

ETAF statement on the upcoming recommendation on the recognition of qualifications of third country nationals

The European Tax Adviser Federation (ETAF), which represents 215 000 regulated tax professionals, would like to thank the European Commission for the opportunity to comment on its future recommendation on the recognition of qualifications of third country nationals.

As preliminary remarks, ETAF would like to acknowledge the potential of this initiative to address labour and skills shortages in general, even if, in the tax area, there is only limited room for improvement because of the differences in tax laws, which constitute a *de facto* barrier to professional mobility.

Furthermore, when looking at labour shortages, it is necessary to distinguish between a shortage of professionals, i.e. persons authorised to practice the profession independently and on their own responsibility, and a shortage of qualified employees. For the tax advising sector, our members observed in their countries primarily a shortage of skilled workers at the employee level, i.e. a lack of qualified employees.

Our comments aim at outlining some specificities of the regulated tax profession to be taken into account in the context of the discussion on the recognition of qualifications of third country nationals. They relate to the scope of the initiative, the proposed alignment with Directive 2005/36/EC and the recognition of skills acquired in different contexts.

It should be pointed out that the Commission's [call for evidence](#) published on 14 September 2023 only provides very little information on the foreseen ease of the recognition for access to regulated professions and that our statement is therefore necessarily limited to the information included in this public document. In view of the publication date, which is scheduled for 15 November 2023 already, this is regrettable, as there will presumably be no further opportunity to comment after the recommendation has been issued, as it is a non-binding EU act.

I. On the scope

We understand that the Commission's overarching goal is to address the growing labour and skills shortages faced by European employers in a wide range of sectors. According to the Commission, the existing procedures for recognition of qualifications in the EU could “*deter or inhibit potential applicants and ultimately limit a country's potential to attract the types and numbers of workers needed*”. To this end, the Commission wants to facilitate the recognition of qualifications from non-EU countries and simplify the validation of skills of third country nationals.

ETAF supports useful measures to combat the shortage of skilled workers as it hinders companies and public authorities in coping with the challenges ahead and poses a threat to the economy. As far as the recruitment of third country nationals is concerned, the EU level also appears to be the right one to take coordinated and, if necessary, standardised measures to facilitate the recognition of qualifications.

This initiative seems to primarily target workers in the green economy, healthcare, long-term care, transport and IT. However, the Commission clearly states that its future recommendation will focus on facilitating recognition to access regulated professions, particularly for in-demand sectors.

Here, it must absolutely be questioned whether a "one size fits all" approach makes sense for all existing professions. According to the content of the call for evidence, it can be assumed that the Commission is pursuing such approach. With over 500 professions in the EU with extreme differences in qualification requirements, there cannot be a universal model.

Moreover, we believe that the existing framework conditions and qualification requirements of the respective professions must be considered and must not be watered down by these initiatives under any circumstances. Otherwise, there is a risk of serious losses in the quality of services.

In the case of the tax profession, high levels of access qualification, continuous mandatory professional training, mandatory membership to a professional organisation are many requirements that ensure tax professionals have the necessary skills and knowledge to provide accurate and reliable advice to their clients. The importance of these requirements resulting from professional law must not be neglected as tax advisers serve the public interest by helping companies pay their fair share of taxes and thus contribute to the tax revenues of the Member States.

Concretely, for the tax profession, lowering the qualification standards would lead to legal uncertainty for companies, to increased auditing costs for the States and ultimately to less secured tax revenues.

All in all, we believe that the urgent need to address labour and skills shortages should be balanced with the need of certainty and quality in the exercise of the profession.

II. On the alignment with Directive 2005/36/EC

Furthermore, the European Commission intends to recommend that Member States better align their national recognition processes for the qualifications of non-EU nationals with the system set out in [Directive 2005/36/EC](#) for the recognition of professional qualifications within the EU.

In our opinion, such a recommendation would be agreeable at least for a temporary period (i.e., until the current labour and skills shortages are eventually over). However, third country nationals may in no case have a more favourable treatment than EU citizens.

ETAF would also agree with a recommendation to Member States to reduce processing times and provide access to electronic procedures in order to reduce the burden on applicants. The simplification and acceleration of the processes must, however, not be made at the expense of a careful evaluation of the skills.

III. On the recognition of formal and non-formal skills

The Commission also considers recommending to the Member States to adopt a "skills first" approach in which individuals' competencies are tracked and valued *"regardless of whether they were acquired in a formal, non-formal or informal setting"*. Formal recognition of qualifications, according to the Commission's idea, should only occur *"when necessary"*.

Although ETAF recognizes the value of focusing on the person's skills, we do think that the "skills first" approach and the recognition of qualifications gained in different contexts cannot work for every profession. In the area of tax advice, a complete lack of formal recognition of qualifications would simply be unthinkable. An examination remains necessary in any case, not least to avoid discrimination against EU nationals.

Moreover, if the Commission is pursuing this idea, we expect a lot more clarity about what would constitute formal, non-formal and informal ways of acquiring professional qualifications.

In any case, we do believe that the final decision on the recognition of qualifications of third country nationals must remain in the hands of the competent authorities in the Member States.

Notes

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About ETAF

The European Tax Adviser Federation (ETAF) is a European umbrella organisation for tax professionals whose activities are regulated by law. It is set as an international not-for-profit organisation (AISBL) governed by Belgian law, based in Brussels and was launched on 15th December 2015. It represents more than 215,000 tax professionals from France, Germany, Belgium, Romania, Hungary, Austria and Croatia. ETAF is a registered organisation in the EU Transparency Register, with the register identification number 760084520382-92.