



Council of the
European Union

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'A' ITEM NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	Conclusions on the progress achieved by the Code of Conduct (Business Taxation) Group during the Swedish Presidency - Approval

1. In accordance with its mandate, the Code of Conduct Group (COCG) reports regularly to the Council on the progress of its work. The latest 6-monthly report of the COCG to the Council is set out in document 9875/23 + ADD 1-5.
2. Draft Council conclusions on the progress achieved by the COCG during the Swedish Presidency were examined at the meeting of the Code of Conduct (Business Taxation) Group on 2 June 2023.
3. The Permanent Representatives Committee on 7 June 2023 confirmed agreement on the text.
4. The Council (Ecofin) is invited to approve these conclusions as an 'A' item on 16 June 2023.

Draft Council conclusions
on the progress achieved by the Code of Conduct (Business Taxation) Group
during the Swedish Presidency

The Council:

1. WELCOMES the positive effect of the Code of Conduct and the work of the Group on reducing harmful tax practices and the decrease of preferential tax regimes both at the EU level and globally;
2. WELCOMES the progress achieved by the Code of Conduct Group during the Swedish Presidency, in particular with regard to the standstill and rollback notifications, the revision of the EU list of non-cooperative jurisdictions in February 2023 and the work on further strengthening of the EU listing process;
3. APPROVES the Group's report as set out in document 9875/23 + ADD 1-5;
4. ENDORSES the progress reached in the assessment of standstill and rollback notifications by the Group and ASKS the Group to continue monitoring standstill and the implementation of the rollback; ENDORSES the assessments agreed by the Group of actual effects of individual measures as agreed by the Group and ASKS the Group to continue monitoring the individual measures;
5. INVITES the Group to continue an effective dialogue with jurisdictions and monitoring, so that jurisdictions continue to fulfil their respective commitments and comply with the EU listing criteria in accordance with the agreed deadlines;

6. WELCOMES in particular the progress made by jurisdictions that completed the reform of their foreign-source income exemption (FSIE) regimes within the suggested deadline and the ongoing dialogue with some other jurisdictions that are in the process of reforming their FSIE regime with a view to include foreign-source capital gains in the scope of the reform; also WELCOMES the progress made with no or only nominal tax jurisdictions in the context of monitoring the implementation of economic substance requirements under criterion 2.2 and with relevant jurisdictions regarding the implementation of the country-by-country reporting (CbCR) anti-BEPS minimum standard (criterion 3.2) and regarding the implementation of automatic exchange of information (AEOI) (criterion 1.1) and exchange of information on request (criterion 1.2);
7. CALLS on the Group to continue the work to incorporate beneficial ownership as a fourth tax transparency criterion;
8. CALLS on the Group to keep working on the evaluation of the application by the Member States of defensive measures in the tax area towards non-cooperative jurisdictions, in accordance with the agreed Guidance, and report to the Council on further progress in these matters;
9. WELCOMES work of the Group, as set out in the Group's report, on further strengthening the EU list, including the possible extension of the geographical scope of the EU list as soon as possible; ASKS the Group to keep working and report to the Council on further progress in these matters;
10. INVITES the Group to report back to the Council on its work during the Spanish Presidency.