



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: General Secretariat
to: Council

Subject: Tax issues related to relevant agreements to be concluded by the Community and its Member States with third countries and third country groupings
= Draft Council Conclusions

On 7 May 2008 COREPER discussed these draft Council Conclusions and reached broad agreement on an amended version (concerning point 6), as set out in Annex.

Council is invited to confirm agreement and adopt the Conclusions.

Draft Council Conclusions**Tax issues related to relevant agreements to be concluded by the Community and its Member States with third countries and third country groupings**

The Council:

1. CONSIDERS that recent events involving tax fraud and evasion have proven the need to tackle this throughout the world and to reinforce efforts to combat cross-border tax fraud and evasion in the area of taxation.
2. UNDERLINES the importance of implementing, on as broad a geographical basis as possible, the principles of good governance in the tax area, i.e. the principles of transparency, exchange of information and fair tax competition, as subscribed to by Member States at Community level. Good governance in the tax area is not only an essential means for combating cross-border tax fraud and evasion, but can strengthen the fight against money laundering, corruption, and the financing of terrorism.
3. RECOGNISES the need to include in relevant agreements to be concluded with third countries by the Community and its Member States, without prejudice to their respective competences, a specific provision on good governance in the tax area, and considers the following text to be appropriate in this respect:
4. *"With a view to strengthening and developing economic activities while taking into account the need to develop an appropriate regulatory framework, the Parties recognize and commit themselves to implement the principles of good governance in the tax area as subscribed to by Member States at Community level. To that effect, without prejudice to Community and Member States' competences, the Parties will improve international cooperation in the tax area, facilitate the collection of legitimate tax revenues, and develop measures for the effective implementation of the above mentioned principles."*

5. STRESSES its attachment to the furtherance of good governance in the tax area with respect to ongoing and future negotiations.

 6. Within the framework of the applicable Treaty provisions, the Commission will inform and consult, whichever is appropriate, the relevant Council bodies, with due diligence and timely, on any question relating to the specific provision on good governance in the tax area which may arise in the process of the negotiations of the international agreements referred to above.
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