

TAXATION - ANTI-FRAUD AGREEMENTS WITH THIRD COUNTRIES

The Council examined:

- a draft anti-fraud agreement with Liechtenstein;
- a draft mandate for the Commission to negotiate anti-fraud agreements with Andorra, Monaco and San Marino and a new anti-fraud agreement with Switzerland.

On the anti-fraud agreement with Liechtenstein and the negotiating mandate for the Commission, the Council broadly agreed on their substance while noting the political reservations of Austria and Luxembourg. The Council will come back to the issue in December.

The draft anti-fraud agreement with Liechtenstein covers fraud as relates to both direct and indirect taxation. It provides for a definition of fraud that covers both natural and legal persons (i.e. companies) and includes not just false documents and false tax returns, but also the submission of incomplete tax returns.

The text covers administrative cooperation in tax matters requiring the exchange of information that is foreseeably relevant to tax administrations. It allows parties to trigger administrative assistance that cannot be refused on the sole ground that the information requested is held by a bank or anonymous investment vehicle, and judicial assistance for acts that are punishable under the laws of the parties.