ECO/414
Access to anti-money-laundering information by tax authorities

OPINION

European Economic and Social Committee

Proposal for a Directive of the Council amending Directive (EU) 2011/16 as regards access to anti-money-laundering information by tax authorities
[COM(2016) 452 final – 2016/0209 (CNS)]

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<th>Consultation</th>
<th>Council of the European Union, 27/07/2016</th>
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<td>Legal basis</td>
<td>Articles 113 and 115 of the Treaty on the Functioning of the European Union</td>
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<td>Section responsible</td>
<td>Section for Economic and Monetary Union and Economic and Social Cohesion</td>
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<tr>
<td>Adopted in section</td>
<td>05/10/2016</td>
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<td>Adopted at plenary</td>
<td>19/10/2016</td>
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<td>Plenary session No</td>
<td>520</td>
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1. **Conclusions and recommendations**

1.1 The EESC welcomes the Commission's initiative and supports its efforts to combat tax evasion and money laundering, a practice which erodes Member States' tax bases and is one of the main sources of funding for organised crime and terrorism at global level.

1.2 Given the serious impact of tax fraud and tax evasion, the EESC endorses the rules laid down by the proposal for a directive amending the Directive on Administrative Cooperation (DAC). Information on the beneficiaries of financial transactions which may arouse suspicion as to their legality during checks, reviews and audits, or might even constitute money-laundering operations, is to be included in the categories of information to be exchanged between Member State tax administrations, which will enhance their administrative capacity and boost the effectiveness of the fight against money laundering.

1.3 Since the amendment of the DAC Directive can only be fully implemented if the draft directive amending the Fourth Anti-Money Laundering Directive (4AMLD)\(^1\) is also approved, the EESC recommends that the Member States and the European Parliament approve the Commission's proposed legislative package in its entirety.

The EESC calls on the Member States to ensure that their tax administrations have the human, financial and logistical resources needed to successfully implement the new anti-money-laundering rules.

2. **European Commission proposal**

2.1 In July 2016, as part of its agenda to combat tax evasion and tax avoidance and its action plan on fighting terrorist financing, the European Commission presented a legislative package aimed at improving tax administrations’ access to anti-money-laundering (AML) information. This package includes the proposal for a Council directive\(^2\) amending Directive 2011/16/EU (DAC) as regards access to anti-money-laundering information by tax authorities.

2.2 The Commission's proposal amends Article 22 of the DAC Directive, including information on financial transactions that promote money laundering among the information to be exchanged between Member State tax administrations.

2.3 The objective of this initiative is to enable tax authorities to consistently access AML information for the performance of their duties in monitoring the proper application of the Directive on Administrative Cooperation by financial institutions.

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\(^1\) COM(2016) 450 final.
\(^2\) COM(2016) 452 final.
2.4 The proposal for a directive lays down rules against tax avoidance practices that directly affect the functioning of the internal market. The proposed directive also aims to ensure that tax administrations can access information on the beneficiaries of financial transactions which may arouse suspicion as to their legality during checks, reviews and audits, or might even constitute money-laundering operations of which the beneficiaries are criminal or terrorist organisations.

3. General and specific comments

3.1 The proposal for a directive calls for the uniform implementation across the Member States of the rules on the exchange of information between Member State tax administrations with regard to the beneficiaries of financial transactions suspected of being money-laundering operations. As it has pointed out in previous opinions, the EESC welcomes the Commission's initiative and supports its efforts to combat tax evasion and money laundering, a practice which erodes Member States' tax bases and is one of the main sources of funding for organised crime and terrorism at global level.

3.2 The EESC endorses the rules on tax administrations' access to mechanisms, procedures, documents and information on financial transactions suspected of being money-laundering operations. In its statement of 18 April, the G20 called on the Financial Action Task Force to make proposals to improve the implementation of the international standards on transparency, including as regards the availability and international exchange of information on beneficiaries. Therefore, the EESC recommends that the Commission and the Member States step up international negotiations in the framework of institutions such as the OECD or the G20, so that these rules can be applied at global level.

3.3 Given that the proposal for a directive amending the DAC Directive can only be fully implemented if the draft directive amending the Fourth Anti-Money Laundering Directive (4AMLD) is also approved, the EESC recommends that the Member States and the European Parliament approve the Commission's proposed legislative package in its entirety.

3.4 In view of the increase in terrorist activities at global level, and in attacks that have led to the loss of lives in a number of Member States, the EESC feels that the rules proposed by the Commission should be approved as a matter of urgency. The introduction of better rules to combat money laundering will eliminate one of the main sources of funding for terrorist organisations.

The EESC calls on the Member States to provide the human, financial and logistical resources needed to implement the new rules set out in the package presented by the European Commission as regards combating money laundering. Furthermore, the EESC considers that developing programmes for the exchange of best practice between experts in the Member States.

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States' tax administrations could help achieve better results in the implementation of the new rules.

Brussels, 19 October 2016

Georges DASSIS
The President of the European Economic and Social Committee

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