



Federation of European Accountants
Fédération des Experts comptables Européens

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Dear Mr Zuijdendorp,

Re: European Commission's Consultation on a European Taxpayer's Code

FEE (the Federation of European Accountants) is pleased to provide you with its comments on the European Commission's Consultation on a European Taxpayer's Code. FEE's ID number on the European Commission's Register of Interest Representatives is 4713568401-18¹.

We would like to contribute to the debate and share some overall thoughts with the European Commission, although we are not in a position to complete the online questionnaire, which is to a large part designed to gather information about existing national taxpayers codes.

FEE fully supports the initiatives of the European Commission to enhance cooperation, trust and confidence between taxpayers and tax administrations. We believe that a European Taxpayer's Code could contribute to enhancing this relationship and thus, reduce the resources invested for compliance purposes both for taxpayers and tax administrations.

¹ FEE is the Fédération des Experts comptables Européens (Federation of European Accountants). It represents 45 professional institutes of accountants and auditors from 33 European countries, including all of the 27 EU Member States. In representing the European accountancy profession, FEE recognises the public interest. It has a combined membership of more than 700.000 professional accountants, working in different capacities in public practice, small and big firms, government and education, who all contribute to a more efficient, transparent and sustainable European economy.

Taxpayers operate more and more cross-border but envisage legal uncertainty as far as their rights and obligations as taxpayers in other Member States are concerned because not all Member States have established a national taxpayers' code and – where such codes exist – their scope and content varies significantly (as highlighted in the consultation paper).

As a consequence of the taxpayers' cross-border activities, tax administrations need to cooperate more closely, which is on an EU level mandatory² or at least recommended³. However, tax administrations may face obstacles to such cooperation due to national differences in taxpayers' rights and obligations and the lack of a harmonised framework.

Therefore, there is, in our view, a clear need for a European Taxpayer's Code both for taxpayers and tax administrations.

It could facilitate cross-border activities, helping taxpayers exercise their EU fundamental freedoms and thus contribute to the completion of the Single Market. Equal treatment of taxpayers across Europe is another important aspect.

A European Taxpayers' Code clarifying both taxpayers' and tax administrations' rights and obligations could also improve the efficiency of tax administrations in terms of resources and thus contribute to more effective tax collection, overall it might even be conducive in the fight against tax fraud.

Taking into account the principle of tax sovereignty, a European Taxpayers' Code should be issued by the European Commission in the form of a recommendation. A regulation or directive may not be the appropriate measure given the differences in tax systems across Europe.

As suggested in the European Commission's consultation, the structure of a European Taxpayers' Code should include a core set of general and procedural principles governing the relationship between taxpayers and tax administrations.

The main principles enshrined in a European Taxpayers' Code should be that tax can only be levied by virtue of law and that tax legislation may not be retro-active. Including further aspects of legal certainty may be helpful, like the right to a high degree of predictability, the principle of good faith and the efficient and timely application of double taxation treaties.

It should be highlighted that rules regarding the burden of proof and the right of defense are essential. Information on possible measures to combat tax avoidance and evasion is also needed.

² See Directive on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:064:0001:0012:EN:PDF>

³ See Recommendation regarding minimum standards of good governance in tax matters http://ec.europa.eu/taxation_customs/resources/documents/taxation/tax_fraud_evasion/c_2012_8805_en.pdf

Fiscal secrecy and data protection (safeguards to ensure confidentiality of taxpayer's information) are also important principles which should be included. The responsiveness of tax administrations to reply to the requests from taxpayers within deadlines also needs to be addressed.

Procedural principles which should be highlighted in a European Taxpayers' Code are the importance of clear rules regarding the transparency of processes like tax assessment, tax payment and tax audit as well as interest and penalties.

The possibility for taxpayers to ask for a binding advance ruling might be helpful. In the VAT area, the EU VAT Forum has already taken a step forward investigating possibilities for cross border 'rulings'.

Reference to an internal appeals process as well as to judicial review could also be included.

Other related matters like online tax returns, electronic tax files or prefilled tax returns are not necessarily relevant subjects for a European Taxpayer's Code as they strongly depend on the specificities and level of technological development in each Member State.

Thank you very much for the opportunity to provide our comments in the form of a letter.

For further information on this letter, please contact Mrs Anastasia Chalkidou, FEE Project Manager by e-mail: anastasia.chalkidou@fee.be or at +32 2 285 40 82.

Yours sincerely,



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