



Union of Finance Personnel
in Europe

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Proposal for a Council Directive amending Directive 2011/16/EU

Dear Sir or Madam,

thank you very much for the opportunity to give feedback on the initiative “Proposal for a Council Directive amending Directive 2011/16/EU as regards measures to strengthen the exchange of information framework in the field of taxation”.

On behalf of the Union of Finance Personnel in Europe (UFE), which is the only organization representing the interests and views of 400.000 tax and custom officers throughout Europe, I would like to give feedback as following:

Digital platform economy

In our daily work, we see a lot of fraud in the digital economy. We calculate the loss in tax revenue to be around 15 billion € in Europe. We agree with the European Commission that the digital platform economy is very susceptible to fraud.

In some European countries, unilateral laws have been adopted. As an example, Germany adopted such a law at the end of 2018. Already during the adoption process, there is evidence of an increase in Chinese traders registering with the responsible tax administration, “Berlin-Neukölln”.

We would like to point out that many criminals have built their own online shops.

Tax fraud happens with direct and indirect taxes and customs, as the goods are very often brought “under declared” to the European market.

Therefore UFE is calling for better data exchange between tax and custom administrations. Matching Data of Sales and imports.

UFE is calling on the European Union to ensure that the operators of electronic marketplaces are obliged to provide information on all their users and that the operator of the electronic marketplace is also liable for any unpaid taxes or duties generated by economic activity facilitated or performed through their electronic marketplace. UFE believes that tax administrations across Europe can use this information to target non-compliant domestic traders who generate domestic taxable sales, but are not registered for tax in the country of their ‘marketplace’.

UFE would like to see tax administrations empowered to check whether the traders or users of these electronic platforms have fulfilled their tax obligations and are tax compliant.

The operator of the electronic marketplace should record the following for all economic activity by traders and users of their electronic marketplace:

- The full name and full address of the delivering trader/seller,
- The tax number or sales tax identification number of the supplying trader/seller
- The start and end dates of the validity of the proof of the tax registration of the supplying trader/seller
- The place of commencement of the transport or shipment, as well as the destination and
- The time, amount and euro value of sales

The delivering trader should prove to the electronic marketplace operator that he is registered for tax purposes. Therefore an online register should be established. UFE believes that in the digital age that we live in it is not acceptable that these proofs are not provided by digital means.

UFE would like to see a system in place throughout Europe where the operators of electronic marketplaces are required by law to submit all data on sales and purchases collected by them to the relevant tax administration.

UFE believes that the same new obligations should apply to online payment agencies.

UFE's goal is to ensure that tax compliant businesses can operate in a fair and equitable market place. Honest and compliant businesses will have nothing to fear from these new proposals.

UFE believes that honest and compliant businesses will gain in the long term. They will no longer be paying additional tax and duties to cover the gaps left in national tax and duties collection created by criminal and non-compliant businesses.

UFE members care passionately about the work, they do and our organization is always available to bring further praxis and insights to the European Commission based on our unique position within Tax and Customs administrations throughout Europe.

Sincerely,



Florian Köbler
UFE President