FISCALIS 2020
ACTION PROGRAMME FOR TAXATION IN THE EUROPEAN UNION

What is Fiscalis 2020?
Fiscalis 2020 is an EU cooperation programme enabling national tax administrations to exchange information and expertise. It allows major trans-European information technology systems to be developed and operated in partnership, and various person-to-person networks to be established by bringing together national officials from across the EU. The majority of the programme funding (approximately 80%) enables the development and operation of the European information systems for taxation, followed by the organisation of joint actions, cooperation and collaboration (around 15%) and training (around 5%).

Fiscalis 2020 improves the functioning of the taxation systems in the internal market by enhancing cooperation between participating countries, their tax authorities and their officials. This includes the fight against tax fraud, tax evasion and aggressive tax planning and the implementation of EU law in the field of taxation. It does this by ensuring the exchange of information, supporting administrative cooperation and, where necessary and appropriate, enhancing the administrative capacity of participating countries with a view to helping to reduce the administrative burden on tax authorities and the compliance costs for taxpayers.

The Fiscalis 2020 programme supports a highly secure, dedicated communication network allowing the exchange of information in the framework of the fight against tax fraud, for both direct and indirect taxation.

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

Why is it necessary?
Cross-border tax fraud, evasion and avoidance can only be tackled if there is cooperation and coordination between Member States’ tax authorities. The added value of the Fiscalis programme, including for the protection of the financial interests of the EU Member States and of taxpayers, has been recognised by the tax administrations of the participating countries. The challenges identified for the next decade cannot be tackled if Member States do not look beyond the borders of their administrative territories or cooperate intensively with their counterparts. The Fiscalis programme, implemented by the Commission in cooperation with the participating countries, offers Member States an EU framework in which to develop activities through cooperation among national tax officials on the one hand, and cooperation on information technology on the other hand. This set-up is more cost-effective than if each Member State were to set up individual cooperation frameworks on a bilateral or multilateral basis.

Outlook for the 2021-2027 period
The Commission proposed a continuation of the programme for the next multiannual financial framework.

Budget implementation (in EUR million)

<table>
<thead>
<tr>
<th>Year</th>
<th>EXECUTED COMMITMENTS</th>
<th>EXECUTED PAYMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>32.5</td>
<td>30.7</td>
</tr>
<tr>
<td>2019</td>
<td>32.7</td>
<td>30.9</td>
</tr>
<tr>
<td>2020</td>
<td>33.1</td>
<td>30.9</td>
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</tbody>
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LEGAL BASIS

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BUDGET ALLOCATION 2014-2020
EUR 223.7 million

OVERALL EXECUTION (2014-2020)
100%
82%
Key performance indicators

<table>
<thead>
<tr>
<th>Baseline</th>
<th>PROGRESS TO TARGET</th>
<th>Target</th>
<th>Results</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The common communication network for the European information systems</td>
<td>441</td>
<td>&gt; 100%</td>
<td>99.90%</td>
<td>99.89% availability compared to a target of 99.90%</td>
</tr>
<tr>
<td>Network opportunity (1)</td>
<td>464</td>
<td>&gt; 100%</td>
<td>90%</td>
<td>95% availability compared to a target of 90% positive feedback</td>
</tr>
<tr>
<td>Lasting networking effect (2)</td>
<td>441</td>
<td>86%</td>
<td>78%</td>
<td>67% availability compared to a target of 78% positive feedback</td>
</tr>
<tr>
<td>Face-to-face meetings (2)</td>
<td>441</td>
<td>&gt; 100%</td>
<td>78%</td>
<td>464 compared to a target of 441 face-to-face meetings</td>
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</table>

(1) Average of results for 2014-2020 compared to target.
(2) Average of results for 2014-2020 compared to average of milestones for 2014-2020.

Where are we in the implementation?

- The core outcomes of the Fiscalis programme are the European information systems, which allow for the electronic exchange of tax-related information between the Member States. The funding available for the information technology systems (which are shared with the Customs 2020 programme) is mainly used for the maintenance and further development of the systems, so as to keep their availability at a high level. The availability rate in 2020 (> 99%) surpassed its target after falling below it in 2019 due to the deployment of new releases and new applications on the platform, mostly in the customs area.

- COVID-19 has only had a limited impact on the implementation of the programme, with the main effect being the disruption of travel for face-to-face meetings. The pandemic affected spending on the activities funded by some grants, since there was almost no travel and most meetings took place virtually. Nevertheless, grants only represent approximately 17.6% of the Fiscalis programme and not all eligible costs are linked to travel. As a result, it may be concluded that for 2020 the impact of COVID-19 on the programme was relatively low.

Performance assessment

The data collected in the performance measurement of the programme, together with the results of the midterm review, show that the Fiscalis 2020 programme is on course to fulfil its objective of supporting the fight against tax fraud, tax evasion and aggressive tax planning.

- The programme has been effective in providing solutions for problems with a clear EU dimension through the use of common information technology systems, joint actions and networking between Member States. This has led to added EU value, economies of scale and improved coordination, in particular through the interoperability and interconnectivity provided by the central information technology systems.

- On average, over the 2014-2020 period, the availability rate of the systems surpassed the target level. This was not, however, the case in 2019, when the availability rate was below target due to planned new releases and applications.

- The Commission has tried to increase the lasting network effect, which has remained below target since the launch of the programme. This has included introducing improvements in the area of communication and facilitating online collaboration and sharing between participants in programme activities after the events come to an end. There may also be an unclear understanding of the different possibilities for remaining in contact in addition to physical meetings and phone calls.

- The Fiscalis 2020 programme has provided valuable support to national tax administrations and economic operators, including through its networking functions and the reduction of administrative burdens.

- Due to the COVID-19 pandemic, the number of face-to-face meetings naturally dropped in 2020, and did not therefore reach the programme target for 2020. Up to 2019, this indicator had shown constant progress and surpassed its milestones. This should therefore not be of concern for the future. At the same time, the number of online groups increased substantially between 2019 and 2020, from 227 to 270, somewhat mitigating the effects of travel restrictions due to the pandemic.

- A 2020 study identified the performance measurement framework strengths (i.e. elements to retain) and weaknesses (i.e. areas for improvement). In particular, it identified weaknesses with the quality of indicators to meaningfully assess the performance of the programme across the activities supported, and also its limited utility and visibility among stakeholders. These elements will be dealt with by a new performance measurement framework under the new programme.

Concrete examples of achievements

<table>
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<tr>
<th>27</th>
<th>8.37 billion</th>
<th>14 193</th>
<th>5</th>
<th>99.96%</th>
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<tr>
<td>European information systems were in operation in 2020, which was stable compared to 2019.</td>
<td>messages were exchanged in 2020 on the Common Communication Network / Common Systems Interface (shared with Customs 2020), i.e. close to 1 million messages were exchanged every hour on average.</td>
<td>officials were trained using common EU training materials in 2020.</td>
<td>expert teams were operational in the taxation area in 2020, one more than in 2019.</td>
<td>of the time, the Vies-on-the-Web system was available in 2020.</td>
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