

PIERRE MOSCOVICI
MEMBRE DE LA COMMISSION EUROPEENNE

Brussels, 21/11/2018

Dear Minister,

Thank you for your letter of 31 October on recent press reports - the so-called CumEx files - concerning organised cross-border tax fraud, which has deprived our Member States' budgets of billions of euro over the course of several years. I am aware Denmark has been one of the countries mostly affected by this scandal and I understand your discontentment.

First, let me reassure you of the European Commission's determination to continue pushing all our Member States as well as our international partners to keep fighting against tax evasion, fraud and avoidance, building upon the important steps you refer to in your letter. I completely share your view that this fight is essential to maintain trust in our tax systems and in securing public finances. I also agree that fraud and evasion of the kind presented in the recent press reports, as well as very often VAT fraud, are European problems, which demand European solutions.

I believe the most important thing to do now is to make sure that such a fraud has stopped - as I understand it is the case - and that it cannot happen again. We have put in place a comprehensive set of rules and a toolbox for cooperation between Member States that, if fully implemented, can enable exchange of information and common investigations between Member States to tackle cross-border tax fraud. As you are aware, this toolbox will expand as of mid-2020, when Member States will start exchanging information on potentially aggressive tax schemes. At the same time, we must make sure our tools deliver. I welcome your call for checking whether existing rules and tools for administrative cooperation and exchange of information are fit for purpose and well implemented.

Mr Karsten Lauritzen
Minister
Skatteministeriet/Ministry of Taxation
Nicolai Eigtvæds Gade 28
DK-1402 København K

/s/

My services are conducting a comprehensive evaluation of administrative cooperation, to be completed by first quarter of 2019, in order to have evidence-based, sound, concrete recommendations on how to improve implementation and potentially prepare the ground for proposals for strengthening cooperation further. The first deliverable of this evaluation will be the forthcoming Commission report on automatic exchange of information, due by end of this year.

Yet, winning the fight against tax fraud and tax evasion does not only require muscles, it also demands hearts and minds. As I said at the ECOFIN meeting of 6 November, we need a more European mind-set and attitude in tax policy and administration. In this respect, continuous dialogue between the Commission and Member States at various levels is necessary. Namely, on 26 November administrative cooperation will be on the agenda of the meeting of the deputy heads of tax administrations of the Member States and will remain a crucial area of exchange between heads of tax administrations afterwards as well.

Furthermore, I would also like to draw your attention to the announcement of President Juncker in the Letter of Intent which accompanied the 2018 State of the European Union speech. The European Commission will in the beginning of 2018 adopt a Communication on more efficient law-making in the field of taxation. It will try to identify areas for a move to qualified majority voting in certain tax matters. I look forward to Denmark's positive contribution to this important and timely discussion which we intend launch with the Communication.

Yours sincerely,



Pierre Moscovici