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OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
To:	Delegations
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Subject:	EU standard provision on good governance in tax matters for agreements with third countries - Council conclusions (25 May 2018)

Delegations will find in the Annex the Council conclusions on the EU standard provision on good governance in tax matters for agreements with third countries, adopted by the Council at its meeting held on 25 May 2018.

COUNCIL CONCLUSIONS**on the EU standard provision on good governance in tax matters
for agreements with third countries**

The Council:

1. RECALLS the Council conclusions of 14 May 2008 in the field of tax provisions in agreements with third countries with a view to tackling tax fraud and evasion and to reinforce efforts to combat cross-border tax fraud and evasion in the area of taxation and REFERS to the specific provision on good governance in the tax area to be included in relevant agreements to be concluded with third countries by the Union and its Member States, which was adopted on that occasion.
2. RECALLS the Council conclusions of 25 May 2016 on an external taxation strategy and measures against tax treaty abuse which called for a new standard provision in line with the evolution of international standards in the tax area.
3. EMPHASISES the importance of implementing an updated provision on good governance in the tax area in ongoing and future negotiations with third countries, on as broad a geographical basis as possible, while taking into consideration the particular situation of each third country. The core elements of an updated provision would include the global standards on transparency and exchange of information, fair taxation and anti-BEPS standards. Good governance in the tax area is not only an essential means for combating cross-border tax fraud and evasion, but could strengthen the fight against money laundering, corruption, and the financing of terrorism.

4. RECOGNISES therefore the need to include in relevant agreements to be concluded with third countries by the Union and its Member States, without prejudice to their respective competences, the updated provision on good governance in the tax area and considers the following text to be appropriate in this respect:

"The Parties recognise and commit themselves to implement the principles of good governance in the tax area, including the global standards on transparency and exchange of information, fair taxation, and the minimum standards against Base Erosion and Profit Shifting (BEPS). The Parties will promote good governance in tax matters, improve international cooperation in the tax area and facilitate the collection of tax revenues."

5. STRESSES its attachment to the furtherance of good governance in the tax area with respect to ongoing and future negotiations.
6. Within the framework of the applicable TFEU provisions, the Commission will inform and consult, whichever is appropriate, the relevant Council bodies, with due diligence and timely, on any question relating to the specific provision on good governance in the tax area which may arise in the process of the negotiations of the international agreements referred to above.
