

Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002	
Subject 2.70.02 Indirect taxation, VAT, excise duties	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		02/07/1997
		PPE SECCHI Carlo	
	Former committee responsible		
	ECON Economic and Monetary Affairs, Industrial Policy		02/07/1997
		PPE SECCHI Carlo	
	Former committee for opinion		
	BUDG Budgets		01/07/1997
		PSE WILLOCKX Frederik A.A.	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2072	09/03/1998
	General Affairs	2066	26/01/1998
	Economic and Financial Affairs ECOFIN	2053	01/12/1997

Key events			
23/04/1997	Legislative proposal published	COM(1997)0175	Summary
28/05/1997	Committee referral announced in Parliament, 1st reading		
04/11/1997	Vote in committee, 1st reading		Summary
04/11/1997	Committee report tabled for plenary, 1st reading	A4-0344/1997	
19/11/1997	Debate in Parliament		Summary
20/11/1997	Decision by Parliament, 1st reading	T4-0567/1997	Summary
24/11/1997	Modified legislative proposal published	COM(1997)0621	Summary

26/01/1998	Council position published	12963/1997	Summary
29/01/1998	Committee referral announced in Parliament, 2nd reading		
05/02/1998	Vote in committee, 2nd reading		Summary
05/02/1998	Committee recommendation tabled for plenary, 2nd reading	A4-0048/1998	
18/02/1998	Decision by Parliament, 2nd reading	T4-0072/1998	Summary
09/03/1998	Act approved by Council, 2nd reading		
30/03/1998	Final act signed		
30/03/1998	End of procedure in Parliament		
28/04/1998	Final act published in Official Journal		

Technical information

Procedure reference	1997/0128(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	EC before Amsterdam E 100A
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09726

Documentation gateway

Legislative proposal	COM(1997)0175 OJ C 177 11.06.1997, p. 0008	23/04/1997	EC	Summary
Economic and Social Committee: opinion, report	CES1183/1997	29/10/1997	ESC	Summary
Committee report tabled for plenary, 1st reading/single reading	A4-0344/1997 OJ C 371 08.12.1997, p. 0002	04/11/1997	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0567/1997 OJ C 371 08.12.1997, p. 0164-0179	20/11/1997	EP	Summary
Modified legislative proposal	COM(1997)0621 OJ C 001 03.01.1998, p. 0013	24/11/1997	EC	Summary
Council position	12963/1997 OJ C 062 26.02.1998, p. 0048	26/01/1998	CSL	Summary
Commission communication on Council's position	SEC(1998)0127	27/01/1998	EC	Summary
Committee recommendation tabled for plenary, 2nd reading	A4-0048/1998 OJ C 080 16.03.1998, p. 0005	05/02/1998	EP	
Text adopted by Parliament, 2nd reading	T4-0072/1998 OJ C 080 16.03.1998, p. 0081-0091	18/02/1998	EP	Summary
Follow-up document	SEC(2001)1328	31/07/2001	EC	Summary
Follow-up document	COM(2003)0678	12/11/2003	EC	Summary

Additional information	
European Commission	EUR-Lex
Final act	
Decision 1998/888 OJ L 126 28.04.1998, p. 0001 Summary	

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

OBJECTIVE: to establish a multiannual action programme (FISCALIS) to improve the effective, uniform and efficient functioning of the VAT and duties systems, protecting the financial interests of the Member States and the Community by taking action to combat tax evasion and fraud, preventing distortions of competition and reducing the administrative burden on administrations and tax payers. SUBSTANCE: the proposal for a decision seeks to establish a multiannual action programme (FISCALIS) for the period from 1 January 1998 to 31 December 2002 with a view to improving the functioning of the indirect taxation systems of the internal market. The aim of the programme is to support, through a Community action, the efforts made by the Member States to: - give officials a high level of understanding of Community law and its implementation in the Member States; - secure efficient, effective and extensive cooperation among the Member States and between them and the Commission; - assure the continuing improvement of administrative procedures to take account of the needs of administrations and taxpayers by the development and dissemination of best administrative practice. To this end the programme has three areas of action: - the creation of communication and information exchange systems, manuals and guides; - the organization of exchanges of officials, seminars and pilot bilateral and multilateral control exercises; - a common training initiative: development of existing programmes and drawing up of new common training programmes so as to create a common basic training for officials; Community tools for linguistic training. The programme is open to the associated countries of central and eastern Europe and Cyprus. The expenditure necessary for the implementation of the programme will be shared between the Community and the Member States. The financial framework for the implementation of the programme is set at ECU 45 million. In carrying out its task the Commission will be assisted by the Standing Committee on Administrative Cooperation in the field of Indirect Taxation established by Regulation 218/92/EEC. ?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

The Committee feels that the timing of the introduction of the FISCALIS programme is good, when one considers that the applicants for Community membership will need extensive help if their administrations are to be able to cooperate with those of the other Member States and with the Commission. Moreover, the planned cooperation between national officials, and particularly the longer-term exchanges between national administrators are greatly to be welcomed. The Committee wonders whether the programme's funding is sufficient for its objectives to be effectively implemented. The training and exchange of civil servants within the Community is a necessary and excellent investment in the further integration of Europe. The Commission ought therefore at the appropriate time to look into the possibility of extending the programme to other areas of tax policy. ?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

The report by Mr Carlo SECCHI (EPP, I) is adopted. The Committee proposes a number of amendments to the Commission text. Key amendments seek to strengthen the training aspects of the Commission Proposal. The Committee wants to strengthen the common approach to training of tax officials by creating a permanent network for co-operation between national training schools and institutes. This network would be responsible for identifying the common skills that officials should possess, as well as developing existing or devising new common training programmes to enable officials to attain those skills. The Member States are called upon to ensure that their officials receive initial and continuing training in accordance with the common requirements.

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

Stressing the importance of the Fiscalis programme for the internal market, Commissioner Monti said that all the amendments could be taken over, subject to the acceptance, with regard to Amendment No 12, of the words 'within the Committee provided for in Article 11'.

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

In adopting the report by Mr Carlo SECCHI (PPE, I), the European Parliament has welcomed the Commission's proposal, while improving it in relation to a certain number of points. Through its amendments, Parliament aims to consolidate the training aspect of the original proposal. It would like to reinforce the common approach to training for officials by establishing a permanent cooperation network among schools and academies, to be responsible for identifying the qualifications needed by all officials. It would also like to develop new and improve existing common training programmes to achieve this objective. Parliament regards seminars as the ideal forum for the exchange of ideas between indirect taxation officials and calls for them to be encouraged, on the grounds that they may give rise to suggestions which could foster the converging evolution of national indirect tax systems. It calls on the Commission, in the final report which it must submit, to consider the need for a Community academy for indirect taxation officials. Finally, Parliament calls for the costs incurred by the participation of the countries of

Central and Eastern Europe and Cyprus to be added to the programme budget. It feels that this budget (ECU 45 million) is partly covered by the financial perspectives 1993-1999. ?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

In its amended proposal the Commission accepts, in substance, the European Parliament's amendments relating to: - a reference to the experience acquired within the scope of the Douane 2000 programme; - the objective of a common standard of understanding of Community law; - the existing communication and information exchange systems which are to be covered by the programme; - the definition of exchanges and agreements relating to exchanges of officials; - the invitation of outside experts to training seminars for tax officials; - the definition of multilateral controls and arrangements for the organisation of multilateral controls; - arrangements for the implementation of the common training initiative, particularly the establishment of a cooperation network, the tasks assigned to the network and the responsibilities of the Member States, with the exception of the reference to the Committee provided for under Article 11 which is not appropriate to the setting up of a cooperation network; - the cost of any programme impact study and the measures relating to reports on the impact of the programme; - measures relating to the application of the programme; - the financial framework for the execution of the programme. ?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

The common position of the Council deviates from the original proposal on several points, either to take account of the amendments proposed by Parliament or to clarify the implementation of the programme: - it points out that the FISCALIS programme seeks to ensure better coordination between the fiscal administrations in the Member States. The indirect taxes in question are managed by the Member States and their officials are the most directly concerned; - the Commission and the Member States will ensure the functioning of existing communication and information exchange systems, manuals and guides; new systems of manuals and guides will be created if they are considered necessary; - the exchanges of officials organized by the Commission and the Member States will not be longer than six months; - the Member States will cooperate with the Commission in order to establish a cooperation network between their training institutions and the officials responsible for training in indirect taxation in the administrations; - the Community will cover the cost of independent studies of the impact of the programme, while guaranteeing data confidentiality; - the financial framework for the execution of the programme has been reduced to ECU 40 million for the period from 1 January 1998 to 31 December 2002; - the standing committee assisting the Commission in the execution of the programme will be an ad hoc ?management? committee (procedure IIb).?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

The Commission accepted the common position in its entirety. The Commission reiterated its preference for a consultative procedure but agreed to the replacement of the consultative committee by the management committee (procedure IIb) in the interests of reaching an agreement.?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

The Committee adopted the Council Common Position on the Fiscalis Programme, which aims at improving the functioning of the indirect taxation systems in the EU. As most of Parliament's amendments from the first reading was taken over by the Council, the Committee did not propose any amendments. ?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

Parliament approved the common position (procedure without debate). ?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

OBJECTIVE: to establish a multiannual Community action programme (Fiscalis) to ameliorate the indirect taxation systems of the internal market. COMMUNITY MEASURE: European Parliament and Council Decision 888/98/EC. SUBSTANCE: The Fiscalis programme, established for the period from 01/01/1998 to 31/12/2002, has the aim of supporting the efforts of the Member States to: 1) give officials a high common standard of understanding of Community law, particularly regarding indirect taxation, and its implementation in the Member States; 2) ensure efficient, effective and extensive cooperation among Member States and between them and the Commission; 3) secure continuing improvements in administrative procedures to take account of the needs of administrations and tax-payers by codifying good administrative practices and disseminating information about them. For these purposes, the Commission and the Member States are to: - ensure that such existing communication and information exchange systems, manuals and guides as they consider necessary are operational; - organize exchanges of officials (exchanges are not to exceed six months); - develop existing training programmes or devise new ones to provide a common core of training for officials; - develop common training tools, including linguistic training tools. The programme is open to the associated countries of Central and Eastern Europe and Cyprus. The financial framework for the programme is ECU 40 m. ?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

This report is an interim evaluation of the Fiscalis programme established by the Commission on the basis of contributions provided by the Member States under the terms of Article 12(2) of Decision No 888/98/EC (Fiscalis Decision) and covers 1998 and 1999. It is intended to provide a mid-term review of the successes and weaknesses of the programme. This report will be one of the sources used in drafting the communication on whether to continue the programme, which is required by 30 June 2001. The first part of the report analyses the use made of the programme instruments: joint actions (seminars, exchanges and multilateral controls) and computer systems. The report shows that the joint actions account for 30 to 35% of the annual budget of the programme. Computer systems alone account for over 60% of expenditure on the programme. The report shows that the Fiscalis programme helped to foster the use and distribution of the VIES system in the Member States and that problems with the effectiveness of information exchange systems can be resolved only by amending the existing legal framework for administrative cooperation. Moreover, the programme contributed to the development of the excise computerisation project. The interim evaluation shows that the programme activities achieved an obvious short-term impact which was measurable (better grasp of the indirect taxation systems of other Member States, identification of the new ways of working). With regard to the long-term impact of the programme, the Member States' reports show that the dissemination of knowledge acquired and of the networks identified at the seminars in the national administrations is under way. On the other hand, the fruits of the exchanges appear more difficult to share within the administration because in many cases they remain a personal experience. Lastly, the interim evaluation report stresses action which should be taken to ensure the feasibility of the ex-post evaluation of the programme, to be carried out by 30 June 2003:?

Indirect taxation systems of the internal market: action programme Fiscalis 1998-2002

The European Commission has presented its report on the implementation of the Fiscalis programme (1998-2002). The report is divided into two parts. The first part looks at joint activities (exchanges, multilateral controls and training initiatives) and the second part deals with computer systems. It should be noted that the Fiscalis programme has a budget of EUR 40 million. 35% of annual commitments are allocated to joint activities. 1) The final conclusions indicate, firstly, how the improvements proposed in the interim evaluation report of June 2001 have been implemented and how the new VAT strategy guidelines have been incorporated into the action plans for 2001 and 2002. The report shows that all joint activities helped to improve participants' knowledge and understanding in specific areas of indirect taxation. The programme : - disseminated good practice (in fraud monitoring procedures, the organisation of anti-fraud teams, risk analysis methods and identification of types of fraud) contributing to more effective combating of fraud; - gave the officials participating in the programme an opportunity to use new working methods in cooperation with other tax administrations; - contributed to the simplification of instruments facilitating traders' compliance with tax obligations; - helped participants set up contact points in other national administrations and this facilitated exchanges of information and improved administrative cooperation. Overall the programme's joint activities are helping to ensure that tax systems operate more effectively in the internal market. However, there must be greater complementarity between the programme's activities (e.g. the results of a control exercise could be discussed at a seminar or exchanges could be organised on the basis of one area discussed at a seminar if they are to have greater impact). 2) Concerning the IT budget : total commitments under the Fiscalis programme in the period 1998-2002 were EUR 19 622 659. Since computer systems have a Community and national component, the Customs 2002 programme finances only the Community component and Member States finance the national component. The CCN/CSI Communication Network required an investment of EUR 23 801 472 of which half was financed by the Fiscalis programme and the other half by the Customs 2002 programme. This huge investment covers development and deployment costs. The VIES application accounts for most of the FITS (Fiscalis Information Technology System) budget of EUR 5 547 267. This is the largest application in the Fiscalis budget and the funds allocated cover operating and maintenance costs as the system had been developed and was already in operation before the Fiscalis programme was introduced. Contrary to original plans the Fiscalis programme did not finance the EMCS application as its costs totalled EUR 35 million and its development timeline was six years making it impossible to be financed from the Fiscalis programme's budget of EUR 40 million. The report notes that : - the services offered by the CCN/CSI are extremely comprehensive and the network operates well and is widely used. Its deployment, development and operational costs were conditioned by the need to make it compatible with other existing national systems. Its decentralised technical architecture means that each new connection requires a specific infrastructure and, in some cases, a development to adapt to supplementary local technology. - the introduction of the Tempo methodology has improved the organisational effectiveness and efficiency of the Commission's management of computerised projects. However, national delegates in the project committees do not possess all the information on available (budgetary and human) resources to carry out the national components of projects. This makes it difficult to set realistic timetables for projects. The technical efficiency of the VIES system has been demonstrated by the speed of responses and the huge volume and number of messages. The number of requests during the programme's life exceeded 100 million (information on VAT numbers and Level 1 and 2 information on intra-Community acquisitions of goods). This will continue to rise following the system's recent installation on the Internet. Electronic forms for information exchange between Member States were still in the pilot phase at the end of 2002 and the messaging system and the form itself appear to need some technical improvements. These forms will ensure response times are met by Member States. Member States consider that VIES and the electronic forms are very good administrative cooperation tools. They mention that the accuracy and precision of information exchange could be improved. It should, however, be noted that such improvements go beyond the framework of the Fiscalis programme which is only one component of administrative cooperation. Efficiency gains in the SEED and EWSE systems were not a priority of the Fiscalis programme as these are only transitional systems. They will eventually be replaced by the EMCS. The EMCS feasibility study financed by the Fiscalis programme was extremely positive and formed the basis for the Commission's proposals in the Communication on computerisation of the excise sector. There are still some technical and organisational problems in the SEED application; these are mainly due to delays in updating by national administrations which create a problem of reliability. Member States consider that EWSE has made a positive contribution to combating fraud but, according to some Member States, the lack of distinction between warning and information messages makes the system less efficient. They would like messages to be sent before goods leave so that checks can be undertaken in the Member State where they arrive. However, these are procedural problems which do not concern the application as such. The MVS electronic forms were in the pilot phase at the end of 2002. It is therefore difficult to measure their results or impact. Nevertheless Member States have shown unanimous interest in the development of this system.?