

Brussels, 20 January 2023

Subject: Draft report on lessons learnt from the Pandora Papers and other revelations (2022/2080(INI))

Dear Member of the European Parliament,

As a follow-up to our [letter](#) dated 16 November 2022 concerning the draft initiative report (2022/2080 INI) on lessons learnt from the Pandora Papers, please allow me to provide you with a European Tax Adviser Federation (ETAF) statement on the draft compromise amendments in the making and due to be voted on 31 January 2023.

ETAF is particularly concerned about the wording of the **draft compromise amendment F, paragraph 8:**

Highlights the limitations of self regulation of the non-financial intermediary sector; (72) Welcomes the fact that the Commission is preparing **a new legislative proposal (75)** initiatives in the field of the regulation of intermediaries through an act securing the activity framework of enablers (SAFE) in order to tackle the role of enablers involved in facilitating tax evasion and aggressive tax planning; ***urges the Commission to ensure that the framework includes robust enforcement against intermediaries creating and operating schemes which enable tax evasion and aggressive tax planning as well as facilitating and contributing to the concealment of wealth and assets; in that context, urges the Commission to continue to improve information sharing amongst Member State tax administrations and cooperation on the global stage; (74)*** awaits the Commission proposal ~~without further delay~~, ***which should be targeted and proportionate; (76)***

The reference to the “**limitations of self regulation of the non-financial intermediary sector**” appears too general, very vague and even misleading.

The original amendment 72 tabled by The Left group, which partly inspired this particular sentence of compromise amendment F, pointed out that “*new self-regulating instruments may appear in tax advising service industry, such as the implementation of ethics quality bar*” and calls “*EU Member States to ensure that tax advisors are legally liable for promoting and advising on practices that violate the law*”.

The current wording of compromise amendment F gives the impression that the self-regulation *as such* is meant. However, a genuine regulation enacted by law and enforced by professional bodies cannot be put on an equal footing with non-binding self-regulating instruments, such as voluntary codes of conduct or ethics quality bar.

For the sake of clarity, we would recommend reverting to the original amendment 72, with the following drafting:

*Highlights the limitations of **new self-regulating instruments in the non-financial intermediary sector**, (72)*

Should the compromise amendment F, paragraph 8, be adopted in its current form, please be aware that it could be misunderstood and even amount to a general suspicion towards all regulated professionals, especially those who are subject to a self-regulatory body. We trust that this was not the original intention of the European Parliament and that's the reason why we found it necessary to write to you.

Going a bit further, we fully support The Left's call for more regulation of the profession at national level and regret that this has not been taken up in compromise amendment F. In ETAF members, where the profession is regulated by law, tax advisers are already obliged to practice their profession conscientiously, diligently and in full compliance with all applicable laws. They must respect a binding and enforceable professional code and are subject to a disciplinary sanctions system in the case of infringements.

We also regret that the draft compromise amendments make no mention of the necessity to thoroughly investigate the landscape of existing professional regulations in the EU and to fully assess their impact on tax compliance. In our view, such a study would really help advancing the debate, especially in view of the upcoming initiative of the Commission on Securing the Activity Framework of Enablers (SAFE).

We thank you for your time and stay at your disposal should you have any question.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'P. Arraou', written in a cursive style.

Philippe Arraou, ETAF President