce a dedicated planning, monitoring and reporting system for the organisation and follow-up of Working Visits by the Member States. This system should aim for an optimal match between supply and demand. It should not create additional burden on the Fiscalis beneficiaries; on the contrary, it should result in efficiency gains for managing Working Visits.***
496. *Recommendation 6.1:* For the planning of Working Visits, Fiscalis should conceive a different set-up to ensure optimal matching between the needs on the one hand and the capacities and expertise available in the Member States on the other hand. The tool could work as a "Working Visits market". It should allow for:
- tax administrations and tax officials to express their needs and requirements;
 - tax administrations and tax officials to propose activities, including as a minimum topics on which they could support other MSs and an outline programme;
 - the Commission to continuously monitor the implementation of Working Visits;
 - both the Commission and national tax administrations to ensure that the set of Working Visits fosters complementarities and synergies.
497. This could take the form of an online platform or forum run by the Commission Fiscalis management team, in which national tax officers could directly contribute. Such a platform would ensure transparency and create the possibility to have a dialogue on Working Visits that is not only continuous but clearly structured and in line with the Programme's objectives. The "E-audit Forum" used by Project Group No. 27 could be taken as a good example of an online platform.
498. *Recommendation 6.2:* For the planning, monitoring and reporting of Working Visits, Fiscalis should provide Member States with clear guidance, in order to ensure an appropriate level and quality of information. This could take the form of a single document for:
- prior description of the Working Visit before it is submitted "on the market";
 - reporting at the individual and national level; reporting requirement should focus on the extent to which the Working Visit contributed to the objectives of the Programme;
 - to the extent possible, subsequent dissemination of lessons learned and good practices shared or elaborated during the Working Visit, in a way that is accessible for tax officers who did not attend the visit.
499. ***Recommendation 7: In order to increase its impact, the Commission and the Member States should ensure that they fully use the existing possibility of the Fiscalis programme to involve a larger community of stakeholders. This includes third countries (i.e. countries that are not Member States, candidate countries or potential candidates), businesses and individual taxpayers.***
500. *Recommendation 7.1:* As is currently the case, the participation of a larger community of stakeholders in Fiscalis activities should be decided on an ad hoc basis. Yet, past experience has shown that the participation of third parties in Fiscalis activities is beneficial, and openness should be encouraged further and increased efforts should be made to inform and offer third parties possibilities to participate and contribute.
501. *Recommendation 7.2:* In some areas, possibilities for cooperation should be systematically considered: this includes direct taxation (Recommendation 1) and reduced burden on the taxpayers (Recommendation 2), where the participation of third countries, businesses and individual taxpayers could be critical.

502. ***Recommendation 8: As it is clear that the Commission's programme management unit has reached the limits of what it can possibly do with the available resources, the continued development of the programme activities would require proportionate programme management capacities in the form of more efficient use of existing resources, more human resources, and closer cooperation with the national Fiscalis management teams.***
503. *Recommendation 8.1:* In order to maximise efficiency, the Commission should ensure the automation of tasks to the largest extent possible. Identified progress margins include ART2 validation, (budget) monitoring activities, etc.
504. *Recommendation 8.2:* Further development of the programme, such as increased activities in the area of direct taxation and reduced burden on the taxpayers, or the development of a monitoring and evaluation system, should be supported by sufficient financial and human resources for the execution of management and monitoring activities. In a context of budgetary rigour in the EU, possibilities for an extension of the budget are extremely limited. For this reason, an increase in resources for management and monitoring activities should occur within the limits of the current Fiscalis budget as well as the EU budget for administration.
505. *Recommendation 8.3:* Closer cooperation of the Commission's programme management unit with the national Fiscalis management teams is also critical to ensure further development of the programme. This requires for the national administrations to ensure that the programme management teams receive adequate support and human resources.

SUPPLEMENT 1
List of definitions

Term	Definition
Intervention Logic	The chain of assumptions which illustrate how change is to be achieved in an intervention, and what the objectives are Sometimes also called theory of change
Inputs	The resources used to carry out activities, includes financial, human, technical resources
Activities	The activities of the Fiscalis 2013 programme as defined by Decision No 1482/2007/EC (Information exchange systems, Joint actions and Training tools) are the instruments , or the activities of the programme that are employed to bring about the desired outputs and results. The activities are under direct control of the programme/intervention .
Outputs	Decision No 1482/2007/EC presents a list of "specific objectives" for the Fiscalis programme. In the opinion of the evaluator, the formulation of these objectives are similar to what would in an intervention logic be termed outputs (i.e. what is being produced by the activities). The outputs are also part of what the programme controls directly .
Results	The results of the programme are the desired short and medium term effects – resulting from the activities and outputs. The results can be influenced directly by the intervention, but are not under direct control .
Global objective	The global objective corresponds to what in Decision No 1482/2007/EC is referred to as the "overall objective" of the programme. It is the wider effect or impact that the intervention aspires to ultimately bring about, by means of the programme inputs, activities, outputs and results. The impact can only be influenced indirectly , and is to a large extent subject to external factors.
Indicator	A quantitative or qualitative measure, used as a tool to measure performance and progress of outputs, results and impacts produced by the intervention.
Judgment Criteria	Quantitative values and/or normative descriptors of how judgement will be made on the success of an intervention
Baseline	The situation before an intervention started , measured by collecting information on indicators prior to start of intervention
Relevance	The extent to which the programme's objectives are pertinent to the needs, problems and issues to be addressed
Effectiveness	The extent to which the objectives set for the programme are achieved
Efficiency	The extent to which the desired programme effects are achieved at a reasonable cost
EU added value	EU added value is defined as the " value " resulting from an EU intervention that is additional to the "value" that would have resulted from intervention at national or regional levels
Data collection	All activities undertaken to gather information for the evaluation
Survey	A set of structured questions targeted to a defined population or sample of population in order to gather information, opinions and perceptions on a particular subject, area or alike, from a group of individuals. Can be done via the web, electronically, in writing, phone etc.
Population	The individuals to be targeted in the data collection Either the whole population is targeted, or more often, a sample of the population is selected to represent the views of the whole population.
Interview guide	A guide for the interviewer with instructions, themes and/or questions to follow during an interview
Case study	A targeted hypothesis, set of questions and data collection activities , serving to examine and illustrate a specific issue, activity or theme Provides evaluative knowledge and conclusions on the case in question , and is also used in overall evaluation findings to verify and analyse overall evaluation results
Intervention	An intervention is a time-limited, targeted activity undertaken to bring about change and to reach a certain objective

SUPPLEMENT 2
Intervention Logic of Fiscalis 2013



Source: Ramboll, based on Decision No 1482/2007/EC

SUPPLEMENT 3
Evaluation matrix

Questions	Sub-questions	Indicators	Secondary data source	Primary data source (data collection tool)	Judgement criteria
RELEVANCE					
EQ5a. To what extent do the objectives of the programme continue to correspond to the needs of the national tax administrations, and other stakeholders? (ToR)	<p>What are the main challenges faced by the national tax administration with respect to improving the proper functioning of the taxation systems in the internal market?</p> <p>Are these challenges appropriately addressed by the FISCALIS 2013 programme?</p> <p>Are these challenges appropriately addressed by the FISCALIS 2013 programme activities?</p>	<p>Assessment by the national tax administrations of the extent to which the different objectives of the programme are relevant to their needs</p> <p>Existing gaps (if any)</p>	Programme awareness poll	<p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	<p>The objectives of the programme correspond to the main challenges faced by the tax administrations</p> <p>The activities of FISCALIS 2013 address the needs of national administrations</p> <p>The objectives of the programme are assessed as highly relevant by the stakeholders</p>
EQ5b. Which of the objectives of the programme proved most relevant and what should be the main focus for the future? (ToR)	<p>Which objectives of the programmes have been the most appropriate to the needs in the past?</p> <p>What should be the priorities of the programme in the future?</p>	<p>Ranking by the national tax administrations of the programme objectives according to relevance to needs: in the previous years for the future</p> <p>Qualitative assessment by the participants and stakeholders of most appropriate objectives of the current programme priorities for the future</p> <p>Identified challenges/priorities for the future</p>		<p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	<p>The number of activities and budget allocation reflects to a high extent the most appropriate objectives</p> <p>Challenges have been identified</p> <p>Challenges will be addressed in future</p>
EQ5c. What internal or/and external factors might influence the		Respondents assessment of main internal factors that may influence the achievement of objectives		Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT,	Identified internal and/or external factors that might influence the

achievement of those objectives upon the programme's termination? (ToR)		<p>Respondents assessment of main external factors that may influence the achievement of objectives</p> <p>Synthesis of nature of factors (political, economic, environment) and risk assessment (high/low risk)</p>		<p>Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	achievement of the programme's objectives upon its termination
EQ2a. To what extent has the programme facilitated taking the necessary measures for accession in the field of tax legislation and administrative capacity in the candidate countries and potential candidates? (ToR)	<i>Each question and sub-question on relevance</i>	<p>Assessment by the national tax administrations of the extent to which the different objectives of the programme are relevant to their needs</p> <p>Existing gaps (if any)</p>	Status reports on progression in transposition of taxation requirements and negotiations	<p>General Survey</p> <p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	<p>The objectives of the programme correspond to the main challenges faced by the tax administrations in the candidate countries and potential candidates</p> <p>The objectives of the programme are assessed as highly relevant to the candidate countries and potential candidates</p>
EFFECTIVENESS					
EQ1. In what cases and to what extent has the programme contributed to improve the proper functioning of the taxation systems in the internal market? (ToR)	EQ1a. In what cases and to what extent has the programme contributed to improve information exchange and administrative co-operation between participating national tax administrations? (ToR)	<p>Number/ evolution of activities (per objectives and MS)</p> <p>Number of participants (per activities, objectives and MS)</p> <p>Budgetary allocations supporting this objective</p> <p>Volume and type of information exchanged through IT systems</p> <p>Other indicators from the IT monitoring systems</p> <p>Assessment by the participants/stakeholders of the</p>	<p>Programme awareness poll</p> <p>Evaluation forms from the seminars and workshops/ ART/ Desk research</p> <p>List of activities (JA) undertaken under AWP</p> <p>IT monitoring data</p> <p>ART and ABAC monitoring data</p> <p>Feedback in the working visit evaluation reports</p>	<p>General Survey</p> <p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	<p>The activities contribute to a high extent to improved information exchange and cooperation between the national tax administrations</p> <p>Interviewees can mention examples</p>

		<p>extent to which the different activities have contributed to improve:</p> <p>information exchange between participating national tax administrations</p> <p>cooperation between participating national tax administrations</p> <p>Examples (or absence of examples) where the different activities have contributed to improve: <i>same as above</i></p>			
Same as above	EQ1b. In what cases and to what extent has the programme contributed to enabling tax officials to achieve a high standard of understanding of the Union's law and its implementation? (ToR)	<p>Number/ evolution of activities focusing on this objective</p> <p>Number of participants to activities focusing on this objective</p> <p>Budgetary allocations supporting this objective</p> <p>Assessment by the participants of the extent to which the different activities have contributed to improve their understanding of EU law</p>	<p>Programme awareness poll</p> <p>Evaluation forms for the seminars and workshops</p> <p>Survey satisfaction reports from Common Training</p> <p>ART and ABAC monitoring data</p> <p>Feedback in the working visit evaluation reports</p>	<p>General Survey</p> <p>Targeted surveys to: FISCALIS coordinators in the MS</p> <p>Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD</p> <p>FISCALIS coordinators</p> <p>Other relevant commission services</p> <p>Case studies</p>	<p>The number of activities focusing on this objective and the corresponding number of participants are assessed as appropriate</p> <p>The contribution of the activities to this objective is assessed as high</p>
Same as above	EQ15c. In what cases and to what extent has the programme contributed to improve administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice? (ToR)	<p>Number of activities focusing on this objective</p> <p>Number of participants to activities focusing on this objective</p> <p>Assessment by the participants/stakeholders of the extent to which the different instruments have enabled administrative practices to be: developed</p> <p>disseminated</p> <p>implemented</p>	<p>Programme awareness poll</p> <p>Evaluation forms for the seminars and workshops</p> <p>List of activities (JA) undertaken under AWP</p> <p>ART and ABAC monitoring data</p>	<p>General Survey</p> <p>Targeted surveys to: FISCALIS coordinators in the MS</p> <p>Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD</p> <p>FISCALIS coordinators</p> <p>Other relevant commission services</p> <p>Case studies</p>	<p>Correlation between stated challenges/priorities and number of events/participants</p> <p>The contribution of the activities to this objective is assessed as high</p> <p>Interviewees can mention examples</p>

		Examples (or absence of examples) where good administrative practices have been developed, disseminated, implemented			
	In what cases and to what extent has the programme contributed to uniform application of EU law	<p>Number of activities focusing on this objective</p> <p>Number of participants to activities focusing on this objective</p> <p>Assessment by the participants/stakeholders of the extent to which the different activities have contributed to aligned administrative practices between national tax administrations</p> <p>Examples (or absence of examples) where administrative practices have been aligned between national tax administrations</p> <p>Evolution of tax law infringement cases (for example according to the ECJ statistics)</p>	<p>Programme awareness poll</p> <p>Evaluation forms for the seminars and workshops</p> <p>List of activities (JA) undertaken under AWP</p> <p>ART and ABAC monitoring data</p> <p>Feedback in the working visit evaluation reports</p> <p>Official statistics</p>	<p>General Survey</p> <p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	<i>Same as above</i>
	In what cases and to what extent has the programme contributed to effective fight against tax fraud?	<p>Number of activities focusing on this objective</p> <p>Number of participants to activities focusing on this objective</p> <p>MLC outcomes in terms of: Assessments of due taxes No of cases brought forward for recovery Tax administrations practices Figures on cigarette, alcohol,</p>	<p>Programme awareness poll</p> <p>Multilateral Control Indicators of the AWP and Multilateral Control Result Indicators</p> <p>ART and ABAC monitoring data</p> <p>Feedback in the working visit evaluation reports</p> <p>Relevant reporting on functioning of internal market (for example "Internal market</p>	<p>General Survey</p> <p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p>	<p><i>Same as above</i></p> <p>MLC have contributed to recover a high amount of tax</p> <p>MLC have contributed to a high extent to improved practices</p> <p>Figures on fraud and on tax recovery</p>

		<p>mineral oil fraud/smuggling</p> <p>Assessment by the participants/stakeholders of the extent to which the activities have contributed to: enforcement of the law (especially in terms of tax recovery) compliance with the law (especially in terms of reduction of tax fraud)</p> <p>Examples (or absence of examples) where the enforcement of and/or compliance with the law have been improved</p>	score board", published by DG MARKT)	Case studies	indicate an improvement
EQ1d. What internal or/and external factors have influenced the achievement of those objectives? (ToR)	<i>Each sub-question on effectiveness</i>	<p>Respondents assessment of main internal factors that may influence the achievement of objectives</p> <p>Respondents assessment of main external factors that may influence the achievement of objectives</p> <p>Synthesis of nature of factors (political, economic, environment) and assessment of impact on achievements (high/low impact)</p>		<p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	Identified internal and/or external factors that have influenced the achievement of the programme's objectives
EQ2a. To what extent has the programme facilitated taking the necessary measures for accession in the field of tax legislation and administrative capacity in the	<i>Each question and sub-question on effectiveness</i>	<p><i>Same indicators as earlier on effectiveness (analysis per country)</i></p> <p>Level of participation of candidate countries and potential candidates to FISCALIS No. of specific activities targeted to candidate and potential countries</p>	<p>Programme poll</p> <p>Evaluation forms for the seminars and workshops</p> <p>ART and ABAC monitoring data</p> <p>Feedback in the working visit evaluation reports</p> <p>Reporting from DG ELARG on</p>	<p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p>	<p>The level of participation of candidate countries is assessed as appropriate to the needs (as assessed by transposition status from deskresearch)</p> <p>National</p>

<p>candidate countries and potential candidates? (ToR)</p>		<p>% of activities involving candidate countries and potential candidates No. of participants from candidate countries and potential candidates</p> <p>Qualitative assessment by national administrations of the candidate countries and potential candidates and with regard to the effectiveness of the programme vis-à-vis their needs</p> <p>Progress of candidate countries and potential candidates on the taxation chapter in the SAP</p>	<p>accession process</p>	<p>Case studies</p>	<p>administrations of the candidate countries and potential candidates assess the programme to be effective in terms of addressing their specific accession needs</p>
<p>EQ3a To what extent has the programme management been optimal to achieve the desired results? (ToR)</p>	<p>How responsive has the programme management been to emerging needs?</p> <p>How well are the different activities in FISCALIS coordinated and integrated, to be mutually supportive?</p> <p>EQ3b. To what extent has information sharing influenced/supported the realisation of the FISCALIS objectives?</p> <p>To what extent has different tools used (ART, CIRCA, PICS) been useful and relevant to support the implementation?</p> <p>To what extent have recommendations from the final evaluation of FISCALIS 2007 been taken into account?</p> <p>To what extent have activities in FISCALIS been mutually</p>	<p>Assessment by the participants of: responsiveness of the programme management to emerging needs time efficiency of the programme management to manage contracts and funding coordination and integration of different activities Contribution of information sharing to realisation of objectives</p> <p>Assessment by evaluators of: evidence of recommendations which have been integrated/not integrated Contribution of information sharing to realisation of objectives.</p>	<p>ART and ABAC monitoring data</p>	<p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	<p>The responsiveness of the programme management is assessed as high</p> <p>The time efficiency of the programme management to manage contracts and funding is assessed as high</p> <p>Recommendations have been taken into account in programme implementation</p> <p>Valid justifications for not taking recommendations into account exist</p>

	supportive?				
EFFICIENCY					
EQ4. To what extent have the programmes' resources produced best possible results at the lowest possible cost? (ToR)	To what extent has the programme provided value for money?	Budget committed/spent per objectives and type of activities (in EUR and % of total budget) Input/output ratios Comparison (in relative terms): Estimated tax recovery vs. total programme costs Estimated time/money saved vs. total programme costs	Multilateral Control Indicators of the AWP and Multilateral Control Result Indicators IT Monitoring data ART and ABAC monitoring data	Targeted surveys to: FISCALIS coordinators in the MS Interviews with: DG TAXUD FISCALIS coordinators Case studies	The budget has been committed/spent as planned Input/output ratios are as low as possible
	Could the same results have been achieved with other, less costly instruments?	Degree of (mis-)matching (in relative terms) between input/output ratios <i>and</i> activities' outcomes as assessed by the participants/stakeholders		Targeted surveys to: FISCALIS coordinators in the MS Interviews with: DG TAXUD FISCALIS coordinators Case studies	Activities with higher input/output ratios are justified by high level of outcomes At similar level of outcomes, activities with the lowest input/output ratios are preferred
EU ADDED VALUE					
EQ6. What is the added value of the programme at the EU level? (ToR)	If the FISCALIS programme had not existed, to what extent and how would the MS and the national tax administrations have cooperated in order to ensure an appropriate functioning of the internal market? [IF the FISCALIS programme ends...?]	Assessment by the participants/stakeholders of the <i>quality</i> and <i>intensity</i> of cooperation between the MS without intervention at EU level (counterfactual), such as: <ul style="list-style-type: none"> • Frequency of cooperation • Security • Knowledge sharing Qualitative assessment of impact on internal market, such as: <ul style="list-style-type: none"> • Compliance with regulations 		General Survey Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes) Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services Case studies	Compared with the counterfactual situation, the <i>quality</i> and <i>intensity</i> of cooperation between the MS with intervention at EU level are assessed as significantly higher It is assessed that a situation without FISCALIS would have a negative impact on the internal market.

		<ul style="list-style-type: none"> • Verification of information • Impact on trade and fair competition 			
Same as above	<p>If the FISCALIS programme had not existed, what would have been the impact on the functioning of the taxation system of the internal market?</p> <p>[IF the FISCALIS programme ends...?]</p> <p>To what extent can it be considered that the FISCALIS programme contributed to the wider EU agenda?</p>	<p>Assessment by the participants/stakeholders of the <i>effectiveness</i> of cooperation between the MS without intervention at EU level (counterfactual)</p> <p>Assessment by the participants/stakeholders of the effect of the counterfactual situation on the functioning of the taxation systems in the internal market and fight against fraud</p> <p>Extent to which the Fiscalis programme is consistent with other EU initiatives (such as Europe 2020)</p>		<p>Targeted surveys to: FISCALIS coordinators in the MS Tax Line Managers (VAT, Excise, Direct Taxes)</p> <p>Interviews with: DG TAXUD FISCALIS coordinators Other relevant commission services</p> <p>Case studies</p>	<p>Compared with the counterfactual situation, the <i>effectiveness</i> of cooperation between the MS is significantly higher with intervention at EU level</p> <p>Compared with the counterfactual situation, the functioning of the taxation systems is significantly improved with intervention at EU level</p>

SUPPLEMENT 4

Survey results

List of survey questionnaires

1. General survey to participants
2. Targeted survey to National Coordinators
3. Targeted surveys to tax experts:
 - 3.1. VAT
 - 3.2. Excise duties
 - 3.3. Direct taxation

1. GENERAL SURVEY TO PARTICIPANTS

Q.1. In which country do you work?

Country	Number	Percentage
Portugal	164	8%
Belgium	152	7%
Italy	138	6%
Sweden	136	6%
Netherlands	129	6%
United Kingdom	118	5%
Austria	116	5%
Estonia	104	5%
France	91	4%
Poland	91	4%
Ireland	88	4%
Slovakia	80	4%
Denmark	79	4%
Hungary	79	4%
Greece	77	4%
Latvia	77	4%
Romania	62	3%
Slovenia	59	3%
Spain	53	2%
Cyprus	51	2%
Finland	48	2%
Bulgaria	45	2%
Lithuania	44	2%
Malta	27	1%
Croatia	26	1%
Turkey	21	1%
Luxembourg	12	1%
Serbia	6	0%
former Yugoslav Republic of Macedonia	5	0%
Germany	2	0%
Czech Republic	1	0%

n = 2,181

Q.2 In which taxation area do you work?

Tax area	Number	Percentage
Direct taxation	931	43%
Other	573	26%
Excise duties	417	19%
VAT	1,110	51%

n = 2,181

Q.3 What is your function within your administration?

Function	Number	Percentage
Management	521	24%
Administrative	477	22%
Other	334	15%
Policy	267	12%
Operational/ Technical	1,154	53%

n = 2,181

Q.4 Have you participated in seminars and workshops?

	Number	Percentage
Yes	1,589	73%
No	592	27%

n = 2,181

Q.5 How many seminars/workshops have you participated in, during the last 3 years?

Number of participations	Number	Percentage
1	751	47%
2	335	21%
3	209	13%
4	91	6%
5	83	5%
6	46	3%
7	13	1%
8	15	1%
9	10	1%
10	19	1%
More than 10	17	1%

n = 1,589

Q.6. What was the main topic of the seminar/workshop?

Topic	Number	Percentage
VAT	729	46%
Direct taxation	407	26%
Mutual assistance arrangements/Administrative cooperation/MLC	395	25%
Use of communication and information-exchange systems	361	23%
Excise	256	16%
Management of Fiscalis programme	99	6%
Insurance premiums taxation	16	1%
Enlargement	12	1%
Other (please specify):	418	26%

n = 1,589

Q.7. Please comment on the following statements regarding your overall impression of the effects of seminars and workshops, based on the seminars and workshops in which you participated:

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Seminars/workshops are useful to increase informal exchange of information between national administrations	3%	2%	21%	71%	1%
Seminars/workshops are useful to foster effective and regular cooperation between the participating countries	3%	2%	24%	68%	2%
Seminars/workshops provide useful information to better know the way other participating countries implement EU law	3%	4%	31%	56%	6%
Seminars/workshops provide useful information to support mutual assistance arrangements and administrative cooperation	3%	3%	31%	55%	8%
Seminars/workshops provide useful information on use and development of communication and information-exchange systems	2%	5%	31%	55%	7%
Seminars/workshops provide useful information to improve knowledge of the EU law	3%	3%	33%	53%	7%
Seminars/workshops provide useful information to improve administrative capacity in the candidate countries and potential candidates participating	2%	5%	31%	38%	24%
Seminars/workshops provide useful information to transpose tax legislation in candidate countries and potential candidates participating in the programme	2%	6%	32%	32%	28%

n = 1,589

Q.8. Please comment on the following statements regarding the results of the cooperation through seminars and workshops. The information I received from the seminars/workshops I participated in significantly increased my capacity to...

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
cooperate with tax officials in other participating countries and share information, experience and good practices	3%	2%	19%	73%	3%
understand other countries? taxation systems and apply the Community tax legislation in a similar way to other participating countries	3%	5%	38%	46%	8%
discover and understand potential "loop holes" in the EU and national tax legislations and cooperate with other participating countries on the fight against fraud and tax evasion	3%	6%	34%	44%	14%
understand the Community tax legislation	3%	6%	42%	42%	8%
use the Community communication and information-exchange systems (e.g. VIES, SEED (EMCS) ?)	4%	8%	30%	38%	20%
work efficiently and decrease the administrative burden in my work	5%	13%	43%	30%	10%

n = 1,589

Q.9. Are there any relevant topics that have not yet been addressed or for which you did not yet participate in a seminar/workshop but which you cover in your daily work?

	Number	Percentage
Yes	425	27%
No	1,164	73%

n = 2,181

Q.12. Are/Were you involved in project groups?

	Number	Percentage
Yes	374	17%
No	1,807	83%

n = 1,589

Q.13. Please comment on the following statements regarding your overall impression of the effects of project groups, taking into account the project group(s) in which you are/were involved:

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Cooperation coming from project groups resulted in increasing informal exchange of information between national administrations	4%	3%	20%	71%	2%
Cooperation coming from project groups resulted in fostering effective and regular cooperation between participating countries	3%	3%	22%	70%	3%
Cooperation coming from project groups resulted in better use of communication and information-exchange systems amongst participating countries	2%	5%	26%	60%	6%
Cooperation coming from project groups resulted in supporting mutual assistance arrangements and administrative cooperation	3%	4%	27%	59%	6%
Cooperation coming from project groups resulted in better knowledge of the way other participating countries implement EU law	3%	4%	33%	53%	7%
Cooperation coming from project groups resulted in better knowledge of the EU law	3%	5%	32%	51%	8%
Cooperation coming from project groups resulted in improving administrative capacity in the candidate countries and potential candidates participating in the programme	3%	6%	27%	35%	29%
Cooperation coming from project groups resulted in transposing tax legislation in candidate countries and potential candidates participating in the programme	2%	8%	33%	26%	31%

n = 374

Q.14. Please comment on the following statements regarding the results of the cooperation through project groups: My participation in project groups significantly increased my capacity to...

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
cooperate with tax officials in other participating countries and share information, experience and good practices	3%	2%	20%	73%	2%
understand other countries? taxation systems and apply the Community tax legislation in a similar way to other participating countries	3%	5%	34%	51%	7%
understand the Community tax legislation	3%	5%	35%	49%	8%
discover and understand potential "loopholes" in the EU and national tax legislations and cooperate with other participating countries on the fight against fraud and tax evasion	3%	5%	32%	49%	11%
use the Community communication and information-exchange systems (e.g. VIES, SEED (EMCS)?)	4%	6%	33%	40%	17%
work efficiently and decrease the administrative burden in my work	5%	9%	38%	39%	10%

n = 374

Q.15. Are there any relevant topics for your work that (to your knowledge) have not yet been but could ideally be tackled by project groups?

	Number	Percentage
Yes	71	19%
No	303	81%

n = 374

Q.18. Have you participated in working visits/exchanges of officials?

	Number	Percentage
Yes	1,220	56%
No	961	44%

n = 2,181

Q.19. Please comment on the following statements regarding your overall impression of the effects of working visits, taking into account the working visits that you participated in

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Working visits contribute to increase informal exchange of information between national administrations	3%	2%	23%	70%	2%
Working visits contribute to foster effective and regular cooperation between participating countries	3%	5%	28%	63%	2%
Working visits contribute to better know the way other participating countries implement EU law	3%	3%	27%	63%	5%
Working visits contribute to inform about use and development of communication and information-exchange systems	3%	5%	31%	55%	7%
Working visits contribute to support mutual assistance arrangements and administrative cooperation	3%	5%	31%	54%	7%
Working visits of officials contribute to improve knowledge of the EU law	3%	4%	36%	51%	6%
Working visits contribute to improve administrative capacity in candidate countries and potential candidates participating in the programme	2%	7%	28%	37%	26%
Working visits contribute to transpose tax legislation in candidate countries and potential candidates participating in the programme	3%	7%	30%	32%	29%

n = 1,220

Q.20. Please comment on the following statements regarding the usefulness of the information provided during working visits. The information received from other national administrations during my working visit significantly increased my capacity to...

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
cooperate with tax officials in other participating countries and share information, experience and good practices	3%	3%	15%	77%	2%
understand other countries? taxation systems and apply the Community tax legislation in a similar way to other participating countries	3%	4%	28%	61%	4%
discover and understand potential "loop holes" in the EU and national tax legislations and cooperate with other participating countries on the fight against fraud and tax evasion	3%	5%	34%	46%	12%
understand the Community tax legislation	4%	7%	42%	42%	5%
work efficiently and decrease the administrative burden in my work	6%	11%	41%	34%	9%
use the Community communication and information-exchange systems (e.g. VIES, SEED (EMCS)?)	6%	10%	33%	34%	18%

n = 1,220

Q.21. Do you wish to participate in another working visit in the future?

	Number	Percentage
Yes	1,094	90%
No	126	10%

n = 1,220

Q.24. Have you participated in multilateral controls?

	Number	Percentage
Yes	401	18%
No	1,780	82%

n = 2,181

Q.25. In how many meetings have you participated?

	Number	Percentage
1	111	28%
2-5	243	61%
6-10	29	7%
More than 10	18	4%
1	111	28%

n = 401

Q.26. Please comment on the following statements regarding your overall view on the effects of multilateral controls, taking into account your own experiences

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Multilateral controls contribute to the fight against certain types of cross-border fraud (e.g. VAT carousel, excise fraud, etc.)	2%	1%	13%	81%	2%
Multilateral controls foster effective and regular cooperation between participating countries	2%	1%	18%	77%	1%
Multilateral controls contribute to the informal exchange of information between national administrations	3%	3%	17%	76%	2%
Multilateral controls are an effective tool in the control of certain types of taxpayers, such as taxpayers active in various EU Member States, taxpayers not established and not having accounting records in a given EU Member State, etc.	2%	3%	17%	74%	4%
Multilateral controls contribute to the sharing of best practices related to tax controls between participating countries	2%	3%	23%	71%	1%
Multilateral controls are an effective tool for the control of certain activities, such as in border areas, distance sales, etc.	2%	3%	19%	68%	8%
Multilateral controls contribute to identifying legal loopholes	2%	3%	27%	62%	5%
Multilateral controls contribute to the protection of financial interests and legitimate businesses	2%	3%	24%	62%	7%
Multilateral controls contribute to a better functioning of Community taxation rules	2%	5%	32%	52%	9%
Multilateral controls contribute to the translation of administrative practices into improved procedures at national level	3%	4%	41%	42%	10%

n = 401

Q.26. Please comment on the following statements regarding your overall view on the effects of multilateral controls, taking into account your own experiences

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Without FISCALIS-supported multilateral controls, national administrations would detect significantly fewer cases of fraud and tax evasion.	7%	12%	28%	51%	3%
Even without European funding, it is highly likely that multilateral controls would take place	27%	27%	23%	16%	7%
The protection of financial interests and legitimate businesses would be the same without FISCALIS-supported multilateral controls	43%	30%	9%	8%	9%

n = 401

Q.29. Do you regularly use any of the following Trans-European IT Systems for information exchange within the area of taxation?

	Number	Percentage
The VAT Information Exchange System (VIES)	830	37%
The Excise Movement and Control System (EMCS) (previously SEED)	194	9%
No	1,201	54%

n = 2,225

Q. 30. Please comment on the following statements regarding communication and information-exchange systems that you use in your work

VIES	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Useful information can be easily obtained from the VIES	2%	5%	34%	58%	1%
Information obtained from VIES allows effective tax control at national level	1%	7%	47%	43%	3%
VIES provides high quality information	2%	11%	53%	32%	2%
VIES provides timely information	3%	14%	50%	30%	3%

n = 830

EMCS	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Useful information can be easily obtained from the EMCS (previously SEED - excise duties information exchange systems)	3%	4%	30%	61%	3%
Information obtained from EMCS (/SEED) allows effective tax control at national level	2%	5%	36%	54%	3%
EMCS (/SEED) provides timely information	4%	3%	35%	54%	5%
EMCS (/SEED) provides high quality information	3%	5%	39%	50%	4%

n = 194

Q.31. Please comment on the following statements regarding the scenario that certain aspects of the communication and information-exchange systems did not exist

VIIES	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
It would be necessary to provide another system for the exchange of VAT data if the VIIES was closed down	2%	2%	9%	81%	5%
Without the existence of the VIIES and the automatic exchange of VAT receipt data, it would be more difficult to fight tax fraud	3%	2%	17%	76%	3%
Without VIIES, the time required to complete a tax control would be significantly longer	2%	5%	28%	62%	3%
Even without the automatic exchange of data provided by the VIIES, effective VAT control could still be undertaken	36%	33%	19%	7%	4%
It would be just as easy to perform efficient VAT controls without the exchange of VAT receipt data provided by the VIIES	55%	22%	12%	6%	5%

n = 830

EMCS	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Without the existence of the EMCS (/SEED) and the automatic exchange of excise information, it would be more difficult to fight tax fraud	7%	3%	28%	61%	1%
It would be necessary to provide another system for the exchange of excise information if the EMCS was closed down	5%	6%	17%	61%	11%
Without EMCS (/SEED), the time required to complete a excise control would be significantly longer	5%	5%	30%	56%	4%
Even without the automatic exchange of data provided by the EMCS (/SEED), effective excise control could still be undertaken	27%	33%	25%	12%	3%
It would be just as easy to perform efficient controls on excise goods without the exchange of information on excise movements provided by the EMCS (/SEED)	47%	22%	18%	10%	3%

n = 193

Q.33. Do you regularly use any of the following instruments for administrative cooperation and information exchange:

	Number	Percentage
Yes, VAT eForms	416	18%
Yes, direct taxation eForms	192	8%
Yes, Excise duties eForms	92	4%
Yes, recovery eForms	64	3%
No	1,584	67%

n = 2,348

Q. 34. Please comment on the following statements regarding the instruments for administrative cooperation that you use in your work

VAT e-forms	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
VAT e-forms are very useful for obtaining information from other participating countries	3%	1%	26%	68%	2%
VAT e-forms help me to better formulate my requests for information to other participating countries	3%	4%	32%	60%	2%
Information obtained through the use of VAT e-forms allows for effective tax control at national level	2%	5%	34%	56%	3%
VAT e-forms help me receive timely information from other participating countries	2%	10%	42%	45%	2%

n = 416

Excise duties e-forms	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Excise duties e-forms are very useful for obtaining information from other participating countries	2%	4%	29%	57%	8%
Excise duties e-forms help me to better formulate my requests for information to other participating countries	2%	5%	29%	55%	8%
Information obtained through the use of excise duties e-forms allows for effective tax control at national level	1%	5%	36%	50%	8%
Excise duties e-forms help me receive timely information from other participating countries	2%	7%	42%	41%	8%

n = 92

Direct taxation e-forms	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Direct taxation e-forms are very useful for obtaining information from other participating countries	2%	4%	24%	68%	3%
Direct taxation e-forms help me to better formulate my requests for information to other participating countries	2%	3%	34%	58%	3%
Information obtained through the use of direct taxation e-forms allows for effective tax control at national level	3%	3%	34%	54%	6%
Direct taxation e-forms help me receive timely information from other participating countries	2%	8%	39%	45%	6%

n = 192

Recovery e-forms	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Recovery e-forms help me to better formulate my requests for information to other participating countries	5%	3%	23%	66%	3%
Recovery e-forms are very useful for obtaining information from other participating countries	5%	3%	34%	55%	3%
Recovery e-forms help me receive timely information from other participating countries	3%	9%	27%	55%	6%
Information obtained through the use of recovery e-forms allows for effective tax control at national level	6%	5%	23%	47%	19%

n = 64

Q.35. Are there other areas of taxation for which you would like to see IT systems for automated information exchange or other instruments for administrative cooperation developed?

	Number	Percentage
Yes	149	25%
No	448	75%

n = 597

Q.38. Have you participated in any of the IT training sessions under the FISCALIS programme?

	Number	Percentage
Yes	215	10%
No	1,966	90%

n = 2,181

Q.39. Please comment on the following statements regarding the IT training you participated in and whether it significantly improved your capacity to...

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Understand how you can benefit from using the automatic information exchange systems	3%	4%	23%	47%	22%

n = 860

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Actually use the automatic information exchange systems	4%	5%	23%	44%	24%

n = 645

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Understand how you can benefit from using the e-forms and other guidelines to exchange information with other national tax administrations	4%	4%	23%	41%	27%

n = 430

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
Actually use the e-forms and other guidelines to exchange information with other national tax administrations	6%	4%	23%	40%	28%

n = 215

Q.41. Have you used any of the common training tools available through FISCALIS?

	Number	Percentage
Yes, VAT e-learning course (course on the VAT Directive)	141	6%
Yes, AEO course (course on Authorised Economic Operator legislation)	26	1%
Yes, EORI e-learning course (course on Economic Operators Registration and Identification number)	24	1%
Yes, SASP e-learning course (course on Single Authorisation for Simplified Procedures)	16	1%
Yes, AGREX electronic course (on agricultural export refund)	8	0%
No	2,013	90%

n = 2,228

Q.42. Please comment on the following statements regarding your overall view on the effects of e-learning tools, considering those you have used

	I fully disagree	I partly disagree	I partly agree	I fully agree	No opinion
E-learning tools provide useful information to improve knowledge of the EU law	2%	0%	23%	73%	2%
The e-learning modules is an appropriate way to disseminate information and knowledge	1%	3%	34%	58%	4%
The subject covered through the e-learning tools are very relevant to improve the functioning of the internal market	1%	4%	35%	53%	7%
E-learning tools provide useful information on use and development of communication and information-exchange systems	2%	5%	35%	50%	8%
E-learning tools provide useful information to transpose tax legislation in candidate countries and potential candidates participating in the programme	2%	5%	27%	48%	18%
E-learning tools provide useful information to better know the way other participating countries implement the EU law	5%	8%	35%	47%	5%

n = 168

2. TARGETED SURVEY TO NATIONAL COORDINATORS

Q.1. In which country do you work?

Country	Number	Percentage
Finland	4	8%
Cyprus	3	6%
Slovakia	3	6%
Sweden	3	6%
Bulgaria	2	4%
France	2	4%
Greece	2	4%
Italy	2	4%
Luxembourg	2	4%
Portugal	2	4%
Spain	2	4%
Turkey	2	4%
Austria	1	2%
Belgium	1	2%
Croatia	1	2%
Czech Republic	1	2%
Denmark	1	2%
Estonia	1	2%
former Yugoslav Republic of Macedonia	1	2%
Germany	1	2%
Hungary	1	2%
Ireland	1	2%
Latvia	1	2%
Lithuania	1	2%
Malta	1	2%
Netherlands	1	2%
Poland	1	2%
Romania	1	2%
Serbia	1	2%
Slovenia	1	2%
United Kingdom	1	2%

n = 48

Q.2 In which taxation area do you work?

Tax area	Number	Percentage
VAT	19	40%
Direct taxation	16	33%
Excise duties	11	23%
Other	20	42%

n = 48

Q.3 What is your function within your administration?

Function	Number	Percentage
Management	21	44%
Operational/ Technical	17	35%
Policy	3	6%
Administrative	0	0%
Other	7	15%

n = 48

Q.4. In your opinion, what are the main challenges faced by the national tax administration with respect to improving the proper functioning of the taxation systems in the internal market? Please rank the needs 1 to 3, with 1 being the most important.

	1	2	3
High level of tax fraud and tax evasion	71%	17%	13%
High administrative burden on taxpayers and tax administrations	15%	54%	31%
Lack of uniform and efficient implementation of Community Law	15%	29%	56%

n = 48

Q.6. Which objectives of FISCALIS have been the most appropriate to target these needs according to you? Please rank from 1 to 4, 1 being the most important.

	1	2	3	4
Secure efficient, effective and extensive information exchange	48%	13%	29%	10%
Enable officials to achieve a high standard of understanding of EU law and its implementation in MS	21%	13%	19%	48%
Sharing, development and dissemination of good administrative practices	17%	29%	31%	23%
Improve cooperation between administrations, ensuring better application of existing rules	15%	46%	21%	19%

n = 48

Q.7. Please answer to the below questions on the FISCALIS programme:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
To what extent do you expect the continued implementation of FISCALIS to meet your needs?	0%	6%	29%	65%	0%
To what extent are the main challenges faced by the national tax administration appropriately addressed by the FISCALIS 2013 programme so far?	0%	6%	44%	50%	0%
To what extent does the programme adequately address emerging needs and issues?	0%	8%	46%	46%	0%

n = 48

Q.9. Please answer to the below questions on the FISCALIS programme:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
The guidelines and manuals developed by the programme management have been useful and relevant for us	0%	2%	15%	83%	0%
Coordination of activities has been well functioning	0%	4%	17%	77%	2%
It has been easy to receive guidance from the programme management on how to apply for funding	0%	0%	25%	71%	4%
The programme management has been sufficiently responsive to the needs and wishes of national administrations	2%	6%	27%	63%	2%
The Commission has consulted sufficiently with national administration on relevant priorities and initiatives	2%	4%	35%	56%	2%
There has been sufficient information sharing between the programme management and the national administrations	0%	8%	40%	50%	2%
Lessons learned from previous FISCALIS programmes has been used actively in the implementation of the current programme	2%	2%	42%	44%	10%
Monitoring and feed-back procedures have provided a good picture of the progress of the programme	2%	10%	46%	40%	2%
The CIRCA system contributed to improving the information sharing between the Commission and tax administrations	2%	19%	38%	40%	2%
The ART2 has contributed to improving the information sharing between the Commission and tax administrations	2%	10%	27%	40%	21%
The CIRCA system has been easy to use	8%	25%	29%	38%	0%
The Activity Reporting Tool (ART2) for financial reporting has been easy to use	4%	8%	42%	29%	17%

n = 48

Q.11. To what extent to you agree with the following statements regarding the value for money of FISCALIS funded activities?

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
The IT systems for exchange of information (VIES, EMCS, CCN/CSI, etc) are a necessary cost which is well worth the investment	0%	2%	10%	75%	13%
Participation in the activities carried out under FISCALIS 2013 are a reasonable cost for tax administrations	4%	10%	27%	54%	4%
Meeting costs are not a hindering factor for tax officials participation in activities	4%	6%	38%	50%	2%
According to my opinion, the same activities would cost more if organised and funded by the Member States themselves	4%	2%	23%	50%	21%
Meeting locations are not a hindering factor for tax officials participation in activities	4%	13%	35%	48%	0%

n = 48

Q. 13. On an overall level, please assess the extent to which the FISCALIS 2013 programme has contributed to:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Improving the officials' understanding of the practices and procedures of other Member States' tax administrations	0%	2%	31%	65%	2%
Improving administrative cooperation with other Member States' tax administrations	0%	2%	29%	65%	4%
Exchange of good administrative practices in taxation (including procedures)	0%	2%	35%	60%	2%
Improving access to information from other Member States' tax administrations (both standard and specific information and documents)	0%	4%	31%	60%	4%
Improving the sharing of information between the Commission and Member State administrations	0%	4%	38%	56%	2%
Improving the officials' understanding of the EU law	0%	0%	54%	46%	0%

n = 48

Q.15. On an operational level, please assess the extent to which FISCALIS 2013 activities carried out have contributed directly to:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Increased the information sharing between the Commission and tax administrations	0%	4%	31%	58%	6%
Improved overall level of interaction and cooperation with other Member States' tax administrations	0%	4%	48%	44%	4%
Improved administrative practices (and/or procedures) in your administration, in relevant taxation fields	2%	13%	60%	23%	2%
Overall, an effective functioning of the taxation systems in the internal market	0%	6%	69%	19%	6%
Aligned administrative practices (and/or procedures) between the Member States' tax administrations, in relevant taxation fields	2%	21%	56%	19%	2%
Reduced administrative burden for tax administrations	2%	25%	48%	15%	10%
Reduced incidence of fraud and tax evasion in the internal market	4%	10%	54%	13%	19%
Reduced cost of the fight against fraud in the internal market	4%	10%	54%	13%	19%
Reduced administrative burden on the taxpayers	2%	33%	46%	8%	10%

n = 48

Q.17. How would you compare a hypothetical situation - without FISCALIS, i.e. the Member States would have to organise themselves to cooperate – with the current situation?

	Significantly lower	Lower	Similar	Higher	Significantly higher
... the number of multilateral control-related activities would be:	56%	35%	4%	2%	2%
... the volume of information exchanged between the Member States' tax administrations would be:	35%	48%	10%	6%	0%
... the overall level of interaction and cooperation with other Member States' tax/customs administrations would be:	33%	54%	8%	2%	2%
... the average tax official's understanding of the practices and procedures of other Member States' tax administrations would be:	27%	63%	8%	2%	0%
... the average tax official's understanding of the EU laws would be:	17%	71%	10%	2%	0%
... overall, the functioning of the taxations systems in the internal market would be:	15%	71%	10%	4%	0%
... the level of detection of tax fraud and tax evasion would be:	15%	63%	21%	2%	0%
... the amount of tax collected following the detection of fraud would be:	15%	54%	27%	4%	0%

n = 48

	Significantly lower	Lower	Similar	Higher	Significantly higher
... the time spent on information exchange between the Member States' tax administrations would be:	17%	23%	10%	35%	15%
... the cost of the fight against fraud in the internal market would be:	6%	23%	27%	31%	13%
... the administrative burden of the taxpayers to comply with the taxation rules in the internal market would be:	2%	17%	44%	35%	2%

n = 48

3. TARGETED SURVEYS TO TAX EXPERTS

3.1 VAT

Q.1. In which country do you work?

Country	Number	Percentage
Austria	1	4%
Belgium	1	4%
Bulgaria	1	4%
Croatia	1	4%
Cyprus	1	4%
Czech Republic	1	4%
Denmark	1	4%
Estonia	1	4%
Finland	1	4%
France	1	4%
former Yugoslav Republic of Macedonia	1	4%
Germany	1	4%
Hungary	1	4%
Ireland	1	4%
Italy	1	4%
Latvia	1	4%
Lithuania	1	4%
Luxembourg	1	4%
Malta	1	4%
Netherlands	1	4%
Poland	1	4%
Portugal	1	4%
Romania	1	4%
Serbia	1	4%
Slovakia	1	4%
Slovenia	1	4%
Sweden	1	4%
United Kingdom	1	4%
Greece	0	0%
Spain	0	0%
Turkey	0	0%

n = 28

Q.2 In which taxation area do you work?

Tax area	Number	Percentage
VAT	25	76%
Direct taxation	5	15%
Excise duties	1	3%
Other	2	6%

n = 33

Q.3. What is your function within your administration?

Function	Number	Percentage
Management	15	54%
Policy	5	18%
Operational/ Technical	4	14%
Administrative	2	7%
Other	2	7%

n = 28

Q. 4. Which objectives of FISCALIS have been the most appropriate to your needs in the field of VAT so far? Please rank from 1 to 4, 1 being the most important and 4 the least important:

	1	2	3	4
Secure efficient, effective and extensive information exchange	36%	25%	25%	14%
Enable officials to achieve a high standard of understanding of EU law and its implementation in Member States	25%	11%	18%	46%
Improve cooperation between administrations, ensuring better application of existing rules	21%	36%	32%	11%
Sharing, development and dissemination of good administrative practices	18%	29%	25%	29%

n = 28

Q. 6. Please rate the following statements about the implementation and management of the FISCALIS programme:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Coordination of activities has been well functioning	0%	0%	36%	50%	14%
It has been easy to receive guidance from the programme management on how to apply for funding	0%	4%	25%	50%	21%
The programme management has been sufficiently responsive to the needs and wishes of national administrations	4%	4%	32%	46%	14%
The Commission has consulted sufficiently with national administration on relevant priorities and initiatives	4%	7%	32%	43%	14%
The guidelines and manuals developed by the programme management have been useful and relevant for us	0%	7%	32%	43%	18%
There has been sufficient information sharing between the programme management and the national administrations	0%	4%	46%	39%	11%
Lessons learned from previous FISCALIS programmes has been used actively in the implementation of the current programme	4%	4%	36%	39%	18%
Monitoring and feed-back procedures have provided a good picture of the progress of the programme	0%	14%	32%	29%	25%

n = 28

Q.7. In the field of VAT and fight against VAT fraud, please assess the extent to which the FISCALIS 2013 programme has contributed to:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Exchange of good administrative practices in the field of VAT and fight against VAT fraud (including procedures)	0%	0%	29%	71%	0%
Improving administrative cooperation with other Member States' tax administrations	0%	0%	32%	61%	7%
Improving the officials' understanding of the practices and procedures of other Member States' tax administrations in the field of VAT	0%	4%	43%	54%	0%
Improving access to information from other Member States' tax administrations (both standard and specific information and documents)	0%	7%	39%	50%	4%
Improving the officials' understanding of the EU law in the field of VAT	0%	11%	43%	43%	4%

n = 28

Q. 9. In the field of VAT and fight against VAT fraud, please assess the extent to which FISCALIS 2013 activities carried out have contributed directly to:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Improved the overall level of interaction and cooperation with other Member States' tax administrations	0%	4%	39%	46%	11%
Improved administrative practices (and/or procedures) in your administration, especially with regard to the implementation of the EU law in the field of VAT	0%	4%	46%	39%	11%
Increased detection of VAT fraud in the internal market	0%	4%	46%	36%	14%
Aligned administrative practices (and/or procedures) between the Member States' tax administrations in the field of VAT	0%	7%	64%	18%	11%
Increased amount of VAT collected following the detection of fraud in the internal market	7%	4%	57%	14%	18%
Reduced incidence of VAT fraud in the internal market	4%	14%	54%	14%	14%
Reduced cost of the fight against VAT fraud in the internal market	0%	18%	46%	11%	25%
Reduced administrative burden on the taxpayers	7%	36%	25%	7%	25%

n = 28

Q. 11. How would you compare a hypothetical situation - without FISCALIS, i.e. the Member States would have to organise themselves to cooperate – with the current situation?

Without FISCALIS...	Significantly lower	Lower	Similar	Higher	Significantly higher
... the number of multilateral controls in the VAT field would be:	61%	32%	4%	0%	4%
... the overall level of interaction and cooperation with other Member States' tax administrations in the VAT field would be:	43%	54%	4%	0%	0%
... the average tax officials' understanding of the practices and procedures of other Member States' tax administrations would be:	39%	57%	4%	0%	0%
... the volume of information exchanged between the Member States' tax administrations in the VAT field would be:	36%	57%	7%	0%	0%
... the level of detection of VAT fraud would be:	32%	64%	4%	0%	0%
... the average tax officials' understanding of the EU laws would be:	29%	68%	4%	0%	0%
... the amount of VAT collected following the detection of fraud would be:	21%	71%	7%	0%	0%

n = 28

Without FISCALIS...	Significantly lower	Lower	Similar	Higher	Significantly higher
... the cost of the fight against VAT fraud in the internal market would be:	7%	18%	7%	57%	11%
... the time spent on information exchange between the Member States' tax administrations in the VAT field would be:	25%	14%	11%	39%	11%
... the administrative burden of the taxpayers to comply with the VAT rules would be:	7%	7%	39%	36%	11%

n = 28

3.2 Excise duties

Q.1. In which country do you work?

Country	Number	Percentage
Austria	1	3%
Belgium	1	3%
Bulgaria	1	3%
Croatia	1	3%
Cyprus	1	3%
Czech Republic	1	3%
Denmark	1	3%
Estonia	1	3%
Finland	1	3%
France	1	3%
Germany	1	3%
Greece	1	3%
Hungary	1	3%
Ireland	1	3%
Italy	1	3%
Latvia	1	3%
Lithuania	1	3%
Luxembourg	1	3%
Malta	1	3%
Netherlands	1	3%
Poland	1	3%
Portugal	1	3%
Romania	1	3%
Serbia	1	3%
Slovakia	1	3%
Slovenia	1	3%
Spain	1	3%
Sweden	1	3%
United Kingdom	1	3%
former Yugoslav Republic of Macedonia	0	0%
Turkey	0	0%

n = 29

Q.2 In which taxation area do you work?

Tax area	Number	Percentage
Excise duties	28	88%
VAT	3	9%
Direct taxation	1	3%
Other	0	0%

n = 29

Q.3 What is your function within your administration?

Function	Number	Percentage
Management	10	88%
Policy	8	9%
Operational/ Technical	8	3%
Administrative	3	0%
Other	0	9%

n = 29

Q. 4. Which objectives of FISCALIS have been the most appropriate to your needs in the field of Excise so far? Please rank from 1 to 4, 1 being the most important and 4 the least important:

	1	2	3	4
Improve cooperation between administrations, ensuring better application of existing rules	34%	24%	21%	21%
Enable officials to achieve a high standard of understanding of EU law and its implementation in Member States	28%	21%	28%	24%
Sharing, development and dissemination of good administrative practices	24%	24%	31%	21%
Secure efficient, effective and extensive information exchange	14%	31%	21%	34%

n = 29

Q.5. Please rate the below question on the FISCALIS programme:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
To what extent do you expect the EMCS system which has been developed within FISCALIS to meet your needs?	0%	3%	24%	69%	3%
To what extent has the communication and cooperation with DG TAXUD during the development and implementation of the EMCS been appropriate?	3%	3%	28%	62%	3%
To what extent has the support provided to implementation of the EMCS been appropriate to your needs?	0%	7%	41%	45%	7%
To what extent has the support provided so far by FISCALIS met the needs of your administration in the field of Excise duties?	0%	7%	52%	38%	3%

n = 29

Q. 7. Please rate the following statements about the implementation and management of the FISCALIS programme:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Coordination of activities has been well functioning	0%	3%	21%	72%	3%
The guidelines and manuals developed by the programme management have been useful and relevant for us	0%	7%	31%	52%	10%
The Commission has consulted sufficiently with national administration on relevant priorities and initiatives	0%	7%	45%	48%	0%
The programme management has been sufficiently responsive to the needs and wishes of national administrations	0%	10%	41%	48%	0%
Lessons learned from previous FISCALIS programmes has been used actively in the implementation of the current programme	0%	10%	34%	45%	10%
Monitoring and feed-back procedures have provided a good picture of the progress of the programme	3%	10%	28%	45%	14%
It has been easy to receive guidance from the programme management on how to apply for funding	0%	7%	24%	45%	24%
There has been sufficient information sharing between the programme management and the national administrations	3%	10%	41%	38%	7%

n = 29

Q. 8. In the field of Excise duties, please assess the extent to which the FISCALIS 2013 programme has contributed to:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Improving the officials' understanding of the practices and procedures of other Member States' tax/customs administrations	0%	0%	41%	55%	3%
Improving the officials' understanding of the EU law in the field of Excise duties	0%	7%	34%	55%	3%
Exchange of good administrative practices in the field of Excise and fight against Excise fraud (including procedures)	0%	7%	34%	55%	3%
Improving administrative cooperation with other Member States' tax/customs administrations	0%	3%	41%	52%	3%
Improving access to information from other Member States' tax/customs administrations (both standard and specific information and documents)	0%	0%	48%	45%	7%

n = 29

Q.10. Under FISCALIS 2013, the EMCS system has been developed and implemented. Although it is still in early stages of use, please assess to what extent you expect the EMCS system to contribute to:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Improved administrative practices (and/or procedures) in your administration, especially with regard to the field of Excise duties	0%	10%	24%	59%	7%
Aligned administrative practices (and/or procedures) between the Member States' tax/customs administrations in the field of Excise duties	0%	21%	17%	55%	7%
Increased detection of Excise fraud in the internal market	0%	10%	38%	41%	10%
Reduced administrative burden on the Excise duty payers	0%	21%	28%	41%	10%
Reduced incidence of Excise fraud in the internal market	0%	7%	48%	34%	10%
Increased amount of Excise duties collected following the detection of fraud in the internal market	0%	10%	48%	24%	17%
Reduced cost of the fight against Excise fraud in the internal market	0%	14%	48%	21%	17%

n = 29

Q.12. How would you compare a hypothetical situation - without FISCALIS, i.e. the Member States would have to organise themselves to cooperate – with the current situation?

Without FISCALIS...	Significantly lower	Lower	Similar	Higher	Significantly higher
... the average tax officials' understanding of the practices and procedures of other Member States' tax/customs administrations would be:	24%	69%	7%	0%	0%
... the number of multilateral controls in the field of Excise would be:	24%	34%	34%	0%	7%
... the overall level of interaction and cooperation with other Member States' tax administrations in the Excise field would be:	21%	66%	10%	0%	3%
... the volume of information exchanged between the Member States' tax/customs administrations in the Excise field would be:	21%	66%	7%	3%	3%
... the average tax officials' understanding of the EU laws would be:	14%	62%	21%	0%	3%
... the level of detection of Excise fraud would be:	3%	48%	38%	0%	10%
... the amount of Excise duties collected following the detection of fraud would be:	3%	48%	38%	0%	10%

n = 29

Without FISCALIS...	Significantly lower	Lower	Similar	Higher	Significantly higher
... the time spent on information exchange between the Member States' tax/customs administrations in the Excise field would be:	7%	14%	17%	45%	17%
... the cost of the fight against Excise fraud in the internal market would be:	0%	3%	38%	45%	14%
... the administrative burden of the taxpayers to comply with the Excise rules would be:	0%	7%	38%	48%	7%

n = 29

3.3 Direct taxation

Q.1. In which country do you work?

Country	Number	Percentage
Austria	1	4%
Belgium	1	4%
Cyprus	1	4%
Czech Republic	1	4%
Denmark	1	4%
Estonia	1	4%
Finland	1	4%
France	1	4%
former Yugoslav Republic of Macedonia	1	4%
Germany	1	4%
Hungary	1	4%
Ireland	1	4%
Italy	1	4%
Latvia	1	4%
Lithuania	1	4%
Luxembourg	1	4%
Malta	1	4%
Netherlands	1	4%
Poland	1	4%
Portugal	1	4%
Romania	1	4%
Serbia	1	4%
Slovakia	1	4%
Slovenia	1	4%
Sweden	1	4%
Turkey	1	4%
Bulgaria	0	0%
Croatia	0	0%
Greece	0	0%
Spain	0	0%
United Kingdom	0	0%

n = 26

Q.2 In which taxation area do you work?

Tax area	Number	Percentage
Direct taxation	23	62%
VAT	7	19%
Excise duties	3	8%
Other	4	11%

n = 26

Q.3 What is your function within your administration?

Function	Number	Percentage
Management	10	38%
Operational/ Technical	6	23%
Policy	5	19%
Administrative	4	15%
Other	1	4%

n = 26

Q. 4. Which objectives of FISCALIS have been the most appropriate to your needs in the field of Direct Taxation so far? Please rank from 1 to 4, 1 being the most important and 4 the least important:

	1	2	3	4
Improve cooperation between administrations, ensuring better application of existing rules	31%	27%	38%	4%
Secure efficient, effective and extensive information exchange	31%	19%	23%	27%
Enable officials to achieve a high standard of understanding of EU law and its implementation in Member States	23%	15%	19%	42%
Sharing, development and dissemination of good administrative practices	15%	38%	19%	27%

n = 26

Q.5. Please rate the below question on the FISCALIS programme:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
To what extent has FISCALIS 2013 offered appropriate support to your administration so far, in order to fight against tax fraud and tax evasion in the field of savings taxation?	12%	4%	46%	23%	15%

n = 26

Q.7. Please rate the following statements about the implementation and management of the FISCALIS programme

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
There has been sufficient information sharing between the programme management and the national administrations	0%	0%	27%	54%	19%
Coordination of activities has been well functioning	0%	0%	38%	50%	12%
It has been easy to receive guidance from the programme management on how to apply for funding	0%	0%	23%	42%	35%
The programme management has been sufficiently responsive to the needs and wishes of national administrations	0%	4%	42%	38%	15%
The guidelines and manuals developed by the programme management have been useful and relevant for us	0%	0%	38%	38%	23%
The Commission has consulted sufficiently with national administration on relevant priorities and initiatives	0%	0%	46%	31%	23%
Monitoring and feed-back procedures have provided a good picture of the progress of the programme	0%	15%	27%	31%	27%
Lessons learned from previous FISCALIS programmes has been used actively in the implementation of the current programme	4%	8%	50%	23%	15%

n = 26

Q. 8. In the field of savings taxation and fight against fraud/tax evasion, please assess the extent to which the FISCALIS 2013 programme has contributed to:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Improving administrative cooperation with other Member States' tax administrations	4%	0%	54%	27%	15%
Exchange of good administrative practices in the field of savings taxation and fight against fraud (including procedures)	4%	12%	38%	23%	23%
Improving access to information from other Member States' tax administrations regarding savings and interest payments (both standard and specific information and documents)	8%	15%	35%	19%	23%
Improving the officials' understanding of the EU law in the field of savings taxation	8%	19%	31%	15%	27%
Improving the officials' understanding of the practices and procedures of other Member States' tax administrations in the field of savings taxation	4%	19%	42%	12%	23%

n = 26

Q. 10. In the field of savings taxation and fight against fraud/tax evasion, please assess to what extent the FISCALIS 2013 activities have contributed directly to:

	Not at all	To a limited degree	To some degree	To a high degree	Do not know
Improved the overall level of interaction and cooperation with other Member States' tax administrations	4%	8%	58%	15%	15%
Improved administrative practices (and/or procedures) in your administration, especially with regard to the implementation of the EU law in the field of savings taxation	8%	15%	35%	12%	31%
Increased detection of tax evasion on savings taxation the internal market	12%	15%	31%	12%	31%
Increased amount of tax collected on savings and interest payments following the detection of tax fraud and tax evasion in the internal market	15%	23%	19%	12%	31%
Aligned administrative practices (and/or procedures) between the Member States' tax administrations in the field of savings taxation	8%	8%	50%	8%	27%
Reduced cost of the fight against tax fraud and tax evasion related to savings and interest payments in the internal market	15%	19%	23%	8%	35%
Reduced administrative burden on the taxpayers and economic operators	19%	31%	19%	4%	27%
Reduced incidence of tax fraud and tax evasion related to savings and interest payments in the internal market	15%	19%	35%	0%	31%

n = 26

Q.12. How would you compare a hypothetical situation - without FISCALIS, i.e. the Member States would have to organise themselves to cooperate – with the current situation?

Without FISCALIS...	Significantly lower	Lower	Similar	Higher	Significantly higher
... the average tax officials' understanding of the practices and procedures of other Member States' tax administrations would be:	15%	65%	15%	4%	0%
... the average tax officials' understanding of the EU laws would be:	15%	58%	23%	4%	0%
... the volume of information exchanged between the Member States' tax administrations in the field of savings taxation would be:	12%	54%	35%	0%	0%
... the level of bilateral and multilateral controls in the field of savings and interest payments would be:	8%	58%	35%	0%	0%
... the level of detection of tax fraud and tax evasion on savings would be:	8%	58%	31%	4%	0%
... the overall level of interaction and cooperation with other Member States' tax administrations in the field of savings taxation would be:	4%	65%	31%	0%	0%

n = 26

Without FISCALIS...	Significantly lower	Lower	Similar	Higher	Significantly higher
... the time spent on information exchange between the Member States' tax administrations to detect tax fraud and tax evasion on savings would be:	8%	27%	35%	23%	8%
... the administrative burden of the taxpayers and economic operators to comply with the rules would be:	0%	35%	23%	38%	4%
... the cost of the fight against tax fraud and tax evasion in the internal market would be:	4%	65%	23%	8%	0%

n = 26

SUPPLEMENT 5 CASE STUDY REPORTS

List of case studies

1. Denatured alcohol
2. Direct taxation
3. E-audit
4. EMCS implementation
5. Recovery
6. Risk management
7. VAT MTIC/carousel
8. Used cars

1. DENATURED ALCOHOL

Legal basis:

Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages

Activities covered by the study:

Financial code	Action title	Action type	Objective (AWP)
FMC/084	Alcohol (Ethanol) distribution and users - Host UK	Multilateral Control	2.2 Information exchange and administrative co-operation among member states / Multilateral Controls
FPG/049	Project Group to develop euro-denaturants for the purposes of the exemption of alcohol from excise duties.	Project Group	3.2 Understanding of EU law and of its implementation in member states / Participating countries' knowledge of other tax administrations' legislation and working procedures
FSM/116	Seminar to develop euro-denaturants for the purposes of the exemption of alcohol from excise duties.	Seminar	3.2 Understanding of EU law and of its implementation in member states / Participating countries' knowledge of other tax administrations' legislation and working procedures

1.1 Context

Council Directive 92/83/EEC harmonises the structure for excise duties on alcoholic beverages and alcohol contained in other products. It defines the categories of alcohol and alcoholic beverages which are subject to excise duty, and the basis on which the excise duty is calculated. The general principle is that excise duty is only due on alcohol intended for human consumption as a beverage. Therefore, the Directive provides exemptions from excise duty, subject to rules, for these particular purposes. This concerns products included within the term "ethyl alcohol", i.e. alcohol which is not intended as a beverage, for example, alcohol intended for industrial purposes, in the production of foodstuffs, medicines and so on.

The products covered by this directive are exempt from excise duty when distributed in the form of alcohol which has been:

- completely denatured in accordance with the requirements of any Member State (Article 27(1)(a)); such requirements should have been duly notified and accepted³⁰
- denatured in accordance with the requirements of any Member State and used for the manufacture of any product not for human consumption (Article 27(1)(b)); it concerns partially denatured alcohol, e.g. for cosmetics, cleaning products or biofuels.

1.2 Relevance

Challenges met by the national administrations

A "high level of tax fraud and tax evasion"

Since the mid-2000s' [Note from the evaluator: after EU enlargement to the CEECs], customs/fiscal services in the MSs observed increasing circulation of denatured alcohol in the internal market. Also, the MSs intercepted shipments of denatured alcohol being diverted illegally for use as an alcoholic beverage (mainly Vodka drinks imported from outside Europe), which revealed excise duty fraud. This issue was discussed informally by the MSs during a seminar on alcohol duty release, and participants acknowledged that many MSs were facing similar problems with denatured alcohol. MSs then turned to the European Commission, and it was decided to organise a MLC (FMC84) in order to compare practices on alcohol denaturing procedures and control, and to share information on alcohol importers.

A "lack of uniform and efficient implementation of Community Law" and a "high burden on the tax administrations"

The MLC's participants issued a report pointing out the extreme complexity of the denaturing regime: more than 40 procedures for complete denaturing are recognised under Regulation (EC) No 3199/93 and several hundred procedures for partial denaturing are subject to mutual recognition. This diversity of the national denaturing regimes does not encourage mutual trust, and renders appropriate controls difficult, time consuming and costly:

- the lack of certificates and transparency makes it difficult to check whether a product has been denatured in accordance with EU and national laws;
- the knowledge of denaturants used in other MSs is limited and information is difficult to obtain;
- laboratories need to be over-equipped to be able to test all the different denaturants.

³⁰ The denaturants which are employed in each Member State for the purposes of completely denaturing alcohol in accordance with Article 27 (1) (a) of Directive 92/83/EEC are as described in the Annex to Regulation (EC) No 3199/93 of 22 November 1993 on the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty.

Objectives set to address challenges

The operational objectives of FISCALIS 2013 proved to be relevant to address the abovementioned challenges. Especially:

- The MSs needed to improve their knowledge of the different national practices. This concerned partially denatured alcohols, which are not subject to prior notification and acceptance, and therefore are not available in the Annex to Regulation (EC) No 3199/93. This need was in line with the programme's objective to "*achieve a high standard of understanding of EU law and its implementation*".
- The MSs were willing to exchange denaturing practices and, on this basis, identify and disseminate best practices through the development and testing of euro-denaturants. This was in line with the programme's objective "*improved administrative procedures of the participating national tax administrations through development and dissemination of good administrative practices*".

According to interviewees and available documents, the ultimate objective was to ensure a consistent application of the EU law in the MSs through uniform denaturing practices in the internal market. Interviewees agree that exchanging current practices and developing good practices are relevant ways to address this.

Another objective, which according to interviewees was mentioned in the MLC report, was to facilitate administrative controls. Interviewees mentioned that denatured alcohol circulating in the Internal Market was not subject to any specific formalities, which made it difficult to know whether the alcohol had been duly denatured according to a MS's authorized practice. The definition of common administrative procedures does not fall within the "operational objectives" of the programme, and this could be a reason why this objective was not pursued.

1.3 Effectiveness

Outputs

When looking at the "operational objectives" of the programme, the following can be said:

- *Improved information exchange and administrative co-operation:*
 - The MCL supported by the project group was an opportunity for the MSs to share information about businesses trading denatured alcohol. This was done through liaison officers.
 - A database of denaturants was developed by the Joint Research Centre on the basis of the Project Group's inventory. In practice, this database has not been financed by FISCALIS, but the programme supported its development in a critical way: the Project Groups brought together experts from different MSs; it provided the necessary environment and financial means to elaborate a question and conduct a survey to laboratories and businesses on their denaturing practices. This database is now used by laboratories when testing denatured alcohol. It contains denaturants' formulas and procedures. Each laboratory can have access to this information, which facilitates the work when testing the product's compliance or trying to identify the origin of regenerated alcohol. According to interviewees, before the database was set up it could take more than 3 weeks to obtain from the national administration the formula of a denaturant used in another MS.
- *A high standard of understanding of the Union's law and its implementation:*
 - The MCL was the opportunity to share experience on the way MSs control denatured alcohol (purpose of the 1st meeting)
 - Because it facilitates access to information on national denaturing practices, the inventory and DB mentioned above contributed to this objective as well. In addition, the Multilateral

- Control, Project Group and Seminar contributed to raising awareness among laboratories and customs/fiscal administrations of the differences that exist between MSs.
- Also, the formal laboratory exercise, through which national laboratories tested the euro-denaturants defined by the Project Group, was instrumental for the participants to have a critical view on their practices and capacities, and their impact on the functioning of the internal market. Ultimately, it has encouraged the MSs to look towards improving their national practices.
 - *Development and dissemination of good administrative practices:*
 - On the basis of their experience, the MLC participants examined possible improvement of established control procedures (2nd meeting) and drawing from lessons learned, discussed dissemination and implementation of best practices (3rd meeting). The MLC also concluded that more work was needed in this area, in order to better harmonise practices.
 - A new euro-denaturant for completely denatured alcohol has been defined by the Project Group on the basis of best practices identified in the MSs. All respondents admit that it may be spontaneously used as a benchmark by the MSs. One example is France, whose procedure for complete denaturing of alcohol is becoming obsolete and will have to be changed at some point in time. France may decide to use the euro-denaturant defined by the Project Group to develop its own procedure.
 - The formal laboratory exercise to test the euro-denaturant identified by the Project Group, was not only useful for the national bodies to have a critical view on their practices and capacities: it was also an opportunity to test and identify best practices in terms of denaturing processes and control.

Finally, the “network effect” of the MLC and Project Group was also mentioned as a very positive outcome of the activities performed under FISCALIS. Through their participation in the activities supported by FISCALIS, participants developed a network, which they can use when they need specific information or advice.

Results

At the overall level, i.e. when the extent to which the programme was able to “*improve the proper functioning of the taxation systems in the internal market*” is examined, the following can be said:

- Effective use of lessons learned and practices for a more effective *fight against fraud* depends on the extent to which the results of the FISCALIS activities will be disseminated and used in the MSs. No evidence is available yet, although interviewees could already perceive positive signals, such as the example in France mentioned above.
- Available information also indicates progress towards a *uniform application of EU law*: As mentioned above, the new euro-denaturant defined by the PG may be spontaneously used as a benchmark by the MSs.

Whether the euro-denaturant for completely denatured products will feed into a legislative proposal concerning Council Directive 92/83/EEC is now subject to a political decision. As a next step, results will be presented by DG TAXUD at the Excise Committee and discussed by the MSs. In this regard, the fact that the euro-denaturant proposed for complete denaturing was developed by national experts themselves should facilitate its acceptance on a political level. One example of this is the Swedish national administration that has been consulting with the Project Group’s participant to have its opinion about the new euro-denaturant.

Internal and/or external factors

Apart from the political willingness, as mentioned above, two elements are seen as enabling factors:

- All participants had a common interest based on the same problem (e.g. this has enabled a large participation of national laboratories to carry out the practical test); this was largely facilitated by the fact that the MLC and PG were based on voluntary participation
- Activities have involved operational people to deal with practical problems, and political considerations were not touched upon.

Programme management

Participants unanimously praised the organisation of the different activities. Answers reveal differences in the way the programme is managed in the MSs, but in general the support from the FISCALIS management teams in the MSs, the organisation of events by the host countries, and the preparation of supporting materials by the European Commission were all assessed very positively.

The case study illustrates a cooperative and transparent way of setting priorities in the FISCALIS programme:

- A combined top-down and bottom-up approach: The MSs have been facing common practical problems in implementing the legislation; these common problems became more apparent during the implementation of the MLC supported by FISCALIS, and the activity report called for further efforts toward harmonisation in the area of denatured alcohol. Meanwhile, the Commission was initiating a broader review and potential proposal concerning Council Directive 92/83/EEC, and the work looking at euro-denaturants could feed into this exercise.
- A combination of formal and informal approaches: Interviewees mention informal discussions between the MSs and the Commission after the MLC was finalised. These discussions took place on the occasion of another FISCALIS activity. These informal exchanges were followed by discussions at Excise Committee, and it was acknowledged that there was support for the concept of developing 'euro-denaturants', as alternatives to the current nationally approved denaturants. Informal information sharing has supported the realisation of the objectives. MSs agreed to take action following informal talks among themselves and with the Commission.

Another finding of the case study is that the set of complementary tools has offered progressive, flexible, and practical solutions to emerging needs. The MLC was used to share experience and identify common problems; the PG was used to find practical solutions; the Seminar was used to share and test findings before moving up to the policy level.

1.4 Efficiency

The use of the existing agreement between the JRC and the Commission in order to develop the database is seen as positive: it has enabled the design of an end-product without spending additional resources, by using the JRC's own resources. For this reason, and from the commission's point of view, it would have been difficult to achieve the same results for lower costs.

Also, it can be mentioned that participants to the PG claimed that the workload was particularly high. They explain this by the fact that time available between two meetings was limited, and that their contribution to the PG's activities came in addition to their regular activities. Since participants have been working under strict constraints and have achieved a lot of with limited resources (time, human resources), they have the feeling of being voluntary contributors. For this reason, and from the participant's point of view, it would have been difficult to achieve the same results for lower costs. Meanwhile, unreasonable workloads can be obstacles to

participation in FISCALIS.

1.5 EU Added value

On the question of the FISCALIS added value, participants acknowledged that they have difficulties finding and resources for cooperating and exchanging information with other MSs. In this context:

- FISCALIS is seen as a necessary contribution to the costs and management tasks for such cooperation activities, which would not take place otherwise.
- The fact that financial resources are specifically allocated to cooperation constitutes an incentive to work together; without FISCALIS, interviewees do not think that their administration would allocate the same amount of money to cooperation in the EU.

However, interviewees are familiar with FISCALIS (and also, in this particular case, the CUSTOMS programme), which they consider to be part of their work. FISCALIS supports most – if not all – of their activities within the EU. For them, the end of FISCALIS would mean the end of their cooperation with other MSs; hence, they have difficulties imagining a situation without FISCALIS.

1.6 Conclusion and prospective

Main findings

- MS are facing a lack of uniform and efficient implementation of Community Law as national practices on denaturing processes differ to a high degree; there was a need to better understand how MSs apply EU regulation, and exchange good practices. Some FISCALIS operational objectives proved to be relevant to address needs.
- The case study provides strong evidence of the contribution of the FISCALIS activities to the programme's operational objectives. In particular, FISCALIS activities have improved knowledge of existing practices in the MSs, and through the creation of a euro-denaturant, have developed good practices to be implemented in the MSs or used as a benchmark.
- On an overall level, positive results are expected on the functioning of the taxation systems in the internal market, but this is conditional on effective dissemination of lessons and practices learned, and political willingness to move towards further harmonisation of denaturing practices.
- Finally, in this case study, the EU added value of FISCALIS resides mainly in the fact that without FISCALIS, participants would have had difficulties finding time and resources to cooperate and exchange information with other MSs. FISCALIS ensures that such resources are available for cooperation at the EU level.

Future prospects (Relevance)

After the project group ends, work remains to be done to identify euro-denaturants for partial denaturing; this could possibly be achieved with the support of FISCALIS, under the objectives "a high standard of understanding of the Union's law and its implementation" and "development and dissemination of good administrative practices".

Also, MSs should decide whether they want to harmonise denaturing processes; although this is in line with current FISCALIS objectives, it is out of its scope.

Achievements of the above-mentioned objectives depend on the willingness of the MSs to move on and use the outcomes of FISCALIS activities. Also, according to interviewees, limited own-resources in the MS and the European Commission – regardless of the FISCALIS programme – are constraining.

SOURCES USED

Interviews

Name	Position	Institution	Country
Stephen Kent	Policy Officer	European Commission, DG TAXUD, Unit C2	(EU)
Dávid Laczkó	Chemist		Hungary
Catherine Lamoureux	Chemist	SCL - Laboratoire d'Île-de-France	France
Ann-Sofie Pettersson	Chemist/Officer	Swedish National Institute of Public Health	Sweden
Dan Sanderson	Policy Officer	HM Revenue and Customs	United Kingdom

Documents

Title	Type
FMC/084 Information Sheet	Implementation
60247 Seminar to develop euro-denaturants for the purposes of the exemption of alcohol from excise duties	Proposal
FSM/116 Seminar to develop euro-denaturants for the purposes of the exemption of alcohol from excise duties	Implementation
60194 Project Group to develop euro-denaturants for the purposes of the exemption of alcohol from excise duties	Proposal
FPG/049 Project Group to develop euro-denaturants for the purposes of the exemption of alcohol from excise duties	Implementation

2. DIRECT TAXATION

Legal basis:

Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation, repealing Directive 77/799/EEC

Activities covered by the study:

Financial code	Action title	Action type	Objective (AWP)
FSM110	Follow-up seminar on common forms for direct taxation	Seminar	2.3 Information exchange and administrative cooperation among Member States / Communication and information exchange systems
FWS011	Workshops on the development of common forms for direct taxation	Workshop	2.1 Information exchange and administrative cooperation among Member States / administrative cooperation arrangements between tax administrations
FPG58	Project Group for the development of Country Profiles for direct taxation	Project Group	2.3 Information exchange and administrative cooperation among Member States / Communication and information exchange systems
FPG/064	Development of e-learning modules on Administrative Cooperation in the field of direct taxation	Project Group	7.2 Horizontal programme issues / Common training
FPG/070	Pool of Trainers for eForms in Direct Taxation	Project Group	7.2 Horizontal programme issues / Common training

NOTE: As the seminar initially selected for this case study (FSM/110) has not yet taken place, the experience and outcomes of two prior seminars relating to the same subject will be taken into consideration as the context and history of this upcoming seminar and the other selected activities.

2.1 Context

Whereas cooperation between tax administrations in the area of VAT has a relatively long history and a legal basis at the EU level, cooperation on direct taxation is a fairly new area on which work started in 2005. Rules and regulation within this tax area are still to a high extent a national matter, but Directive 2011/16/EU (replacing Directive 77/799/EEC) sets the legal framework for enhanced cooperation on direct taxation.

In the beginning it proved a difficult area within which to develop cooperation, as there seemed to be a fear that the Commission was trying to impose obligations on the MSs. During the process of developing cooperation, most MSs gained assurances that there were no intentions of harmonisation of taxation systems but only coordination and facilitation to help MSs to efficiently prevent tax evasion, and there was a new-found willingness to engage and move on quickly.

The outcome of the first Fiscalis seminar on direct taxation in Prague in 2005, set up to discuss how to enhance cooperation on direct taxation, was a decision to develop common forms for the exchange of information to overcome language barriers and facilitate faster responses. The first initiative and steps in this process were not taken in the framework of the Fiscalis programme but by a sub-group of the Commission working group³¹. Meanwhile, the Fiscalis framework has been used to support the work of the sub-group, e.g. by bringing representatives of all MSs together in seminars to discuss the work of the sub-group and the developed prototype for the forms. The first of these seminars was held in Mariehamn (FI) in June 2008, the second was in Naples (IT) in April 2009, and a third is to take place in Malmö (SE) in October this year. Three Workshops also took place in 2009.

2.2 Relevance

Challenges met by the national administrations

Exchange of information between tax authorities is considered an essential tool for combating *direct tax fraud* within the EU, where people as an effect of the internal market are free to move around and earn their living in different countries. With this in mind, it is important that not only officials specialised in combating cross-border direct tax fraud, but also all other tax auditors understand the need for and contribute to cross-border cooperation and information exchange in their daily work.

Objectives set to address challenges

The main objective of the activities within the field of direct taxation is to fight direct tax fraud by building a strong system to support efficient *information exchange and administrative cooperation*. This is an important first step to have a foundation to build on in the work to improve intra-EU cooperation on direct taxation in the long run.

To this end, the purpose of the workshop was to further improve the already existing common forms for exchange of information in direct tax matters. The prototype of the forms had, as mentioned above, been developed by the sub-group, and this workshop was actually a direct offshoot of the sub-group. The workshop (along with two others not selected for this case study) was organised within the Fiscalis programme to overcome the burdensome administration connected with the sub-group set-up, and to take advantage of the more flexible framework provided by Fiscalis.

The three project groups selected for this case study were set up for the purpose of contributing to the e-forms – their functioning and implementation – each in their own way. FPG58 has been

³¹ This solution was chosen in order to get UK on board in the process, as the UK did not take part at that time in the Fiscalis programme for direct taxation purposes. The UK nowadays fully participates to the Fiscalis programme for direct taxation issues.

and is still working on the development of country profiles to assist auditors in the process of filling in information requests. The country profiles shall include fundamental information regarding the administrative and legal framework of the receiving country in connection with a request for information. FPG64 has been developing an e-learning module on the use of the e-forms both to be used directly by national administrators and auditors, and in the training of them. The product is to be up and running by the end of May this year. To the same end, the FPG/070 is a group of national experts on the e-forms (including members of the sub-group) who have been trained as trainers in the use of the e-forms and the e-learning on the forms, and are to travel around and provide training in MSs upon their request.

The seminar (FSM110) which is to take place in October 2011 is being organised with the objective of contributing to the development of the e-forms and particularly the launch of the second version. As such, all the Fiscalis activities selected for this case study were initiated with the same objective in mind, namely *improving the information exchange and administrative cooperation between national tax administrations*.

2.3 Effectiveness

Outputs

All the activities selected for this case study contributed (directly or indirectly) to the goal of developing e-forms and the administrative cooperation on direct taxation. As such, there was no concrete or isolated output of the workshops, as the outcome of these meetings fed into the continued work in the sub-group on developing the e-forms.

The work of the sub-group in general (ex Fiscalis framework) on the forms is fundamentally changing the mode of *information exchange and administrative cooperation* in the EU MSs' direct tax administration. With this work they have gone from what was originally a 2-3 page Word document, to electronic versions of the forms set up in an online system which permits more direct, quicker and more efficient information exchange and cooperation.

The seminars provided a venue for bringing representatives of all MSs together, allowing everybody to contribute their input to the forms under development. An important outcome of this was a feeling that the forms were the result of a common project between all the MSs and not something imposed by the Commission. This sense of co-ownership is expected to make the implementation process easier. Ahead, there lies also some work to be done on the e-forms to make them reflect all the specifications of the new Directive which entered into force earlier this year. A launch of a second version of the e-forms is being prepared, and the seminar planned for October is also a step in this process.

The three different project groups are providing some very concrete outputs, namely country profiles, an e-learning module on the e-forms for information requests and a pool of trainers in both the use of the e-forms and the e-learning. The country profiles are still works in progress, and it is thus still too early to say how this product will be received and how useful it will be to tax auditors. The same goes for the e-learning which is only now on the verge of release. Meanwhile, in Finland for instance it has already been planned to use the e-learning in the training of all new tax auditors to induce a new way of thinking which promotes international cooperation. The e-learning is moreover expected to be a tool for efficiency in the implementation of the e-forms, obviating the need for individual introductions to everyone in those MSs where the forms are being rolled out to all auditors. As such all the activities on direct taxation are mutually supportive in building a strong base for administrative cooperation.

As for the pool of trainers, so far there have been no requests for their assistance, which could be seen as an indication that there is no need for this group. However, at the Commission it is rather considered a sign of unawareness of the group's existence among the MSs and there is a plan to issue some information on the pool of trainers to all MSs in the near future, after which

demands are expected to increase. The interviewed activity participants expected that there will be a need for such assistance, as some countries may face real challenges in implementing and using the e-forms. In Finland the idea of inviting the pool of trainers for a discussion on the use of the forms to hear some different views on this topic has also been considered.

Though it was not an explicit intention of the activities on direct taxation to contribute to this objective, the interviewees considered that the events did to some extent contribute to the *exchange of good practice*. Bringing people together to discuss their work and its future prospects is bound to provide for the sharing of good practices. Though the activities have been very operational and output-oriented, working together discussing different viewpoints and experiences provides an awareness of what other countries are doing. This knowledge will also be extended by the introduction and use of the country profiles (yet to come). As such the Fiscalis activities also contribute to a *better understanding of the functioning of other MSs' taxation systems and administrations*.

Results

As mentioned above, the electronic version of the forms for information exchange have only recently been launched, and in the UK, for instance, the implementation was delayed due to funding and IT issues. By now the e-forms should however be up and running in all MSs and their implementation should be helped by the e-learning soon to be launched, the pool of trainers and the country profiles on the way. But no information on concrete results or effects of their introduction is available as of yet. Meanwhile, the interviewees all expect benefits to come from the introduction and use of the e-forms, especially with the continuous work on improvement and adaptations to fit the requirements of the new Directive. Moreover, the fact that some countries (e.g. Finland) started using the forms even before they were officially required to and before the launch of the electronic version is an indication that it is a helpful tool in the work of tax auditors.

Though real results remain to be seen, early experience and expectations of the interviewees indicate that the work on direct tax cooperation carried out in the framework of the Fiscalis programme should result in *reduced burdens on administrations* and facilitate the *fight against direct tax fraud*, which should in turn help improve the functioning of the internal market.

Internal or external factors

An important factor regarding the actual achievement of the expected results is of course that there is sufficient support in the national administrations for rolling out the tools and using them properly. If not all MSs support the idea of using these forms for information exchange, the benefits may prove to be rather small. A successful roll out is therefore dependent on the people in charge nationally really encouraging and supporting the auditors to use the forms. Meanwhile, the Fiscalis seminars on the subject have hopefully helped underline the importance of this matter to the national representatives and provide a feeling of shared responsibility and ownership for this project.

Programme management

The interviewed participants in the seminars, project groups and workshop consider the management of DG TAXUD to be extremely efficient and very good at taking things forward. They are good at delegating a lot of work to the national experts participating, but they are also prepared to take a fair chunk of the work themselves, showing real drive.

The events are always very well organised. For example, for the seminar to be held in October, invitations and information have already been sent out, providing the MSs enough time to select and send the best experts and to prepare for the event. To the knowledge of the interviewees, the colleagues in national administrations organising the previous seminars received a lot of support from the Commission and the other members of the sub-group. Normally all the sub-group participants work together with the Commission and the host country to organise the

seminars.

2.4 Efficiency

Compared to other frameworks for cooperation for direct taxation (e.g. the OECD cooperation), the Fiscalis programme is considered to provide a much more flexible and efficient framework for developing cooperation. The Fiscalis network sets out a good framework for easily gathering people and expertise in order to share good practice and move forward together. In particular, the possibility to organise smaller working groups of experts and practitioners makes the work more efficient.

2.5 EU Added value

What the Fiscalis programme particularly adds to the direct tax cooperation is coordination – an existing structure for cooperation between MSs, which allows for the MSs to know what is expected from them and what they may expect from others when engaging in multilateral information exchange and cooperation. Moreover, it encourages cooperation by raising awareness of the importance of international cooperation and coordination and by providing an important support system.

To this end, another important contribution of the Fiscalis programme is the IT tools for exchange of information and the support for their development and maintenance. It is especially a matter of such things taking much less time to develop and set up within the Fiscalis framework. Thus, it is considered that without the framework of the Fiscalis programme, it would probably not have been possible – and definitely would have been much more difficult – to progress as quickly as has occurred within this tax area over the past few years.

That the financial support from the Fiscalis programme provides all countries with the opportunity to take part in the different activities, is a very important contribution stressed by all interviewees. The financial aspect is particularly important in the context of the current economic crisis, in which the Fiscalis budget allows for people still to participate in activities despite public budget cuts in most MSs. Without the financial support of the Fiscalis programme – also for the organisers of the event (not only participants) – many of the past activities (e.g. the London workshop) would not have taken place.

In relation to this, an equally important factor is the support from the Fiscalis management. It is very important to have central coordination and readily available assistance and expertise for organising events. So it is both a matter of economic and practical support provided by the Commission, which has been fundamental for the progression of the work, especially in the development of the e-forms.

A concrete example of how Fiscalis provides added value to the work on improving administrative cooperation on direct taxation is that it allowed for the members of the sub-group to meet in a different setting than under the normal conditions for a sub-group. The added value of these workshops to the work of the sub-group was the chance to have some more meetings in person and actually work directly together on the task at hand. It proved to be very productive, keeping the participants' minds focused on the work and the people in front of them. Also it was helpful for the sub-group members to be able to include "regular" tax officials (from the host MS) in the work, and to hear the opinions of those who are actually going to use the forms that were being developed.

2.6 Conclusions and future prospects

Main findings

- From the very first meeting on direct tax cooperation, it became clear that to improve cooperation, the national administrations were very much in need of concrete tools to facilitate information exchange. Most of the Fiscalis work within this tax area since then has been carried out to support the development of e-forms for information exchange as well as country profiles, e-learning and trainers to support the roll out of the forms – all with the objective of improving the information exchange and administrative cooperation between MSs.
- The e-forms are still at an early stage of being rolled out and put to use, and hence it is still too early to make any vast conclusions on the effects of the outcome of the Fiscalis activities. Meanwhile, judging from the early experience of using the paper version of the forms in some MSs, it is expected that the new system for information requests (especially now that it is electronic) will definitely increase and improve administrative cooperation between national administrations, easing their administrative burdens and helping them help each other in the fight against direct tax fraud.
- An important aspect in bringing about these expected results is the Fiscalis seminars, which have provided the opportunity to collect the input and knowledge of all MSs, providing a sense of shared ownership and responsibility for the final product, which is expected to help the roll out and actual use of the e-forms along with the “support products” developed by the project groups.
- According to the interviewees, none of this would probably have been achieved without the Fiscalis programme – or at least not at the same pace. The added value of the Fiscalis programme is particularly that it allows for moving forward quickly and working quite efficiently with developing ideas due to the strong network, and the financial and administrative support provided by the programme.

Future prospects (Relevance)

As work on cooperation in the direct tax area progresses and the legal basis has become stronger, an important aspect could be to work more on integrating and coordinating the work in this tax area with the work on VAT cooperation. In the management of the programme the two areas are kept very separate (perhaps due to different legal bases) but this does not reflect the reality of most national administrations where aspects of both tax areas are often handled by the same authority. For example, one Finnish tax auditor may use both the VAT and direct tax e-forms in his/her work and consider them two sides of the same coin. Meanwhile, there are for instance two separate e-learning modules instructing on how to use the two forms, not linking them and their use to each other. Another example is a project group currently set up to gather statistics on VAT, which might be difficult for MSs to accommodate since this is in many national administrations not separated from other tax areas. In such cases some coordination between the Fiscalis events on the two areas, or even having joint events, might help increase efficiency and lessen the burdens of the work on national administrations.

Another important future prospect, according to the interviewees, is to keep the door open to cooperation with countries outside the EU (which the Commission is already focused on – Norway, US, Canada and Russia have been invited to the Malmö seminar). The plan is that the e-forms will in time also be used for information exchange and cooperation with non-EU countries, the goal being to have only one international tool for exchange of information in the future.

SOURCES USED

Interviews

Name	Position	Institution	Country
Michèle Pérolat	Head of sector Administrative cooperation	European Commission, Unit D2 "Direct tax policy and cooperation"	(EU)
Terhi Punto- Niskanen	Policy officer/MLC coordinator	Competent authority for exchange of information in direct taxation, Finnish administration	Finland
Derek Smith	Tax auditor	Centre for Exchange of Intelligence	United Kingdom

Documents

Title	Type
FSM/110 Follow-up seminar on common forms for direct taxation	Proposal
FWS/011 Workshops on the development of common forms for direct taxation	Proposal
FPG/058 Project Group for the development of Country Profiles for direct taxation	Proposal
FPG/064 Development of e-learning modules on Administrative Cooperation in the field of direct taxation	Proposal
FPG/070 Pool of Trainers for eForms in Direct Taxation	Proposal

3. E-AUDIT

Legal basis:

E-auditors work in different areas (VAT, excise, direct taxation, insurance, etc.), each governed by different rules. For instance, VAT invoicing rules are laid down in Directive 2006/112/EC. Among other things, this requires Member States to recognise the validity of electronic invoices and allow cross-border electronic invoicing and electronic storage.

Activities covered by the study:

Financial code	Action title	Action type	Objective (AWP)
FPG/027	E-audit project group (n° 2)	Project Group	4.2. The sharing, development and dissemination of good administrative practice / Audit techniques
FWS/012	Workshop on e-audit platform	Workshop	4.2. The sharing, development and dissemination of good administrative practice / Audit techniques
FWS/021	E-audit contact persons Workshop	Workshop	4.2. The sharing, development and dissemination of good administrative practice / Audit techniques

3.1 Context

The e-audit Project Group (PG) No. 2 is the continuation of a first PG on e-audit from the previous FISCALIS programming period, upon request from the Member States (MSs) in the Standing Committee on Administrative Cooperation (SCAC).

It consists of a Steering Group (SG) and 6 Activity Teams (AT) "materializing the specific objectives of the Project Group"³². Besides the PG, there also exists a network of e-audit Contact Persons (CP – 1 per MS). Three workshops (plenary meetings) of the e-audit CPs have been held so far, to discuss, share and organize the dissemination of the results of the ATs.

Table 13 Activity Teams

Topic	Status
Promotion of e-audit	On-going
Audit automation	Suspended until an update of the audit automation guidelines is needed
Audit of packages	On-going
Audit of e-invoices	Suspended until an update of the guidance on auditing e-invoices is needed
Remote Audit / Remote access	On-going
Zapper and phantom-ware activity team (ZAPAT)	On-going

Source: Interviews

3.2 Relevance

Challenges met by the national administrations

Some Member States' tax administrations (e.g. Denmark, the Netherlands) had developed audit techniques and processes at the same time as the use of electronic systems and documents increased at the national level. For others, this area of auditing activities was still little known when for instance the VAT Directive of 2006 required MSs to recognise the validity of e-invoices. From then on, there was a need to ensure "*efficient and effective application of EU law*".

The necessity to learn quickly to cope with this requirement put pressure on those MSs' tax administrations. This represented a "*high burden on tax administrations*", especially for the least advanced Member States which welcomed the help from more experienced MSs to face these new tasks.

With the development of more and more sophisticated systems, the complexity of audit activities and of detecting fraud increases. Member States have to make sure their audit capacities are constantly upgraded to cope with the fast evolution of electronic environments due to technological progress, and thus to tackle the risk of a "*high level of tax fraud and tax evasion*". In the specific example of POS, there are a lot of different systems, and new types of fraudulent behaviours like zappers and phantom-wares take advantage of this complexity. This is an issue on which MSs in the SCAC are always very keen to engage.

Objectives set to address challenges

The e-audit platform was created to reach three main goals.

- 1) Assist the MSs in implementing e-audit in their tax administrations, through the continuous dissemination of supporting documents and maintaining the network of e-audit CPs.

³² Invitation to the third E-audit Contact Persons Workshop held in June 2010 in Tallinn, sent by Iosif Dascalu, European Commission, DG TAXUD, Unit A2, Head of Unit

- 2) Investigate further new topics within the field of e-audit through the experts working groups called "activity teams".
- 3) Create a communication and information exchange tool to enable a large dissemination of documents and information activities related to the work of the platform: the "Forum". The Forum enables the platform to overcome the limitations of CIRCA (e.g. CIRCA has a limited number of rights to access per MS).

The first two relate to "*improved administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice*" and the third to "*improved information exchange and administrative co-operation between participating national tax administrations*".

3.3 Effectiveness

Outputs

The e-audit Platform has yielded a large range and number of outputs.

Improved information exchange and administrative co-operation

- The network of e-audit CPs (AT Promotion):
 - The first PG on e-audit (FISCALIS 2007) yielded the creation of an EU-wide network of e-audit Contact Persons, which is a key resource for e-auditors throughout the EU.
 - The second PG on e-audit, under FISCALIS 2013, made it possible to maintain contacts between the network members and facilitated their work with the creation and implementation of such tools as the Forum.
- The Forum (AT Promotion):
 - Was launched in 2009 and has now close to 400 allowed users.
 - Is a web-based share point with a user-friendly interface and allowing for a large number of users to share documents.
 - Was presented to all e-audit CPs at a plenary meeting (FWS/012).
 - A process has been set up to ensure that only active users have access to the Forum: when a user has been inactive for a certain time, he is asked by e-mail to log in to the Forum within a few weeks, otherwise his/her account is closed down.

Development and dissemination of good administrative practices

- The brother country system (AT Promotion):
 - Less experienced MSs are paired with a more experienced MS in the field of e-audit, in order to establish a specific relationship between the two administrations and the CPs, and to share the burden of assisting less experienced MSs.
- The e-audit Roadmap:
 - Is a key guidance document for setting up and carrying out e-audit functions.
 - Is updated along the way as AT produce updated and additional guidance papers.
 - Is widely used by e-auditors throughout the EU, according to several respondents who received positive feedback during plenary meetings, although this is not actually monitored.
- Guidance papers and other outputs of the ATs:
 - Each AT releases a guidance paper upon finalization of its work, condensing the knowledge acquired on the topic of the AT in a practice-oriented manner, i.e. to be used by e-auditors in their day-to-day work. Guidance papers describe tools and techniques that can be used in auditing activities, and they help improve administrative practice throughout the Member States. For instance the AT on e-invoicing produced a guidance paper in 2009.

- A workshop to present the paper to two e-invoices experts from each MS was subsequently organized in the Netherlands.
- The workshop resulted in an informal network of e-invoices experts.
- The AT on e-invoicing also produced technical specifications for training about e-audit, which the less advanced MSs found very useful (again based on informal feedback gathered during plenary meetings of the platform).
- The e-audit newsletter:
 - It started in 2010 with the objective of publishing 3 to 4 issues per year. 2 have been published so far.
 - It gives updates on the work of the ATs and contains stories based on experience and concrete examples.
- Plenary meetings of the platform (annual workshops of the e-audit CPs, e.g. FWS/021)
 - These are an opportunity to share and disseminate the results of the ATs, through presentations prepared by the ATs and the SG.
 - They are also an opportunity to discuss in detail these results and share experience through small working groups within the workshop.
- Working visits:
 - Advanced MSs like Denmark and the Netherlands regularly organize working visits for experts from less advanced MS on a given topic, e.g. IT forensics.
 - These include hands-on training and are very much appreciated.

Results

The e-audit platform is mainly about capacity-building and knowledge-sharing. It allows for the dissemination of good administrative practices through a wide range of tools and systems (see outputs above). These tools help e-auditors throughout the EU in their day-to-day tasks, which are related to *"fight against fraud"* and to coping with new *"burdens on administrations"*. Increased capacity to address these two issues contributes to *"improve the proper functioning of the taxation systems in the internal market"*.

For instance, the AT on zappers and phantom-wares in relation to POS created the opportunity for highly specialized experts to meet their counterparts from other MSs and share their knowledge and experience in this very specific, new field. As a result of the AT, participating countries are modifying their approach to searching for zappers and phantom-wares in POS, types of fraud which are extremely difficult to detect

Internal or external factors

E-audit functions are being constantly challenged by technological progress in electronic systems. This pushes for continuous work on e-audit. The most recent AT of the platform deals with new forms of fraud that were identified by interviewees from the AT as threatening, and that require cutting-edge solutions.

Programme management

- Interviewees report good contacts with the EC contact person for e-audit and smooth functioning of the Programme in terms of claims for reimbursement of costs incurred by participation in a FISCALIS-supported activity.
- The approval procedure for AT meetings is reduced to a minimum (simple notice to the EC prior to the meeting), and so is the organizational set-up: such meetings are held with a limited number of participants (e.g. there 6 are experts in ZAPAT), in the premises of the hosting tax administration and without translation.
- In the case of larger events like workshops, or working visits, the procedures are reported as time-consuming and constraining (templates for documents, step-by-step mandatory procedure to follow).

3.4 Efficiency

- AT meetings cost very little (travel only) and deliver high quality outputs, thanks to:
 - A limited number of participants, providing an optimal framework for detailed discussion and active participation;
 - A narrow scope, precisely defined from the beginning to ensure that the output will be adequate to needs.
- Workshop meetings are much costlier, since they may last 2 to 3 days and imply the participation of one or several delegates from all participating countries. However it should be mentioned that the plenary meeting of the platform in Tallinn in 2010 cost well below the € 30,000 maximum forecast for it (€ 19,867.23).

3.5 EU Added value

- All interviewees agree that Fiscalis is the framework that made cooperation in the field of e-audit possible. Without Fiscalis:
 - There would be no financial support from isolated MSs to organize regular and possibly large activities;
 - There would be no framework for taking a joint decision of all the MS to start cooperating in the field.

MSs were willing to cooperate but Fiscalis was the driver behind the actual setting up of the platform as a continuous and results-oriented framework for cooperation.
- Besides this, several interviewees believe that regular meeting opportunities as provided by the Platform (plenary workshops, SG, ATs, etc.) are needed to maintain the contacts initially established thanks to the programme. This means that, according to interviewees, not only was Fiscalis necessary to start the PG, it also fuels the Platform in a continuous way. Interviewees believe that the Platform would not continue outside the programme.
- The organization of the Platform in ATs allows for highly specialized work to be carried out by experts in the field, who are usually not involved in international activities and would have never met otherwise, even though they are the most appropriate people to tackle the issue at hand.
- Finally, most interviewees agree that meeting experts from other MSs, i.e. from different administrative contexts with varying views on one particular issue, helps them in their national responsibilities, and to contribute to improve the proper functioning of their national tax administration.

3.6 Conclusions and future prospects

Main findings

- Technological progress in electronic environments creates new risks of tax fraud and tax evasion that need to be addressed. Combined with new legislation designed to accompany technological progress, this also requires more effective application of EU law.
- Considering the rapid evolution of electronic systems and their growing use, as well as existing experience gaps between the Member States in the field of e-audit, the development and dissemination of good administrative practices, as well as exchange of information and administrative cooperation proved to be relevant approaches to address these needs.

- The e-audit platform resulted in intense activities yielding a large number of instruments achieving operational objectives: the Forum, the brother-country system, the e-audit Roadmap, etc. provide for the dissemination of knowledge and good practices. However, monitoring of the actual use and impact of those instruments is weak and does not allow for a clear assessment of effectiveness.
- Activities with a clearly defined, narrow scope and involving a limited number of participants like the ATs deliver more value for money than seminars and workshops which have a broader scope and larger attendance.

Future prospects (Relevance)

Focus on the objective of "*fight against fraud*" should be maintained in the future as the use and complexity of electronic systems will keep growing.

SOURCES USED

Interviews

Name	Position	Institution	Country
Davor Buric	Senior Tax Auditor, Large taxpayers audit department	Ministry of Finance, Tax Administration	Croatia
Jan Dros	E-auditor, member of the national committee for training in the field of e-audit; member of ZAPAT	The Netherlands Tax and Customs Administration, <i>Individuele Klantbehandelng</i> , unit 1 (<i>Goederen</i>)	Netherlands
Tom Hein	E-auditor, coordinator of the national e-audit network; e-audit CP for DK, chair of the AT on Promotion of e-audit	Danish Tax and Customs Administration (<i>SKAT</i>), e-audit Support Centre	Denmark
Joost Kuipers	E-auditor, secretary of the national expert group for tax auditing, responsible for guidance for training; e-audit CP for the NL, chair of the AT on e-invoicing (on hold)	The Netherlands Tax and Customs Administration, Expert Group for Tax Auditing	Netherlands
Sven Vandevyvere	Policy officer	European Commission, DG TAXUD, Unit C4	(EU)
Dave Whyte	E-auditor, advisor; member of ZAPAT	Large Business Service (LBS), Systems & Governance Specialist Unit (SGSU)	United Kingdom

Documents

Title	Type
Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax	Directive
Excerpt from the proposal to set up FPG/027	Proposal
E-audit project group 2 – 8 th meeting (Steering group)	Minutes
E-audit project group 2 – 10 th meeting (Steering group)	Minutes
Workshop on E-audit online collaboration	Minutes
E-audit project group 2 (FPG027/023) – meeting of the steering group	Minutes
Excerpt of the working document delivered to SCAC in 2009	Report
E-Audit project group 2 (FPG027/024) – meeting of the steering group	Minutes
E-Audit Contact Persons Workshop	Minutes
1st Meeting of the e-audit project Group – ZAPAT Activity Team	Invitation
5 th Meeting of the e-audit project Group – Promotion of E-Audit Activity Team	Invitation
Excerpt of the working document delivered to SCAC in 2011	Report

4. EMCS IMPLEMENTATION

Legal basis:

Decision No. 1152/2003/EC of the European Parliament and the Council of 16 June 2003 on computerizing the movement and surveillance of excisable products (hereafter "the EMCS Decision")

Activities covered by the study:

Financial code	Action title	Action type	Objective (AWP)
FSM/111	First practical experiences with EMCS	Seminar	2.3. Information exchange and administrative co-operation among Member States / Communication and Information Exchange Systems
FWS/EMCS TR	EMCS trainings	Training workshop	2.3. Information exchange and administrative co-operation among Member States / Communication and Information Exchange Systems
FWS/EMCS TECH	EMCS technical workshops	Technical workshop	2.3. Information exchange and administrative co-operation among Member States / Communication and Information Exchange Systems

4.1 Context

Council Directive 2008/118/EC of 16 December 2008 (repealing Directive 92/12/EEC as from 1 April 2010) lays down the general arrangements for excise duties which are levied on alcoholic beverages, manufactured tobacco and energy products. Among other things, a duty suspension arrangement is possible for these goods when they must be moved within the EU. Any movement of excise goods under suspension of excise duty must be registered with an administrative document accompanying the goods all along the movement. Decision No. 1152/2003/EC of the European Parliament and the Council of 16 June 2003 provided for the implementation of a computerized system for control of such movements. Since 1 April 2010, the accompanying document is an electronic document shared between all the Member States (MSs) and connected economic operators (EcOps) through the so-called Excise Movement and Control System (EMCS).

The system has been implemented in several steps described in the management plan. Member States are in Phase 2 since 1 April 2010, the date for "Milestone a": some "initial MSs" started using the full scope of EMCS (sending and receiving information) and the others, "non-initial MSs" started receiving information only. At "Milestone b" on 1 January 2011, all Member States (except two which suffered a few weeks delay) could receive and send information. "Milestone c" (beginning of Phase 3) will see the introduction of new functionalities, on 1 January 2012.

4.2 Relevance

Challenges met by the national administrations

- Once the EMCS Decision was taken, the biggest challenge faced by the MSs was to achieve "*effective and uniform application of EU law*", namely the rules and technical requirements governing the system.
- The longer-term challenges were to ensure smooth functioning of the system, in order to "*improve the fight against fraud*" and to "*reduce burdens on tax administrations*", but supporting the implementation of the system was the first, most pressing need of the MSs.

Objectives set to address challenges

The Excise Movements and Control System is a tool especially designed to improve "*information exchange and administrative co-operation between participating national tax administrations*". Before reaching this long term objective, the first step is to put in place, and start using, the system. To this aim, Fiscalis supported several activities with their own objectives, contributing to the implementation of EMCS.

- Workshops in the form of training and technical sessions (financial codes FWS/EMCS TR/XXX and FWS/EMCS TECH/XXX respectively) are also set up to familiarize the different tax officers involved with the system and the requirements for the successive steps of the management plan. The objective here is also to "*achieve a high standard of understanding of EU law and its implementation*".
For instance an EMCS Phase 2 General Training for Newcomers was held on the 18th, 19th and 20th of May 2010 for newcomers in tax administration units responsible for EMCS implementation (financial codes FWS/EMCS TR/006, FWS/EMCS TR/007 and FWS/EMCS TR/008).
- In addition, annual Fiscalis seminars about EMCS organized by the European Commission are meant for the Commission and the Member States to share knowledge and experience about any topic related to the implementation of the system. Thus they help tax and/or custom administrations to "*improve administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice*". For instance the June 2010 seminar held in Bratislava (financial code FSM/111) aimed on the one hand to address necessary changes to be made to Regulation 2073/2004 in order to

prepare for EMCS Phase 3, and on the other hand to enable MSs to make an early evaluation of the system and exchange about their first experiences, problems met and solutions envisaged.

4.3 Effectiveness

Outputs

- *Improved information exchange and administrative co-operation*
 - The activity report of DG TAXUD R4 Unit for the last quarter of 2010 showed that EMCS has been very successful in improving information exchange and administrative cooperation, since the system was up-and-running and already covering about 80% of the expected total volume of movements. The low rate of error messages (below 5%) was an indicator that administrations had implemented the system's specifications correctly and that the workshops had been a success.
 - The main outputs underlined by interviewed operational staff are:
 - Information on movements is always up-to-date
 - Information on movements is quick and easy to find
 - Information is available to other interested administrations, like controllers or custom officers (where EMCS is implemented by the tax administration)
 - Information is very detailed; for instance, Milestone c (1 January 2012) will see the implementation of additional fields to fill in for EcOps, like changes in transportation due to an accident or reports of controls)

- *A high standard of understanding of EU law and its implementation*
 - Getting practical information: The implementation of EMCS is a very good – and in some cases the only – opportunity for operational staff in the field of excise duty to get a detailed understanding of EU law. Workshops and training provide participants not only with theoretical information to prepare for the next steps, but also with a hands-on knowledge of the system and how to implement and use it.
 - Getting answers: It is also the best opportunity to get answers to questions, either from the European Commission, or through discussion with participants from other Member States.
 - For candidate countries and potential candidates: Seminars are an opportunity for tax officers to hear about EU legislation and the difficulties met by the MSs to implement it. It is also an opportunity to make contacts with the European Commission. After Croatia had participated in a few seminars, DG TAXUD started inviting participants to other meetings outside FISCALIS.³³
 - Convenient format: Concretely, participants receive guidance materials condensing the information needed in one place, which has been reported as being very convenient and more user-friendly than communication tools like CIRCA.
 - Dissemination: Furthermore, these materials can be made available to the colleagues of the participants once back from the event. Participants are also asked to draft reports that are usually available to other staff and to present the results of the event in meetings, which allows for broad information and knowledge sharing.

- *Development and dissemination of good administrative practices*
 - 'Resource persons': all interviewees reported that meeting experts from other Member States makes it possible to identify who to ask for what information, and to contact the appropriate person in a very simple manner. This helps them a lot in their own work and speeds up the problem solving process. Participants in Fiscalis training and workshops thus truly become 'resource persons' in their administration within their specific field. They can be seen as hubs in the circulation of knowledge as well as administrative practices.

³³ Participation of delegates from (potential) candidate countries can then be financed through (pre-)accession funds.

- Working Visits: Besides seminars, workshops and trainings that gather a lot of people in the same place and in a short period of time, working visits are very helpful to get a very precise idea of a good administrative practice, including some experience in it. This was underlined by several interviewees.

Results

The EMCS implementation process has led to an effective, uniform application of EU law, with the system running since the beginning of 2011. In the long term EMCS is expected to improve the fight against fraud and reduce burdens on administrations and taxpayers, although it is too early to assess the exact extent of these results.

- *Uniform application of EU law*
 - Discussions between experts from different MSs that take place in the framework of Fiscalis activities, both formally and informally, are certainly a good way to build a common understanding of EU law leading to its uniform application across the EU.
 - However, MSs' tax administrations each face different, specific problems depending on their own capacities and on the national regulations. For instance, in terms of specifications, Estonia implemented one field that is essential in its national legislation, while other MSs are not at all interested in it. Seminars or workshops, which usually include many participants, may not be the best option to deliver uniformity of EU law implementation in those conditions. But this has been taken into account in the management plan, for instance in the division of Phase 2 into Milestones a and b. This allows for coordinated progress towards the implementation of all EMCS functionalities in all the MSs, all the while giving some flexibility for more and less advanced MSs.
- *Fight against fraud*
 - EMCS is a "very useful and very powerful tool to fight fraud" (quote from one interviewee) in association with risk analysis and risk management tools. Combined with risk tools, EMCS allows for a faster detection of 'risky' movements and therefore a faster action from the administration to control these.
 - At the same time, it was pointed out that EMCS may not be the best way to find fraudulent movements, since ill-intentioned EcOps would try and keep out of the system.
- *Reduced burdens on administrations*
 - Findings concerning burdens on administrations are unanimous: EMCS makes it much faster to get information on movements.
 - Besides, it is more reliable and secure than previous paper-based systems, thanks to electronic validation.
- *Reduced burdens on taxpayers*
 - Findings for administrations are also valid for taxpayers.

Internal enabling factor

- All participants agree that one of the most important outputs of the Programme activities is that expert from the same field in different MSs get to know each other. Thus, further contacts become less formal, i.e. simpler and faster, and participants develop a whole network of resource persons able to help them in solving problems in the future. Besides, they agree that they exchange more than mere information and experience: they are able to discuss views, new ideas, etc.
- More efficient communication resulting from the 'network effect' of Fiscalis events is also useful for the European Commission, whose members are able to directly call the appropriate expert or officer in a Member State's administration when one specific issue arises.

This contributes to faster problem-solving and smooth implementation of EMCS.

Programme management

- All interviewees reported good working relations with the European Commission in the preparation and organization of Fiscalis activities, although most of them are not in direct contact with the management team – there is often a national Fiscalis team in charge of organizational matters.
Fiscalis is reportedly simple to use and smoothly run by the Commission.
- The flexibility allowed by the management plan has already been emphasized. It is considered that initial Member States have saved resources by implementing the full scope of EMCS at once.
- However, a certain loss of efficiency can be pointed out: Fiscalis Project Group nr 69 is working on the development of model e-learning tools or traders, which should be ready in May 2011, while all Member States started implementing the system between April 2010 and February 2011.

4.4 Efficiency

- Building on the declarations of the participants, the efficiency of Fiscalis activities supporting the implementation of EMCS can be assessed as good.
 - Some participants admitted that activities, in which a large number of participants travel to one place, possibly for several days, are costly. Exchange of information or dissemination of knowledge can take place through other means, like phone conferences and e-learning tools.
 - But face-to-face meetings allow for richer exchanges than telecommunications and also generate efficiency at a later stage, as described in the section on internal enabling factors above.

The input/output ratio of Fiscalis activities to support the implementation of EMCS is therefore balanced on the positive side.
- Regarding the efficiency of the implementation of the system, Member States keeping their national system for domestic movements while implementing EMCS for intra-Community movements may be seen as an efficiency loss, at least in some Member States.
 - In Croatia for instance, the paper-based national system will stay in place.
 - On the other hand, the Portuguese administration started developing its own computerized system at the same time as the EMCS Decision was adopted at the EU level; the two systems now run parallel. But investment in IT tools and resources are only part of a general trend in the customs administration, and the increase in resources allocated to electronics is not a direct consequence of EMCS.

4.5 EU Added value

- At the level of activities supporting the implementation of EMCS, the EU added-value is unquestionable from the point of view of participants:
 - the Programme creates the opportunity to make contacts, i.e. to meet people they can then easily get in touch with to help them find solutions to problems they encounter in implementing EMCS at the national level.
 - All interviewees think such contacts exist only thanks to Fiscalis, and most of them think they could not be maintained if the Programme ended, mainly because Member States' administrations would not be able to support the costs of such activities as those organized thanks to Fiscalis.

- These findings can nevertheless be nuanced: there are indications that the EU added value is highest for the least advanced Member States or participants in relation to the system. Two interviewees pointed out that a lot of meetings had been necessary in the beginning of the implementation of EMCS, but now that the system is up-and-running and the persons involved know who to contact for questions, they are less and less necessary.
- At the level of the system itself, the added-value of having an EU-wide computerized system is also clearly identified by interviewees: the system is expected to generate time savings and more effective monitoring of movements, with far-reaching results in fighting fraud and reducing burdens for administrations and taxpayers.

4.6 Conclusions and future prospects

Main findings

- The objectives set for the Fiscalis activities supporting the implementation of EMCS are clearly in line with the challenges met by the national administrations and their concrete needs like understanding EU law and dissemination of good administrative practice.
- Outputs of Fiscalis activities to support the implementation of EMCS are concrete and easily identified by participants, included those from Croatia, and correspond to the objectives.
- Results also generally correspond to objectives, although findings in the field of the fight against fraud are mitigated.
- Staff involved in the implementation of EMCS, and participating in Fiscalis activities, are very satisfied with the programme management. The management plan has been broadly respected and allowed for flexibility, all the while maintaining enough pressure so that Member States align their schedule to implement EMCS in a coordinated manner.
- The input/output ratio of Fiscalis activities to support the implementation of EMCS is positive thanks to the 'network effect' and the dissemination of knowledge generated by the activities: participants become resource persons in their own administration and are able to solve any problem arising faster, thanks to easy communication with experts from other MSs and with the European Commission.
- For this reason, and because interviewees are convinced that outputs and results could not have been achieved with the support of just the Member States, EU added value in EMCS implementation is considered to be high.

Future prospects (Relevance)

- EU added value of Fiscalis activities in relation to EMCS implementation is becoming more questionable now that the system is up-and-running and the experts know each other and can easily get in contact if needed.
- However, for candidate countries like Croatia, whose main aim is to prepare for accession, the focus of the programme in relation to EMCS should remain on the dissemination of good administrative practices and understanding of EU law, through visits to other Member States and participation in workshops to discuss and hear about legislation and how it is implemented.
- Activities could be targeted at participants who are the most in demand, so as to increase relevance and efficiency.

SOURCES USED

Interviews

Name	Position	Institution	Country ³⁴
Jevgeni Lazartsuk	Functional manager of EMCS project	Estonian Tax and Customs Board (EMTA)	Estonia (initial)
Zidrunas Karalius	IT project manager for EMCS	State Tax Inspectorate (VMI), Ministry of Finance	Lithuania (initial)
Filipe Couto	EMCS business project manager	Portuguese Customs and Excise Administration	Portugal (non initial)
Adrienn Benko	EMCS business project manager	National Tax and Customs Administration	Hungary (initial)
Eugen Macur	IT support for the Excise division	Customs Administration, Administrative cooperation section	Slovenia (non initial)
Visnja Markovic	Head of department, IT project leader for EMCS	Service for IS, Statistics and Analyses, Customs Administration	Croatia

Documents

Title	Type
Note to the FISCALIS 2013 Programme Coordinators in the Participating Countries: Updated invitation for FISCALIS Seminar on the first practical experiences with EMCS and on the modifications required to Regulation 2073/2004 on administrative cooperation in the field of excise duties following the evaluation of its use and related to Phase 3 of EMCS	Invitation
Review of Regulation 2073/2004/EC on administrative cooperation in the field of excise duties	Powerpoint presentation
FSM/111 Fiscalis seminar: working paper	Working paper
DG TAXUD, Unit R4, Activity report, last quarter of 2010	Report

³⁴ Initial Member States are those which implemented the whole scope of EMCS functionalities (receiving *and* sending information) as from 1 April 2010. Non-initial Member States started sending information after 1 April 2010 and before 1 January 2011.

5. RECOVERY

Legal basis:

Council Directive 2008/55/EC of 26 May 2008 on mutual assistance for the recovery of claims relating to certain levies, duties, taxes and other measures; supplemented by Commission Regulation (EC) No 1179/2008 of 28 November 2008 laying down detailed rules for implementing certain provisions of Council Directive 2008/55/EC.

Activities covered by the study:

Financial code	Action title	Action type	Objective (AWP)
FSM/061	Seminar on "Moving forward on Mutual Assistance for the recovery of taxes"	Seminar	4.4 Sharing, development and dissemination of good administrative practice / tax collection and enforcement
FWS/022	Workshop on electronic requests for mutual recovery assistance	Workshop	4.4 Sharing, development and dissemination of good administrative practice / tax collection and enforcement
FPG/055	Project group for contact points for recovery	Project Group	2.1 Information exchange and administrative cooperation among Member States / administrative cooperation arrangements between tax administrations

5.1 Context

In the European tax cooperation there is a continuous need to develop and improve tax collection in order to guarantee protection of the tax revenue of the Member States. In the context of the internal market and particularly its expansion, it is increasingly important that Member States' tax administrations work together to provide mutual assistance for recovery³⁵ across national borders of claims that have not been paid on time through the tax collection systems. Besides protection of the tax revenue of MSs and the Community, this work also contributes to ensuring fair competition for the European industry.

The field of tax collection and mutual recovery assistance is regulated by Directive 2008/55/EC, adopted in May 2008, which will next year (2012) be replaced by Directive 2010/24. While the current Directive introduced, among other things, a modernised version of the request forms for recovery assistance (annexed to the Directive), another important aspect is the extension of the scope of recovery assistance to include assistance and requests from not only national but also regional and local level tax administration.

5.2 Relevance

Challenges met by the national administrations

With the free movement of goods, persons, capital and services within the single market of the European Union, cross-border cooperation on the collection of due taxes has become extremely important for the purpose of fighting and preventing tax fraud and tax evasion. While fraudsters as well as their goods and capital are highly mobile, tax collection remains tied up in national and often very different administration systems, making it difficult to locate persons or businesses and make tax claims when they move across borders. This has resulted in *high levels of tax fraud and tax evasion*, as fraudsters see an opportunity to simply "disappear" with the tax money. Consequently, there is a need for tax administrations to cooperate on recovery issues, to collect information from and gain an understanding of the systems of their colleagues in other tax administrations.

Requests for information between tax administrations can be time consuming for both parties and impose *administrative burdens on tax administrations*, providing disincentives for national administrations to cooperate. From the requesting party's side it is important to know whom to address the request to and what to ask for in order to get the right information. From the responding party's side, it can be a challenge to understand the request composed in the context and understanding of a different tax system and administrative set up, and time consuming to collect and deliver the requested assistance. Also the aspect of language is an important challenge to the exchange of information on recovery requests.

Objectives set to address challenges

Most of the activities in the area of recovery within the Fiscalis framework are concerned with providing direct input to the development of the legal framework or developing the design and use of the tools provided for mutual recovery assistance. As such, the Fiscalis activities selected

³⁵ Most tax claims (or debts) due to national treasuries are collected promptly through spontaneous payment by the debtor. When the claims are not settled promptly, national tax administrations can resort to a range of powers to recover the claim. At the limit, the claim can be recovered through the seizure and sale of the debtor's property by the tax administration ("enforcement"). The original Community arrangements for mutual assistance between Member States were put in place because it was recognised that it was increasingly likely that the debtor, or recoverable assets belonging to the debtor, were within the jurisdiction of another Member State. On 2 February 2009, the Commission presented a proposal for a new Council Directive on mutual assistance for the recovery of taxes (adopted on 16/Mar/2010). The Directive improves the assistance system with rules that are easier to apply, provides flexible conditions for requesting assistance, and requires information to be exchanged spontaneously. The EU member states must implement the Directive into their national legal systems by December 31, 2011, and apply its provisions beginning January 1, 2012.

for this case study set out to provide input and inspiration to the development of the new Directive and its approaches to recovery (2008 Seminar in Antwerp, FSM61), assist in the development of a system of contact points for the extension of recovery assistance to all administration levels (Project Group for contact points for recovery, FPG55), and instruct in the use of, and test the usability of, the newly developed electronic version of request forms (workshop in Porto June 2010, FWS022).

The main objective of the activities within the field of recovery is to improve the efficiency of tax collection and mutual assistance for recovery by *improving the systems for information exchange and administrative cooperation*. The existence and awareness among EU citizens of this international cooperation is sending a signal to taxpayers that if they try to avoid paying taxes due in their home country by moving abroad, the taxes will still be recovered through the cooperation between the national tax administrations. In this way, improving cooperation should indirectly help prevent tax fraud.

With this objective in mind, the project group was set up to clarify and determine how best to support the communication of tax recovery requests and replies between MSs, particularly with a view to future changes coming with the new Directive – e.g. by setting up a system of contact points.

The workshop instructing in and testing the e-forms for recovery requests catered to the same objective. The electronic forms – available in all languages – should facilitate the exchange of information by for instance automating the confirmation of receipt, by making it more user-friendly as it allows everything to be handled via the computer, and by providing automatic translation in the different official EU languages. The Porto workshop served the purpose of preparing for the introduction of these e-forms by instructing participants in their use and collection, to answer to all questions with regard to their use, and to examine and gather input on any practical implications that might be related to the e-forms system.

5.3 Effectiveness

Outputs

One of the most important outcomes of the activities, stressed by all interviewees, is the opportunity to meet face to face, share knowledge and experiences and build a network of personal relations with colleagues in other MSs, which is very helpful also in day-to-day work.

The outcome of both the project group and the workshop related quite directly to *improving the administrative cooperation* within the area of recovery. With the new Directive in mind and its inclusion of all administration levels in information exchange, the initial idea put forth by the Commission was to establish a contact point system, creating one point of entry in all MSs. With the discussions and input provided by the project group members it became clear that such a set up wouldn't be feasible in all MSs. The immediate output of the project group was therefore that the introduction of contact points was put on hold and the input and ideas provided by the group are now being discussed in the recovery committee.

The workshop introducing and testing the functioning of the new e-forms was the culmination of a series of Fiscalis activities all building towards *improving information exchange* on recovery through the development and use of an electronic system. The e-recovery system provides a new way and some conformity for the mutual assistance for recovery. Once the system is well integrated in all MSs' processes, it should facilitate the work by automating and thus speeding up many steps of the information exchange processes.

Though it might not always be the explicit objective of the event, most seminars on recovery do, according to the interviewees, help their *understanding of both EU law and its implementation in different national legislative systems*. As the seminars are usually in some way organised in the

framework of the recovery Directive, discussions at these events provide for an exchange of perspectives between participants on how to integrate parts of the Directive nationally and how to enforce the coming Directive. Another outcome of these discussions is also specific input for the development of the provisions in the new legislation based on the experience of MSs with the current Directive.

From a candidate country's point of view, the Porto workshop also enabled a better understanding of not only the e-forms system to be implemented but also the legal framework behind it and its practical implications.

One important outcome of meeting with colleagues in Fiscalis events is the chance to engage in discussions about challenges and experience from their daily work on recovery, which inevitably leads to *exchanges of good and bad practices*. In particular, seminars are good for this, and to this end the Antwerp seminar selected for this case study also provided the participants with some very concrete ideas to take home. An example provided by a seminar participant was a presentation made by another MS on their experience with a system for recovery where information on unpaid taxes is provided in the automatic recognition of number plates upon routine checks. A similar system is now being implemented in the MS of the interviewee.

All activities, but seminars in particular, have provided the opportunity to discuss how the different national administrations organise and handle the recovery procedures and tax collection. This allows for participants to acquire both an *understanding of other administration cultures and organisations*, which helps facilitate information exchange and administrative cooperation on mutual assistance for recovery, and concrete ideas on how to improve their own procedures. For example, one interviewee mentioned as an outcome of the seminar discussions on the strengths and weaknesses of centralised vs. de-centralised organisations and the realisation that the centralised structures are often more efficient in information exchange, leading to initiatives at home to make their information exchange procedures more centralised. Another example is given by a participant who was surprised to learn that in some other MSs recovery is carried out with the assistance of external agents. He found this knowledge of their administrative context very useful for the future cooperation with these MSs.

As such, the Fiscalis activities on recovery, and the Antwerp seminar in particular, have contributed directly to the development of the new Directive and its objective of improving the work of and framework for cooperation between national tax administrations. To this end, the seminar served as a venue for the *sharing of knowledge, experience and good practice* for optimising the recovery of taxes. With ideas and good practices of the MSs feeding into the new legislation and the new e-forms, the outcome of these events should also be an improved Directive, well anchored in the practices and realities of the national tax administrations.

Results

The example mentioned above of the exchange of good practice leading to the implementation of a similar system in other MSs is a very concrete example of how getting tax administrators together in Fiscalis seminars contributes to improving the recovery of taxes within the EU. According to the interviewee providing this example, the method has proved to work very well also in his national context. As such, this is a clear indication of how the exchange of good practice in seminars can lead to concrete improvements in the national administrations' recovery procedures and provide for a *more effective fight against fraud*.

The fact that the changes to the new Directive have been extensively discussed among MSs' representatives at Fiscalis events and rest on ideas and good practices contributed by the MSs should make the new legislation more easily applicable, in turn leading to a *more uniform application of the EU law*, as MSs should have a good understanding of the law (having contributed to it) as well as other MSs' views and takes on it.

Based on the first experiences working with it, participants in the workshop expect that the new

e-forms will ease the work of tax administrators significantly, and thus help *reduce the burdens on administrations*.

Internal and/or external factors

An important internal factor of the work towards achieving the Fiscalis objective is the strong network being built between national coordinators and participants in activities. The Fiscalis network provides the possibility to learn from each other and share good practices. The Fiscalis network provides a forum for the exchange of ideas, visions and problems, which is crucial to the European project of bringing people of different cultures, languages, etc. together in a community.

Programme management

All the interviewed participants were very positive about the organisation of the particular events and the management of the Fiscalis programme in general. All events were considered to be very well prepared and the work of the management team also allowed for the proper preparation of the participants, e.g. by sending out an information package on the e-forms prior to the workshop in Porto. The general feeling of the interviewees was that the Fiscalis management team are always available and happy to help.

5.4 Efficiency

In general, the opinion of the interviewees is that the Fiscalis activities are very efficient and help make the work of the tax administrations and the Commission within the area of recovery more efficient.

As examples and reasons for this view they mention that:

- Without the work of the project group, providing input and changes to the initial idea of setting up a contact points system with the introduction of the new Directive (along with all the other input for the Directive stemming from Fiscalis activities), the implementation of the new Directive would most likely be much less efficient, as some of its weaknesses would only have been discovered during the implementation process;
- Meeting in person and sharing good ideas and practices means that administrators constantly learn from each other, making the administration and recovery work more efficient;
- The Fiscalis framework and the possibility to gather people in project groups and workshops, etc. makes it possible to move forward on things quite quickly and still achieve a high level of quality on the outcome. Without the Fiscalis framework, reaching similar results would take much longer and might not even be possible.

5.5 EU Added value

When asked whether they think any of the results of the activities could have been achieved without the framework of the Fiscalis programme, all the interviewed participants agreed: "probably not".

According to interviewees, one of the most important contributions of Fiscalis in terms of improved administrative cooperation is the network between administrators, based on personal relations. To this end, the budget for establishing events is equally important, as the Fiscalis events bring people together and strengthen this important network. The interviewees do not see how establishing or maintaining such a network would be possible without the Fiscalis programme and particularly the budget. Cooperation would probably still take place but only on bilateral level or among neighbouring MSs, since MSs do not have sufficient financial means to support such extensive multilateral cooperation.

Moreover, the work carried out within the Fiscalis programme adds directly to the work of the recovery committee and the preparations of the new Directive. For discussions of specific

problems and finding solutions, project groups and workshops bringing together experts and practitioners within the field are excellent tools, while such work would not be possible within the framework of the recovery committee meetings, where the setting is much more formal and the number of participants much larger.

5.6 Conclusions

Main findings

- The objectives of the selected activities and the Fiscalis programme in general correspond well to the challenges faced by the tax administrations of improving information exchange and administrative cooperation in the area of recovery to in turn strengthen the fight against fraud.
- The Fiscalis activities on recovery have led to improved information exchange and administrative cooperation and a more uniform application of Union law, by:
 - Bringing administrators together to discuss challenges and issues in their daily work, share good and bad experiences and practices, and through this provide concrete input for the development of new legislation and prepare its implementation;
 - Facilitating the creation of a network between administrators, which makes contact and requests for assistance in day-to-day work easier;
 - Providing for the development of an electronic system for recovery assistance requests, which will make exchange of information between administrations smoother and more efficient.
- By providing this forum for learning from each other, developing new and more efficient tools and providing input for the development and improvement of the legislative framework, the Fiscalis activities contribute to improving the recovery procedures of the national tax administrations and the cooperation between them, and thus in turn strengthen the fight against fraud.
- An important added value of having such a programme as Fiscalis at EU level is thus that it makes the work on mutual recovery assistance and tax collection much more efficient, by providing a framework for bringing together experts and practitioners quickly and in smaller forums which have proved effective in bringing about valuable results within a short time frame.

SOURCES USED

Interviews

Name	Position	Institution	Country
Mikael Berglund	Legal expert	SE enforcement authorities	Sweden
Patrick de Mets	General auditor	Belgian FPS Finance, Collection and Recovery of Taxes	Belgium
Marija Leova-Dimeska	Head of Sector for Strategic Planning	Public Revenue Office	former Yugoslav Republic of Macedonia
Blagica Mitrovska	Head of IT sector	Public Revenue Office	former Yugoslav Republic of Macedonia
Luk Vandenberghe	Policy officer	European Commission, DG TAXUD	(EU)
Manuel Vieira	Responsible for enforcement in recovery area	Office of local level	Portugal

Documents

Title	Type
FSM/061 Seminar on "Moving forward on Mutual Assistance for the recovery of taxes"	Proposal
FWS/022 Workshop on electronic requests for mutual recovery assistance	Proposal
FWS/022 Workshop on electronic requests for mutual recovery assistance	Report
FPG/055 Project group for contact points for recovery	Proposal

6. RISK MANAGEMENT

Legal basis:

Risk Management is a competence that belongs with the Member States. The role of the European Union in this field is limited to monitoring the work and providing support where necessary, in particular to ensure coherence in and between the FISCALIS activities.

Activities covered by the study:

Financial code	Action title	Action type	Objective (AWP)
FPG/032	Platform on Risk management for tax administrations	Steering Group	4.3 The sharing, development and dissemination of good administrative practice / Risk management
FWS/023	Workshop on Risk Management - Taxpayers at risk	Workshop	4.3 The sharing, development and dissemination of good administrative practice / Risk management

6.1 Context

Fiscalis Project Group No. 32 (financial code FPG/032) is organised on three different 'levels'³⁶:

- a Platform on Risk Management (RMP): it consists in an annual meeting of the Risk Management contact persons appointed in each participating country (almost all Member States of the EU + Croatia and Turkey) by the national Fiscalis coordinators. Its role is to discuss the topics to be developed in the sub-groups, their composition and their results.
- a Steering Group (SG): it is composed of voluntary members of the RMP (currently the chairs of the 4 sub-groups), the Risk Management contact person from the European Commission and a delegate from IOTA³⁷. Its role is to prepare the annual meetings of the RMP and to coordinate and monitor the work of the subgroups.
- 4 sub-groups: they are composed of members of the RMP interested in the topic of the subgroup, on a voluntary basis. Their role is to thoroughly analyse the chosen topic and to produce guidance documents for tax officers involved in Risk Management activities throughout the EU. One of the members is appointed chair and is responsible for the coordination of the subgroup's work.

The four initial subgroups dealt with Risk Tools (FPG/032/GRP1), Influencing Behaviour (FPG/032/GRP2), Evaluation (FPG/032/GRP3) and Updating the Risk Management Guide (FPG/032/GRP4). They finalised their work and were therefore dissolved in 2009. In 2010, 4 new subgroups started and are expected to finalize their work by the beginning of 2012: Risk picture and prioritisation (FPG/032/GRP5), The use of third party information (FPG/032/GRP6), Tax gap and compliance map (FPG/032/GRP7) and Treatment mix, including taxpayer communication and horizontal monitoring (FPG/032/GRP8).

6.2 Relevance

Challenges met by the national administrations

The participating countries stand at very different levels in the field of Risk Management (RM): some of them are just getting started with RM functions, while others have been developing them for several years. The challenge is for national administrations to cope with rapid progress in the field, because compliance risk management is a strategic function for tax administration: it enables them to be more efficient at detecting frauds, but also to reduce the level of "*tax fraud and tax evasion*" as much as possible thanks to a series of techniques and tools that contribute to ensure that the tax base is highly compliant. This is all the more crucial since tax administrations have been generally facing a need to reduce their costs and make do with shrinking resources.

Objectives set to address challenges

The Platform has been specially designed to ensure permanent communication and knowledge sharing between RM experts from all the participating countries. The overall objective of the Platform is therefore to "*improve administrative procedures of the participating national tax administrations through development and dissemination of good administrative practice*". Each subgroup in its very specific field builds on existing knowledge and further analysis to develop guidance for tax administrations that will help them implement more, better and new RM

³⁶ General note on the "Platform on Risk Management as mentioned in objective 3.5. of the Fiscalis Action Plan 2006-2007 and as a follow-up to the seminar on this subject (FSM 52 in Egmond aan Zee, June 2006)", 12 June 2007, by Ludwig de Winter, DG TAXUD D4

³⁷ IOTA (Intra-European Organisation of Tax Administrations) is a non-profit intergovernmental organisation, which provides a forum to assist member European countries to improve tax administration. It is seated in Budapest and has 45 member tax administrations.

functions.

The topics discussed in the subgroups are chosen by the SG on the basis of a questionnaire sent to the RM contact persons from all the participating States; thus they strongly reflect the most pressing issues encountered by experts in Risk Management in the national tax administrations.

6.3 Effectiveness

Outputs

- *Development and dissemination of good administrative practices*

The main output of the Platform is an updated *Risk Management Guide* (RMG). The first version was released in 2006. The work of the first four subgroups of the Platform between 2007 and 2009 led to the publication of an updated version in 2010, renamed *Compliance RMG* since the approach of the subgroups had mainly focused on ways to make the tax base more compliant. This is still mostly the case in the four new subgroups.

The methodology implemented by the subgroups includes a literature review and a questionnaire distributed through national Fiscalis coordinators to experts in the field, in order to compile the different views, working definitions and concrete cases from the experience of the participating countries. For instance subgroup 6 on the use of third party information will publish a report containing an inventory of the types of third party information possibly available to tax administrations and examples of best practises in using that information.

The RMG and the stand-alone documents produced by the subgroups are very much oriented towards practices. It is "a guide prepared by tax officers for tax officers", to help them in their day-to-day functions. The RMG is available on the Commission's website and thus easily and widely accessible.

The Platform also organizes workshops in which non-participating countries and possibly other organizations are invited, in order to share the knowledge gathered in the subgroups and to encourage the dissemination of the materials they produce. For instance the May 2010 "Workshop on Risk Management - Taxpayers at risk" was the first joint EU-IOTA workshop and was organized as a discussion of RM tools and approaches to compliance.

Results

- *Reduced burdens on tax administrations and more effective fight against fraud*

The expected results of the development of Risk Management are obviously reduced burdens on tax administrations and a more effective fight against fraud. Since the *Compliance Risk Management Guide* is public, it is nevertheless difficult to estimate how many tax officers are using it. The impact of its use on the level of fraud and administrative burdens is not being measured by the Risk Management Platform. However, the Commission receives positive feedback during the annual meetings of the Platform and the RMG is apparently widely used by national tax officers involved in RM functions.

Internal and/or external factors

- The size and diversity within certain subgroups has been pointed to as a hindering factor. For instance subgroup 5 on Risk picture is composed of 10 MSs with varying levels of advancement in the field, plus Croatia and Turkey. Progress of the work is slower in such circumstances.

- The existence of RM-related activities at the OECD level has helped focus the work of the Platform on practical issues and methodologies, given that the approach in the OECD is very theoretical.

Programme management

- The organization of a meeting in the framework of the Platform must be notified to the European Commission, which is then in charge of sending out invitations. Reactivity and timely support are therefore essential to ensure optimal participation in the activity. One interviewee pointed out that reactivity has decreased since the internal reorganization of the Commission programme management team. For subgroup meetings in particular, in which there are only a limited number of participants who are in regular contact by themselves, this may result in an unnecessary waste of time.
- The other aspects of organisation, like the selection of venue and hotel, lie with the member hosting the meeting, while travel arrangements are taken care of by each participant's national Fiscalis team. Support from the Commission programme management team is not needed there.
- It has been stressed that active preparation and participation of participants in the subgroups is key to ensuring efficient meetings. This could be made clearer in invitations sent by the European Commission so as to make sure participants know in advance they will have to make some of their time available for the activities of the Platform also in-between meetings. Besides, subgroup chairs sometimes lack the weight and authority of the Commission to remind a participant of his responsibility towards the group. Official support from the Commission in such cases would contribute to the smooth working of the Platform.

6.4 Efficiency

- During the interviews, subgroup chairs insisted that they pay attention to keeping the costs incurred by the different meetings of the Platform to a minimum:
 - SG meetings usually last one day and, to the greatest extent possible, are grouped with other meetings of the Platform.
 - According to ART data, plenary meetings are not too costly, although maximum costs forecast for the 2010 meeting (€ 4,800) were almost up to seven times those forecast for the 2008 meeting (€ 700).
 - Subgroup meetings are limited to three or four (one kick-off meeting to draft the action plan and divide responsibilities among participants, one or two meetings to discuss findings along the way like survey results, and one last meeting to discuss the draft final paper) and if possible, are located in a place such that there is as little travelling as possible for the participants.
- Value for money can therefore be considered to be good, especially since participants are in regular contact in between subgroup meetings and actively advancing the work of the subgroup for the next meeting to be as efficient as possible, e.g. by doing research or drafting parts of the final paper. Subgroups are thus able to produce a document within a period of 1 to 2 years and the Platform can issue an updated and extended version of the Guide in a period of 2 to 3 years.

6.5 EU Added value

- Participants in RM-related Fiscalis activities do this on top of their responsibilities at the national level; without the Programme to catalyse and support the organisation of meetings, administrative cooperation between the participating countries in the field of RM would not

have reached a level of priority such as to ensure broad and active participation from tax officers.

- The involvement of the Commission is instrumental in keeping the objectives of the Risk Management Platform sufficiently high on the agenda of participating tax officers. As a member of the Steering Group, the Commission monitors and coordinates the progress and achievements of the subgroups.
- Most interviewees think that some cooperation would take place punctually between a limited number of Member States without the support of the programme and the Commission, but the depth of knowledge and experience acquired as well as the extent to which they are shared between the participating countries could not be achieved in that way.

6.6 Conclusions and future prospects

Main findings

- Tax administrations face a need to reduce their costs due to shrinking resources. Risk Management is an essential function in this respect as it is a set of processes, techniques and tools that contribute to improve compliance of the tax base – thus reducing the need to fight fraud – and help focus resources where they are most needed by identifying the most 'risky' transactions, i.e. those that are the most likely to be fraudulent.
- There is a broad diversity in levels of advancement in the field of RM between the participating countries.
- The subgroups into which the platform is divided provide participating countries with a permanent framework for the development and sharing of good administrative practices.
- The topics developed in the RMG and the subgroups are chosen on the basis of a questionnaire sent to the RM contact persons from all the participating countries, thus ensuring that they strongly reflect the most pressing issues encountered by RM experts in the national tax administrations.
- Dissemination of the good administrative practices developed in the chosen fields is ensured through the publication of the RMG and the stand-alone documents, although the actual extent to which the Guide is used and contributes to a more effective fight against fraud is not being measured or monitored by the platform.
- Limited size, good homogeneity and active participation in working groups are key elements to make them efficient and successful.
- Without the Programme to catalyse and support the organization of meetings, administrative cooperation in the field of RM would not have reached a level of priority such as to ensure broad and active participation from tax officers.

Future prospects (Relevance)

The four current subgroups of the Platform are expected to finalize their work by the beginning of 2012 and a FISCALIS workshop should be organized in the spring of that year to present and discuss the documents produced. The RMP, upon suggestion from the SG based on a new questionnaire sent to experts in all the participating countries, will then decide whether the Platform is still needed and what topics it should further analyse.

SOURCES USED

Interviews

Name	Position	Institution	Country
Florance Carey	Responsible for a) risk evaluation for Irish revenue and b) third party information to feed into the risk analysis process; chair of the sub-group on Third party information	Revenue: Irish Tax & Customs, Risk evaluation management department	Ireland
Luis Parreira	Policy officer	European Commission, DG TAXUD, Unit C4	(EU)
Martine Smet	Policy officer; chair of the sub-group on Risk picture	Finances Ministry	Belgium
Lisette van der Hel	Strategic advisor to the high level management of the NL Tax administration; chair of the sub-group on Tax gap and compliance RM	The Netherlands Tax administration	Netherlands

Documents

Title	Type
Minutes of the second steering group meeting	Report
General note about the Platform	Memo
Invitation to the first meeting of the sub-group on evaluation	Invitation
Minutes of the third plenary meeting of the Platform	Report
of the Joint EU-IOTA workshop on "Risk Management and Taxpayers at risk"	Report
Fiche: Tax gap and compliance map	Memo
Compliance Risk Management Guide for tax administrations (March 2010)	Guide

7. VAT MTIC / CAROUSEL

Legal basis:

Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes - Common system of value-added tax: uniform basis of assessment. This Directive has been amended many times. Of the most recent amendments, the most relevant to this case study are: Directive 2003/92/EC, amending the rules for applying VAT to supplies of gas and electricity in order to facilitate the operation of the internal market; Council Directive 2010/23/EU of 16 March 2010, amending Directive 2006/112/EC on the common system of value added tax, as regards an optional and temporary application of the reverse charge mechanism in relation to supplies of certain services susceptible to fraud.

In addition, Council Regulation (EC) No 1798/2003 of 7 October 2003 on administrative cooperation in the field of value added tax, which enhances cooperation between Member States' tax administrations for the purpose of combating VAT fraud by removing remaining obstacles to the exchange of information.

Activities covered by the study:

Financial code	Action title	Action type	Objective (AWP)
FPG/021	Project Group on the update of the good practice guide for tackling missing trader fraud.	Project Group	1.1 Improve the proper functioning of the taxation systems in the internal market / fight against fraud
FSM/093	Fight against VAT fraud high level seminar	Seminar	1.1 Improve the proper functioning of the taxation systems in the internal market / fight against fraud
FSM/094	Seminar on Fighting against the abuse of triangular operations on the VAT MTIC fraud.	Seminar	1.1 Improve the proper functioning of the taxation systems in the internal market / fight against fraud
FWS/027	VAT-carousel fraud in the energy market (gas and electricity)	Workshop	1.1 Improve the proper functioning of the taxation systems in the internal market / fight against fraud

NOTE: Since all the meetings of the project group, FPG26, took place during 2006-2007, it actually falls under the framework of the previous Fiscalis 2007 programme and is thus out of the scope of this mid-term evaluation of the 2008 programme. Therefore, it will primarily be included as context and background knowledge for the other activities selected for this case study.

7.1 Context

The fight against fraud is one of the main areas of concern of the Fiscalis programme and its overall objective of improving the proper functioning of the taxation systems in the Internal Market. The cooperation on the fight against VAT fraud has been continuously evolving and is the most developed area of cooperation (compared with e.g. direct taxation where cooperation started in 2005), with a relatively profound legal basis for cooperation and a well-established IT system for information exchange (VIES).

Nevertheless, in fighting VAT missing trader (MTIC) and carousel fraud within the single market, it is a continuous and constant battle to keep up with, detect and prevent the evolving fraud patterns and schemes. The response of the Fiscalis programme is to regularly hold seminars providing a forum for discussing new trends and new methods for tackling MTIC/carousel fraud, to set up project groups for the development of fraud detection and prevention guidelines, and – as one of the latest developments – to invite business representatives into the cooperation on the fight against fraud.

7.2 Relevance

Challenges met by the national administrations

As mentioned above, the *constantly evolving VAT fraud patterns* require tax administrations to be on their toes to detect and prevent these new developments. Cooperation, and sharing information, knowledge and good practices are crucial in this regard – not only cooperation between tax administrations, but also between administrators and businesses. VAT fraud causes unfair competition for legitimate businesses, meaning that they too have an interest in fighting fraud. Looking at this as a common challenge and interest of businesses and tax administrations is a fairly new approach for many MSs, and it requires new grounds for cooperation.

Other recent developments and challenges within the area of *VAT fraud* are the problems of abuse of triangular operations and the move of traditional VAT fraud from the goods to the services market, especially in the market for carbon emission trades, and most recently also other areas of the energy market (e.g. gas and electricity).

Objectives set to address challenges

The organisation of consecutive seminars – allowing officials working within the field of VAT fraud investigation to meet at a regular interval to discuss new trends and methods for tackling MTIC/carousel fraud – is one approach of the Fiscalis programme for meeting the challenge of the constant developments within this type of fraud. The idea behind it is that bringing tax officials together (lately also with business representatives) to network and share information will improve the collective knowledge of the European tax administrators and stimulate cooperation between them. The seminars and workshop selected for this case study were all organised with this objective in mind:

- The seminar in Amsterdam/Schiphol in January 2009 served the purpose of bringing tax officials and business representatives together to discuss and develop new ideas for fighting VAT fraud and for the two sides (business and administration) to listen to and learn from each other's different perspectives.
- The Malaga seminar in May 2009 was organised to gather MSs' representatives for more in-depth discussions on the recently discovered trend in abuse of triangular transactions – to learn from each other and improve cooperation within this area.
- The purpose of the workshop was to make national administrators aware of what had very recently been discovered by a few MSs: fraudsters active in the CO₂ market were moving to the gas and electricity market. The hope was to share the knowledge available to deal with this fraud scheme at its early stage and perhaps prevent its further development.

To address the challenge of detecting new types of fraud emerging, project groups have also been set up within the Fiscalis programme for the development of *good practice guidelines*. The purpose of the guidelines was to provide tax officials with knowledge and concrete ideas and practices to detect and tackle fraud. The project group selected for this case study (but carried out under the 2007 programme) was organised to update the first version of the good practice guide.

7.3 Effectiveness

Outputs

The Fiscalis framework, particularly workshops and seminars, provides very important venues for more loose and unofficial sharing of information and for developing thoughts together. As such, the seminars on VAT fraud have helped build an important base of knowledge and a network for more and *stronger cooperation* between the national tax authorities.

According to the participants in the Amsterdam/Schiphol seminar, it was highly beneficial to have business representatives present as well and engaging in the discussions with administrators and auditors. The business representatives contributed a different angle on the perspectives of the fight against fraud, including information on the consequences of this fight in terms of administrative burdens imposed on legitimate companies. To most of the tax officials and business representatives, engaging in such direct cooperation was a fairly new concept. Meanwhile, both parties considered it very productive and useful, and in some MSs steps have since been taken to establish a *framework for cooperation* between businesses and administrations at the national level.

From the businesses' perspective an important outcome of the seminar was the decision to retract a proposal made by the Commission, which served as the framework for discussions at the seminar. Through the discussions it became clear that this proposal would be very burdensome on businesses, and in the end it was decided that the negative consequences of this idea for businesses would be too big.

On the back of this tendency towards *more cooperation* between businesses and administrations, the next step is to take action at the EU level where preparations are right now being made for the establishment of a platform for information exchange between the parties.

The outcome of the Malaga seminar was an *increased awareness* of the problem at hand. Several MSs might have been involved in this type of fraud without them even knowing it, and it is hence important for the detection of fraud to create awareness of its existence. Through the discussions, MSs were made aware of what to look for in their risk management systems in order to discover this type of fraud. Having such discussions also provides for the establishment of unofficial networks between countries with similar problems, and a network of people to contact to discuss questions and challenges in the long run (after the end of the seminar).

Along the same lines, an important outcome of the workshop was also the *creation of awareness* among MSs that there was a risk of the fraud in gas and electricity becoming a new trend in VAT fraud. Already in the opening presentation at the workshop it was evident that this was an eye-opener to many MSs. Many had not considered that even though they might not have gas resources or import and use gas, for instance, it can still be traded through the country with the potential of stealing the VAT. The outcome of the workshop was an *understanding of how the fraud worked and how it could be detected*.

The outcome of the work in the project group was very concretely an updated version of the *good practice guide*. Both the first and the updated version of the guide have been of great use –

especially to the new MSs that have recently entered the Union. In the preparations for their accession, the new MSs (of 2004) were introduced to the issue of VAT carousel fraud and the risk that they were facing of fraudsters, upon the country's entry to the union, taking advantage of their lack of knowledge and experience. In these preparations the guide proved a useful tool. Currently, a second update of the guide is being considered and will most likely soon be initiated, to accommodate and encompass the most recent developments in VAT fraud.

Additionally, seminars also always serve as a venue for *sharing good practices* and learning from each other, even though this might not be the primary objective of the event. For instance, the Dutch presentations at the Schiphol seminar, on how they engage in and orchestrate cooperation with businesses as a means for fighting fraud, was considered very valuable as inspiration for other participants to take with them home.

Results

The most prominent result of the selected Fiscalis activities stems from the outcome of the workshop – the *increased awareness of the risk of potential fraud* in the gas and electricity markets. So far there have been *no incidents recorded of actual fraud* in this area. The interviewed participants in the workshop find that this is the result of the quick and early response of the Fiscalis network to this detected risk. The awareness raised at the workshop and the knowledge acquired from business representatives' presentations on the functioning of the energy market resulted in MSs afterwards scrutinizing their national systems and introducing legislative changes. Tax administrators approached companies in their home markets sharing with them their newly-acquired awareness and knowledge to help them *prevent fraud* from occurring by e.g. convincing them to stop collaborating with certain companies with connections to fraudulent practices (by voluntary compliance).

As for the seminars, there is no concrete evidence of how these activities may have led to an improved fight against fraud in the MSs. Meanwhile, as the workshop was to some extent a spinoff from the discussions at the Malaga seminar on the abuse of triangular operations, the seminar can be considered to have indirectly contributed to the results stemming from the workshop. Moreover, it is expected that the increased cooperation between tax administrations and businesses, both at the national and European level, which the Schiphol seminar inspired, will in time help reduce fraud in the single market and perhaps to some extent also help *reduce burdens on taxpayers* (businesses). A first step in this direction was taken with the decision to retract the proposal after discussions of its (negative) consequences for businesses at the seminar.

On the EU level, the result of the Fiscalis activities was a new Commission proposal³⁸ in response to the new fraud risks in the carbon emissions and energy markets. Because of the urgent need for a legal basis for responding to this risk, the proposal was prepared and adopted within only 10 months of the event.

Programme management

The only comment made about project management was from a business point of view, with a suggestion to extend cooperation with businesses to improve project management. The portal for VAT collection was mentioned as an example, which was set up in 2010 but is not yet working. To prevent such outcomes and learn from this lesson to improve management in the future, the suggestion was to, for example, involve businesses in pilot testing such tools at the preparation stage.

³⁸ Council Directive 2010/23/EU of 16 March 2010, amending Directive 2006/112/EC on the common system of value added tax, as regards an optional and temporary application of the reverse charge mechanism in relation to supplies of certain services susceptible to fraud; <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:072:0001:0002:EN:PDF>

7.4 Efficiency

Project groups are considered particularly efficient, as they provide the possibility to bring together a smaller number of experts who do not have to bother with political issues but can work based on their extensive practical experience with the issues. For instance the good practice guides have come about within a very short time span by bringing together dedicated and knowledgeable people who are willing to provide the input and work needed (also much home work). Meanwhile, the crucial thing in terms efficiency of project groups, is to have the right people in them. If just one participant lacks the required knowledge to contribute properly, it can really slow down the process.

An efficiency issue in seminars is caused by the use of translation at such events. The use of interpreters proves a real challenge to the functioning of workshops; the result being that in the multilingual groups something is always lost in translation and these groups usually produce less output than the others.

7.5 EU Added value

- The most important aspects of the Fiscalis programme in terms of adding value to the European tax cooperation are the budget, the support by programme management and the “validation” given to products, events and initiatives with the Commission and MSs backing them.
- Without the financial support from the Fiscalis budget, many activities would not take place, as most MSs would not have or would not prioritize spending money on e.g. organising a seminar on MTIC fraud – especially in the context of the economic crisis and public budget cuts.
- The support of the management team is also important in organising such events, as the Commission has the knowledge and contacts needed, making it more efficient in terms of time and energy spent in organising e.g. seminars with presentations by business representatives, etc.
- Additionally it is considered that, e.g. products coming from project groups are more acceptable when they have the Commission “stamp of approval”, and have been prepared by several MSs in cooperation rather than being the work of one MS. With the Commission and several MSs supporting an initiative or product, it sends a signal that it is important and relevant to everyone.
- The interviewed participants consider that without the Fiscalis programme, information exchange and cooperation would not happen to the same extent and especially not on a multilateral level. There would probably still be more spontaneous exchange of information and cooperation but only between those MSs with the strongest (bilateral) relations.

7.6 Conclusions and future prospects

Main findings

- The most immediate need targeted by the Fiscalis activities selected for this case study is to fight VAT MTIC/carousel fraud.
- The objectives of the seminars and the workshop (and the project group on the good practice guide) have been to strengthen the foundation for exchange of information and administrative cooperation and share knowledge and good practice, and by these initiatives to improve the common fight against fraud.
- As a result of these activities,
 - steps have been taken towards further and stronger cooperation between businesses and tax administrations at both the national and EU level, which is expected to improve the fight against fraud and perhaps reduce the administrative burdens on companies resulting from anti-fraud measures;

- the spread of VAT fraud to the energy market (gas and electricity) has been prevented by the quick reactions at both EU and national level, leading to legislative changes and cooperation with businesses to prevent the spread of fraud.
- According to the interviewees, none of this would have been achieved without the existence of the Fiscalis programme. It might have been possible to move forward to some extent but certainly not at the same pace or at a multilateral level. The Fiscalis programme provides crucial financial and coordination support for all EU MSs to move forward together in the fight against fraud and to improve information exchange and administrative cooperation on not just a bilateral, but a multilateral level.

Future prospects (Relevance)

An important prospect for the future, mentioned by both business representatives and tax officials, is to increase and improve cooperation between businesses and tax administrations for a joint effort on fighting fraud in the single market. The first steps in this direction have already been taken.

SOURCES USED

Interviews

Name	Position	Institution	Country
Jannetje Bussink	Policy officer	DG TAXUD/UnitC4, administrative cooperation and fight against fiscal fraud	(EU)
Karl-Heinz Haydl	VAT manager	GE Corporate	Germany
Krzysztof Nichczyński	Fiscal Attaché	Permanent Representation of the Republic of Poland to the EU	Poland
Carla von Rijn	Policy officer	Anti-fraud unit on VAT fraud, NL tax administration	The Netherlands
Enrique Sanchez-Blanco	Policy officer	Anti-fraud unit, international office, ES tax administration	Spain

Documents

Title	Type
FPG/021 Project Group on the update of the good practice guide for tackling missing trader fraud.	Proposal
FSM/093 Fight against VAT fraud high level seminar	Proposal
FSM/094 Seminar on Fighting against the abuse of triangular operations on the VAT MTIC fraud	Proposal
FWS/027 VAT-carousel fraud in the energy market (gas and electricity)	Proposal

8. USED CARS

Legal basis:

Council Directive 2006/112/EC of 28 November 2006 on the common system of value-added tax (recast of the Sixth Directive 77/388/EEC); Council Directive 94/5/EC of 14 February 1994 supplementing the common system of value-added tax and amending Directive 77/388/EEC - Special arrangements applicable to second-hand goods, works of art, collectors' items and antiques; and Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (recast).

Activities covered by the study:

Financial code	Action title	Action type	Objective (AWP)
FPG/030	Abuse special arrangements applicable to second hand goods in car sector	Project Group	1.1 Improve the proper functioning of the taxation systems in the internal market / fight against fraud
FWS/017	Autocanet Workshop II	Workshop	1.1 Improve the proper functioning of the taxation systems in the internal market / fight against fraud
FWS/008	Workshop on Autocanet project	Workshop	2.1 Information exchange and administrative cooperation among Member States / administrative cooperation arrangements between tax administrations
FMC/193	Second hand car MLC- Host FI	Multilateral Control	2.2 Information exchange and administrative cooperation among Member States / MLCs
FMC/135	Commerce of used vehicles - Host HU	Multilateral Control	2.2 Information exchange and administrative cooperation among Member States / MLCs
FMC/081	Used Cars - Host DK&SE	Multilateral Control	2.2 Information exchange and administrative cooperation among Member States / MLCs

8.1 Context

The VAT Directive (amendment introduced with Council Directive 94/5/EC) provides the option to pay taxes (VAT) on the profit margin (the difference between the original price and the new price) rather than on the purchase price when trading second-hand goods.

This special regime is often misused by fraudsters in the car sector who may register the sale of a car as margin scheme (profit margin VAT due) though in reality it is a new car, on which VAT on the sales price is due. By exploiting the system, the dealers can set a more competitive price on their cars and save money on taxes.

Associated with the abuse of the margin scheme are also other types of fraudulent activities involving motor vehicles, and used cars in particular, such as Missing Trader Intra Community (MTIC) fraud and triangular operations.

8.2 Relevance

Challenges met by the national administrations

Many EU MSs experience serious problems with *fraud in the used cars sector*. Because cars (also used) are a high value product there can be substantial revenue involved for fraudsters misusing the system, and VAT fraud (of different variants) in the used cars sector has become a general issue in EU tax administration.

For example, in Hungary there is a big market for used cars from Germany and the Netherlands. With the growing economy and people coming into money, many Hungarians wish to drive a big, nice car from e.g. German manufacturers. With such a large market and the potential to misuse the legal regime for VAT on second-hand cars, tax administrators face a real challenge in detecting and combating fraud and tax evasion.

Another example of fraud in this sector is a modification of triangular trade, with persons registered and nationals in both Finland and Sweden importing used cars from e.g. Germany, claiming that they are going to Finland but actually selling them on the black market in Sweden. As a consequence, the VAT due is never paid in either Finland nor Sweden, and the reselling of the cars through several persons makes it difficult to find the cars afterwards and connect them to the original trader.

In Denmark there have, for instance, been issues in relation to the introduction of new rules on registration taxes in connection with new EU legislation. The changes provided the possibility for car owners to take their cars out of the country and keep some of the registration tax. This option was meant to be used by individual persons but turned out to be misused by used car dealers who, in this regime, saw the possibility to export cars and have a large share of the registration taxes reimbursed. As a result, around 30-40,000 cars were exported during this time (according to a registration exercise carried out in 2007/2008) as opposed to the expected 1000-2000 cars.

Objectives set to address challenges

To address the very specific challenges in used car fraud involving only a few MSs, such as the examples from HU, FI/SE and DK mentioned above, the preferred Fiscalis tool is multilateral controls (MLCs).

FMC/193 was set up between Finland and Sweden with the objective of determining the extent, the structure and the players of the fraudulent trade in both Member States, and to reveal and assess the beneficiaries of the fraud scheme. The aim was to stop the fraud by *coordinated*

sharing of information and administrative cooperation.

To address the challenges in the Hungarian used car market, several MLCs have been set up for the purpose of *sharing information* with the exporting countries in order to find the real trader behind the “missing traders” of the cars and ultimately collect the VAT due from the real trader. FMC135 was set up between Germany and Hungary on the initiative of the Hungarian administration based on a German information request in relation to one particular German car dealer selling to several different traders in Hungary.

In relation to the issues with the registration tax scheme in Denmark, FMC81 was set up on the initiative of the Swedish administration whose attention had been drawn to one used cars dealer in Sweden importing many cars from Danish dealers. The Swedish authorities originally asked their Danish colleagues for information on the type of trade reported to the Danish authorities. In Sweden the trades had been registered as duty-free sales while in Denmark they were registered as profit margin VAT trade. The objective of the MLC was to *exchange information* and cooperate to unravel the fraudulent business of this particular trader, and collect the taxes due.

To address the challenges on a multilateral level, there have been different initiatives aiming at *improving information exchange and administrative cooperation* between national authorities. The Autocanet cooperation was originally set up between the Benelux countries and later extended to include other MSs on a voluntary basis. The intention was to set up a system for more extensive information exchange to detect potential missing traders in the used cars sector by cross-checking the data of the participating Member States. The two workshops selected for this case study were organised for the (continuous) evaluation of the Autocanet project, the progress made and the measures introduced for improved information exchange and fight against fraud among the members of the network.

Another attempt at addressing the challenges of the extensive fraud in the used cars sector was the initiative of setting up a project group on the abuse of the special arrangements applicable to second hand goods in the car sector. The ultimate objective of this project group was of course to strengthen the fight against fraud, while on a more intermediate level, the project group was set up to examine and evaluate fraud cases in relation to the abuse of the special margin scheme, establish the common features of these fraud cases, and make recommendations to prevent or disrupt the fraud at a national level or at community level. As such, the project group can be considered as an attempt to bring about *improved administrative procedures*, perhaps not so much through “the development and dissemination of good administrative practice” as through the analysis of bad practices of fraudsters in the used car sector.

8.3 Effectiveness

Outputs

The outcome of the three MLCs was as specific as the objectives: the unravelling of the specific fraud schemes and the collection of (most of) the taxes due in all cases. An important aspect in bringing about this result is the fact the MLC framework provides an opportunity for tax auditors to meet in person and to exchange information directly between each other rather than going through the official channels and contacting the colleagues in charge of international cooperation who normally handle information requests. This provided for a much more efficient *administrative cooperation* and *information exchange* during the course of the MLC cooperation, as the participants acquired a better understanding of each other’s systems and the types of information needed.

The output of the work of the project group was a report on the conclusions and recommendations formed on the basis of the analysis of fraud cases related to the special margin scheme. The recommendations of the project group aimed at e.g. *improving the exchange of*

information between MSs' tax authorities and national vehicle licensing authorities for which barriers prevailed due to data protection issues; and achieving a better understanding of the different MSs' administrative systems by the creation of an overview of the vehicle registration processes of the different MS to be published by the Commission.

Another outcome of the project group was the decision to establish a new project group to examine the fraud issues in the used cars sector more generally (not only in relation to the profit margin scheme). The purpose of this project group (FPG50 – not selected for this case study) was firstly, to provide an overview of the different types of fraud; secondly, to establish what kind of information administrations would need to detect these types of fraud; and thirdly, to provide recommendations on how to cooperate better, not only to detect fraud, but also to combat it.

According to a participant in the workshops on the Autocanet cooperation, this network as well as the workshops in relation to it really contributed to improved *information exchange and administrative cooperation* between the participating MSs. The Benelux countries had a lot of experience in cooperating and had already collected much information which was really helpful to the other MSs who joined the network in its extension. Additionally the discussions on how to collect, share and use information was really helpful in making people (and tax officials' superiors) understand why this type of cooperation and information exchange is important to the work of tax administrators. After the workshops, more data was collected and some participants started to more actively feed information into the system.

Another outcome of the workshops was participants getting to know each other (putting faces to names) and the different MSs' systems, which makes the daily task of sharing information easier.

Results

The report of conclusions and recommendations drafted by the project group was presented by the Commission to the MSs for the purpose of finding out whether any kind of agreements could be made on the basis of this report. However, no common ground was established for introducing legislative changes on this basis, and consequently no further steps were taken in this direction. With regards to the recommendations for MSs to implement at a national level, some MSs set up working groups nationally to discuss the suggestions and potential implementation, but no records have been made of the results of these steps.

Meanwhile, one development induced by the work and recommendations of the project group was the establishment of the Eurofisc network. It became clear that to really *improve the fight against fraud* in the used cars sector, there was a need for a network of legal experts with a strong legal foundation. Since the first meeting establishing the Eurofisc network was only held in November 2010, real effects of this new cooperation scheme are yet to come (a report on the work and progress is due next year).

The creation of the Eurofisc network also meant the end of Autocanet. The Autocanet cooperation struggled to get MSs really involved and to engage actively (24 MSs participated but only 8 MSs really exchanged information), especially because many MSs considered the legal basis for cooperation to be too weak, meaning that information collected through the network would not hold in court. Eurofisc, on the contrary, has a stronger legal base in the new Regulation 904/2010, and is consequently expected to provide for a more active participation of all MSs and the exchange of much more data, which should in turn improve the MSs' cooperation on the fight against VAT fraud in the used car sector.

Internal and/or external factors

As seen from the above, the existence of a sufficient legal basis for administrative cooperation can sometimes make all the difference in terms of moving forward in the improvement of

information exchange and the fight against fraud. As the Fiscalis network can only provide input for, and not make decisions on, the legislative framework for the tax cooperation, this must be regarded as an important external factor which can either facilitate or impede further progress.

8.4 Efficiency

The framework of the Fiscalis MLCs makes work progress much faster than the normal exchanges of information, as it allows for direct contact and exchange between those auditors actually dealing with the issue and the documents. Going through the official channels, many things can go wrong (e.g. also due to IT problems). The possibility of meeting in person and exchanging what may in some cases be stacks of documents also provides for much more efficient information exchange.

8.5 EU Added value

- In terms of MLCs, an important value added by the Fiscalis programme (as opposed to MLCs set up independently of the Fiscalis framework) is the support provided by the MLC coordinators. The coordinators are very skilful and experienced and provide valuable support for bureaucratic matters, easing the work of the tax officials who can then concentrate on the concrete task at hand – fighting fraud.
- Moreover, the financing aspect is also crucial in relation to MLCs. According to the interviewed MLC participants, without the financial support of the Fiscalis programme for MLC cooperation, there would probably be fewer MLCs (especially in the framework of the current economic crisis and public budget decreases), as it would be more difficult to establish and get support at a national level.
- For the newest MSs, which are part of the same sub-group, an important contribution comes from both the budget and the Fiscalis management team, without the support of which it would be very difficult for the members of this sub-group to set up and manage MLCs.

8.6 Conclusions and future prospects

Main findings

- To meet the challenge of extensive and different types of fraud in the used cars sector, different Fiscalis tools have been employed to improve information exchange and administrative cooperation:
 - MLCs are set up to address the very specific challenges concerning only a few MSs. The MLCs selected for this case study have been successful in providing a forum for more direct and thus improved information exchange and administrative cooperation between tax auditors, which in turn has helped the auditors unravel the fraud schemes and collect (most of) the taxes due.
 - First the Autocanet and later the Eurofisc network was set up to establish a forum for improved information exchange and administrative cooperation to fight used car VAT fraud on a multilateral level. For those MSs actively participating in the Autocanet cooperation, there were some clear benefits in terms of access to more and better information and a better understanding on how to use this, gained from the workshops. Meanwhile, only relatively few MSs actively participated in Autocanet. With the new and improved legal foundation for information exchange in this area, it is expected that the Eurofisc network will work better and provide for real improvements. At this point in time, it is however still too early to draw any real conclusions on effects.

- A project group was set up to investigate and provide recommendations on how to fight abuse of the special arrangements applicable to the second hand car sector. The output of the project group was a list of recommendations for both the Commission and MSs. On the Commission level, however, no common grounds were found for legal changes according to the recommendations of the project group. There has been no collection of any results on the MSs level stemming from changes proposed by the project group.
- An important added value of the Fiscalis programme to the MLC cooperation is the support provided by the MLC coordinators, reducing the administrative burdens on tax auditors engaged in such cooperation. Other important aspects are the budget and the administrative support provided by the Fiscalis management team – especially for the newest MSs where experience and often finances are scarcer.

Future prospects (Relevance)

An aspect to include more in the future work of MLCs could be sharing of best practices on MLC cooperation and management between tax auditors – those actually carrying out the work. In the current situation, only MLC coordinators hold meetings and share good practices. MLC practitioners also have a forum for sharing experiences in the anti-fraud network both under Fiscalis and under IOTA, but the topics discussed here are usually not MLC cooperation concretely but rather more general issues, such as new fraud patterns and how to detect them.

SOURCES USED

Interviews

Name	Position	Institution	Country
Costantino Lanza	Policy officer, VAT legislation and mutual assistance	DG TAXUD/unit C4	(EU)
Juha Kuusala	Tax auditor, anti-fraud coordination	Steering and development unit, FI Tax Administration	Finland
Steen Christiansen	Tax auditor	Enforcement unit, DK Tax Administration	Denmark
Eszter Magyar-Ahel	Head of Department, Tax Directorate of Special Audits	National Tax and Customs Administration	Hungary

Documents

Title	Type
FWS/017 Autocanet Workshop II	Proposal
FWS/017 Autocanet Workshop II	Report
FWS/008 Workshop on Autocanet project	Report
FPG/030 Abuse special arrangements applicable to second hand goods in car sector	Proposal
FPG/030 Abuse special arrangements applicable to second hand goods in car sector	Report
FMC/193 Second hand car MLC	Report
FMC/135 Commerce of used vehicles	Presentation