



Charter of Regulated European Tax Advisers

**A COMMON EU REGULATORY FRAMEWORK
FOR TAX PROFESSIONALS**

A. IMPORTANT ROLE FOR BUSINESS AND SOCIETY

The European Tax Adviser Federation – ETAF is the European umbrella organisation for regulated tax professionals in the EU. Its main mission is to represent regulated tax advisers and other tax practitioners at the European level in order to promote appropriate legislation in tax matters, contribute to fight abuse and illegal acts and enhance certainty and transparency.

Regulated tax advisers are expert professionals with the highest qualification in their field. On EU Level, the profession is not harmonised among the Member States. Existing adjustments primarily concern cross-border related single market issues such as the recognition of professional qualifications or the provision of services in other Member States. When it comes to the role, the status or the duties of regulated tax advisers in the exercise of their profession, however, there is no harmonisation between the Member States.

The existence, the range and the content of professional regulations can be significantly different from Member State to Member State. The spectrum ranges from a high degree of liberalisation, e.g. in the Netherlands, where no binding professional conduct guidelines in relation to tax advice apply, to a high degree of regulation, e.g. in Germany, France and Italy.

One of the main characteristics of ETAF is that its members represent regulated tax professionals – be it by law and/or binding professional code. This element constitutes an essential precondition for an ETAF membership.

It is for this reason that in the ETAF Member States, regulated tax advisers are – due to the binding professional law – obliged to exercise their profession conscientiously, in due care and in full compliance with the applicable laws.

Regulated tax advisers play a major role in ensuring a well-functioning tax collecting process. As members of a regulated liberal profession, they are representatives of their clients' interests, however, at the same time, their work serves the welfare of the general public. The tax administrations in the EU significantly benefit from binding professional regulations because they contribute to correct and complete tax declarations. This often complicated work can, in its proven quality, only be ensured by regulated tax advisers and their high-level qualification and expertise.

B. AN EU WIDE REGULATORY FRAMEWORK FOR TAX ADVISERS

ETAF and its members are committed to the fight against tax evasion. This lies in our common interest and concerns all of us. Tax evasion is damaging the public welfare and the economy. It systematically leads to an erosion of our tax bases and is not a trivial offence. It requires a considerable amount of criminal energy; the damage for our national treasuries is immense.

Concerning corporate taxation, 99% of our members typically represent SME's who pay their fair share of tax and do not come into any contact with the questioned international tax avoidance schemes.

Without questioning the competences of the Member States and the existence of different rules in each Member State, ETAF has established this Charter of regulated European Tax Advisers. Its goal is to make a sustainable contribution to the well-functioning of our tax systems. The Charter implements a voluntary code of conduct for regulated tax professionals in order to reflect the professional responsibility of the tax advisers falling under the scope of this Charter. It outlines basic principles concerning the role and status of regulated tax advisers in the tax collecting process, lays down guidelines in the exercise of the profession and introduces appropriate control measures.

The Charter is oriented along the lines of professional obligations already existing in the ETAF Member States. In a number of Member States, the law acknowledges a special position to Regulated tax advisers, expecting them to assume responsibility for the stability of the tax system, without prejudice to the independence of the profession. These jurisdictions impose obligations on regulated tax advisers, such as to exercise the profession conscientiously and in due care, and expect regulated tax advisers to act also in the public interest.

C. CHARTER OF REGULATED EUROPEAN TAX ADVISERS

I. GENERAL RULES

1. Contents

This Charter contains principles which shall be observed by regulated tax advisers in the exercise of their professional functions. The principles of this Charter aim at ensuring quality and effectiveness of the professional services delivered by tax advisers to their clients and the regularity of the behaviour in their relations with third parties, such as tax authorities, colleagues and members of other professional bodies.

2. Scope

The present Charter applies to regulated tax advisers whose organisations are Members of the European Tax Adviser Federation (ETAF). The ETAF Members are called upon to adapt their respective professional regulations to the rules laid down in the present Charter, as far as it lies within their competence.

3. Public interest

Regulated tax advisers represent their clients, but have also the obligation to exercise their profession in due consideration of the general public interest. Regulated tax advisers are therefore subject to particular professional rules and practice guidelines. Belonging to a liberal profession, regulated tax advisers play a key role in the proper functioning of the tax collection process, which lies in the general public interest.

The tax administration, on the grounds of such a binding professional law framework, places trust in the quality and the full compliance of the regulated tax advisers' work. The tax administration is reliant on complete and correctly filled in tax declarations. Regulated tax advisers shall exercise their professional activities in full awareness of this special position of trust and their responsibility for the functioning and stability of the tax system.



4. Due diligence

Regulated tax advisers must practice their profession in due diligence, independently and under their own responsibility. They must respect and observe laws, rules and regulations and must act with integrity and correctness. In the exercise of their profession, they shall abstain from any action or activities which are not compatible with the profession or the reputation of the profession.

Regulated tax advisers must not be associated with any communication or statements that contain untruthful or misleading information or omit fundamental information resulting in misleading communication or statements.

5. Independence and objectivity

Regulated tax advisers must fully comply with the national rules on independence, impartiality and incompatibility in relation to the nature of the task entrusted to them. They may not engage in any case of collision with their own interests.

Regulated tax advisers must further act without prejudice or pressures from third parties that may influence their judgement or professional activity. They shall deliver their opinion without being influenced by the expectations of the client and must substantiate with objectivity any concern on their hypotheses and/or conclusions.

6. High-level quality of services and mandatory professional training

Regulated tax advisers must fulfil their duties professionally and according to the professional standards. They are required to maintain their professional competence at the necessary level to ensure the quality of professional service according to the current professional practices and techniques. Regulated tax advisers are therefore obliged to pursue continuous professional training to the extent which is necessary to ensure and further develop the expertise which is required for their professional activities.



7. Confidentiality

Regulated tax advisers must maintain absolute confidentiality of information acquired in the exercise of the profession and must not disclose such information to anyone, except if they are entitled or obliged to communicate such information in accordance with the law.

8. Professional behaviour

The professional behaviour of tax advisers must be consistent with the dignity, honour and image of the profession they represent and furthermore must comply with the duty of loyalty in performing their professional activity.

II. TAX ADVICE

1. Tax evasion

Tax evasion is illegal. Regulated tax advisers must never advise a client to enter into an arrangement that would lead to tax evasion. They must advise a client not to enter into this kind of arrangements. Where a Regulated tax adviser acquires information leading him to the conclusion that a client has committed tax evasion, he must advise the client to change the respective tax structure and, if necessary, recommend him to proceed with self-disclosure to the relevant authorities.

2. Tax planning

Regulated tax advisers may advise a client in relation to tax planning only if such planning leads to a legal reduction of taxes. Regulated tax advisers should advise the client in relation to the potential reputational impact of aggressive tax planning and consider the reputational impact for the profession as well.



III. PROFESSIONAL RELATIONS

1. Relations with other tax advisers

Regulated tax advisers must interact with colleagues in fairness, loyalty, consideration, courtesy, friendliness and mutual assistance.

2. Relations with public offices

Regulated tax advisers should behave with respect for the public functions when they come into contact with tax authorities, magistrates, members of tax commissions or any other public official.

3. Relations with other professions

Regulated tax advisers who, in the exercise of their activity, come into contact with members of other professional bodies must comply with the principles of mutual respect safeguarding the respective specific competences.

IV. DISCIPLINARY POWERS

1. Sanctions

In the ETAF Member States, there are already binding national rules providing that regulated tax advisers who fail to comply with national professional law based on the principles, obligations and prohibitions established by this Charter shall face the disciplinary actions and penalties as provided for by their national regulation. ETAF strongly approves such disciplinary control.

2. Authority

The power to apply disciplinary sanctions and the procedure to apply such sanctions lie with the ETAF Member in whose Register the concerned tax adviser is enrolled.