
Opinion Statement PAC 4/2020 on the European Commission initiative/ roadmap for Communication and Recommendation to Improve the Situation of Taxpayers in the Single Market of 31 October 2020

**Prepared by the CFE Professional Affairs Committee
Submitted to the EU institutions on 26 November 2020**

CFE Tax Advisers Europe is a Brussels-based association representing the European tax institutes and associations of tax advisers. Founded in 1959, CFE brings together 33 national organisations from 26 European countries, associated with more than 600,000 tax advisers via the Global Tax Advisers Platform (GTAP). CFE is part of the European Union Transparency Register no. 3543183647-05. We would be pleased to answer any questions you may have concerning our Opinion Statement. For further information, please contact Wim Gohres, Chair of the CFE Fiscal Committee or Aleksandar Ivanovski, Tax Policy Manager, at info@taxadviserseurope.org. For further information regarding CFE Tax Advisers Europe please visit our web page <http://www.taxadviserseurope.org/>

CFE Tax Advisers Europe, the leading body representing European tax institutes and associations of tax advisers, welcomes the renewed focus of the European Commission on taxpayers' rights and tax certainty, in particular for smaller taxpayers. CFE has long advocated the fundamental importance of taxpayers' rights for tax good governance, and the role that clear statements of taxpayer, and tax administration, rights and obligations, can play in this respect.

We therefore entirely endorsed the view expressed by the Commission in November 2016 (*Guidelines for a Model for A European Taxpayers' Code*) that a Code, or Charter, can enhance the efficiency and effectiveness of a tax system and can also increase the tax morale of Europe's citizens. We accept that some countries will prefer to include the principles of taxpayer rights in their legislation rather than in a code/charter. It should be for each country to determine the approach which it decides is most appropriate.

CFE has led the work in this area and published The Model Taxpayer Charter (including a summary in Ten Rights and Obligations of both taxpayers and tax administrations), intended as a blueprint for what a good tax system should contain including best practice examples.¹ It aims to provide a model based on mutual trust to be used and embedded in national laws. The Model Taxpayer Charter constitutes the basis on which taxpayers' obligations to the state are set out in a document which also reflects the rights of taxpayers.

Effective public services can demonstrate how well governments turn tax revenues into beneficial expenditures. The intrinsic benefit of the service provided will be reflected in public satisfaction in its provision. Improved public service delivery will increase tax morale, highlighting the intrinsic link between the taxpayers' rights and voluntary compliance. Citizens and businesses will be more likely to comply with the law when the relationship between the taxpayer and the government is found to be equitable. This is at this moment in time particularly important as the world contends the public health and economic impact of COVID-19.

Taxpayer and tax administration rights and obligations are becoming an issue of global interest. Engagement in this work is of extreme and vital importance for all interested parties and stakeholders. CFE looks forward to being an active contributor to further progress in the area. We stand ready to support the Commission's work in this area, as members of EU's Platform on Tax Good Governance, and wholly endorse and welcome the renewed focus on taxpayers' rights.

¹ "Towards Greater Fairness in Taxation: A Model Taxpayer Charter", Michael Cadesky, Ian Hayes, David Russell (CFE & IBFD, 2016), available at: <https://taxadviserseurope.org/blog/portfolio-items/the-model-taxpayer-charter/>; CFE Survey on Taxpayers Charters (2019): <https://taxadviserseurope.org/blog/cfe-tax-advisers-europe-and-gtap-leading-the-work-on-taxpayer-charters-and-rights/>