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**FISC 242
ECOFIN 556**

'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Code of Conduct Group (Business Taxation)
– Council conclusions
= Adoption

1. At its meeting on 31 May 2018, the Code of Conduct Group agreed the report from the Group to the Council and the draft Council Conclusions accompanying the report, with the exception of the references to the scoping paper on criterion 2.2 of the EU listing exercise, on which no consensus could be found among delegations.
2. At its meeting on 6 June 2018, the High Level Working Party agreed a revised version of the above-mentioned scoping paper on criterion 2.2 (doc. 9807/18 EU RESTRICTED). Several delegations entered scrutiny reservations on the changes made. These reservations were since then all lifted.
3. Against this background, unanimous support on the draft Council Conclusions, as set out below, was found:

"With regard to the Code of Conduct (Business Taxation), the Council:

1. WELCOMES the progress achieved by the Code of Conduct Group during the Bulgarian Presidency as set out in its report (doc. 9637/18), in particular with regard to the monitoring of commitments taken by jurisdictions in the context of the EU listing exercise;
2. ENDORSES the new multiannual work package set out in annex to the progress report by the Group;
3. ASKS the Group to continue monitoring standstill and the implementation of the rollback, including with regard to jurisdictions screened in 2017;
4. NOTES WITH SATISFACTION the various initiatives undertaken by the Group since the beginning of the year to increase the visibility of its work and further transparency;
5. WELCOMES in particular the publication of a compilation of the guidance agreed by the Group (doc. 5814/1/18 REV 1) and of an overview of the preferential tax regimes it has examined since its creation in March 1998 (doc. 9639/18), as well as the publication of compilations of all the letters seeking commitments by jurisdictions (doc. 6671/18) and the commitment letters received in return on which consent was given by the jurisdiction concerned (doc. 6972/18);
6. Equally WELCOMES the progress achieved with regard to the monitoring of the implementation of agreed guidance, including the priority list agreed by the Group (doc. 6603/18);
7. INVITES the Group to continue exploring possible defensive measures that could be applied to non-cooperative jurisdictions in a coordinated manner, without prejudice to Member States' obligations under EU and international law;

8. WELCOMES the procedural guidelines for carrying out the process of monitoring commitments concerning the EU list of non-cooperative jurisdictions for tax purposes (doc. 6213/18) agreed by the Group in February 2018;
 9. ENDORSES the way forward proposed by the Group with regard to the revision of the geographical scope of the EU listing exercise;
 10. ENDORSES the scoping paper on criterion 2.2. set out in annex to the progress report by the Group;
 11. ENDORSES the guidance on the interpretation of the third criterion set out in annex to the progress report by the Group;
 12. INVITES the Group to report back to the Council on its work during the Austrian Presidency."
3. The Permanent Representatives Committee is invited:
- to forward to the Council the report (doc. 9637/18 FISC 241 ECOFIN 555), together with the Conclusions as set out above;
 - to suggest that it endorses the report and adopts the Conclusions, both as "A" items on its agenda.
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