

Improving Fight against Tax Fraud – Commission Presents Tax Package

Thomas Wahl



News

As part of the EU's general aim of economic recovery and long-term growth, the [Commission presented a new tax package](#) on 15 July 2020. The Commission intends to achieve fairer and simpler taxation throughout the EU. The package puts the fight against tax abuse at the forefront. It simultaneously aims to help tax administrations reduce administrative burdens, improve the environment for businesses across the EU, and keep pace with an increasingly globalised economy. In addition, better cooperation with non-EU member states is to be strengthened. The package consists of three separate but related initiatives:

- The [Tax Action Plan](#) and its [annex](#) with 25 different measures to be implemented between now and 2024 is to make taxation fairer, simpler, and better adapted to modern technologies. It sets out measures that will reduce tax obstacles, help Member States enforce existing tax rules and improve tax compliance, help tax authorities better exploit existing data and share new data more efficiently, and promote taxpayers' rights.
- A [proposal to amend Directive 2011/16/EU](#) on administrative cooperation in the field of taxation (DAC 7) will extend EU tax transparency rules to digital platforms, so that those who make money through selling goods or services on platforms can also contribute to tax revenues. This new proposal, together with [an annex on the reporting rules](#) for platform operators, will ensure that Member States automatically exchange information on revenues generated by sellers on online platforms. It will also strengthen and clarify the rules in other areas in which Member States cooperate to fight tax abuse, e.g. through joint tax audits.
- The [Communication on Tax Good Governance](#) focuses on promoting fair taxation and combating unfair tax competition in the EU and internationally. To this end, the Commission suggests a reform of the Code of Conduct, which addresses tax competition and tackles harmful tax practices within the EU. It also proposes improvements to the EU list of non-cooperative jurisdictions, which deals with non-EU countries that refuse to follow internationally agreed standards. Ultimately, the Communication outlines the EU's approach to assisting developing countries in the area of taxation.

The Tax Package is the first part of a comprehensive and ambitious EU tax agenda for the coming years. Other planned initiatives concern business taxation, the digital economy, energy taxation, tobacco taxation, and improvement of the rules for cross-border acquisitions of excise goods. Detailed information on the present Commission tax package is available on a [dedicated website](#).

AUTHOR

Thomas Wahl

Senior Researcher
Max Planck Institute for the
Study of Crime, Security and
Law

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