



Brussels, 20 November 2018
(OR. en)

14363/18

FISC 480
ECOFIN 1058

'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 14 November 2018, the Code of Conduct Group agreed a progress report to the Council (doc. 14364/18 FISC 481 ECOFIN 1059 + ADDs 1 to 15) and the draft conclusions accompanying this report set out below:

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

1. WELCOMES the progress achieved by the Code of Conduct Group during the Austrian Presidency as set out in its report (doc. 14364/18), in particular with regard to the monitoring of high level political commitments taken by jurisdictions in the context of the EU listing exercise;
2. INVITES the Group to continue its work under its multiannual work package 2018 (doc. 10420/18);
3. NOTES WITH SATISFACTION the various initiatives undertaken by the Group to increase the visibility and transparency of its work;

4. WELCOMES in particular the publication of the agreed descriptions and final assessments of the preferential regimes examined by the Group, including with regard to jurisdictions screened in 2017 for regimes monitored by the Group;
5. ENDORSES the standstill and rollback assessments agreed by the Group;
6. ASKS the Group to continue monitoring standstill and the implementation of the rollback;
7. NOTES WITH SATISFACTION the progress made on the alignment of Member States' patent box regimes with the agreed nexus approach and URGES the remaining Member State to comply with this approach by the end of 2018;
8. WELCOMES the completion of the assessment of Member States' notional interest deduction regimes and INVITES the Group to develop guidance for other Member States that would wish to implement a similar regime;
9. INVITES the Group to finalise discussions on further coordinated defensive measures in the tax area against non-cooperative jurisdictions, without prejudice to Member States' obligations under EU and international law;
10. WELCOMES the progress achieved in respect of future criteria 1.4 (exchange of beneficial ownership information) and equally INVITES the Group to finalise discussions on this issue;
11. ENDORSES the draft guidance on the implementation of criterion 3.2 set out in annex 3 to the report;
12. ENDORSES the extension of the geographical scope of the EU screening and listing exercise as from 2020 which was agreed by the Group;

13. NOTES the procedural and political issues raised by jurisdictions in the process of monitoring the implementation of their high level political commitments;
14. URGES the jurisdictions concerned to fulfil their respective commitments in accordance with the agreed deadlines;
15. UNDERLINES its determination to update the EU list of non-cooperative jurisdictions for tax purposes at the beginning of 2019;
16. URGES the jurisdictions that did not respond yet to consent to the publication of their commitment letters in order to ensure the transparency of the process;
17. INVITES the Group to report back to the Council on its work during the Romanian Presidency."

2. The Permanent Representatives Committee is invited:

- to forward to the Council the report (doc. 14364/18 FISC 481 ECOFIN 1059 + ADDs 1-15), 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.
