

# Taxation: Council approves conclusions on future administrative cooperation and excise duty on tobacco



The Council today approved conclusions setting out political guidance and priorities in view of further reforms in two key areas of EU tax policy:

On both matters, the Council calls on the Commission to come forward with legislative proposals in order to address the issues and concerns set out in the conclusions.

## **Future evolution of administrative cooperation in the EU**

Administrative cooperation helps national tax authorities collect and safeguard tax revenues. Close cooperation between these bodies is also vital to detect and reduce tax fraud.

The first directive on administrative cooperation (DAC) was adopted in 2011. Since then, the scope of the directive has been expanded on five occasions and now covers:

- the exchange of information between national authorities on financial accounts information,
- cross-border tax rulings and advance pricing agreements,
- country specific reports which provide certain financial information concerning the largest multinational corporations,
- access to beneficial ownership information,
- information on potentially aggressive cross-border tax planning arrangements.

The conclusions stress that efforts to improve administrative cooperation to fight tax fraud and tax evasion are particularly relevant in the context of the need for recovery from the crisis caused by the COVID-19 pandemic.

## **Excise duty on tobacco**

Excise duties are indirect taxes on the sale or use of specific products, such as alcohol, tobacco and energy.

Since 2011, EU legislation sets out common rules for taxing manufactured tobacco, including categories of products, minimum rates and structures to be applied. Manufactured tobacco is also subject to the common provisions for excisable goods under EU law.

The conclusions highlight in particular that the applicable rules have become less effective, as they are either no longer sufficient or too narrow to address current and future challenges related to certain products, such as liquids for e-cigarettes, heated tobacco products and other types of next-

generation products which are entering the market.