Taxation: scope of the mandatory automatic exchange of information in the EU

2016/0010(CNS) - 28/04/2016 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted, in the framework of a special legislative procedure (Parliaments consultation), the report by Dariusz ROSATI (EPP, PL) on the proposal for a Council directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

Associate the Commission with the automatic exchange of information: Members considered that the Commission should be associated with the automatic exchange of information and access to country-by-country reports, as do the national tax authorities, in full respect for confidentiality.

The Commission should also have access to the information exchanged between Member States' tax authorities in order to ensure compliance with the relevant competition rules.

Moreover, third countries would be able to obtain the information requested by all Member States; it is stated in this regard that the work of sharing the reports with third countries has already begun under the OECD's Multinational Competent Authority Agreement, and it shall be guaranteed that third countries can get the required information from all Member States.

Scope and conditions of mandatory automatic exchange of information on country-by-country report: the automatic exchange of information shall take place as soon as possible.

Members stated that the country-by-country report shall contain the following information as regards:

- public subsidies received, the value of assets and annual cost of maintaining them, and sales and purchases made by the Group;
- the future European tax identification number (TIN) of the Multi National Enterprise (MNE) Group referred to in the Commission's 2012 Action Plan to strengthen the fight against fraud and tax evasion.

In order to enhance transparency for citizens, the Commission shall publish the country-by-country reports, based on the information contained in the centralised register of country-by-country reports. In doing so, the Commission shall comply with the provisions on confidentiality.

Evaluation: the Commission shall submit a yearly consolidated report to the European Parliament and the Council concerning the Member States' yearly assessments of the effectiveness of the automatic exchange of information, as well as the practical results achieved.

In the event that the Commission's impact assessment on the consequences of public disclosure of country-by-country information determines that there are no negative consequences for Multinational Groups, the Commission shall promptly propose legislation to make the information publicly available.

The Commission shall review the effectiveness of this Directive within three years after its entry into force.

Lastly, Members stipulated in a recital that regard should be given to the European Parliament's resolution of 25 November 2015 on tax rulings and other measures similar in nature or effect.