



DG TAXATION AND CUSTOMS UNION

Management Plan 2014



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1. Mission Statement

The Directorate General Taxation and Customs Union's mission is to develop and manage the Customs Union, a foundation of the European Union, and to develop and implement tax policy across the EU for the benefit of citizens, businesses and the Member States. Particular attention is given to the Internal Market, by making sure it functions smoothly and efficiently.

2. Challenges in 2014: Message from the Director General

As stated by President Barroso in his State of the Union Speech, **2014**, the last year of Commission's mandate **should be the year of delivery**.

In the first part of the Commission's mandate (2009-2011) we put forward **important initiatives** (Common Consolidated Corporate Tax Base, Financial Transaction Tax, Energy Taxation, Fight against tax fraud, Union Customs Code, mutual recognition of trade partnership programmes with Japan and US, customs enforcement of intellectual property rights and renewal of the tax and customs programmes).

We made **major progress in 2013** with the adoption of the Union Customs Code, the review of the regulations on IPR and on the trade of drug precursors, the quick reaction mechanism to better tackle VAT fraud and the Fiscalis 2020 and Customs 2020 programmes.

However, more will be done. In 2014, the last year of the mandate of the present Commission, our main actions will focus on:

- **implementing** these new pieces of legislation;
- **strengthening** the tax aspects of the **European Semester**
- making all efforts to **facilitate the adoption by Council and Parliament** of the proposals still on the table;
- **promoting EU interests** in the area of taxation and customs in international organizations and fora such as the OECD, G20, UN-ECE, WTO and WCO and in bilateral relations with third countries.

These actions will have a **direct and positive impact on business and citizens**. They will allow them to benefit more fully from the potential of the Internal Market and from global trade. In addition, our ongoing **infringement policy** aims to remove illegal distortions with negative impact on EU citizens and business and to support efforts to eliminate tax obstacles to the functioning of the Internal Market. We will, moreover, follow a horizontal approach to infringement proceedings in order to get more visible and homogenous results. We will also continue to pursue our infringement policy with regard to the Customs Union in order to remove any national measures contrary to EU rules.

We will work on measures to deal with 6 main challenges:

1) Fight against tax fraud

The focus in this area will be:

- To promote the need for action at a global level and support the G20/OECD initiative on **base erosion and profit shifting (BEPS)**. We will cooperate with the OECD with a view to work towards synergies with our 2012 recommendation on aggressive tax planning and to take into account the EU legal framework and EU interests. We will support the work of the Code of Conduct group on business taxation in the Council.
- To explore new approaches in the **taxation of the digital economy** in order to promote fair taxation and removal of tax loopholes and arbitrage. The Expert Group on Taxation of the Digital Economy will report to the Commission by July 2014. Future steps will then be decided.
- To **follow up the Action Plan to combat tax fraud** with the preparation of guidelines for an EU taxpayer's charter; the preparatory work on an EU Tax Identification Number (TIN) which will strengthen control possibilities for Member States; and the mandate to start negotiations with certain third countries to enhance the exchange of information in the field of VAT with these third countries and to extend the use of the EU tools for administrative cooperation with them.
- With the assistance of the Platform on Good governance, **to follow up the recommendations on aggressive tax planning and promotion of good governance in tax** so as to encourage Member States to base General Anti-Abuse Rules on common elements proposed by the Commission, and to encourage third countries to respect good governance principles respectively. We will also increase the number of trade or cooperation agreements that include the good governance clause and review the standard good governance clause in consultation with the Council.
- and last but not least, to contribute to the adoption in 2014 of legislative proposals under discussions in the Council:
 - the extension of the scope of **automatic exchange of information within the EU** so as to bring EU standards of automatic exchange into line with the global standard that is being discussed **at G20 level**;
 - the amendments to the existing **Savings** directive and to the Savings Tax agreements with 5 neighbouring non-EU countries (San Marino, Liechtenstein, Switzerland, Andorra and Monaco)
 - the amendments of the **Interest and Royalties Directive and Parent Subsidiary Directive** to close a tax loophole and to introduce a strong anti-abuse clause and amendment of the Interest and Royalties Directive to target its benefits.

2) Budgetary consolidation

As requested by the European Council in our efforts towards **budgetary consolidation**, we will continue to support **structured discussions on tax policy issues**, particularly through actions linked to the European Semester. We will notably continue to ensure that tax policy plays its part in the EU economic governance processes. In their search for new resources, Member States are introducing Financial Transactions Taxes. We will actively support the

enhanced cooperation procedure with a view to introducing a **harmonised FTT within a smaller group of Member States** by 2015. Finally, the **review of VAT rates** needs also to be seen in the context of budgetary consolidation, notably if it leads to the abolition of reduced rates causing distortions of competition. A decision on the way forward will be taken in 2014, on the basis of the results of the impact assessment.

3) Growth-friendly taxation

Linked to our efforts towards budgetary consolidation, we will continue to pursue **growth friendly reforms** and to strengthen the **tax aspects of the European Semester**. In 2014 the Council should give political orientations on the **Common Consolidated Corporate Tax Base (CCCTB)**. The CCCTB can contribute both to the fight against tax evasion and aggressive tax planning – e.g. through the exploitation of mismatches – and to removing market distortions caused by double taxation. The on-going OECD work against base erosion and profit shifting (BEPS) refers to the approach and provisions of the CCCTB proposal as an alternative solution to the current transaction-by-transaction arm's length pricing of cross-border dealings. We will continue to pursue our policy of **tackling cross-border tax obstacles**, by improving information, removing discrimination and double taxation and tackling compliance and other cross-border tax problems in the Internal Market for the benefit of both individuals and businesses. We plan to table an initiative on **arbitration in cross-border tax disputes** by providing a dispute settlement mechanism in the EU in order to resolve the cases of unrelieved double taxation within the EU. With regard to **inheritance taxes**, we will present an evaluation report at the end of 2014 to show how, if at all, the problems of double taxation of inheritances have been reduced as a result of the Commission's Recommendation of 2011 and if appropriate follow-up steps need to be done.

We will pursue the **reform of the EU VAT system**. Our actions will focus on simplifying the VAT system, making it more fraud proof, reducing compliance costs and stabilising Member States' revenue raising capacities. We will set out the options for a definitive VAT system in a White Paper. We will work on the adoption by Council of the **Standard VAT declaration** to simplify and harmonise VAT returns throughout the EU. We will also ensure full implementation of the **VAT package by 1st January 2015** (new place-of-supply rules and mini One-Stop-Shop for telecommunications, broadcasting and electronic services).

Finally, we will continue to reflect on the best way to find a solution in **the negotiations in Council** on the Commission's proposal for revising the **Energy Tax Directive**.

4) Modernisation of customs

The priority for 2014 will be to further progress **towards a modern and paperless environment for customs and trade** on the basis of the **Union Customs Code** adopted in October 2013: we will prepare the draft Commission **delegated and implementing acts** related to that Code, to be based on adequate Business Process Models. At the same time, the creation or update of the Customs European Information Systems as defined in the Multiannual Strategic Plan (MASP) will require substantial efforts in order to enable a completion of all projects, in particular those associated with the Union Customs Code, by the end of 2020. We will also evaluate the eCustoms Decision on paperless customs. This will be the first action towards a legislative initiative in 2015 which will replace the eCustoms Decision by a more appropriate instrument in line with the Union Customs Code and the Customs 2020 Programme.

The Commission Communication on the **State of the Customs Union** has highlighted the achievements of the Customs Union but also the challenges it is facing and has outlined a course of actions to counter these challenges and provide a more performing, robust and unified Customs Union by 2020. In 2014, we will work on a blueprint for the governance of the Customs Union of the future.

Furthermore, we will facilitate the negotiations between the two legislators on our proposal aiming at **approximating the national regimes of customs infringements and sanctions**, notably to ensure a level playing field and effective implementation and law enforcement in the area of customs legislation.

Following the June 2013 '**Blue Belt**' initiative aiming at **easing customs formalities for intra-EU shipping as a key-action of the Single Market Act II**, the Commission proposed in 2013 to simplify access to and use of Regular Shipping Services (RSS) allowing Union goods to move freely by sea between Union ports. In 2014, the Commission should complete the second part of that initiative in order to facilitate the proof of the Union status of goods outside RSS by means of a harmonised electronic cargo manifest.

In addition, we will continue to **combine trade facilitation and protection of security and safety** with the practical implementation of the Air Cargo security and the IPR Action Plan (2013-2017) high on our priority list. We will also develop and implement **a strategy for a joint approach to protect health, safety and the environment**.

As regards **customs cooperation with third countries**, we will continue focusing, as appropriate, on trade facilitation (including the development of international transit procedures with our more immediate neighbours) and supply chain security (including the mutual recognition of Authorised Economic Operator programmes). Reliable traders should continue to gain in competitiveness with the mutual recognition with Japan, the US, Switzerland and Norway. We will continue to work towards mutual recognition with other countries (China, Canada, South Korea, Singapore and New Zealand). Special attention will be paid to the negotiations of free trade agreements with the EU's main trading partners, in particular with the US and Japan (customs and trade facilitation; rules of origin; IPR border measures). We will further strengthen our cooperation with China under a new Strategic Framework on IPR enforcement, supply chain security, trade facilitation and the fight against fraud. A renewed Action Plan with China on IPR enforcement shall be adopted and implemented in 2014.

We will also continue our efforts to pursue even deeper cooperation with the **Eastern neighbours of the EU** in order to facilitate trade while ensuring safety and security, fighting fraud and helping them modernise their customs administrations by the Strategic Frameworks for customs cooperation already agreed with Russia, Moldova and Ukraine and by exploring the possibilities to agree a similar framework with Belarus.

5) Fight against customs fraud

We have now identified the priority areas for immediate action for risk management and supply chain security and we will elaborate the Action plan for the years to come.

Simultaneously, we will actively contribute to implementing the Action plan from OLAF on fighting **cigarettes smuggling with practical actions as this is undoubtedly one of the well identified areas of customs fraud**.

6) Programmes

Last but not least, we will implement the **Fiscalis 2020 and Customs 2020** programmes that provide for the funding of the more than 60 central and over 20 distributed trans-European IT systems as well as for the cooperation among tax and among customs authorities, respectively.

We will measure the progress of our policies in the areas set out above with a number of indicators. Amongst the latter ones we have identified **5 key performance indicators** which will help us monitor and evaluate the performance in the most critical fields of our work. The first four key performance indicators will measure the accomplishment of policy-specific objectives, whereas the fifth one is related to the achievement of the internal control standards, as follows:

- Effectiveness of the legal framework with regard to the fight against tax fraud and tax evasion;
- Degree of simplification of rules due to the application of the Union Customs legislation;
- Availability of Taxation and Customs IT systems;
- Collaboration robustness between programme stakeholders resulting from Joint Action activities in the Fiscalis 2020 and Customs 2020 programmes;
- Degree of compliance with the Internal control standards.

3. Structure of the Objectives

The structure of the Management Plan reflects the main areas of DG TAXUD's activities – two **general long-term objectives** are established: one for the taxation policy and the other one for the customs policy, each sub-divided in five **specific medium-term objectives**. The objectives and their corresponding indicators are presented in a coherent structure under chapters 4 and 5.

General Objective 1: To create a simpler, more efficient and fair tax environment in order to fully exploit the economic potential of the Internal Market and foster growth

Related specific objectives:

- ABB03/1: To strengthen the framework for tax administrations to efficiently combat fraud and tax evasion with a view to secure Member States' tax revenues;
- ABB03/2: To reduce administrative costs and to tackle tax obstacles in the Internal Market by simplifying and enforcing EU law and strengthen coordination amongst Member States;
- ABB03/3: To develop new tax initiatives and actions to support EU policy objectives;
- ABB03/4: To protect EU society and its economic and financial interests through international cooperation in the taxation area;
- ABB03/5: To support the fight against tax fraud, tax evasion and aggressive tax planning and the implementation of Union law in the field of taxation by ensuring 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.

General Objective 2: To ensure that EU customs policy protects society, facilitates trade and supports the competitiveness of the European economy

Related specific objectives:

- ABB02/1: To protect citizens from the security and safety risks posed by the international trade in goods and to support the fight against illicit traffic and fraud by improving the capacity of the Commission and Member States to act;
- ABB02/2: To modernise and streamline the functioning of the Customs Union, by improving its functioning for the benefits of the economic operators and Customs administrations;
- ABB02/3: To ensure effective management of the Customs Union in particular through the development of high quality customs legislation, IT systems and their uniform application;

ABB02/4: To develop international cooperation to support the effective management of the Customs Union; to protect EU society and its economic and financial interests; to facilitate trade and to contribute to the broader external policy objectives of the Union;

ABB02/5: To support customs authorities in protecting the financial and economic interests of the Union and of the Member States, including the fight against fraud and the protection of intellectual property rights, to increase safety and security, to protect citizens and the environment, to improve the administrative capacity of the customs authorities and to strengthen the competitiveness of European businesses.

Besides the specific objectives directly related to the operational activities, DG TAXUD has also objectives related to its horizontal activities (administrative support and policy strategy). These objectives and their corresponding result indicators are presented under Chapter 6.

4. General Objectives

In 2014 TAXUD's activities will serve the fulfilment of two general objectives accompanied by **impact indicators** listed in the tables below. For each impact indicator the “**baseline**” sets the starting point from which the evolution will be assessed. The **long-term target** will measure the expected situation in 2020 and the **milestones** refer to the progress to be achieved by 2016.

It has to be mentioned that DG TAXUD has generally only a subsidiary control of impact indicators. Since taxation falls to a large extent within the competence of Member States, DG TAXUD has limited impact on the concrete measures taken at national level. Most impact indicators only become relevant if used over time. Some long-term changes in economic aggregates depend on many other factors, notably the overall worldwide economic situation, and are therefore only partially due to the achievements in the fields of taxation and customs.

General objective 1:			
To create a simpler, more efficient and fair tax environment in order to fully exploit the economic potential of the Internal Market and foster growth			<input type="checkbox"/> Spending programme <input checked="" type="checkbox"/> Non-spending
Impact indicator 1: Ease of paying taxes indicator			
<i>Source: "Paying taxes 2014: The global picture", World Bank and Pricewaterhouse Coopers Report – 2013</i>			
Baseline 2013	Milestone		Target 2020
	2014	2016	
<ul style="list-style-type: none"> – 12 MSs within the top 50 – 10 MSs between the ranks 51-100 – 2 MSs between the ranks 101-120 – 4 MSs below the rank of 120 	Improve the ranking of individual Member States	No Member State below the rank of 120	All Member States within the top 100, those Member States which are already in the top 100 in 2010 move to the top 50

General objective 2: To ensure that EU customs policy protects society, facilitates trade and supports the competitiveness of the European economy			<input type="checkbox"/> Spending programme <input checked="" type="checkbox"/> Non-spending
Impact indicator 2: International Logistics Performance Index¹ <i>Source: "Connecting to Compete – Trade Logistics in the Global Economy, 2012", World Bank Report - 2012</i>			
Baseline 2010	Milestone		Target 2020
	2014	2016	
<ul style="list-style-type: none"> – 15 MSs within the top 30 – 10 MSs between the ranks 31-60; – 2 MSs below the rank 60 	Improve the ranking of individual Member States	No Member State below the rank 60	All Member States within the top 50

General objective 2: To ensure that EU customs policy protects society, facilitates trade and supports the competitiveness of the European economy			<input type="checkbox"/> Spending programme <input checked="" type="checkbox"/> Non-spending
Impact indicator 3: Standardised customs enforcement of policies for the protection of citizens and the environment <i>Source: Information provided by DG TAXUD</i>			
Baseline 2010	Milestone		Target 2017
	2014		
Common approaches for the implementation of import and export control procedures for the protection of citizens and the environment exist only in the areas of IPR enforcement, drug precursor or cash controls	Adoption of a strategy for a joint customs approach to protect health, safety and the environment, and Guidelines in four policy areas (including Toolbox)		Border controls for the protection of citizens and the environment in eight policy areas are standardised, cooperation with other authorities is established and support tools for customs enforcement are in place

Each general objective has five specific medium-term and/or long-term objectives and for the result indicators presented under chapters 5 and 6, the “baseline” sets the starting point from which the evolution is assessed and is defined as the year when the objective was first established.

¹ The index consists of both qualitative and quantitative measures and helps build profiles of logistics friendliness. It measures performance along the logistics supply chain within a country and provides qualitative evaluations of each country in six areas by its trading partners - logistics professionals working outside the country.

5. Main Specific Objectives for Operational Activities

Under the Activity Based Budgeting (ABB) structure, DG Taxation and Customs Union is responsible for 2 operational activities:

- Taxation Policy (ABB 03);
- Customs Policy (ABB 02).

5.1. Tax Policy

EU tax systems must support the Internal Market and the growth strategy. The Directorate General (DG) for Taxation and Customs Union aims at addressing the concerns of businesses and individuals operating within the Internal Market by endeavouring to eliminate tax obstacles to all forms of cross-border economic activities and by tackling features of Member States' tax laws that are incompatible with the EU Treaty. It also works to enhance cooperation among Member States' tax authorities so as to improve the functioning of tax systems. In this context EU tax activity also supports wider EU policy goals, such as competitiveness, economic growth and sustainable development.

More specifically the DG's activity aims at:

- Developing an overall EU tax policy based on sound analysis and ensuring the proper level of co-ordination of national tax policies in order to achieve an effective Internal Market for EU citizens and companies, and increase the competitiveness of EU companies, using both legislative and non-legislative tools;
- Fighting against fraud and evasion through the improvement of administrative cooperation and mutual assistance and tax information exchange systems as well as by promoting a high efficiency of tax administration;
- Fighting against harmful tax competition in particular through better co-ordination between Member States;
- Ensuring application of EU tax law in a uniform manner, by exercising the Commission's role of guardian of the Treaties, in order to improve the transparency and create a non-discriminatory tax environment;
- Ensuring the availability, continuity and expansion of the on-line electronic services delivered to citizens, traders and national administrations in support of EU policy in the area of taxation and excise.

The main financial instrument to support the implementation of this policy is the Fiscalis 2020 Programme.

Pursuing policy activities in the tax area at EU level is clearly justified and brings high added value:

Citizens and businesses must enjoy the benefits of operating across borders within the Internal Market without being hampered by mismatching or unfair tax rules. At the same time, for both indirect and direct taxation, the fight against (cross-border) fraud and the work towards simplification must be pursued.

With the deepening of the Economic and Monetary Union, helping Member States in the implementation of national tax reforms has become an important element of the European Semester for economic coordination. Particular attention is being paid to the tax policy aspects of the formulation and coordination of credible fiscal consolidation and structural reform measures including work on "quality of revenue" with an emphasis on the promotion of growth-friendly tax regimes and fairness of tax systems.

In the indirect tax field, a certain degree of harmonisation has already been achieved but the current EU VAT system still has many shortcomings, hindering businesses from reaping the full benefits of a true single market. In its Communication of 7 December 2011 the Commission sets out the objectives and priority areas of action for establishing a future EU VAT system that can continue to function efficiently as a revenue raiser whilst increasing the competitiveness of the EU. The implementation of a VAT system tailored to the single market, ensuring that doing business across the EU must be as simple and as safe as engaging in purely domestic transactions and should not trigger supplementary costs, is a first priority area.

Tax policy can usefully support other EU policies and specific indirect taxes can be a very powerful instrument to stimulate consumer behaviour since it directly impacts on prices. Other taxes or subsidies might be used to create specific incentives. To support global efforts to address climate change an ambitious reform of the Energy Taxation Directive will need to be concluded, if a meaningful contribution to the Europe 2020 objectives is still to be achieved and the desirable parallelism with the reform of the EU Emission Trading System maintained.

The recent global economic and financial crisis had a serious impact on our economies and the public finances. There is a strong consensus within Europe and internationally that the financial sector should contribute to the costs of the crisis and the recovery. To support the efforts for a safer financial sector and to ensure that financial institutions make a fair contribution to covering the costs of the crisis, the proposal for a EU Financial Transaction Tax under enhanced cooperation should be pushed in order to implement it by 2014. In fact, even if the tax was applied only by 11 MS, it would be preferable to have an EU framework on a smaller scale than no framework at all.

As a result of the outfall of the financial crisis, increasing the efficiency and effectiveness of tax administration has become a core factor contributing to fiscal consolidation. This opens a new dimension where best practices can be pooled, benchmarks set in order to assist particular Member States, inter alia by providing and coordinating technical assistance with a view to help tackling problems related to the functioning of their tax administration.

In the direct tax field, several ongoing initiatives need to be pursued at EU level, because their very nature implies a multi-lateral approach. Some of the initiatives in question aim at creating a more favorable tax environment for cross-border activities. They concern, for example, the Common Consolidated Corporate Tax Base (CCCTB) which could simplify the tax environment for companies operating across borders within the Internal Market; work on double taxation problems; tackling the range of cross-border tax problems facing citizens in particular; and simplification of withholding tax relief procedures for securities income. Other ongoing initiatives focus on tackling inconsistencies between Member States' tax systems which cause distortions: examples are improving information exchange on savings income including updating and aligning EU standards with developing global standards; promotion of good governance in the tax field; activities of the Joint Transfer Pricing Forum; and removal of harmful tax regimes by the Code of Conduct Group on business taxation.

Combating tax fraud and evasion is crucial, in the current context of budget consolidation Member States should have all the necessary tools and information to collect taxes that are due, in particular in cross-border situations. The Commission on 5 December 2012 adopted an action plan and two recommendations on fighting tax fraud and evasion. More coordination, reinforced administrative cooperation and exchange of best practices are essential to ensure that Member States can collect taxes due without generating obstacles to the Single Market.

Automatic exchange of information (AEOI) is a key instrument in the fight against tax fraud and evasion. The May 2013 European Council concluded that priority should be given to efforts to extend the automatic exchange of information at the EU and global levels. The Commission actively supports the ongoing efforts of the G8, G20 and OECD to develop a global standard of AEOI which is expected to be adopted in 2014. In June 2013 the Commission proposed amendments to the Directive on administrative cooperation to align AEOI within the EU on the new global standard. This work will be a priority in 2014.

As envisaged in the Action Plan a **Platform for Tax good governance** was set up in 2013 to help the Commission in monitoring the implementation of the Recommendation on Tax havens and Aggressive tax planning. The aim is to ensure that real and effective action is taken by Member States to address these problems, within a coordinated EU framework. Given the composition of the Platform –(national tax authorities, European Parliament, businesses, academics, NGOs and other stakeholders) it will facilitate dialogue and exchange of expertise, which can feed into a more coordinated and effective EU approach against tax evasion and avoidance.

Corporate taxation reform has now gained momentum at international level with the OECD and the G20 Action Plan on Base Erosion and Profit Shifting (BEPS), with a particular focus on companies in the digital economy. The Commission is closely cooperating with the OECD and the MS to defend EU interests at OECD level. The CCCTB should not just provide compliance cost savings but address many of the problem areas identified in the BEPS within the EU. Tax policy also needs to address the new challenges of the digital economy. To help develop an EU approach the Commission created a high level expert group which will present by July 2014 an EU strategy to protect Member States' tax bases and ensure that the principle of fair taxation is not undermined in the EU.

As regards the **international domain**, in 2014 the focus will be on:

- The work on base erosion and profit shifting;
- The work on a global standard for exchange of information in tax matters at the OECD and the G20;
- Inclusion and possible update of good governance clauses in relevant agreements with third countries and actions in relation to tax havens.

The main challenge arises from the need to ensure the promotion of and commitments to the principles of good governance in the tax area thereby ensuring transparency, exchange of information and fair tax competition. This supports fair competition for businesses and contributes to effective tax collection. One of the specific aims is to enhance cooperation with Eastern neighbouring countries in the area of harmonisation of indirect taxation, in particular with a view to obtain simultaneous convergence of excise rates.

The EU will continue its active participation in multilateral bodies, notably in the OECD (Tax Dialogue) and the G20.

Financial and Human Resources

The table below shows the financial and human resources allocated for the implementation of all the activities that fall within the taxation policy domain.

ABB activity: Taxation Policy (ABB 03)					
Financial resources (€) in commitment appropriations			Human resources		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
30,998,800	3,177,565	34,176,365	168	32	200

Relevant general objective 1:
To create a simpler, more efficient and fair tax environment in order to fully exploit the economic potential of the Internal Market and foster growth

Specific objective 1:
To strengthen the framework for tax administrations to efficiently combat fraud and tax evasion with a view to secure Member States' tax revenues

Spending programme
 Non-spending

Result indicator 1: Monitoring of the VAT gap indicator

Source: Study to Quantify and Analyse the VAT Gap in the EU-27 Member States July 2013

Baseline 2011	Milestone 2014	Target 2017
Monitoring of the VAT Gap done on an ad-hoc basis. 2006: VAT gap ² – 12%, around EUR 107 billion 2011: VAT gap – 18%, around 193 billion EUR	Annual results of the study on the monitoring of the VAT Gap	Update by means of a study performed by an external contractor, followed by a peer pressure event

Main outputs

- Directive amending Directive 2006/112/EC on the common system of VAT with a view of introducing anti-fraud measures (joint and several liability): *Adoption by the Council – 2014 (Discussions currently stalled in the Council)*
- Commission Implementing Regulation on a standardised form for the Quick Reaction Mechanism: *Adoption by the Commission – Early 2014 (Discussions ongoing in SCAC)*
- Study on the VAT Gap in the Member States: *Study published – Q4 2014*

Result indicator 2: Level of administrative cooperation in combating VAT fraud

Source: Information provided by DG TAXUD and obtained from Member States through the statistical data received as well as from FPG 28 (the multilateral control platform)

Baseline 2011	Target 2014
– 52 multilateral controls initiated; – 35.624 requests for information sent between MSs	– Increase the number of multilateral controls, especially in the field of excise duties; – Similar level of requests for information

Main outputs

- IT system for the Implementation of Council Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of value-added tax³: *IT systems related to the mini-one-stop-shop fully operational – January 2015*
- Functioning of Regulation (EU) No 904/2010 on administrative cooperation: *Report delivered – Q4 2014*

² The difference between theoretical VAT liability and the actual VAT receipts.

³ Financed under the Fiscalis programme

Result indicator 3: Effectiveness of the legal framework with regard to the fight against tax fraud and tax evasion

Source: Action Plan to strengthen the fight against tax fraud and tax evasion (COM(2012)722)

Baseline 2012	Milestone 2014	Target 2015
34 Actions identified in the Action Plan of 6 December 2012	First analysis in the group of the state of play of implementation of the recommendations	All 34 actions implemented (Action Plan - see annex)
Main outputs		
<ul style="list-style-type: none"> ➤ Amendment of the Parent Subsidiary Directive in relation to mismatches: <i>Adoption by the Council – Q3 2014</i> ➤ Review of the anti-abuse provisions of the corporate tax directives (merger, interest and royalties): <i>Adoption by the Council of the Interest and Royalties Directive – Q3 2014</i> ➤ Proposal for an amendment to the Directive on Administrative Cooperation, to implement the global standard in the EU: <i>Adoption by the Council – 1st half of 2014</i> ➤ Amending proposal on taxation of savings income in the form of interest payments: <i>Adoption by the Council – March 2014</i> ➤ Follow up on the Commission Recommendations on tax havens and aggressive tax planning: <i>Acceptance and implementation of the conclusions of the platform on good governance⁴ – 2013-2015</i> ➤ Third review of the Savings Directive: <i>Adoption by the Commission – 2nd half of 2014</i> ➤ Proposal for an EU Tax Identification Number (TIN): <i>Adoption by the Commission – 2nd half 2014</i> ➤ Extension of the Taxation of Savings expert group. Mandate to include Savings Directive and Global standard on automatic exchange of information: <i>Adoption of a Commission decision – Q2 2014</i> ➤ Guidance for an EU taxpayers' charter: <i>Guidelines prepared – 1st half of 2014</i> ➤ Preparatory work for developing formats for automatic exchange of information under Directive 2011/16/EU: <i>Completed – 2014</i> ➤ Contribution to development of a global standard for automatic exchange of information: <i>Completed – 1st half of 2014</i> ➤ Study on innovative financial products: Report finalised – 2nd half of 2014 		

⁴ Work programme for 2013- 2015 adopted on 16.10.2013

Relevant general objective 1:

To create a simpler, more efficient and fair tax environment in order to fully exploit the economic potential of the Internal Market and foster growth

Specific objective 2:

To reduce administrative costs and to tackle tax obstacles in the Internal Market by simplifying and enforcing EU law and strengthening coordination amongst Member States

 Spending programme

 Non-spending
Result indicator 4: Reduction of compliance costs and compliance time for companies engaged in intra-Community business

Source: Commission Staff Working Document Impact Assessment accompanying document to the proposal for the Common Consolidated Corporate Tax Base (CCCTB)

Baseline 2012	Target 2014
Compliance costs in paragraph 5.3 of the Impact Assessment of the CCCTB (for example costs of establishing a new subsidiary for a large company of 141,000 Euro and a small company of 128,000 Euro and overall compliance costs of 4% of company tax payments), which encompasses companies' tax related compliance costs including time	Compliance costs for companies engaged in intra-Community business reduced by between 1% and 5% and compliance time reduced by 8%.
Main outputs	
<ul style="list-style-type: none"> ➤ A proposal for a CCCTB: <i>Adoption by the Council – 2015/2016</i> ➤ Follow-up on the work of the EU Joint Transfer Pricing Forum in the period July 2012 to June 2014 and related proposals: <i>Communication adopted – Endorsement by the Ecofin Council in Q3 2014</i> ➤ Recommendation for a Council Decision concerning the accession of Croatia to the Convention of 23 July 1990 on the elimination of double taxation: <i>Adoption by the Council – Q2 2014</i> 	

Result indicator 5: Reduction of cross-border tax obstacles for citizens and businesses

Source: Communication on removing cross-border tax obstacles for EU citizens (COM (2010)769)

Baseline 2012	Target 2014-2015
Initiatives identified by the Commission (Communication (COM/2010/769) to tackle problems in some specific areas (double taxation, cross-border inheritance tax problems, car taxation)	Implementation of initiatives launched on the basis of the Commission's Communication (see main outputs below)
Main outputs	
<ul style="list-style-type: none"> ➤ Council Directive amending the Directive on a common system of taxation application to interest and royalty payments between associated companies of different Member States (recast version): <i>Adoption by the Council – Q3 2014</i> 	

- Simplification of cross-border withholding tax relief procedures for securities income: *Adoption of Communication and Recommendation – 2nd half of 2014*
- Proposal for a binding arbitration in cross-border tax disputes: *Adoption – 1st half of 2014*
- Guidelines on excise relief thresholds for travellers: *Adopted by the Excise Committee – Q4 2014*
- New actions as a follow-up to the Citizens Communication of 2010 including:
 - *Creation of an Expert Group on Removing cross-border tax obstacles for citizens – Q1 2014*
 - *Public consultation on best practices for avoiding cross-border direct tax obstacles for EU citizens – Q1 2014*
 - *Study on best practices in Member States in dealing with cross border tax issues – Q2 2014*
 - *Study on tax compliance costs facing citizens in cross-border situations – Q3 2014;*
 - *Report on best practices in Member States in dealing with cross-border tax problems – Q4 2014*
- Effective tax rates in the context of an enlarged European Union and related supporting services: *Report published – Q3 2014*
- Report on Member States' follow up to the Recommendation to tackle cross-border inheritance tax problems: *Evaluation report based on a public consultation to be carried out in 2014 together with the conclusions of the Expert Group on Removing cross-border tax obstacles for citizens as well as on the studies on Best practices for avoiding cross-border direct tax obstacles and Compliance costs facing citizens in cross-border situations – Q4 2014*
- The functioning of Council Directive [2008/7/EC](#) of 12 February 2008 concerning indirect taxes on the raising of capital: *Report prepared – Q4 2015*

**Result indicator 6: Level of progress made in executing the Code of Conduct work programme agreed at December 2012 ECOFIN and in identifying new areas of work.
Removal of harmful tax regimes, agreements on common approaches and coordinated solutions to related issues.**

Source: Code of Conduct Work Programme 2011

Baseline 2013	Target 2014
Work Programme – state of play as at end 2013 as per Code Group Report (ECOFIN 10.12.2013)	Completion of the work on hybrid mismatches, patent boxes and dialogue with 3 rd countries
Main outputs	
<ul style="list-style-type: none"> ➤ Commission inputs to all areas of the Code of Conduct (business taxation) work programme and the Code Group report: This includes the 2012 Work package: <ul style="list-style-type: none"> • <i>Guidance notes on taxation of passive income (interest & royalties) adopted by the Group – Q4 2014</i> • <i>Code group report to Council on solutions following a discussion on hybrid mismatches (entities and Permanent Establishments) – Q4 2014</i> • <i>Constructive dialogue completed with Switzerland to maximize EU input in the pending Swiss corporate tax reform – Q2 2014</i> • <i>Patent boxes review in Code Group of schemes in existence (subject to ECOFIN approval) - Agreement by Group of Commission's assessments – Q4 2014</i> 	

Result indicator 7: Level of simplification and rationalisation of VAT and other indirect tax legislation

Source: Final report "EU project on baseline measurement and reduction of administrative costs", 5 March 2009

Baseline 2012-2013	Target 2014-2016
<p>Administrative burden for business linked to VAT estimated at EUR 69 billion (measured by EU Standard cost model)⁵ Objective of 25% reduction already achieved in 2010.</p> <p>FTT: Some Member States have a FTT in place or intend to establish one</p>	<p>Implementation by Member States of legislative proposals in the follow-up to the Green Paper on the Future of VAT which could lead to up to EUR 15 billion annually (estimated for the standard VAT declaration proposal)</p> <p>Application of a FTT in the enhanced cooperation area which will exclude double taxation in this area (target measured by level of exclusion from harmonisation).</p>
Main outputs	
<ul style="list-style-type: none"> ➤ VAT standard declaration: <i>Adoption by the Council – 2015</i> ➤ Commission proposal on the VAT treatment of transactions involving vouchers: <i>Adoption by the Council – 1st half of 2014</i> ➤ Follow-up of the proposal for a directive on a common system of Financial Transaction Tax (implementation under the enhanced cooperation procedure): <i>Adoption by the Council – Q4 2014</i> ➤ Revision of the Tobacco taxation Directive (main subjects planned to be addressed are: classification of taxed products; track & trace systems; minimum taxation rate/ thresholds; anti-forestalling measures): <i>Adoption – 2014-2015</i> ➤ Amendment to the Alcohol Structures Directive (92/83) to clarify and strengthen Article 27 (I) (a) and (b) for completely (CDA) and partially (PDA) denatured alcohol: <ul style="list-style-type: none"> • <i>Adoption of series of Commission Regulations to address PDA in the field of cosmetics, perfumes and hygiene products – Q1 2014</i> • <i>Adoption of bio-fuels; screen washers; anti-freeze and de-icer; other solvents, paints, ink etc. – 2015-2017</i> ➤ Implementing Regulation as regards the computerisation procedures for the movement of excise goods under suspension of excise duty (update of Regulation 684/2009): <i>Implementing act adopted – Q1 2014</i> ➤ Implementing regulation concerning administrative cooperation in the field of excise duty on the basis of the new Council Regulation: <ul style="list-style-type: none"> • <i>Exchange of information: Implementing act adopted – 1st half of 2014</i> • <i>Automatic collection of Member State data for the production of business statistics: Implementing act adopted – 2014</i> ➤ Proposals on the VAT treatment of exempt financial and insurance services: <i>Reopening of discussions with a view to adopt by the Council (if no Presidency takes it up, consider withdrawal) – End of 2014</i> ➤ Definitive VAT system based on the destination principle: <i>White Paper on the definitive regime – Q2 2014</i> 	

⁵ In terms of reducing burdens on business, VAT proposals have been estimated at EUR 24 billion towards reducing burdens on business (Electronic invoicing EUR 18.8 billion, VAT refund Directive EUR 447 million, change to place of supply of services EUR 463 million, One Stop Shop and increased thresholds for SME and distance sales EUR 4.4 billion). See Communication (COM(2009)544) and accompanying annex for details. [[Communication of the Commission on administrative burdens](#) (22 October 2009), [Annex](#)]

- Analysing the necessity and feasibility of a Mini-one-stop-shop for excise products covering B2B and B2C scenarios: *Working paper produced – 2014/2015*
- Implementation of the 2015 place-of-supply rules and the mini One-Stop-Shop rules:
 - *Report adopted – March 2014*
 - *Explanatory notes published – March 2014*
 - *Communication campaign, with conferences in London, Luxembourg, Washington and Tokyo (OECD Conference) – Throughout 2014*
- VAT on public authorities and exemptions:
 - *Public consultation finalised – February 2014*
 - *Impact Assessment finalized – End of 2014 (Initiative to be tabled in 2015)*
- Proposal for a Council Directive on the review of VAT rates structure: *Impact Assessment finalised – Q1 2014*
- VAT full One-Stop-Shop (extension of the mini OSS after 01.01.2015): *1st exploratory study to examine options and impacts – Mid 2014*
- Pan-EU businesses including in particular implications for the future definitive VAT system: *Study delivered – Q4 2014*
- Study on tobacco taxation in view of Council Directive 2011/64/EU and Council Directive 2008/118/EC: *Study delivered – Q3 2014*
- Evaluation on the implementation of Directive 2008/118/EC for the purpose of the Report to the European Parliament and the Council (REFIT action): *Study delivered – Q4 2014*
- Study on movement and control issues related to 'duty paid' intra-EU Business to Business transactions and Business to Consumer (distance selling) transactions with recommendations to feed into report on functioning of Directive 2008/118/EC: *Study delivered – Q4 2014*
- Implementation of place-of-supply rules for services connected with immovable property⁶:
 - *Explanatory notes published – 2015*

Result indicator 8: Number of infringement cases, EU PILOT procedures, non-compliance cases and percentage of infringement cases proposed for a Commission decision

Source: NIF and EU Pilot databases

Baseline 2012	Target 2014
Infringement cases closed in NIF: – 40 infringement cases in indirect taxation – 35 infringement cases in direct taxation	Attaining compliance with EU tax law by Member States.
EU PILOT procedures closed: – 23 infringement cases in indirect taxation – 33 infringement cases in direct taxation	Attaining compliance with EU tax law by Member States at the stage of EU PILOT
Non-compliance cases pending: – 2 cases in indirect taxation – 2 cases in direct taxation	Maintaining a low number of non-communication cases
Infringement cases proposed for a	

⁶ Financed under the Fiscalis programme

<p>Commission decision (excluding those outside of the control of DG TAXUD.⁷):</p> <ul style="list-style-type: none"> – 71% out of 108 pending infringement cases in indirect taxation – 80% out of 106 pending infringement cases in direct taxation 	<p>At least 60% of pending infringement cases proposed for a Commission decision in an infringements-decision-making cycle during the year</p>
<p>Main outputs</p>	
<ul style="list-style-type: none"> ➤ Elimination of discriminatory and distorting effects of national tax legislation by prioritizing cases: <ul style="list-style-type: none"> <i>Infringement cases opened – 2020:</i> <ul style="list-style-type: none"> • In the framework of combating the economic crisis and the relaunch of the economies – 2020 Objectives - (indirect taxation), as a follow-up and to ensure the compliance by all MS with the increasing number of ECJ case law (direct taxation) • and cases having horizontal effect (both sectors) ➤ Horizontal infringement action on tax discrimination against cross-border workers: <ul style="list-style-type: none"> • <i>EU PILOT procedures launched – 2014-2016</i> • <i>Infringement cases opened – 2014-2016</i> ➤ Horizontal infringement action on tax discrimination against mobile persons: <ul style="list-style-type: none"> • <i>EU PILOT procedures launched – 2014-2018</i> • <i>Infringement cases opened – 2014-2018</i> 	

⁷ Legislative changes pending in the MS, ISC pending with the LS, cases pending in the Court of Justice or other JSP based justifications.

Relevant general objective 1: To create a simpler, more efficient and fair tax environment in order to fully exploit the economic potential of the Internal Market and foster growth	
Specific objective 3: To develop new tax initiatives and actions to support EU policy objectives	<input type="checkbox"/> Spending programme <input checked="" type="checkbox"/> Non-spending

Result indicator 9: CO₂-price signal for sectors falling outside the Emission Trading System (ETS), at a similar level as the CO₂-price for sectors covered by ETS in the whole EU framework regulation and energy-price signal providing incentives for improving energy efficiency
Source: Information by DG TAXUD based on the EU ETS Carbon price

Baseline 2012	Target 2014
Only a few Member States have so far introduced into their national energy taxes a CO ₂ tax providing for such a CO ₂ price signal and taxation levels in general do not reflect CO ₂ content or energy intensity. There are also energy products which are not subject to taxation in several Member States when used as heating fuels as the Energy Taxation Directive set the minimum level of taxation at Zero.	Application of a CO ₂ tax providing for such CO ₂ price signal (or equivalent). The target should be measurable once the revised Energy Tax Directive is adopted as proposed by the Commission ⁸ .
Main outputs	
➤ Proposal for a Directive on reforming the Energy Tax System: <i>Adoption by the Council – Q4 2014</i>	

Result indicator 10: Fairer and effective relocation of the tax base of Internet companies in the EU Member States based on economic activities and value creation in the EU
Source: Ongoing work on OECD indicator

Baseline 2013	Target 2014
European Council Conclusions of 22 May 2013 and 24-25 October 2013 International dissatisfaction with the operation of tax rules as applied to companies in the digital economy	Agreement on options for an EU approach to taxation of the digital economy
Main outputs	
➤ Recommendations of the Commission Expert Group on the Taxation of the Digital Economy:	

⁸ The Council is moving away from the Commission's initial proposal. The target might therefore not be reached as expected. Still the outcome should constitute a step in this direction by changing the structure of the ETD in the EU legislation, thus facilitating national reform. Explicitly or not the minimum CO₂ tax should be included in the structure of the national tax rates. As regards equal treatment of ETS and non-ETS sectors, it will be possible to compare the overall financial burden resulting from the combined application of the ETS and energy taxation. The revised ETD should set positive rates of taxation for all energy products, in order to provide an incentive for improving energy efficiency. Generally, the ETD reform should contribute to the objectives of the European Semester (as defined and measured therein).

Identified policy options for an EU tax policy line for the Digital Economy sector (taking into consideration the final report of the Commission expert group) – Q2 2014

- *EU input into the international implementation of BEPS Action Plan: Acceptance by Member States of Commission analysis with promotion in the OECD – Q3 2015*

Result indicator 11: Availability of Tax information to feed into the EU semester process or other policy initiatives

Source: DG TAXUD pages on Europa web-site

Baseline 2012	Target 2014
Taxes in Europe Database (TEDB): All main taxes of EU Member States collecting over 0.1% GDP as revenue were covered.	Cover all main taxes of EU member States collecting over 0.1% GDP as revenue in order to grasp a thorough understanding of the situation in Member States.
Availability of TEDB: – 99,4% of time in average (Jan-Oct 2013: 99,9%)	Availability of TEDB: – 95% of time between 08:00 and 20:00; – 85% otherwise

Main outputs

- *Tax input to Annual Growth Survey: Adoption of the AGS 2014/2015 – Q3 2014*
- *Preparation of country specific recommendations (for the European Semester): Adoption of the European Semester – Q2 2014*
- *Development and implementation of a strategy to fully integrate taxation into the EU governance processes: All country specific recommendations on taxation accepted and implemented by the Member States – Q4 2014*
- *Impact assessment support on all relevant initiatives: Number of Impact Assessments accepted by the IAB on first submission – Q1-Q4 2014*
- *Functioning of the Taxes in Europe Database: Maintenance and operations – 2014*
- *"Taxation Trends in the EU: Data for the EU Member States, Iceland and Norway": Annual report published – Q2 2014*
- *Tax policy conclusions within the Taxation Policy Group (TPG) in particular to give further direction to policy initiatives: Analysis prepared – Q1 2014*
- *Economic analysis on ongoing tax policy issues (e.g. tax policy aspects of the European semester): Analysis prepared – Q1-Q4 2014*
- *Modelling actions for tax policy issues in the financial sector: Publication – Q1-Q4 2014*
- *Tax information (including the "Taxes in Europe and Tax reform Database" which will constitute the portal on tax reforms mentioned in the Annex to the Annual Growth Survey): Publication – Q2 2014*

Relevant general objective 1:
To create a simpler, more efficient and fair tax environment in order to fully exploit the economic potential of the Internal Market and foster growth

Specific objective 4:
To protect EU society and its economic and financial interests through international cooperation in the taxation area

Spending programme
 Non-spending

Result indicator 12: Number of tax good governance clauses and agreements in on-going negotiations with individual third countries or groupings (among which the Pacific and African countries, Asian countries)

Source: Action Plan 6 December 2012

Baseline 2013	Target 2014
Ongoing negotiations with Pacific countries, SADC, Australia, Japan, Malaysia, Afghanistan, Eastern and Southern Africa, West Africa, Eastern Africa, Central Africa, Mercosur, Cuba	4 agreements [Australia, Japan, Canada, SADC] on good governance provisions concluded in line with planned negotiations
Main outputs	
<ul style="list-style-type: none"> ➤ Inclusion of tax good governance clauses in tax matters in agreements with 3rd countries: <i>Agreements signed – 2014</i> ➤ Update the standard good governance clause in consultation with the Council: <i>Agreement by Council of new improved standard clause – 2014</i> 	

Result indicator 13: Provisions on harmonisation of excise policies and – to the extent achievable by the EU – convergence of rates included in the Association Agreements currently under negotiation (Eastern neighbouring countries)

Source: Eastern Border Antifraud Action Plan

Baseline 2012	Target 2014
Negotiations concluded with Ukraine, Moldova and Armenia. Negotiations started with Georgia and Azerbaijan and to start with Russia	Full harmonization within the region of excise structures and rates within 10 years of entry into force of the Association Agreements
Main outputs	
<ul style="list-style-type: none"> ➤ Provisions on harmonization of excise policies and convergences of rates in the Association agreements with Georgia, Azerbaijan and Russia: <i>Provisions included – 2014</i> 	

Result indicator 14: Number of bilateral agreements with third countries on administrative cooperation in the field of indirect taxes

Source: Information provided by DG TAXUD

Baseline 2013	Target 2014
No mandates	2 mandates

Main outputs
➤ Start of the negotiations with Norway and Russia: <i>Mandates obtained – Q1 2014</i>

Result indicator 15: Number of third countries engaged in a dialogue and alignment to the principles of the Code of Conduct removing measures contrary to the Code <i>Source: Code of Conduct Work package 2011</i>	
Baseline 2013	Target 2014
Following positive developments, dialogue with Liechtenstein suspended, awaiting progress with Switzerland. Dialogue with Switzerland on-going.	Find political agreement with third countries, first on procedure, then on substance (legislative amendments) and on monitoring
Main outputs	
➤ Political agreement with Switzerland and Liechtenstein regarding the future process and the substance of legislative amendments to remove harmful tax regimes: <i>Agreement between Member States/Council and Switzerland and Liechtenstein formalised – Q2 2014</i>	

Result indicator 16: Agreed solutions to international tax issues of relevance to the EU and its Member States <i>Source: G20 conclusions</i>	
Baseline 2013	Target 2014-2015
G20 declarations in 2013 on BEPS & AEOI	OECD completion of Actions and G20 approval thereof – assisted by Commission in line with timetable Global standard for AEOI concluded in 2014 Agreement in line with BEPS timetable – 5 countries
Main outputs	
<ul style="list-style-type: none"> ➤ Draft mandate authorising the Commission to negotiate similar anti-fraud and tax cooperation agreements with Andorra, Monaco, San Marino and Switzerland: <i>Adoption by Council – Q2 2014</i> ➤ Proposal to sign and approve the draft EU/Liechtenstein agreement on anti-fraud and tax cooperation matters: <i>Approval – Q2 2014</i> ➤ Commission Recommendation requesting Council to open negotiations with dependent & associated territories on savings: <i>Recommendation adopted – Q4 2014</i> ➤ Participate in the OECD work on BEPS through working groups, focus groups and Task Forces etc and ensure that the EU positions are coordinated and that solutions are in line with the EU acquis and that the interests of Member States who are not in the OECD are protected: <i>Co-ordinated EU positions on BEPS – 2014-2015</i> ➤ Update EU agreements with Switzerland, Andorra, Liechtenstein, Monaco and San Marino in line with the evolution of the EU Savings Directive and international developments: <i>Finalise negotiations and prepare the Commission proposals for draft Council decisions concerning the Signature and Approval of the Protocols updating the 5 Agreements – 2nd half of 2014</i> ➤ Agreement with Norway on Savings Taxation: <i>Finalise negotiations and prepare the Commission proposals for draft Council decisions concerning the Signature and Approval of the Agreement – Q3 2014</i> 	

- Follow up on the international aspects of the Action plan against tax fraud and evasions adopted by the Commission on 6/12/2012: *Promotion of EU interests through input to related G20/OECD work – 2014*
- International cooperation and coordination in the International Tax Dialogue (ITD) and the ITD work:
 - *Renewal of ITD MoU – Q1 2014 (1 year extension of the current MoU) and Q4 2014 (finalisation of the negotiations for the full renewal of the ITD MoU)*
 - *Completion of ITD work programme – Q4 2014 (subject to a new programme to be agreed in case of full renewal of the ITD MoU)*
 - *Membership - 2014*

Relevant general objective 1:

To create a simpler, more efficient and fair tax environment in order to fully exploit the economic potential of the Internal Market and foster growth t

Specific objective 5:

To support the fight against tax fraud, tax evasion and aggressive tax planning and the implementation of Union law in the field of taxation by ensuring 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

- Spending programme
 Non-spending

Result indicator 17: The Common Communication Network for the European Information Systems and European Information System Availability Indicator

Source: Europa statistics, DG TAXUD statistics

Baseline Jan – Oct 2013	Milestone	Target 2020
	2014	
VIES on the web: – 99,96+% of time 08:00-20:00; – 85+% otherwise;	– 95% of time during 08:00-20:00; – 85% otherwise;	– 95% of time during 08:00-20:00; – 85% otherwise;
CCN/CSI: 99,94% of time	99.90+% of time	99.90+% of time
EMCS: 98,6%	97% of time ⁹	97% of time ¹⁰

Main outputs

- Requests to VIES-on-the-Web supported: *Support the continuously increasing number of requests, up to 30 million requests expected per month in 2014 (360 million annually) – Continuous service in 2014*
- Taxation IT systems (shared with specific objectives 1 and 3): *Development (including operation and support) according to IT work plan 2014 – Continuous service in 2014*
- The Common Communication Network/Common System Interface (shared with specific objectives 1 and 3): *Maintenance and development – Continuous service in 2014*
- All IT systems - quality assurance, TEMPO methodology, supply management, human resources, budget, IT governance, Security Management, procurement (shared with specific objectives 1 and 3): *Project support provided – Continuous service in 2014*
- IT architecture model of Taxation IT systems (shared with specific objectives 1 and 3): *IT coordination for the Fiscalis IT area in place – End of 2014*
- Update of EMCS to include information exchange on request and spontaneous exchanges for 'duty paid' B2B movements: *IT system operational – March 2014*

⁹ Includes systems from the Member States

¹⁰ Includes systems from the Member States

Result indicator 18: Collaboration robustness between programme stakeholders resulting from Joint Action activities in the Fiscalis 2020 programme

Source: Information provided by DG TAXUD

Baseline 2013	Milestone 2014	Target 2020
<p>The collaboration robustness in the final year of the 2013 programme which will be measured in a qualitative and quantitative manner and include amongst others:</p> <ul style="list-style-type: none"> – Number of face to face meetings: 245 – Number of on-line collaboration groups: 30 – Participant satisfaction with programme activities: 90% – Collaboration awareness amongst target audience: 75% – Networking impact of programme activities (<i>newly introduced</i>) – Spill over effect of participation in programme activities (<i>newly introduced</i>) 	Maintain the collaboration robustness at the 2013 levels	Improve the collaboration robustness from the 2014 levels
Main outputs		
<ul style="list-style-type: none"> ➤ Fiscalis 2014 Annual Work Programme of the Fiscalis 2020 Programme: <i>Execution – Q2 2014-Q1 2015</i> ➤ Fiscalis 2015 Annual Work Programme: <i>Adoption – Q4 2014</i> ➤ Study finalising Fiscalis 2020 and Customs 2020 Performance Measurement Framework: <i>Study delivered – Q2 2014</i> ➤ Fiscalis 2013 Programme Final Evaluation: <i>Final evaluation completed – Q3 2014</i> ➤ Assistance in the structural reform of tax administrations of the Member States under Economic Adjustment Programmes: <i>Between 20-30 events or missions, involving participation by MS experts, aimed at identifying or implementing good practices of effective tax collection, in specific fields in the different Member States and facilitate their adaption and implementation in other Member States – 2014</i> 		

Result indicator 19: F2020 Union Law and Policy Application and Implementation Index

Source: Information provided by DG TAXUD

Baseline 2013	Milestone 2014	Target 2020
<p>Number of actions under the Programme organised in this area; Number of recommendations issued following those actions <i>Baselines at the start of the programme will be zero.</i></p>	Start organising programme actions aiming at producing recommendations	Progress achieved in the application and implementation of Union law and policy in the field of taxation

Result indicator 20: F2020 Best Practices and Guideline Index*Source: Information provided by DG TAXUD*

Baseline 2013	Milestone 2014	Target 2020
Number of actions under the Programme organised in this area; Number of guidelines and best practices shared <i>Baselines at the start of the programme will be zero.</i>	Start organising programme actions aiming at sharing guidelines and best practices	Best working practices and administrative procedures identified, developed and shared

Result indicator 21: F2020 Learning Index*Source: Information provided by DG TAXUD*

Baseline 2013	Milestone 2014	Target 2020
Number of officials trained by using common training material of the Union; Number of times Programme eLearning modules were downloaded <i>Baselines at the start of the programme will be zero.</i>	Start organising common training actions including the production of eLearning modules	Skills and competences of taxation officials reinforced

5.2. Customs Policy

The Customs Union is one of the foundations of the European Union. While no customs duties are imposed on trade in goods between the Member States, a common external tariff – the Common Customs Tariff – is applied on goods imported from third countries. More generally, the customs union shall contribute to the implementation of an important number of EU policies, including the common commercial policy and customs administrations, legislation and procedures shall support the implementation of other European Union policy objectives, when international trade is at stake. Customs policy is developed under the responsibility of the European Union and is implemented by the Member States. The role of the Commission is to improve the functioning of the Customs Union. This can be achieved through different means such as the proposal of legislation, the development of new methods of implementation (e.g. IT tools, guidelines) or the coordination between the national administrations while ensuring stakeholder consultation.

Currently, the European Union customs policy is focusing on the following areas: modernisation of the legal framework including closure of possible gaps in areas such as risk management or security and safety; extension of the use of Customs European Information Systems (EIS); support for the completion of the Single Market in the area of customs handling of maritime transport and revision of the governance of the Customs Union.

The EU has an obligation and a strategic interest to reinforce the capacity of EU customs in handling the increasing trade volumes and emerging security, safety and IPR risks while facilitating trade. Internal measures are ineffective unless they are accompanied by international cooperation; hence the need to develop international cooperation bilaterally with third countries and multilaterally in international organisations, notably the World Customs Organisation. This is also an important contribution to the wider external policies and objectives of the EU.

More specifically the activities aim at:

- Optimal management of the Customs Union by contributing to the uniform application of customs rules and other regulations applicable to goods moving across the EU and day-to-day decisions on customs procedures and tariffs;
- Optimal use of international standards and norms in both customs legislation and Customs EIS;
- Simplification of trade and cost reduction (modernisation of customs legislation, electronic customs, intra-EU shipping and preferential rules of origin);
- Coordination of the control of goods at the border;
- Protection of the EU from fraud, criminal activities and terrorism;
- Overall supply chain security and facilitation on trustworthy traders covering all modes of transport;
- Ensure the proper deployment and application of the common risk management framework;

- Strengthening administrative cooperation and harmonisation of customs processes among national administrations;
- Ensure the availability, continuity and expansion of the on-line electronic services delivered to citizens, economic operators and national administrations in support of the community customs policy;
- Creating and operating secure and high quality Customs EIS systems ensuring the implementation of Customs Union policies and obligations stemming from international agreements in a fully electronic and interoperable environment.

The main financial instrument to support the implementation of this policy is the Customs 2020 programme.

Pursuing policy activities in the customs area at EU level is clearly justified and brings high added value:

The Customs Union is one of the areas where the EU exercises exclusive competences. Basic Union customs acts are adopted on a proposal from the European Commission by the European Parliament and/or the Council, which may also empower the Commission to adopt provisions to amend, supplement or implement those basic acts. Nevertheless the Member States have the primary operational responsibility to ensure the implementation of EU customs law and the Commission shall oversee and ensure a uniform application of the legislation. In accordance with the Treaty, coordination and legislation has therefore to be done at the level of the EU in order to ensure that the 28 customs administrations in the Member States work consistently and coherently, without discrimination, regardless of the place where goods enter or leave the EU.

The main body of customs legislation is the Community Customs Code (CCC). The Modernised Customs Code (MCC), adopted in 2008 with a view to replacing the current Code and creating in particular the conditions of a paperless environment for customs and trade, was recast in 2013 as the Union Customs Code (UCC). It was necessary to align the MCC on the procedural requirements of the Treaty of Lisbon, introduce some necessary adaptations and allow for a staggered creation and deployment of Customs EIS required for its full interoperable implementation in the EU. 2014 and subsequent years will be dedicated to create the conditions for application of the UCC as from 1 May 2016. This will include the preparation and adoption of its delegated and implementing acts, by making use of Business Process Models to ensure the practical feasibility and interoperability of the EIS. The Commission will involve Member States and trade experts in that preparation, through transparent consultation processes. The European Parliament and the Council will be kept informed. The completion of the modernisation of customs legislation is the first major step to reach the targeted objective of providing by 2020 *‘a fully electronic and more performing, robust and unified customs union that provides the same high quality of services across the EU and remains compatible with international norms and standards used globally in customs matters’*.

Protecting EU citizens and supporting EU companies' competitiveness will be high on the agenda and we expect that the moves forward in the area of risk management together with the new EU IPR Action Plan will reinforce the effectiveness of customs in this area.

The growth in political relations with countries and groups of countries leading to trade and cooperation agreements with customs aspects has increased the need for cooperation and mutual assistance with third countries.

The EU has customs cooperation and trade agreements with a growing number of trading partners covering customs and trade facilitation, rules of origin, as well as safety and security matters and IPR enforcement. The EU also engages in multilateral agreements and cooperation, notably in the WTO and the WCO as regards trade facilitation, safety and security, rules of origin and customs valuation. It is a member of the World Customs Organization and a contracting party to a number of international conventions in the area of customs (e.g. the Revised Kyoto Convention, the Harmonised System Convention, the Container Convention) as well as to the WHO Framework Convention on Tobacco Control (FCTC). The EU will continue to use these fora to influence international customs policy and to promote EU standards and procedures world-wide, focussing on security, safety and facilitation. The EU will promote Globally Networked Customs to establish and implement international standards and protocols for exchange of information with a view to facilitate international trade, ensure compliance and implement international agreements.

In 2014 the focus is expected to be mainly on:

- Advancing the trade negotiations with the US and Japan on customs and trade facilitation, Rules of Origin and IPR border enforcement; reinforcing the coverage of customs aspects in a broad range of trade related agreements;
- Implementing a comprehensive cooperation package with China (Strategic Framework);
- Strengthening the security of the supply chain and the implementation of mutual recognition of authorized economic operators, inter alia with Switzerland, Norway, China and Canada;
- Developing customs cooperation with Eastern Neighbours, in particular in the context of strategic frameworks for customs cooperation with Russia, Ukraine and Moldova and the preparations for enlargement;
- Ensuring the Customs Information Systems are compatible with relevant international norms and standards in order to enable future information exchange with third countries;
- In the multilateral context, concentrating on higher security standards for air cargo, implementation and further development of the SAFE Framework of Standards and of Globally Networked Customs to strengthen the interconnectivity of customs networks worldwide in the framework of the World Customs Organization (WCO); and on trade facilitation by implementing the WTO Trade Facilitation Agreement.

We will work on the accession negotiations for Chapter 29 (Customs Union) with the candidate countries and will assist the customs administrations of the potential candidates in their efforts to enhance their administrative capacity and to align their legislation with the *acquis*, including through their prior accession to the Conventions of 1987 on a common transit procedure and on the simplifications of formalities.

The EU has also made commitments to other countries with a view to implementing training and information programmes and helping third countries to modernise their customs

administrations and working methods. Finally, customs cooperation with Russia, Moldova, Ukraine and possibly Belarus will be further developed in the context of a Strategic Framework with the threefold objective of 1) fluid and safe trade lanes, 2) risk management and the fight against fraud and 3) customs modernisation including possible interconnection of transit systems. Cooperation with concerned Commission services in order to prevent smuggling and fraud on the Eastern Border will be enhanced.

Financial and Human Resources

The table below shows the financial and human resources allocated for the implementation of all the activities that fall within the customs policy domain.

ABB activity: Customs Policy (ABB 02)					
Financial resources (€) in commitment appropriations			Human resources		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
67,489,552	3,991,331	71,480,883	211	36	247

Relevant general objective 2:

To ensure that EU customs policy protects society, facilitates trade and supports the competitiveness of the European economy

Specific objective 1:

To protect citizens from the security and safety risks posed by the international trade in goods and to support the fight against illicit traffic and fraud by improving the capacity of the Commission and Member States to act

 Spending programme

 Non-spending

Result indicator 22: Improved risk management capacity and improved exchange of risk information between MSs via the Customs Risk Management System (CRMS)

Source: Communication on Customs Risk Management and security of the supply chain – COM(2012) 793 and subsequent Action plan (2014); CRMS

Baseline 2013	Milestone 2014	Target 2020
<p>A number of shortcomings in the area of risk management exist, namely inappropriate data quality and data availability and filing arrangements, unsatisfactory sharing of information (including risk mitigation information) between customs and other authorities, inadequate administrative capacity and unsatisfactory cooperation with trade and 3rd countries.</p> <p>1 PCA performed per year (PCA Discount project in 2012)</p>	<p>Adoption of the Action Plan for Risk Management and Security of the supply chain</p>	<ul style="list-style-type: none"> – Data quality and data availability, filing and sharing of risk mitigation and control results information improved – Improved implementation of CRMF – Fully operational reshaped CRMS system fitting the expanded needs of CRMF – Enhanced synergies between CRMF and other sectors/authorities at national and EU levels – AEO recognition by non-customs authorities ensured – AEO recognition by 3rd countries expanded – Develop an international co-operation in the area of risk management and supply chain security – PCA Dismantle project organised and recommendation issued in 2013/2014

Main outputs

- Action Plan for Risk Management and Security of the supply chain: *Adoption of the Action plan – End of Q2 2014*
- Propose new systems/functionalities for the Air Cargo, Express Couriers, Postal consignments and Maritime transport necessary to improve data quality taking into account different business models:
 - *Legislation proposed – 2014*
 - *Business specifications (L4 BPM) developed for new system functionality – 2015*
- Air-cargo: Implementation of the High Level EU action plan on strengthening the air cargo security from the customs angle:
 - Incorporation in UCC DA/IA act to increase advance air cargo data quality for increased security risk analysis: *Implementing act proposed – 2014*
 - Support the creation and agreement on a detailed implementation roadmap, which includes

the legal amendments, BPM and actions necessary for the update of the Customs EIS:
Roadmap established – 2014

- EU-specific green-edged baggage tags have been used in the EU since 1992 to identify baggage checked in an EU airport. New technologies allow the issuance of Home-printed baggage tags which are not provided for in current legislation. Extend the lists of tags models to include home printed tags and electronic tags that can be used for the identification of baggage checked in EU airports: *Legal proposals submitted to the CCC DIH section – December 2014*
- Non-intrusive detection technologies for customs controls and security (in cooperation with ENTR, RTD, INFOS and JRC): identify the most suitable combination(s) of detection technology equipment for different volumetric of trade and different modes of transport: *Identification – Q4 2014*
- Establish a list of needed upgrades on the Customs Risk Management System: *Establishment of agreed list with MS – Q4 2014*
- Evaluation of the adequacy of CRMS to the present and future objectives of Risk Management: *Evaluation report – End of 2014*
- Management of common risk criteria implementation: *Annual report delivered – End of 2014*
- Implementation of the new tag models : *Number of new tags use (in %) – 2016*

Result indicator 23: All new legislative proposals for protecting citizens or the environment contain harmonised and standardised procedures for customs controls

Source: Information provided by DG TAXUD

Baseline 2012	Target 2014
Unclear and diverging procedures for customs controls in current legislation for protecting citizens or the environment.	Any new legislative proposal adopted in 2014 which relates to customs controls in the area of the protection of citizens' safety or the environment contains clear procedures for customs
Main outputs	
<ul style="list-style-type: none"> ➤ Strategy for a joint customs approach to protect health, safety and the environment: adoption of a Staff Working Document following the Communication on the State of the Customs Union and implementation of a roadmap: <i>Strategy and roadmap issued – Q3 2014</i> ➤ Implementation of the FLEGT (Forest Law Enforcement Governance and Trade) legislation: <i>Guidelines adopted – Q2 2014</i> ➤ Customs controls on transboundary waste shipments (Council conclusions on the raw materials initiative): <i>Guidelines adopted – Q2 2014</i> ➤ Standardised procedures for the customs implementation of legislations for protecting citizens and the environment: <i>Toolbox – Q2 2014</i> 	

Result indicator 24: Number of Member States where customs controls on product safety exist

Source: Information provided by DG TAXUD

Baseline 2012	Target 2014
Some Member States already carry out customs controls on product safety but there is a lack of capacity and knowledge by customs	All Member States carry out customs controls on product safety and have concluded Memoranda of Understanding for cooperation with Market Surveillance Authorities

Main outputs	
<ul style="list-style-type: none"> ➤ Implementation of joint activities on import controls on product safety and co-operation between customs and market surveillance authorities and the new market surveillance package of SMA II: <ul style="list-style-type: none"> • Common risk approach: <i>Common risk strategy in place – 1st half of 2014</i> • Import controls in the area of product safety and compliance: <i>Guidelines extended – End of 2014</i> • Results of controls on product safety and compliance at import: <i>First annual report produced – 1st half of 2015</i> ➤ Report to the EP, the Council and the European Economic and Social Committee on the implementation of Council Regulation (EC) No. 116/2009 on the export of cultural goods, as foreseen in its article 10: <i>Report delivered – Q4 2014</i> 	

Result indicator 25: Improved prevention of the diversion of chemical substances towards the production of illicit drugs by a reinforced capacity of MS authorities to act <i>Source : Information provided by DG TAXUD</i>	
Baseline 2013	Target 2015
Regulation No. 111/2005 on the monitoring of international trade in drug precursors amended by the Council and the EP in 2013 to address weaknesses in the legal framework	Medicines containing ephedrine or pseudo-ephedrine are not diverted on the EU territory for the production of illicit drugs and the procedures for the prevention of diversion of non-scheduled substances are operating smoothly
Main outputs	
<ul style="list-style-type: none"> ➤ Implementation of the amended Regulation No. 111/2005: <i>Delegated and Implementing acts adopted and EU Database on drug precursors is developed by DG ENTR and TAXUD as foreseen in the law – 2nd half of 2015</i> 	

Result indicator 26: Number of Authorized Economic Operators (AEO)/trade volume of AEOs in EU international trade AEO EIS up-to-date and operational <i>Source: Commission for the EIS and MSs for number of AEOs and their trade volume</i>	
Baseline 2011	Target 2014
Number of issued certificates: 10.200 Trade volume of AEOs is on average more than 40% considering data related to import, export and transit. This data should be read considering that the number of AEOs represents just around 0.4% of the economic operators EORI registered. Recognition of AEO by other similar EU programmes: 1 to date (DG MARE) and work on-going with DG MOVE AEO EIS operational without complaints.	Number of issued certificates: 16.000 Trade volume of AEOs to represent 45-50% of EU trade Recognition of the AEO status by other EU similar programmes AEO EIS operational without complaints. Evolution and

Evolution and maintenance monitored and agreed by Electronic Customs Group	maintenance monitored and agreed by Electronic Customs Group
Main outputs	
<ul style="list-style-type: none"> ➤ Legal basis for the recognition of AEO status by other EU programmes: <i>Reference to Legal bases established – Q2 2014</i> ➤ Implementation of the recognition of Authorised Economic Operators (AEOs) in the declaration systems (entry, transit and export/exit): <i>Implementation for transit and export/exit declaration procedures and actions – Q4 2014</i> 	

Result indicator 27: Improved enforcement of IPR at the border by a reinforced capacity of MS customs to act upon suspected infringements and by strengthened cooperation with certain 3rd countries <i>Source : Information provided by DG TAXUD</i>		
Baseline 2012	Milestone 2014	Target 2017
<p>The EU Customs Action Plan to combat IPR infringements 2009-2012 has come to its end. A new action Plan for 2013 to 2017 is developed that focusses on the following strategic objectives:</p> <ul style="list-style-type: none"> – Effectively implementing and monitoring the new EU legislation on customs enforcement of IPR. – Tackling major trends in trade of IPR infringing goods. – Tackling trade of IPR infringing goods throughout the international supply chain. – Strengthening cooperation with the European Observatory on infringements of IPRs and law enforcement authorities. <p>The 2010-2012 Action Plan is ending. Implementation results are positive but can be improved. Hong Kong China is a source of IPR infringing goods to the EU</p>	<p>Step by step progress on the roadmap for the implementation of the EU AP to combat IPR infringements for 2013-2017</p> <p>Signature of a new EU-China IPR Action Plan (2014-2017) and start implementation of the actions.</p> <p>Cooperation with Hong Kong China is launched</p>	<p>Full implementation of the EU Customs Action Plan to combat infringements of IPR 2013-2017</p> <p>Full implementation of the EU-China Action Plan (2014-2017) through sustained joint activities between EU and China authorities.</p>
Main outputs		
<ul style="list-style-type: none"> ➤ Implementation of the new EU Customs Action Plan to combat IPR infringements, including annual reviews of implementation of the Action Plan: <i>Annual reviews performed and Actions implemented as planned in the roadmap – 2017</i> ➤ Annual statistical report on EU customs enforcement of IPR: <i>Report produced – Q3 2014</i> ➤ Signature and implementation of the new EU-China IPR Action Plan: <ul style="list-style-type: none"> • <i>Action Plan signed – 2014-2015</i> • <i>Actions launched – 2014-2015</i> • <i>Data exchanged and joint risk analysis performed – 2014-2015</i> ➤ Engage in cooperation on IPR enforcement with Hong Kong China: <i>Joint actions proposed and agreed with Hong Kong China – 2014</i> 		

Relevant general objective 2:**To ensure that EU customs policy protects society, facilitates trade and supports the competitiveness of the European economy****Specific objective 2:****To modernise and streamline the functioning of the Customs Union, by improving its functioning for the benefits of the economic operators and Customs administrations** Spending programme Non-spending**Result indicator 28: Degree of simplification of rules due to the application of the Union Customs legislation***Source: Information provided by DG TAXUD*

Baseline 2013	Milestone 2014	Target 2020
Union Customs Code was adopted in October 2013. The reduction of the administrative burden can only be measured once the Commission related acts and the required IT systems are fully in place	Draft delegated and implementing acts to the UCC finalised	Minimum target of 25% of reduction of the Administrative Burden (maximum target of 39% ¹¹)

Main outputs

- Adopt the UCC (IT) Work programme (IA): *UCC work programme developed and approved within six months of the entry into force of the UCC regulation – Q2 2014*
- Prepare the draft (final) delegated act and (general) implementing act to the UCC:
 - *Draft final DA & general IA submitted to consultation of Member States and trade experts – Q1 2014 (body of the drafts) and Q2 2014 (annexes)*
 - *Finalisation of drafts (for adoption in May 2015) – Q4 2014*
- Development of an EU Competency Framework for the Customs profession: *Part 'Private sector' finalised – Q1 2014*
- Implement the 2nd part of the 2013 'Blue Belt' initiative as a key-action of the Single Market Act II package (SMAII) – Introduce an electronic customs manifest to facilitate the proof of Union status of goods in the Implementing Provisions of the Community Customs Code (CCIP): *Adoption of CCIP amendment on eManifest – Q2 2014*
- Implementation of eManifest in practice: *eManifest used in EU maritime transport – Q2 2015*

Result indicator 29: Timely availability of Business Process Models (BPM) for the meetings of the Customs Code Committee and the Electronic Customs Group*Source: Information provided by DG TAXUD*

Baseline 2012	Target 2014
All agreed BPM were timely available for the meetings	100% timely availability of BPM for the meetings

¹¹ According to the CEPS report for the Stoiber HLG & IA 2005 of the MCC updated in 2012

Main outputs
<ul style="list-style-type: none"> ➤ Rex, Single Window and Class: <i>Agreement by Member States on user requirements and BPM's – Q1 2014</i> ➤ UCC Alignment: <i>Timely availability of the level 3 (legislation) and level 4 (business details for IT specifications) BPMs and associated business cases aligned to new UCC to support the discussions on the UCC DA-IA – Q4 2014</i> ➤ Production of BPM and Business Cases for projects described in the MASP: <i>Deliverables available as per the target dates defined in MASP – 100% availability of BPM and Business Cases</i> ➤ Use of Gefeg analysis tool to align BPM with legal texts and international obligations: <ul style="list-style-type: none"> • <i>Operational availability of GEFEG-ARIS integration – Q2 2014</i> • <i>Staff trained to use the tool – Q2 2014</i>

Result indicator 30: Equivalent enforcement framework for obligations resulting from Union customs legislation		
<i>Source: Impact Assessment of the proposal</i>		
Baseline 2013	Milestone 2014	Target ¹² 2017
Adoption by the Commission of a proposal for a Directive on a Union legal framework on customs infringements and sanctions	General orientation for the legal framework on customs infringements and sanctions	Transposition by Member States
Main outputs		
<ul style="list-style-type: none"> ➤ Directive on a Union legal framework on customs infringements and sanctions: <i>General orientation by the Council – Q4 2014</i> 		

¹² The deadline proposed for the transposition of the Directive by Member States is 1 May 2017, with a report on that transposition to be produced by the Commission by 1 May 2019.

Relevant general objective 2:**To ensure that EU customs policy protects society, facilitates trade and supports the competitiveness of the European economy****Specific objective 3:****To ensure effective management of the Customs Union in particular through the development of high quality customs legislation, IT systems and their uniform application**

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- Spending programme
-
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- Non-spending

Result indicator 31: Follow-up to the Special Report No 01/2010 of the European Court of Auditors (ECA) on simplified customs procedures for imports measured by the number of accepted recommendations followed-up*Source: RAD database*

Baseline 2010	Target 2016
The Special Report published on 07 June 2010 contains 12 recommendations accepted by the Commission.	All accepted recommendations followed-up, in particular: Recommendation 2010/AUD/0011: Take the Court's findings into account when considering further simplifications for customs procedures Recommendation 2010/AUD/0014: To encourage all Member States to computerize the processing of simplified procedures including the electronic management (online writing-down at the moment of release of the goods) of licences and similar documents and the use of IT-based risk profiles covering TOR and common trade policy issues;
Main outputs	
<p>➤ Follow up to CoA Special Report No 01/2010:</p> <ul style="list-style-type: none"> • <i>Accepted CoA recommendations taken into account in draft UCC DA & IA – Q1 2014</i> • <i>Final report of the monitoring actions adopted, including a review of follow-up actions taken by Member States – Q4 2014</i> 	

Result indicator 32: Improved functioning of the customs union and number of initiatives taken and results achieved in that respect*Source: Measurement of results and Performance measurement*

Baseline 2012	Target 2015-2016
State of play described in the Commission Communication on the State of the Customs Union; the existing measurement ratios are of an activity-related type	Positive trend in the required direction based on the assessment of performance indicators of customs union per key strategic objective
Main outputs	
<p>➤ Follow-up the Communication on the State of the Customs Union: <i>Blueprint for the governance of the Customs Union – 2nd half of 2014</i></p>	

- Establishment of the Performance Measurement system at the level of the EU Customs Union: *System for measurement of performance set up with an initial set of performance indicators – Q4 2014*

Result indicator 33: Number of quotas and suspensions opened for the next year

Source: Suspensions data base

Baseline 2013	Target 2015
<p>For Council regulations being applicable from 1.7.14 around 250 new requests have been sent. As for some countries the GSP status runs out by 1.1.14 MS ask to replace the status quo via the system of autonomous suspensions and quotas.</p> <p>For the next deadlines 15.3.2014 and 15.9.2014 the same amount of requests is expected. These Council regulations will be applicable by 1.7.14 and 1.1.15.</p> <p>The activity on quotas is rather regular involving in the opening and closing of around 8 quotas per annum leaving the total number of open tariff quota 60 (+-1).</p>	<p>Ensure the administrative response to the EU industry requests for tariff suspensions and quotas, which are expected to rise by 5 %, in each of the years 2014 and 2015 in view of the campaign made at SME level in 2012.</p> <p>The uncollected duty due to tariff suspensions and quotas, which is to the benefit of the EU industry, is currently just below 1 billion €. The target will be to have an increase relative to the increase of the number of suspensions.</p>
Main outputs	
<ul style="list-style-type: none"> ➤ 2 Council regulations for suspensions: <i>Adopted by the Council – Before 1 July and before the end of December 2014 respectively</i> ➤ 2 Council regulations for quotas: <i>Adopted by the Council – Before 1 July and before the end of December 2014 respectively</i> 	

Result indicator 34: Amount of data provided for the implementation of the Common Customs Tariff

Source: TARIC3, QUOTA2

Baseline 2011	Target 2014
<ul style="list-style-type: none"> – 99.285 updated measures; – 99.626 updated goods descriptions in TARIC; – 200.000 drawing requests on EU tariff quotas; – amount of surveillance data - 175 million surveillance data records 	<ul style="list-style-type: none"> – 90.000 updated measures; – 80.000 updated goods descriptions; – 220.000 drawing requests; – 220 million surveillance data records.
Main outputs	
<ul style="list-style-type: none"> ➤ Combined Nomenclature 2015: <i>Publication in EU OJ – Before 31st October 2014</i> ➤ Integration of TARIC measures: <i>Updated TARIC data base – Regularly</i> ➤ Update of goods descriptions in TARIC: <i>Updated TARIC data base – Regularly</i> 	

- Tariff quotas allocation: *Daily allocation of tariff quotas – Daily*
- Integration of credibility checks into TARIC in order to enhance the uniform and proper implementation of the Common Customs Tariff¹³: *Implementation of steps 2 “Physical checks” and 3 “Reference values” – Before the end of 2014*

Result indicator 35: Number and percentage of infringement cases, EU Pilot cases, CHAP complaints, REM/REC files and monitoring visit reports and enquiry letters

Legal Advice provided

Source: CHAP, EU-Pilot and NIF databases

Baseline 2012	Target 2014
1) Number of infringement cases closed in NIF as a result of compliance with EU law: 0 2) Number of EU Pilot cases closed as a result of compliance with EU law: 3 3) Percentage of infringement cases proposed for a Commission Decision, excluding those outside of the control of DG TAXUD ¹⁴ : 18% out of 11 pending infringements 4) Percentage of CHAP complaints that respect SG Temporary benchmarks: 100% out of 15 CHAP complaints 5) Percentage of EU Pilot procedures and NIF infringements that respect SG Temporary benchmarks: 77% out of 47 EU Pilot and NIF 6) Percentage of monitoring visit reports sent on time: 50% out of 21 monitoring reports 7) Percentage of 1-year monitoring enquiry letters sent to the Member States on time: 55% out of 20 per year monitoring enquiry letters 8) Percentage of DG TAXUD contribution to the observations by the Commission in customs cases before the EU Court of Justice and the WTO delivered on time. 85 % in 2012 9) Handling of applications for non-recovery, repayment and remission of import duties (REM/REC files) 10) Input on files concerning the application of Article 17.2 of Regulation 1150/2000 (WOMIS files)	1) Attaining compliance with EU law by the Member States 2) Attaining compliance with EU law by the Member States at the stage of EU Pilot 3) Attaining at least 60% of pending infringement cases proposed for a Commission decision in an infringements-decision-making cycle during the year 4) Attain a 60% compliance rate with the SG temporal benchmarks for handling CHAP complaints 5) Attain a 60% compliance rate with the SG temporal benchmarks for handling EU Pilot and NIF 6) Achieve a 80% compliance rate of monitoring reports sent on time 7) Achieve a 80% compliance rate of 1-year monitoring enquiry letters 8) Achievement of 90 % of contributions delivered on time 9) Decisions drafted within the legal deadlines 10) Timely contributions provided to DG BUDG
Main outputs	
<ul style="list-style-type: none"> ➤ Preparation of a first draft of the New Guidelines to be discussed in the Customs Debt and Guarantees' Committee with MS: <i>Guidelines on Customs Debt and Guarantees updated – Q4 2014</i> 	

¹³ Financed under the Customs programme

¹⁴ Legislative changes pending in the MS, ISC pending with the LS, cases pending in the Court of Justice or other JSP based justifications.

- Preparation of monitoring reports on REM-REC: *Final report prepared – Q2 2014*
- The handling of pre-infringement and infringement files, examination of monitoring reports, assistance in cases before the EU Court of Justice and the WTO and the provision of legal advice to operational units in TAXUD: *The on-going achievement of a correct application of EU customs law in relation to the cases that are dealt with – On-going*

Result indicator 36: Time taken for resolving of divergent tariff classification cases

Source: Case Data base

Baseline 2011	Target 2014
<ul style="list-style-type: none"> – average time for solving of different classification cases was 11 months (2012: 10 months); – 28% of all new cases were solved within 6 months (2012: 27%); – 65% of all new cases were solved within 1 year (2012: 69%). 	<ul style="list-style-type: none"> – average time 10 months; – 60% of all new cases solved within 6 months and; – 100% of all new cases solved within 1 year since the first discussion at the Customs Code Committee except for individual cases e.g. where policy considerations hinder the adoption of a solution timely
Main outputs	
<ul style="list-style-type: none"> ➤ Classification Information System (CLASS): <i>Business Case Document – Q2 2014</i> ➤ Follow-up of the European Binding Tariff Information (EBTI): <i>Monitoring of the EBTI3 data base – 2014 regularly throughout the year</i> ➤ New working methods in the area of Binding Tariff Information (BTI) and classification: <i>Study delivered – Q3 2014</i> 	

Relevant general objective 2:**To ensure that EU customs policy protects society, facilitates trade and supports the competitiveness of the European economy****Specific objective 4:****To develop international cooperation to support the effective management of the Customs Union; to protect EU society and its economic and financial interests; to facilitate trade and to contribute to the broader external policy objectives of the Union** Spending programme Non-spending**Result indicator 37: WCO: Degree of reflection of the EU policy and positions in the WCO work to secure and facilitate trade***Source: Information provided by DG TAXUD*

Baseline 2012-2013	Target 2015
<ul style="list-style-type: none"> – Time Limits, Integrated Supply Chain Management have been included in SAFE review; – The GNC¹⁵ Feasibility Study was endorsed and the proof-of-concept phase launched by the WCO Council in June 2012. – Current legislation on data integration and harmonisation and systems take inspiration from international norms and standards 	<ul style="list-style-type: none"> – Continue to drive the SAFE review to reflect new developments in supply chain security and enhance trade facilitation. The full review is scheduled to be completed by June 2015; – Conduct GNC proof-of-concepts phase, to be completed in 2015. The EU will actively contribute to the pilot phase. – All new legislation on data integration and harmonisation needs to implement international norms and standards and to document any deviation that cannot be avoided

Main outputs

- Ensure legal proposals on data integration and harmonisation are compatible with international norms and standards: *Annexes to the UCC DA and IA compatible with international norms and standards – December 2014*
- Coordinate Union positions, represent the Union, provide documents and contributions to the different WCO committees on supply chain security, trade facilitation, IPR Customs enforcement and HS nomenclature: *Overall coordination ensured – Open-ended (linked to the membership)*
- EU as Vice-Chair of Europe Region: *Coordination of the Europe Region – July 2014-June 2016*
- The use of the standard IT approach for exchange of AEO data with third countries:
 - *Strategy adopted – Q3 2014*
 - *Use and implement standard approach with China, Japan – Q1 2015*
- GNC proof-of-concept phase based on an agreed GNC strategy under development; alignment of international data exchange projects to GNC, in particular: a) AEO Mutual Recognition ("your AEO is my AEO"); b) Control Mutual Recognition ("your exit is my security"); c) Global Trader Identifier, and d) e-ATA: *Implementation and Availability of utility building blocks – 2015*
- Convergence of the business process and data exchange implementation of international data exchange projects towards the GNC standards: *Availability of GNC UB and system documentation for agreed GNC UB – End of 2015*

¹⁵ GNC: Globally Networked Customs

Result indicator 38: Alignment with legislation and implementation of agreements: Degree of alignment of the candidate and the potential candidate countries' legislation with the EU 'acquis'
Source: Screening documents, progress reports and enlargement package

Baseline 2012	Target 2014-2015
<ul style="list-style-type: none"> – Turkey joined the Common Transit and S.A.D. Conventions on 01/12/2012; – Iceland opened the negotiations on Chapter 29 Customs Union (October 2012) and Chapter 16 Taxation (December 2012 tbc). <p>2013</p> <ul style="list-style-type: none"> – Stabilisation and Association Agreement with Serbia entered into force on 1 September 2013 – June 2013: Decision on opening of accession negotiations with Serbia – June 2013: opening of negotiations on a Stabilisation and Association Agreement (SAA) with Kosovo – Screening sessions on Chapters 16 (Taxation) and 29 (Customs union), and adoption of Screening Reports, with Montenegro 	<p>Progress in the degree of alignment of legislation and modernisation of tax and customs administrations according to the specificity of each (potential) candidate country</p>
Main outputs	
<ul style="list-style-type: none"> ➤ Implementation of the EU 2010 strategy on the extension of the conventions of 1987 on a common transit procedure and on the simplifications of formalities to candidate countries: <ul style="list-style-type: none"> • <i>Preparation of the invitation to Serbia to accede the Conventions in 2015 – Q4 2014</i> • <i>Preparation of the invitation to Former Yugoslav Republic of Macedonia to accede the Conventions in 2015 – Q2 2015</i> ➤ Contribution to accession negotiations with candidate countries, in order to ensure harmonisation of their customs and fiscal legislation and strengthening of their administrative capacity to apply the customs and tax acquis including IT interconnectivity: <ul style="list-style-type: none"> • <i>Montenegro: draft common positions for chapters 16 and 29 – 2014</i> • <i>Serbia: screening exercise for chapter 16 (October 2014 and March 2015) and chapter 29 (March and June 2014)</i> 	

Result indicator 39: Progress in the degree of implementation of the Strategic Frameworks and the Eastern Border action plan
Source: Information provided by DG TAXUD

Baseline 2012	Target 2014-2015
<p><u>Eastern Partners:</u></p> <ul style="list-style-type: none"> – A Strategic Framework on customs cooperation was agreed by the EU and Russia in December 2010. – Similar Strategic Frameworks were agreed with Moldova in November 2011 and Ukraine in May 2012. Negotiations may start at some point in time with Belarus. 	<ul style="list-style-type: none"> – Customs cooperation and trade facilitation with Eastern partners and Mediterranean countries extended and running without major disruptions; – Conclusion of the negotiations of the customs and trade facilitation chapters in certain agreements with third countries;

<p>– Negotiations to strengthen customs cooperation provisions have started in 2012 with Georgia, Armenia, Moldova, Azerbaijan and in 2011 with Kazakhstan.</p> <p><u>Mediterranean countries</u></p> <p>– Legislative and administrative progress made by the MED countries in tax and customs issues contained in the ENP action plans.</p>	<p>– Integration of neighbouring countries into the Pan-Euro-Med cumulation zone</p> <p>Progress towards a certain degree of alignment with EU customs and tax standards</p>
<p>Main outputs</p>	
<p>➤ Customs and trade facilitation chapters and border measure chapters (IPR) of various trade agreements (incl. free trade, economic partnership and association agreements) with Eastern Partners (Russia, Ukraine, Moldova, Armenia, Georgia, Azerbaijan, Kazakhstan), East and South Asia, Pacific (India, Singapore, Malaysia, Vietnam), Africa (Morocco, ACP), Latin America (Mercosur, Ecuador), Jordan:</p> <ul style="list-style-type: none"> • <i>Progress in the negotiations with Azerbaijan Kazakhstan and Morocco – By end of 2014</i> • <i>Start negotiations with Jordan – By end of 2014</i> • <i>Implementation of Agreements with Georgia and Moldova – 2014</i> • <i>Re-launch negotiations with Russia – depending on reaching agreement with Russia on scope of agreement</i> • <i>Negotiations with Armenia and Ukraine finalised but signature suspended</i> <p>➤ Strategic Framework for Cooperation with China (2nd phase):</p> <ul style="list-style-type: none"> • <i>Signature – Q1 2014</i> • <i>Implementation – 2014-2017</i> <p>➤ Reformed preferential rules of origin in new trade agreements still to be negotiated with 3rd countries, during the test period in the framework of the Generalised System of Preferences: <i>Clauses for preferential rules of origin introduced – 2014</i></p> <p>➤ Management of the Customs Union with Turkey, Andorra and San Marino: <i>Permanent activity – On-going</i></p> <p>➤ Negotiations for the conclusion of a Customs and Mutual Administrative Assistance agreement with New Zealand: <i>Execution – 2014</i></p> <p>➤ Implementation of revised rules of origin for Pan-Euro-Med after consensus reached by members of the pan-Euro-Med zone on articles and list rules. Integration into Pan-Euro-Med cumulation zone of Ukraine, Georgia, Armenia and Moldova</p> <ul style="list-style-type: none"> • <i>Revision – 2016 (The revised pan-Euro-Med Convention is expected to be approved by the pan-Euro-Med Joint Committee in May 2015, allowing for its entry into application in 2016)</i> • <i>Adoption of the Moldovan request for accession at the pan-Euro-Med Joint Committee – May 2015</i> <p>➤ Association agreements, free trade agreements, partnership and cooperation agreements and customs cooperation agreements through the framework of customs committees and sub-committees, Kimberly process: <i>Permanent activity – On-going</i></p> <p>➤ Customs blueprints: <i>Revision completed – Q4 2014</i></p> <p>➤ Implementation of the EU 2010 strategy on the extension of the Conventions of 1987 on a common transit procedure and on the simplifications of formalities to Eastern Neighbouring Countries and Russia:</p> <ul style="list-style-type: none"> • <i>Monitoring of Ukraine’s state of preparation to accession to the Conventions – Q2 2014</i> • <i>First assessment of Belarus’ application for accession to the Conventions – Q2 2014</i> • <i>Launch of exploratory talks with Russia about a possible interconnection of the transit</i> 	

systems of the EU (extended to common transit countries) and Russia – Q1 2014

- Extension of exchange of data to Third Countries: *Pilot project established – 2014-2015*
- Certification system for registered exporters (REX) in EU Member States, GSP beneficiary countries, Norway, Switzerland and Turkey – User requirements to operators and third countries and IT system development:
 - *Management of the related database and online publication – 2016*
 - *Presentation – 2014*
 - *IT technical specifications elaborated – 2014*

Result indicator 40: Supply chain security and MR-AEO: Degree of implementation of facilitation and security agreements, including Mutual recognition (MR) of AEOs with important trading partners

Source: Information provided by DG TAXUD

Baseline 2012	Target 2014-2015
<p><u>US:</u> Concrete results achieved in implementation of June 2011 joint statement on supply-chain security, in coordination with relevant COM services;</p> <p>US MR Decision signed on 4 May 2012; First phase of implementation (transmission of AEO data to the US) effective since 1 August 2012, allowing benefits to be granted to EU AEOs; Preparatory work underway for implementation of second phase (reciprocal benefits to qualified US C-TPAT members) to apply in January 2013.</p> <p><u>Canada:</u> EU-Canada agreement on supply-chain security entered into force on 1 November 2013. This will provide legal basis for conclusion of MR AEO with Canada.</p> <p><u>China:</u> Equivalency of legislation established; EU-China JCCC in June 2012 agreed to start negotiations of a JCCC Decision on AEO MR.</p> <p><u>Japan:</u> MR agreement concluded in 2011, implementation is on-going</p>	<p>Continue implementation of the Joint Statement, in particular cooperation on: AEO mutual recognition; air cargo security; risk management; promoting international standards through joint work in international organisations; exploring joint projects on technology.</p> <p>Conclusion of the negotiations with 3rd countries where agreements do not exist.</p> <p>Ensure and monitor the implementation where agreements already exist.</p>
Main outputs	
<ul style="list-style-type: none"> ➤ Negotiations of a Customs Cooperation and Mutual Administrative Assistance Agreement (including supply chain security) with New Zealand: <i>Negotiations finalized – July 2014</i> ➤ Negotiations on the mutual recognition of AEO's started with Turkey: <i>Start of the negotiations – 2014</i> ➤ Joint Statement on supply-chain security with the US – implementation in cooperation with the other relevant services: <ul style="list-style-type: none"> • <i>AEO Mutual Recognition: Extension of participating operators (continuous development)</i> 	

- *Advance cargo information: Findings on respective pilot projects in support of further compatibility between EU and U.S. approaches to air cargo security shared*
 - *Coordination of R&D efforts strengthened (Detection Technologies) – December 2014*
 - *Explosive Precursor Chemicals: Cooperation through the WCO Programme Global Shield built up by encouraging all Member States to engage*
- *Implementation of the agreements with Switzerland, Norway and Andorra on customs security measures: Permanent activity – On-going*
 - *EU-China Smart and Secure Trade Lanes (SSTL): Planning for the expansion of the pilot project to a third phase based on GNC Utility Block 2: Pilot project finalization – Q2 2015*
 - *Mutual recognition of AEO-programme's between EU and China: JCCC Decision, start implementation – 2014*
 - *Launch negotiation of EU-Canada AEO mutual recognition: Progress in negotiations; negotiations to be finalised – 2014- early 2015*
 - *Practical implementation of EU-US Mutual recognition agreement: Increase in number of AEOs benefiting from MR AEO – 2014*
 - *Adaptation of EU Customs EIS to implement AEO MR:*
 - *Specifications for system changes approved – January 2014*
 - *System changes implemented by Com and MS – December 2014*

Relevant general objective 2:**To ensure that EU customs policy protects society, facilitates trade and supports the competitiveness of the European economy****Specific objective 5:****To support customs authorities in protecting the financial and economic interests of the Union and of the Member States, including the fight against fraud and the protection of intellectual property rights, to increase safety and security, to protect citizens and the environment, to improve the administrative capacity of the customs authorities and to strengthen the competitiveness of European businesses** Spending programme Non-spending**Result indicator 41: The Common Communication Network for the European Information Systems European Information and System Availability Indicators or Index***Source: DG TAXUD statistics*

Baseline Jan – Oct 2013	Milestone	Target
	2014	2020
Centralised IT customs applications (including tariff systems): – 99,11% of time business hours; – 95+% of time otherwise;	– 97% of time business hours; – 95% of time otherwise;	– 97% of time business hours; – 95% of time otherwise;
NCTS, ECS, and ICS: – 98+% of time during business hours; – 98+% otherwise;	– 99% of time business hours; – 97% otherwise;	– 99% of time business hours; – 97% otherwise;
CCN/CSI system: 99,94% of time	– 99.90+% of time	– 99.90+% of time
SPEED: 99,5+% of time working hours	– 99,5% of time working hours	– 99,5% of time working hours

Main outputs

- UCC development of Customs EIS in accordance with the priorities in the MASP – i.e. Customs Decisions and Proof of Union Status:
 - *Availability of specifications, and systems in line with MASP and UCC Work Programme*
 - *Functional systems specification – January 2014*
- Implementation of the eCustoms decision within the deadlines legally defined and in accordance with its legally required implementation plan: *Phase 1 of Single Windows (SW) implemented – Q4 2015*
- IT systems (such as AEO, BTI, Surveillance2, CN, CRMS, DDS2, EBTI3, ECICS2, EOS-EORI, ISPP, QUOTA2, RSS, SMS, Suspensions, TARIC3, etc.): *Support and maintenance – 2014*
- Coherent and coordinated development among the EU customs administrations of information systems impacting day to day efficiency and effectiveness of Customs and European trade: *Customs EIS governance – 2014*
- TARIC (database containing the Community tariff and trade legislation, for public dissemination and to support automatic customs clearance), Quota (database for the management of Community tariff

quotas via the First Come First Served method) and Surveillance (monitoring on imports and exports of goods): *Systems up-to-date – 2014*

- Multi-Annual Strategic Plan (MASP) covering eCustoms, Union Customs Code (UCC), and other safety and security policies: *Annual review includes an agreement by MS on the main body and annexes of the MASP and MASP REV12 discussed and agreed with MS and endorsed by the CPG – Q4 2014*
- Maintain Customs EIS (New Computerised Transit System, Import and Export Control Systems) for the reception and transmission of current security/safety related information: *IT maintenance and development – 2014*
- Interoperability between the Authorised Economic Operators (AEOs)EIS and the declaration systems (entry, transit and export/exit): *Implemented and no major operational issues - High availability and service interruptions with a time to restore of maximum 30 minutes*
- SPEED will be available for international information exchange and offer a flexible solution, to message processing and filtering: *SPEED operational – June 2014*

Result indicator 42: Collaboration robustness between programme stakeholders resulting from Joint Action activities in the Customs 2020 programme

Source: Information provided by DG TAXUD

Baseline 2013	Milestone 2014	Target 2020
<p>The collaboration robustness in the final year of the 2013 programme which will be measured in a qualitative and quantitative manner and include amongst others:</p> <ul style="list-style-type: none"> – Number of face to face meetings: 345; – Number of on-line collaboration groups: 40 – Participant satisfaction with programme activities: 90% – Collaboration awareness amongst target audience: 75% – Networking impact of programme activities (<i>newly introduced</i>) – Spill over effect of participation in programme activities (<i>newly introduced</i>) 	<p>Maintain the collaboration robustness at the 2013 levels</p>	<p>Improve the collaboration robustness from the 2014 levels</p>

Main outputs

- Customs 2014 Annual Work Programme of the Customs2020 Programme: *Execution – Q2 2014-Q1 2015*
- Customs 2015 Annual Work Programme: *Adoption – Q4 2014*
- Study finalising the Fiscalis 2020 and Customs 2020 Performance Measurement Framework: *Study delivered – Q2 2014*
- Customs 2013 Programme final evaluation: *Final evaluation completed – Q3 2014*

Result indicator 43: C2020 Union Law and Policy Application and Implementation Index*Source: Information provided by DG TAXUD*

Baseline 2013	Milestone 2014	Target 2020
Number of actions under the Programme organised in this area; Number of recommendations issued following those actions; <i>Baselines at the start of the programme will be zero.</i>	Start organising programme actions aiming at producing recommendations	Progress achieved in the application and implementation of Union law and policy in the field of customs

Result indicator 44: C2020 Best Practices and Guideline Index*Source: Information provided by DG TAXUD*

Baseline 2013	Milestone 2014	Target 2020
Number of actions under the Programme organised in this area; Number of guidelines and best practices shared <i>Baselines at the start of the programme will be zero.</i>	Start organising programme actions aiming at sharing guidelines and best practices	Best working practices and administrative procedures identified, developed and shared

Result indicator 45: C2020 Learning Index*Source: Information provided by DG TAXUD*

Baseline 2013	Milestone 2014	Target 2020
Number of officials trained by using common training material of the Union; Number of times Programme eLearning modules were downloaded <i>Baselines at the start of the programme will be zero.</i>	Start organising common training actions including production of eLearning modules	Skills and competences of customs officials reinforced

Result indicator 46: C2020 Cooperation with third parties indicator*Source: Information provided by DG TAXUD*

Baseline 2013	Milestone 2014	Target 2020
Number of actions under the Programme aiming at authorities other than Member States' customs authorities. <i>Baselines at the start of the programme will be zero.</i>	Start organising programme actions aiming at authorities other than Member States' customs authorities	Cooperation with third parties improved

Result indicator 47: C2020 Modern and Harmonised approaches indicator*Source: Information provided by DG TAXUD*

Baseline 2013	Milestone 2014	Target 2020
Number of guidelines and recommendations issued following activities under the Programme relating to modern and harmonised approaches to customs procedures. <i>Baselines at the start of the programme will be zero.</i>	Start organising programme activities aiming at producing guidelines and recommendations related to modern and harmonised approaches	Approaches to customs procedures modernised and harmonised

6. Specific objectives for horizontal activities

Under the Activity Based Budgeting (ABB) structure, DG Taxation and Customs Union is responsible for 2 horizontal activities:

- Administrative Support (ABB AWBL-01);
- Policy Strategy and Coordination (ABB 04).

6.1. Administrative Support

The ABB Activity Administrative Support covers activities performed by the Management of the Human and Financial Resources Unit, the Internal Audit and further two units of DG TAXUD dealing with information, training, management of programmes and trans-European systems. This activity includes the following functions:

- Human resources management;
- Financial management;
- Management of information and communication technologies (ICT)
- Internal audit designed to provide assurance of the soundness of internal controls, of operational management and of accounting and reporting systems.

Financial and Human Resources

The table below shows the financial and human resources allocated for the implementation of all the activities that fall within the administrative support domain.

ABB activity: Administrative Support (ABB AWBL-01)					
Financial resources (€) in commitment appropriations			Human resources		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
0	531,622	531,622	45	2	47

Medium- and Short-term IT Strategy

DG TAXUD's mission is to: develop and manage the Customs Union, a foundation of the European Union, and to develop and implement tax policy across the EU for the benefit of citizen, businesses and the Member States. Particular attention is given to the Internal Market, by making sure it functions smoothly and efficiently.

In this context, DG TAXUD manages a set of operational activities in the areas of customs, excise duties and taxation. Most of the IT systems managed by DG TAXUD are trans-European systems (T€S) spanning all Member States, such as the Transit and Excise control systems and the VAT network. These trans-European systems have an impressively large user population in the National Administrations, in the traders' community and in society as a whole. They are supported by common functional and technical system specifications, by a closed and secure trans-European communication network (CCN/CSI), and by more than 60 applications and databases operated under the management of DG TAXUD.

DG TAXUD is also a key player in the preparation of enlargements, in particular concerning Turkey, Iceland and the Former Yugoslav Republic of Macedonia (FYROM). In addition, due to the international nature of the customs activity, a number of agreements with third countries, such as US, Japan, China and Russia, exist and are being developed to support international trade. In order to facilitate exchanges with these countries, DG TAXUD operates the Single Portal for the Entry and Exit of Data (SPEED) that allows secure data exchange with these partners and which next year will be replaced by SPEED2 and used for all future external message flows (Single Window, Transit, Mutual recognition, etc).

The programmes Customs 2013 and Fiscalis 2013, and their successors Customs 2020 and Fiscalis 2020 support the **electronic exchange of large quantities of information (IT capacity building)** between the customs and tax administrations of the Member States. As such the information is exchanged rapidly and in a format that allows to use it easily for additional purposes (avoiding duplication). This electronic exchange of information constitutes also (although sometimes initial investment requirements) an advantage and simplification for trade.

TAXUD follows a quality policy that is endorsed by its IT Steering Committee (ITSC) and stipulates that a single set of standards and processes will need to be applied. This is materialised thanks to a quality system called TAXUD Electronic Management of Projects On-line (TEMPO).

In addition, considering the size and the diversity of its IT portfolio, DG TAXUD has achieved and will continue to further consolidate, major saving in the implementation and operation of all its IT systems. It develops against an architecture which forces reuse and promote common services: horizontal framework contracts, a single methodology, CCN, consolidation of data centre, convergence to BPM, use of eForms and shared web publishing environments with MS across the taxation areas. DG TAXUD has as a policy to minimise the IT costs for the EU and the MS while respecting the constraint imposed by the applicable legal bases.

TAXUD applies a policy of sourcing its IT services from the market and carries out no IT development or operational activity in-house. Its in-house IT duties are destined to architecture, SLA surveillance, policy development, contract supervision, user liaison.

TAXUD will be called to consolidate IT activity currently performed in the Member States and foster collaboration among Member States so as to reduce global cost of future IT activity.

TAXUD has consolidated the interoperability of all its projects from the 1990s. All operate within a single system and architecture, shared with MS (CCN/CSI). This approach has yielded many direct savings as more or less 60 transEuropean systems used the same

infrastructure and service structure for their data exchanges; it also generated indirect benefits, e.g. the reduction of technical risk for new systems.

Most TAXUD systems are reusing the same development framework – Tariff Application Technical Architecture Framework (TATAF), from 1999. It has now to be modernised.

TAXUD will apply service oriented architecture and enterprise architecture so as to plan reuse of assets by design. Indeed reuse of technology needs to be designed following reasonably common processes and using common data definitions. TAXUD considers that future (customs) systems could be designed in detailing business processes in such a way so as to allow for variation in the implementation of national business processes. Flexible processes that reuse common business services and data definitions should be feasible as all customs systems implement a single customs code.

TAXUD shall re-use the SPEED2 platform and develop further exchanges with 3rd countries using the functionality available on the SPEED2 platform. SPEED2 platform shall provide required security and isolate central TAXUD services implementing business related logic.

TAXUD will implement centrally facilities for user authentication and electronic signature for traders for the access to central IT systems.

TAXUD shall offer high availability services so as to create the trust conditions necessary to reduce redundant IT activity in the Member States.

TAXUD shall run common projects, where staff of Member States participates as an active member. Collaboration facilities on the web would be used, extending the functionality of PICS as appropriate to provide a common working space, web conference etc.

TAXUD shall favour common projects among Member States so as to favour overall cost reduction for IT systems in EU.

TAXUD shall develop the interoperability backplane necessary for federated SOA among Member States and the Commission in its CCN2 Platform project providing interoperability middleware, sharing the data and a set of reusable basic services for DG TAXUD and other CCN Partners applications and systems. CCN2 will also allow sharing data, and services among all CCN partners.

TAXUD will also support the re-use of CCN2 and SPEED2 for other policy areas in the Commission.

TAXUD is striving for active collaboration with DIGIT in the follow up of these targets, some of which indeed may be extended to other work areas in the Commission. TAXUD does not consider that it is its duty to assure such coordination and may not be expected to assure global project management duties outside its functional perimeter. It invites DIGIT to partner so as to benefit from each other's knowledge and business opportunities.

Specific objective 1:

Recruit, train, assess, motivate and retain highly qualified staff so that effective and efficient operation of the DG, as well as promotion of equal opportunities within the DG are ensured

Result indicator 1: Occupancy rate for TAXUD posts

Source: Sysper 2

Baseline 2010	Target 2014
94%	95% To stay below Commission/DG Family average

Result indicator 2: Percentage of female administrators recruitments and new female middle managers

Source: Sysper 2

Baseline 2010	Target 2014
Female AD recruitments: 53% (New female middle managers – 0% (only 1 MM position filled)	55% 28,60% To achieve targets set in the DG TAXUD Equal Opportunities action plan

Result indicator 3: Average number of training days per staff member

Source: SYSLOG

Baseline 2012	Target 2014
10,1 days per person	≥10 (Commission-wide target)

Specific objective 2:
Plan, perform, monitor and report on the spending of financial resources so that sound financial management is ensured throughout the DG's activities

Result indicator 4: Percentage of budget execution (commitments) with respect to annual and final budgets

Source: ABAC

Baseline 30/09/2013	Target 2014
about 75% committed	> 90% To commit around 70% of all yearly commitment appropriations by 30/09 of a given year <i>Standard EC indicator for horizontal activity (sound financial management)</i>

Result indicator 5: Amount of potentially abnormal RAL

Source: ABAC

Baseline 30/09/2013	Target 2014
No potentially abnormal RAL	No potentially abnormal RAL <i>Standard EC indicator for horizontal activity (sound financial management)</i>

Result indicator 6: Number of late payments resulting in an obligation to pay interest

Source: ABAC

Baseline 30/09/2013	Target 2014
No late interests paid Average delay for payments: 24 days	No late payments resulting in an obligation to pay interest < 30 days <i>Standard EC indicator for horizontal activity (sound financial management)</i>

Specific objective 3:

Define, plan, set-up, maintain and develop high quality Information Technology (IT) infrastructure, tools and services so that the staff is adequately supported in their operation

Result indicator 7: Percentage of lost or unaccounted Office Automation inventory items

Source: Annual Inventory of Office Automation items

Baseline 2012	Target 2014
0,3%	< 0,5% (on best effort base as there is no agreed target)

Specific objective 4:
Implement and maintain an effective internal control system so that reasonable assurance can be given that resources assigned to the activities are used in accordance with the principles of sound financial management and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions and applying anti-fraud measures

Result indicator 8: Coverage of ex-ante verification of commitments

Source: ABAC

Baseline 30/09/2013	Target 2014
100% commitments are verified ex-ante	100% of commitments to be verified ex-ante including the monitoring to prevent potential fraud <i>Standard EC indicator for horizontal activity (sound financial management)</i>

Result indicator 9: Coverage of ex-ante controls of payments

Source: External register where extra ex-ante controls of payment are filed

Baseline 30/09/2013	Target 2014
<ul style="list-style-type: none"> – 5 % of number of payments paid by DG TAXUD (6% as of 30/09/2012); – 28 % of the total amount paid by DG TAXUD (21% as of 30/09/2012). – 6% of number of payments paid by DG TAXUD; – 31% of the total amount paid by DG TAXUD. 	<p>Ex-ante control of at minimum one payment a week including the monitoring to prevent potential fraud (which means with current volume of payment the coverage of about 4%);</p> <p>No target concerning the amount coverage as the purpose is to check the payments "randomly" and not based on the amount.</p> <p><i>Standard EC indicator for horizontal activity (sound financial management)</i></p>

Result indicator 10: Percentage of DG TAXUD staff participating in training sessions related to ethics and fraud prevention linked to the implementation of the Anti-fraud Strategy Action Plan

Source: Syslog Training

Baseline 2013	Target 2014
66,9% (70% in 2012)	> 70%

Result indicator 11: Degree of compliance with the ICS

Source: Compliance with the ICS requirements

Baseline 2011	Target 2014
Partial compliance in relation with 2 standards (full compliance in 2012)	Full compliance <i>Standard EC desired target</i>

6.2. Policy Strategy and Coordination

The ABB Activity Policy Strategy and Coordination for DG TAXUD gives the necessary impulse to the policy definition, preparation and implementation in order to achieve the overall mission of the DG. To this end this activity promotes the development of a strategic planning and a smart regulation culture so that legislative proposals and non-legislative acts pass efficiently through the institutional system. In addition, this activity contributes to the achievement of the DG's goals through efficient liaison with Directorates and Units within the DG, other DGs, the Cabinet, European institutions, stakeholders and citizens.

This activity includes the following functions:

- Policy strategy definition and coordination;
- Strategic planning and programming;
- Internal and external communication;
- Coordination of institutional affairs;
- Evaluation;
- Document management.

Financial and Human Resources

The table below shows the financial and human resources allocated for the implementation of all the activities that fall within the policy strategy and coordination domain.

ABB activity: Policy Strategy and Coordination (ABB 04)					
Financial resources (€) in commitment appropriations			Human resources		
Operational expenditure	Administrative expenditure (managed by the service)	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
3,000,000	697,514	3,697,514	41	2	43

Specific objective 1:

To ensure efficient policy coordination in accordance with the DG's strategic objectives and priorities so that the overall mission of TAXUD is coherently planned and fulfilled

Result indicator 12: Degree of involvement of Directorates in the SPP cycle

Source: Information provided by DG TAXUD

Baseline 2012	Target 2014
100% involvement of Directorates in the SPP cycle	Maintain the same degree
Main outputs	
<ul style="list-style-type: none"> ➤ Monitoring and support for adoption of TAXUD's initiatives indicated in the CWP: <i>Detailed planning for the initiatives provided – 2014</i> ➤ TAXUD contribution to the 2015 CWP: <i>Timely provision of TAXUD's contribution – Q3 2014</i> ➤ Reporting on the achievement of the key policy objectives: <i>2013 Annual Activity Report prepared and submitted – 31 March 2014</i> ➤ Review of the 2014 Management Plan: <i>Mid-term review prepared and submitted – July-August 2014</i> ➤ Planning on the main priorities for 2015: <i>2015 Management Plan prepared – End 2014</i> 	

Result indicator 13: Degree of respect of the rules on data protection measured by the number of outstanding notifications

Source: DPO-2

Baseline 2012	Target 2014
10 notifications in the Register and 3 notifications in progress (77% notifications completed)	Improve the rate of completed notifications
Main outputs	
<ul style="list-style-type: none"> ➤ Possible finalization of the notifications started in 2013 (PICS, AEO, EORI, SCAC meetings): <i>Notification accepted by DPO – Q1 2014</i> ➤ Notifications for the registered exporter system: <i>Notification accepted by DPO – 2014</i> 	

Specific objective 2:

To secure efficient relations with external partners such as the Institutions, stakeholders, civil society so that the overall strategy and activities of the DG are reinforced and better understood

Result indicator 14: Percentage of positive answers to requests for access to documents under Regulation 1049/2001

Source: GestDem

Baseline 2012	Target 2014
In the case of 67% of the requests full or partial access was granted	Above 70% of the requests granted full or partial access
Main outputs	
<ul style="list-style-type: none"> ➤ Handling of around 400 requests p.a.: <i>Timely replies – Handling the same amount of requests with the same positive result concerning their timeliness</i> 	

Result indicator 15: Number of coordination activities of European Customs Laboratories

Source: Report of the Customs Laboratories Steering Group

Baseline 2012	Target 2014
12 coordination activities	To organize 12 coordination activities per year
Main outputs	
<ul style="list-style-type: none"> ➤ Scientific and technical assistance: <i>Completed revision and translation of IUPAC names in ECICS database – 2016</i> ➤ Technical assistance and secretariat for coordination of European Customs Laboratories: <i>Assistance provided – 2015</i> ➤ Scientific assistance and secretariat for the update and the enrichment of the European Customs Inventory of Chemical Substances database (ECICS): <i>Database regularly updated – 2015</i> ➤ Scientific and technical assistance for improvement of sampling procedures: <i>SAMANCTA data base functioning – Q4 2016</i> ➤ Measures clarifying the distinction between food supplements and medicines in the CN: Scientific Customs-Expertise in pharmaceutical science: <i>Studies delivered – Q4 2015</i> ➤ Scientific Customs-Expertise in waste and dangerous products (feed into the guidelines on customs controls on waste shipments): <i>Study delivered enabling the integration into the TARIC – Q4 2015</i> 	

Specific objective 3:
To ensure effective operation of the Directorate-General through efficient internal co-ordination and communication

Result indicator 16: Internal Communication: number of structured opportunities/tools to ensure two-way communication between management and staff

Source: SAS Web Analytics 5.3.

Baseline 2013	Target 2014
Number of page requests: 66.382 (1/1/2013 – 18/11/2013)	Maintain the number of visits at the 2013 level
Main outputs	
<ul style="list-style-type: none"> ➤ Weekly internal newsflash and special issues: <ul style="list-style-type: none"> ○ <i>Issue a weekly internal newsflash</i> ○ <i>Issue special issue newsflash whenever appropriate</i> ➤ External newsflashes: <i>Issue external newsflashes with the same frequency as 2013 – 40 (1/01 till 31/10)</i> 	

Specific objective 4:

To contribute to a smart regulatory approach in key policy areas of the DG TAXUD by strengthening ex-post evaluation and by conducting studies

Result indicator 17: Number of ex-post evaluations of expenditure programmes and other activities (policy evaluation, evaluation of regulatory measures)

Source: Information provided by DG TAXUD

Baseline 2011	Target 2014
<p>2 evaluations completed on expenditure programmes</p> <p>1 completed evaluation of a regulatory measure – VAT strategy</p>	<p>2 ex-post evaluations to be completed: for the Customs 2013 programme and the Fiscalis 2013 programme</p> <p>Ex-post evaluations of the most pertinent policy areas within the remit of DG TAXUD, in accordance with the evaluation requirements of the Commission and the CWP</p>
<p>Main outputs</p>	
<ul style="list-style-type: none"> ➤ Customs 2013 Programme final evaluation: <i>Evaluation report completed – Q3 2014</i> ➤ Fiscalis 2013 Programme final evaluation: <i>Evaluation report completed – Q3 2014</i> ➤ Excise duties on tobacco products: <i>Evaluation report completed – Q3 2014</i> ➤ Evaluation of the electronic customs implementation in the EU: <i>Draft final evaluation report approved – Q3 2014</i> ➤ Evaluation of the functioning of Directive 2008/118EC for the general arrangements for excise duty: <i>Evaluation report completed – 2014/2015</i> 	

7. Annexes

7.1. Annex 1: Communication strategy

The Commission's Taxation and Customs Union Directorate-General (DG TAXUD) aims to promote EU tax and customs policies to its main target audiences through the communication channels they prefer and in the language they understand. In this context, explaining the EU added value of our actions to businesses and citizens is of utmost importance. Furthermore, listening to stakeholders and taking their views into account - key parts of the communication strategy – are preconditions for evidence-based policy-making and, as a consequence, smart regulation. In line with this overall strategy, below are the main communication action areas proposed for 2014.

7.1.1. Tax fraud and tax evasion

Tax fraud and tax evasion will remain key issues for the Commission in 2014 and communication on these issues will continue to be a main communication priority under the corporate communication theme 'Europe for a fairer recovery'. A campaign to raise awareness begun in 2013 will continue in 2014 and actions will be developed in line with the continual introduction of the measures outlined in the tax fraud and tax evasion action plan published in December 2012.

7.1.2. Cross border taxation

Work in this area will include publicising the initiatives planned to tackle unrelieved cross-border double taxation and double inheritance taxes; on-going work on tackling discrimination and steps to assist citizens in dealing with cross-border tax obligations including public consultations and improved information provision on tax issues.

7.1.3. VAT

In the area of VAT communication actions for 2014 will primarily be ~~in respect of actions~~ to raise awareness on the new place of supply rules for telecommunication, broadcasting and electronic services and the introduction of the MOSS (mini one stop shop) in these 3 sectors on 1 January 2015. This should both have an internal and an external aspect because both EU and non EU companies will be affected by the new rules. Actions in respect of VAT fall primarily within the corporate communication theme 'Europe for business'.

In addition, a Eurobarometer survey is proposed in order to assess public opinion on VAT rates. Many citizens do not understand why some goods and services have reduced VAT rates while others have standard rates, notably when it comes to achieving social goals as richer households may benefit from reduced rates more than poorer households. VAT is also an important area of tax fraud and raising rates can make VAT fraud more attractive. Seeking the views of the general public will contribute to the thinking on future VAT rates.

7.1.4. Blue Belt

The aim of the Blue Belt initiative is to make intra EU shipping easier. In order to raise awareness amongst shipping companies, ports and customs of the new legislation, including the eManifest, an information campaign will be developed in conjunction with DG MOVE. Actions in respect of 'Blue Belt' fall primarily within the corporate communication theme 'Europe for business'.

7.1.5. Eurobarometer survey – eCustoms

A revision of the eCustoms decision is needed in order to ensure its relevance to the developments in the area of electronic customs and overall customs legislation. The development of eCustoms is an important step for facilitating customs procedures for business. In order to assist with its revision a Eurobarometer survey is proposed to assess stakeholder opinion of electronic customs. Actions in respect of eCustoms fall primarily within the corporate communication theme 'Europe for business'.

7.2. Annex 2: Tables quoted in the Management Plan

7.2.1. Paying taxes rankings indicator

Rank	Country	Rank	Country	Rank	Country
6	Ireland	41	Sweden	81*	Portugal
12	Denmark	49	Latvia	89	Germany
14	United Kingdom	52	France	102	Slovak Republic
15	Luxembourg	53	Greece	113	Poland
21	Finland	54	Slovenia	122	Czech Republic
27	Malta	56	Lithuania	124	Hungary
28	Netherlands	67	Spain	134	Romania
32	Estonia	76	Belgium	138	Italy
33	Cyprus	79	Austria		
34	Croatia	81*	Bulgaria		

Source: Paying taxes rankings of the publication "[Paying taxes 2014: The global picture](#)", World Bank and PricewaterhouseCoopers Report – 2013 (pp. 165-166)

Note: Overall 189 countries were looked at. The Paying Taxes indicator covers the cost of taxes that are borne by the case study company, as well as the administrative burden of tax compliance for the company. They are measured using three sub-indicators: The Total Tax Rate (the cost of all taxes borne), the time needed to comply with the major taxes (profit taxes, labour taxes, mandatory contributions and consumption taxes); the number of tax payments.

* Printing error in the publication, three countries Bulgaria, Malawi and Portugal are indicated as 81th in the total ranking and there is no 82nd and 83rd.

7.2.2. International Logistics Performance Index

Rank	Country	Rank	Country	Rank	Country
3	Finland	20	Spain	43	Malta
4	Germany	24	Italy	44	Czech Republic
5	Netherlands	25	Ireland	51	Slovak Republic
6	Denmark	28	Portugal	54	Romania
7	Belgium	30	Poland	58	Lithuania
10	United Kingdom	34	Slovenia	65	Estonia
11	Austria	35	Cyprus	69	Greece
12	France	36	Bulgaria	76	Latvia
13	Sweden	40	Hungary		
15	Luxembourg	42	Croatia		

Source: International Logistics Performance Index rankings of the publication "[Connecting to Compete – Trade Logistics in the Global Economy](#)", World Bank Report– 2012 (p. 36-39)

7.2.3. Action Plan on tax fraud and tax evasion – detailed list of actions

New Commission initiatives		
1	Improvements in the area of harmful business taxation	12/2012 and ongoing
Future initiatives: actions to be undertaken in the short term (December 2013)		
2	A revision of the parent subsidiary directive (2011/96/EU)	12/2013
3	A review of the anti-abuse provisions of the Directives on Interest and Royalties, Mergers and Parent-Subsidiary with a view to implement the principles underlying its Recommendation on aggressive tax planning	Q2/2013
4	A European taxpayer's code	Q1/2014
5	Reinforced cooperation with other law enforcement bodies	12/2013
6	Promote the use of simultaneous controls and the presence of foreign officials for audits	12/2013
Future initiatives: actions to be undertaken in the medium term (December 2014) ¹⁶		
7	Develop computerised formats for automatic exchange of information	12/2014
8	Use of an EU Tax Identification Number (TIN)	12/2014
9	Rationalise IT instruments	12/2014
10	Guidelines for tracing money flows	12/2014
11	Enhancing risk management techniques and in particular compliance risk management	12/2014
12	Extend EUROFISC to direct taxation	12/2014
13	Creation of a one-stop shop approach in all Member States	12/2014
14	Developing motivational incentives including voluntary disclosure programmes	12/2014
15	Propose an alignment of administrative and criminal sanctions	12/2014
16	Develop an EU Standard Audit File for Tax (SAF-T)	12/2014

¹⁶ The development of a tax web portal will be no longer pursued as the Ramboll Study clearly indicated that it would not help to solve the fraud problems given the lack of sufficient support from MSs.

17	Obtain an authorisation from Council to start negotiations with third countries for bilateral agreements on administrative cooperation in the field of VAT	12/2014
Future initiatives: actions to be undertaken in the longer term (beyond 2014)		
18	A methodology for joint audits by dedicated teams of trained auditors	
19	Develop mutual direct access to national data bases	
20	Elaborate a single legal instrument for administrative cooperation for all taxes	