



Press Release

Luxembourg, 1 October 2019

EU Auditors scrutinise exchange of tax information between Member States

The European Court of Auditors is conducting an audit to assess the effectiveness of the exchange of tax information in the EU. In particular, the auditors will review the system in place and assess how the European Commission supports its implementation and monitors its performance. They will also examine how EU Member States exchange information, and whether they make the best use of the data they receive.

Together with the Member States, the European Commission has been working to make EU national tax systems more transparent, accountable and effective. To this end, a system has been put in place for exchanging tax and financial accounts information between Member States. In line with the OECD's standards, tax authorities in the EU have also agreed to cooperate more closely, not only in applying taxation rules correctly but also in combating tax fraud and evasion.

The auditors have published an Audit Preview on the exchange of tax information in the EU. Audit Previews provide information on an ongoing audit task. They are designed as a source of information for those interested in the policy or programmes being audited.

“Tax transparency is crucial to the Single Market. It increases certainty for taxpayers and contributes to fair competition. This is why the exchange of information for tax purposes has become a topical subject”, said Ildikó Gáll-Pelcz, the Member of the European Court of Auditors responsible for the audit. “Initiatives in recent years have given administrations unparalleled access to tax information. Our audit will check in particular if the current system is effective in ensuring that the right amount of tax is paid in the right Member State.”

At EU level, there is a dual responsibility for ensuring fair tax competition, which lies with both the Member States and the Commission (Directorate-General for Taxation and Customs Union). The 2011 Directive on Administrative Cooperation is the fundamental piece of EU legislation on administrative cooperation in direct taxation. It has been amended several times in recent years to expand its scope.

The purpose of this press release is to convey the main messages of the European Court of Auditors' audit preview. The full preview is available at eca.europa.eu in English.

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The audit will assess the system in place in the EU for the exchange of tax information. In particular, the auditors will examine:

- o whether the Commission has established a sound framework and is appropriately monitoring the system; and
- o whether Member States have implemented the system, and if it is effective.

Note to editors

The audit report is expected to be published in 2020.

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