

# Proposal for a Council Directive to tackle the role of enablers that facilitate tax evasion and aggressive tax planning in the European Union (Securing the Activity Framework of Enablers - SAFE)

Fields marked with \* are mandatory.

## 1

### Introduction

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Complex structures, which typically include cross-border arrangements that could result in tax evasion or aggressive tax planning may be designed by some intermediaries that provide tax advisory services. These intermediaries are commonly labelled as enablers. Tax evasion involves means to evade paying taxes and is a criminal offense as defined under the national law. Aggressive tax planning involves means to decrease the overall tax liability of companies and individuals by taking advantage of differences between national legislations of different jurisdictions; or (ii) by using loopholes in national laws and/or tax treaties; while not being explicitly illegal it is against the spirit of the law and legally is thus in a grey zone. Addressing the use of complex structures set up by enablers for the purpose of tax evasion and aggressive tax planning is crucial as the estimated tax revenue losses of EU Member States remain high.

Several actions have been taken by the EU over recent years to tackle tax evasion and aggressive tax planning, including Anti-Tax Avoidance Directive (ATAD) as amended, Council Directive (EU) 2018/822 amending the Directive on Administrative Cooperation in the field of (direct) taxation (DAC6) and recently proposal Directive laying down rules to prevent the misuse of shell entities for tax purposes (UNSHELL). However, the enablers are still designing, marketing or assisting in the creation of tax schemes that erode the tax base of Member States. This initiative will focus on, establishing appropriate procedures and compliance measures in order to effectively tackle tax evasion or aggressive tax planning.

The questionnaire takes about 20 minutes to complete. The questionnaire aims to capture views from all stakeholders on the role of enablers in contributing to tax evasion and aggressive tax planning and on the magnitude of the problem. The replies will also help identify the main risks as perceived by stakeholders, as well as the priorities for policy actions.

You can submit your responses in any official EU language, and you may upload additional documents

## 2 About you

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\* 2.1 Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

\* 2.2 I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)

- Public authority
- Trade union
- Other

\* 2.3 First name

\* 2.4 Surname

\* 2.5 Email (this won't be published)

\* 2.9 Organisation name

*255 character(s) maximum*

\* 2.10 Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

2.11 Transparency register number

*255 character(s) maximum*

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

\* 2.12 Country of origin

Please add your country of origin, or that of your organisation.

*This list does not represent the official position of the European institutions with regard to the legal status or policy of the entities mentioned. It is a harmonisation of often divergent lists and practices.*

- Afghanistan
- Djibouti
- Libya
- Saint Martin
- Åland Islands
- Dominica
- Liechtenstein
- Saint Pierre and Miquelon

- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Lithuania
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Namibia
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden

- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
- Canada
- Cape Verde
- Cayman Islands
- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Iraq
- Ireland
- Isle of Man
- Israel
- Italy
- Jamaica
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- Northern Mariana Islands
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan
- Palau
- Palestine
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tokelau
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- United States

- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena  
Ascension and  
Tristan da Cunha
- Saint Kitts and  
Nevis
- Saint Lucia
- United States  
Minor Outlying  
Islands
- Uruguay
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and  
Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

#### \* 2.14 Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

**Anonymous**

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

**Public**

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the [personal data protection provisions](#)

2.15 In case of follow up questions in the context of this project, would you agree to be contacted via the email address you indicated above?

- Yes, you can contact me by email to follow up in the context of this project if needed
- No, I don't want to be contacted by email in the context of this project.

### 3 Problem Definition

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3.1 Despite all measures taken by the EU and Member States in this area, tax evasion and aggressive tax planning continue to be a substantial problem in the European Union. To what extent do you agree with this statement?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

3.2 Please explain your reply.

The revelations of Pandora Papers have proved again the way tax evasion was still widespread within EU member states and their dependent territories. Also, according to the 2021 State of Tax Justice ([https://taxjustice.net/wp-content/uploads/2021/11/State\\_of\\_Tax\\_Justice\\_Report\\_2021\\_ENGLISH.pdf](https://taxjustice.net/wp-content/uploads/2021/11/State_of_Tax_Justice_Report_2021_ENGLISH.pdf)) abusive tax practices lead to a loss of over USD 225bn a year in tax revenue, within the EU zone alone.

3.3 The issue of tax evasion or aggressive tax planning has continued to increase recently. To what extent do you agree with this statement?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

3.4 Please explain your reply.

According to the 2020 State of Tax Justice report, the tax lost to corporate tax abuse annually within Europe was almost USD 80bn ([https://taxjustice.net/wp-content/uploads/2020/11/The\\_State\\_of\\_Tax\\_Justice\\_2020\\_ENGLISH.pdf](https://taxjustice.net/wp-content/uploads/2020/11/The_State_of_Tax_Justice_2020_ENGLISH.pdf)) while in 2021 the State of Tax Justice reported it was USD 126bn, i.e. an increase of almost 50%.

3.5 Enablers play an important role in facilitating tax evasion and aggressive tax planning. To what extent do you agree with this statement?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

3.6 Please explain your reply.

Several scandals have revealed the role played by enablers in facilitating aggressive tax planning and tax evasion. The guidance of lawyers, accountants and other professionals providing tax advisory services has been and continues to be instrumental for those with the resources to engage in cross-border tax planning and seek opportunities to underpay their fair share.

3.7 In determining aggressive tax planning, several factors should be taken into account. In your opinion, to what extent the following elements could indicate that a company structure is resulting in aggressive tax planning?



	Very indicative	Indicative	Not very indicative	Not indicative at all	No Opinion
The main business rationale/purpose behind the company structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other business rationale/purpose behind the company structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Minimum economic substance of the entities used in the structure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax advantage obtained	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use of preferential tax regimes/tax treaties/mismatches in national legislations across countries involved in the structure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3.8 In case you chose the option 'Other' above, please specify, which alternative option you would propose.

3.9 Coordination at EU level, e.g. on the nature of the measure and the type of aggressive tax planning schemes to be covered, is fundamental to help prevent that enablers contribute to tax evasion or aggressive tax planning. To which extent do you agree with this statement?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

3.10 Please provide reasons for which you consider that the EU should **take** action to enhance the fight against tax evasion and aggressive tax planning by addressing the role of enablers.

Complex tax structures designed by enablers that lead to tax evasion and/or aggressive tax planning are inherently cross-border in nature and lead to a huge loss of tax. This inhibits the ability of Member States to tackle the role of enablers in an efficient manner. Acting at EU level is likely to mitigate distortions and the risk of fragmentation of the EU single market resulting from the uneven playing field among enablers. It may also lead to a playing field among enablers. A recent study published by the FISC Sub-committee of the European Parliament has analysed the regulation of intermediaries in the EU/Member States and revealed a very heterogeneous picture. The report thus called for the need to further research to "assess the feasibility of uniform measures in light of different country and global institutional contexts" ([https://www.europarl.europa.eu/RegData/etudes/STUD/2022/733965/IPOL\\_STU\(2022\)73\\_3965\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/733965/IPOL_STU(2022)73_3965_EN.pdf))

An EU level initiative is likely to reduce the role that enablers play in facilitating aggressive tax planning. It will also provide the Member States with appropriate mechanisms, including cooperation in monitoring and enforcement that are essential in ensuring effective application of the rules. Following the various measures the EU has taken so far to address aggressive tax avoidance, it seems the right time to move to the next stage of a European action.

### 3.11 Please provide reasons for which you consider that the EU should **not take** action to enhance the fight against tax evasion and aggressive tax planning by addressing the role of enablers

The main potential risks we identify in an action taken by the EU are the following:

1) The common argument against any stricter regulation is usually that it may suppress, or result in relocation of, desirable economic activity. While any such effects would in any case need to be balanced by the additional benefits of the regulation, this argument appears to be even less relevant for the case of enablers. Enablers fulfill a serving role for the rest of the economy. Therefore, any relocation response of enablers would be indicative of an outsized presence of enablers in the first place, that would likely be driven by tax avoidance activity that undermines the rule of law elsewhere. Enablers who are present in a country because of other reasons than tax or regulatory avoidance, would be largely irresponsive to stricter regulation because the demand for their serving role to the rest of the economy would remain the same. Even in cases of an excessive presence of enablers because of tax and regulatory avoidance, it is far from clear that their potential relocation or shifting of activity elsewhere would have negative impacts on the overall wealth/income and equality of that society/nation state. Before relocating, they may have hardly contributed to tax revenues and the public coffers, and even if they may have contributed some tax revenue and employment, its activity may have resulted in lower tax revenues from other sectors of the economy, balancing out their direct tax contribution; and may have contributed to a distortion of the economy by crowding out other sectors, and to similar so-called "finance curse" effects.

2) Complicated rules which will increase complexity will be hard to enforce. It is therefore very important that additional requirements provide greater clarity, and do not introduce unnecessary complexity.

3) If the legislation is not clear enough, it may affect the cooperation and trust between authorities and business as well as across Member States (See for example the recent OECD report on Tax Morale: <https://www.oecd.org/tax/tax-morale-ii-7587f25c-en.htm>). It also depends on the way Member states will manage to transpose the directive to their local laws.

## 4 Ways to tackle the role of enablers in facilitating tax evasion and aggressive tax planning

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4.1 If the EU took new action to address the role of enablers in facilitating tax evasion and aggressive tax planning, which of the following means do you consider most likely to be effective?

- New EU action should be primarily of soft law nature so as to take into account the specific circumstances of each case and the situation of each Member State.
- New EU action should be of hard law nature, i.e. a new EU Directive. This would ensure the necessary level of coordination in the EU to effectively tackle the problem.
- Other

4.2 If you replied with 'Other', please provide more details.

4.3 Enablers should be **prevented** from designing, marketing, organising or assisting in the creation of tax schemes that lead to evasion and aggressive tax planning. To what extent do you agree with this statement? To what extent do you agree with this statement?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

4.4 Please explain your reply.

4.5 **Due diligence procedures** (as for example used in the field of anti-money laundering) would require enablers to perform a self-assessment test to demonstrate that the tax schemes do not lead to tax evasion and aggressive tax planning. To what extent would you agree that this is an effective measure?

- I strongly agree
- I agree
- I am neutral

- I disagree
- I strongly disagree
- I don't know

4.6 Please explain your reply.

The due diligence is a way to provide a first screening of the clients and, if kept for at least five years and properly enforced, it's likely to reduce the engagement of enablers in facilitating tax evasion and avoidance to certain extent. However, this is still very limited and can often be circumvented. For example, while the AML due diligence is applied for several years already, the recent scandals revealed by the ICIJ provide an indication of the limitation of such a requirement.

4.7 In case an **EU register** of enablers would be established, which of the following options do you consider as the most effective?

	Very effective	Effective	Not very effective	Not effective at all	No Opinion
Mandatory registration for enablers in order to be able to provide tax advice	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Optional registration that gives access to certain benefits (e.g. submitting tax return on behalf of their clients)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4.8 In case you chose the option 'Other' above, please specify, which alternative option you would propose.

4.9 Would you agree that a **code of conduct for enablers** that would prohibit them to design, market, organise or assists in the creation of tax evasion and aggressive tax planning schemes without any complementary mandatory measures will be sufficient and effective in fighting tax evasion and aggressive tax planning?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

#### 4.10 Please explain your reply.

Various codes of conduct are already applicable to many enablers, among others within the EU, such as the PwC Global Tax Code of Conduct, the ICAEW Professional Code in Relation to Taxation (PCRT), CFE's Ethics quality bar, and the ongoing work of IESBA on tax planning and related services. However, so far these codes did not have a huge impact in reducing the facilitation of tax avoidance by enablers. In addition, as identified by Christensen and Seabrooke ( <https://research.cbs.dk/en/publications/professional-misconduct-in-international-taxation>) "misconduct is an intersubjective phenomenon" and its often difficult to understand where different evaluations of misconduct come from and how they are contested.

Furthermore, Codes of Conduct cannot provide a strong enough deterrence. A deregistration from the central registration or conviction by law, is likely to provide a much higher deterrence than a violation of the Code of Conduct. It may be similar to the imposition of fines where enablers have often integrated the risk into their services fees. The huge fees that were imposed in the past on some of the big four ( [https://www.justice.gov/archive/opa/pr/2005/August/05\\_ag\\_433.html](https://www.justice.gov/archive/opa/pr/2005/August/05_ag_433.html)) have not led to a significant change in the way those firms work.

#### 4.11 Would you agree that a new reporting requirement for EU taxpayers of participation above 25% of shares, voting rights, ownership interest, bearer shareholdings or control via other means' in a non-listed company outside the EU will boost transparency of EU investment abroad?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

#### 4.12 Please explain your reply.

We welcome this proposal but we argue that more could be done in these regards. In reality, any threshold can be circumvented. For instance, a recent Al Jazeera investigation

#### 4.13 If new requirements were imposed on enablers, can you please provide an estimation of the **magnitude of the economic impact** that each option would entail?

	Strong Impact	Some Impact	Little Impact	No impact at all	No Opinion
Tax collection across the EU would increase as the rules would deter from using tax evasion or aggressive tax planning	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Resource allocation across the EU would be optimised through better distribution of tax burden across taxpayers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Higher tax fairness as all companies would pay their fair share (levelled playing field)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improved level playing field for enablers regardless of their location (as all enablers would be prohibited from tax evasion and aggressive tax planning)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4.14 In case you chose the option 'Other' above, please specify, which alternative option you would propose.

4.15 Please describe any further major impacts you consider likely to arise from a new EU action addressing the role of enablers in facilitating tax evasion and aggressive tax planning, towards the main stakeholders (enablers, business asking for tax advice services, citizens, taxpayers, tax administrations etc.)

4.16 If new requirements were imposed on enablers, can you please provide an estimation of the magnitude of the impact on the compliance costs that each option would entail?

	Strong Impact	Some Impact	Little Impact	No impact at all	No Opinion
<b>Code of conduct</b> that would prohibit the enablers who design, market, organise or assists in the creation of tax evasion and aggressive tax planning schemes without any complementary mandatory measures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
<b>EU register</b> of enablers and the obligation to register	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Due diligence procedures</b> to perform a self-assessment test to demonstrate that the tax schemes do not lead to tax evasion or aggressive tax planning	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<b>New reporting requirement</b> for EU taxpayers of participation above 25% of shares, voting rights, ownership interest, bearer shareholdings or control via other means in a non-listed company outside the EU	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4.17 In case you chose the option 'Other' above, please specify, which alternative option you would propose.

4.18 **If the EU took no further action** to address the role of enablers in facilitating tax evasion and aggressive tax planning which of the following scenarios do you consider most likely?

- The internal market will be more fragmented because Member States will provide their own rules addressing the role of the enablers.
- Without EU action addressing the role of the enablers, the problem will remain.
- Other

4.19 In case you chose the option 'Other' above, please specify.

## 5 Enforcement of the Measure

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5.1 In your opinion, are **monetary penalties** an adequate means to appropriately sanction and deter enablers from facilitating tax evasion and aggressive tax planning?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

5.2 In case you answered '*I strongly agree*' or '*I agree*' in the question above, which type of monetary penalties do you find adequate to deter enablers helping their clients evade or avoid taxes? Monetary penalties:

- As a proportion of their fees
- As a proportion of amounts evaded on behalf of their clients
- As an absolute fixed number
- Other

5.3 If you replied with 'Other', please provide more details.

5.4 In your opinion, would **preventing an enabler to design, market, organise or assist in the creation of tax schemes that lead to evasion and aggressive tax planning from being allowed to provide services** be an efficient way to deter them from facilitating abusive tax schemes?

- I strongly agree
- I agree
- I am neutral
- I disagree
- I strongly disagree
- I don't know

5.5 Please describe any other enforcement mechanism (e.g. other type of sanctions or compliance measures against enablers that market, sell or otherwise promote tax evasion or aggressive tax planning) that you consider appropriate and effective for EU and non-EU enablers.



- 1) Making the prohibition to facilitate tax evasion and aggressive tax planning a criminal offence;
- 2) An EU Ethic Committee should be established, with a mandate to safeguard the compliance with the directive. The Committee must be independent, adequately resourced, and should be formed of representatives from all member states that abide by the highest ethical standards.
- 3) To further increase transparency on the activities of enablers, a further disclosure requirement should be introduced. In particular, taxpayers and tax advisors should both be requested to report on tax schemes they have used to the national tax administrations. Currently, under the DAC6, in most cases only tax advisors are required to report on the schemes they have sold or marketed to clients. However, not requiring the individual taxpayers to report on all the schemes they have used, represents a missed opportunity. By requiring both tax advisors and taxpayers to report tax schemes, it would be possible to detect mismatches in the reporting activities, and raise red flags, when mismatches in the reporting are found. Furthermore, it would create incentives for enablers to report schemes in borderline cases.
- 4) To further mitigate the risk of taxpayer's or tax adviser's failure to define and report properly all relevant tax avoidance schemes, mandatory rules should require uncertain tax positions for which reserves have been created, to be reported in annual financial accounts (See <https://fsi.taxjustice.net/fsi2022/KFSI-11.pdf>).

## Contact

[Contact Form](#)