

Uachtaránacht na hÉireann ar
Chomhairle an Aontais Eorpaigh
Irish Presidency of the Council
of the European Union
eu2013.ie



24 April 2013

Dear Minister,

The fight against tax fraud and tax evasion is an issue of the highest importance to the Council and the Commission - and the publication of the “offshore leaks” by the International Consortium of Investigative Journalists (ICIJ) has further sharpened the focus on this issue.

Following discussions at our recent Informal meeting in Dublin, the Presidency intends writing to the ICIJ asking them to supply to European Union Member States the names and details regarding all of our citizens on the ‘offshore leaks’ list.

But we can and we must do more.

The Presidency and the Commission welcome the pilot initiative by France, Germany, Italy, Spain and the United Kingdom to extend the range of information they automatically exchange, building on international developments in this area in recent years. We note also the willingness of other Member States to join this initiative which should be framed in an EU framework. As the communiqué from the G20 Ministers indicated last week automatic exchange of information is expected to be the global standard and the European Union should continue to take the lead in this area. Automatic exchange of the widest range of income and capital payments information must be our objective as a Union and in our agreements with third countries.

Action to tackle tax fraud and evasion is demanded of us by our citizens. The Presidency and the Commission are eager to build on the momentum, generated by the constructive discussions at our informal meeting in Dublin, with agreement on a set of concrete actions that we already have on the table in front of us. We are confident that rapid agreement on these key actions, taken together, would send a strong signal of our joint commitment to combating tax fraud and evasion.

The Presidency and the Commission have identified the following seven key areas where concrete action can be delivered in the short term:

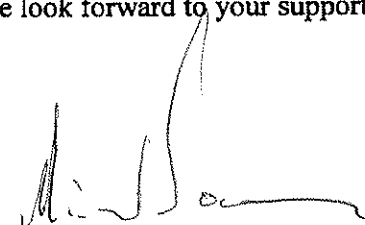
1. Agreement on the Mandate for the Commission to begin negotiations with five European Third Countries (Andorra, Liechtenstein, Monaco, San Marino and Switzerland) to align EU savings taxation agreements with those countries with the extended scope of the proposed revised Savings Tax Directive.

2. Agreement on the revised Savings Tax Directive proposal.
3. Agreement on strong and robust Council Conclusions on the Commission Action Plan and Recommendations on tackling tax fraud, tax evasion and aggressive tax planning, including agreement on EU Coordination at G20 and OECD level on the Base Erosion and Profit Shifting work.
4. Agreement on the Presidency VAT *Anti-fraud Package*.
5. Adoption of the Fiscalis 2020 Programme.
6. Agreement that automatic exchange of information involving a broader range of income and capital payments should be our objective, and that work at EU level should begin without delay on devising the specifics of such broader exchange, building on international developments of recent years.
7. To demonstrate the particular scope for coordinated action in the EU against aggressive tax planning, we should also prioritize agreement of guidance on intra-EU hybrid entity mismatches (currently under discussion in the Code of Conduct Anti-Abuse Subgroup).

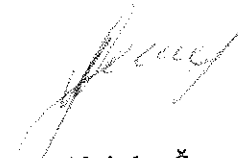
Both the Presidency and the Commission are asking all Member States to agree these seven key actions without delay. Concrete action at EU level would send a strong signal of our collective intent, which is essential in tackling trans-national tax fraud, tax evasion and aggressive tax planning.

The Presidency intends discussing these key actions at the next meeting of ECOFIN on 14 May. The European Council will also be focussing on dealing with tax fraud and evasion at its meeting on 22 May. Our common goal should be the rapid adoption of all of these measures as soon as possible and in any case before the end of June.

We look forward to your support.



Michael Noonan T.D.
Minister for Finance



Algirdas Šemeta
Commissioner