

TADEUS

Tax ADministration European Union Summit

TADEUS 2023 Outcomes Statement

PLENARY MEETING, MALAGA

1. We, the Heads of the tax administrations in Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden, and representatives of DG TAXUD, met on 21-22 November 2023 in Malaga (Spain), for the 5th TADEUS plenary meeting, to further develop and enrich the cooperation between our administrations at the highest level.
2. We warmly thank the Spanish Tax Agency (AEAT) for hosting and the European Commission for co-chairing and co-organising the meeting.
3. On the first day, we discussed the most recent developments in the EU tax policy initiatives, including the Home Office Taxation (HOT) proposal recently adopted by the Commission to simplify tax rules and reduce compliance costs for cross-border SMEs. We also discussed BEFIT and the transfer pricing proposals that will simplify tax compliance for businesses. We paid particular attention to the VAT in the Digital Age package to pro-actively anticipate its implementation within achievable deadlines.
4. Starting from the evaluation findings of the EU VAT Administrative Cooperation legal framework, we discussed possible ways for its improvement and in particular Eurofisc's functioning, and cooperation among relevant stakeholders to optimise the fight against VAT fraud in administrative and criminal investigations. We exchanged views on the possible future cooperation with the European Public Prosecutor's Office (EPPO) with their high-level representative present. Emerging ideas will all feed the European Commission's impact assessment work for possible legal changes.
5. We took stock of the various workstreams that aim at optimising the working of the Directive on Administrative Cooperation in Direct Taxation (DAC), including initial findings stemming from the programme of visits of the tax administrations (VISDAC) and of an ongoing evaluation study on DAC. These assessments illustrate the pivotal role of DAC in facilitating swift exchange of information among authorities to tackle transnational challenges like tax evasion. The evidence presented underscores how administrative cooperation bolsters overall tax revenue, provided the data is of high quality and used on a large scale. We will focus on the areas for improvement as the collection and sharing of best practices is fundamental to ensure the most efficient application of the provisions in place. In the same spirit, the presentation by Tax Inspectors without Borders stresses that one of the key factors of

a fruitful cooperation is the development and strengthening of capacities, also with developing countries.

6. To support the fight against tax fraud, evasion and avoidance, we acknowledge the importance and relevance of monitoring tax gaps for informed and efficient tax administration. We endorsed the findings and recommendations of the project group led by Italy starting thus the testing phase for selected methodologies for estimating the tax gaps for direct and indirect taxes and specific sectors. We also renewed our commitment to making the required data and human resources available to support the project and cooperating with the other administrations.
7. We have equally dealt with other ongoing projects. In particular
 - Project on the use of artificial intelligence for tax purposes: artificial intelligence (AI) is a major challenge that poses as many problems as it offers solutions. We support efforts to identify the key issues as well as the possible benefits, and so lay the foundations for common thinking on the use of AI in tax administrations.
 - Project on digital security: in a world where it is more and more complex to make data and systems secure, we are more than ever committed to support efforts to establish a common approach to digital security.
 - The workstream on exchanges of information relating to real estate is in line with the G20 declarations and the OECD's proposal to extend its thinking on cooperation in this area. We welcome the initial conclusions, which enable TADEUS to pursue efforts in this direction.
8. On the second day, we focused on enhancing taxpayers' trust and voluntary compliance. We have discussed ways at national, European and global level, including relevant OECD work, to raise awareness on the potential for optimising tax collection.
9. TADEUS will take the European Trust and Cooperation Approach (ETACA) - which provides Member States with a collaborative tool to prevent direct tax disputes and encourage an ex-ante dialogue between taxpayers and tax administrations – to the next level. A Member State will take responsibility for coordinating the programme, while the existing steering group will be increased with new Member States to review the guidelines and to set the parameters for a continuation of the project.
10. The Group agreed to investigate if there is a relevant number of cases of double taxation or double non-taxation. And if so, to create a project group under TADEUS to address potential modalities for a VAT dispute prevention and resolution mechanism. Such mechanism could be building on an already existing informal mechanism initiated as a pilot among Member States' tax administrations, the so-called EU Cross-Border Ruling (CBR) mechanism.
11. We also discussed the impact on our work and the interlinks of trust and compliance with the ever-increasing use of AI; while exploring the opportunities and the possible need for more extensive regulation.
12. We learnt about recent and upcoming national initiatives to enhance trust and compliance and are pleased to congratulate MS's tax administrations which have received awards for their projects:

1. Sweden: *Test of Generative AI in the tax field*
2. Belgium: *DIOS - Data Integrated Operational System*
3. (ex-aequo) Hungary: *e-VAT system*; and Spain: *IDA - Integral digital administration*.

13. We will continue to step up the strategic dialogue among tax authorities and with the representatives of DG TAXUD.