



Basic information	
<p>2004/0027(CNS)</p> <p>CNS - Consultation procedure Decision</p>	Procedure completed
<p>EC/Switzerland agreement: taxation of savings income in the form of interest payments (Directive 2003/48/EC)</p> <p>See also Directive 2003/48/EC 2001/0164(CNS) See also 2015/0076(NLE)</p> <p>Subject</p> <p>2.50.02 Savings 2.70.01 Direct taxation 6.40.01 Relations with EEA/EFTA countries</p> <p>Geographical area</p> <p>Switzerland</p>	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	<div style="border: 1px solid red; display: inline-block; padding: 2px;">ECON</div> Economic and Monetary Affairs		GARCÍA-MARGALLO Y MARFIL José Manuel (PPE-DE)	11/02/2004
	Committee for opinion		Rapporteur for opinion	Appointed
	<div style="border: 1px solid red; display: inline-block; padding: 2px;">JURI</div> Legal Affairs and Internal Market		The committee decided not to give an opinion.	
Council of the European Union	Council configuration		Meetings	Date
	Economic and Financial Affairs ECOFIN		2587	2004-06-02
European Commission	Commission DG		Commissioner	
	Taxation and Customs Union			

Key events			
Date	Event	Reference	Summary
10/02/2004	Legislative proposal published	COM(2004)0075 	Summary
08/03/2004	Committee referral announced in Parliament		
16/03/2004	Vote in committee		Summary
16/03/2004	Committee report tabled for plenary, 1st reading/single reading	A5-0169/2004	

30/03/2004	Decision by Parliament	T5-0201/2004	Summary
02/06/2004	Act adopted by Council after consultation of Parliament		
02/06/2004	End of procedure in Parliament		
29/12/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2004/0027(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	International agreement
Legislative instrument	Decision
	See also Directive 2003/48/EC 2001/0164(CNS) See also 2015/0076(NLE)
Legal basis	EC Treaty (after Amsterdam) EC 300-p2 EC Treaty (after Amsterdam) EC 094
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/20707

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0169/2004	16/03/2004	
Text adopted by Parliament, 1st reading/single reading		T5-0201/2004 OJ C 103 29.04.2004, p. 0031-0149 E	30/03/2004	Summary
European Commission				
Document type	Reference	Date	Summary	
Legislative proposal	COM(2004)0075 	10/02/2004	Summary	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2004/0911 OJ L 385 29.12.2004, p. 0028-0029	Summary

EC/Switzerland agreement: taxation of savings income in the form of interest payments (Directive 2003/48/EC)

2004/0027(CNS) - 02/06/2004 - Final act

PURPOSE: Provision of measures on the taxation of savings income in the form of interest payments.

LEGISLATIVE ACT: Council Decision 2004/911/EC on the signing and conclusion of the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments and the accompanying Memorandum of Understanding.

CONTENT: This Decision serves to approve on behalf of the European Community the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments and the accompanying Memorandum of Understanding.

The texts of the Agreement and the accompanying Memorandum of Understanding are attached to this Decision.

The Commission is authorised to approve, on behalf of the Community, amendments to the Annexes to the Agreement which ensure that they correspond to the data relating to competent authorities resulting from the notifications referred to in Article 5(a) of Directive 2003/48/EC and to the data in the Annex thereto.

The President of the Council is authorised to designate the persons empowered to sign the Agreement, the accompanying Memorandum of Understanding and the Exchange of Letters referred to in Article 22(2) of the Agreement and in the Memorandum of Understanding on behalf of the Community.

ENTRY INTO FORCE: The date of entry into force of the Agreement will be published in the Official Journal of the European Union by the General Secretariat of the Council.

EC/Switzerland agreement: taxation of savings income in the form of interest payments (Directive 2003/48/EC)

2004/0027(CNS) - 30/03/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Jos Manuel GARCIA-MARGALLO Y MARFIL (EPP-ED, E) on the agreement with Switzerland on taxation of savings. (Please see the document of 16/03/04.) Parliament stated that consideration needs to be given to the needs of the banking sectors of some Member States and their structural differences by allowing them to have a transitional period during which they will levy a withholding tax, at a rate increasing progressively to 35%. Until full information exchange is achieved this will ensure a minimum level of effective taxation. The greater part of this revenue should be transferred to the Member State of residence of the beneficial owner of the interest. In order to prevent the flight of capital from the European Union, the application of this agreement should be conditional upon the adoption and implementation by the dependent or associated territories of the Member States mentioned in the Feira European Council Decision of 19 and 20 June 2000, as well as the United States of America, Andorra, Liechtenstein, Monaco and San Marino, respectively, of measures which conform with those contained in Directive 2003/48/EC or in the present agreement on the taxation of savings income in the form of interest payments. Negotiations with these third countries should be concluded in a timely manner and no further counter-requests from these countries should be accepted. Agreements with these countries should include the same fundamental elements as those in the agreement with Switzerland.

EC/Switzerland agreement: taxation of savings income in the form of interest payments (Directive 2003/48/EC)

2004/0027(CNS) - 10/02/2004 - Legislative proposal

PURPOSE : to conclude the Agreement between the EC and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments and the Memorandum of Understanding PROPOSED ACT : Council Decision. CONTENT : By its Decision of 16 October 2001, the Council authorised the Commission to negotiate with Switzerland and five other third countries (United States of America, Andorra, Liechtenstein, Monaco and San Marino) appropriate agreements for securing the adoption by these countries of measures equivalent to those to be applied within the Community to ensure effective taxation of savings income in the form of interest payments. In the course of negotiations, the Swiss side requested the extension to Switzerland of the regimes provided for in Council Directive 90/435/EEC on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States and in Council Directive 2003/49/EC on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States. The draft approved by Council includes the Swiss request. However, in respect of Spain, the draft provides that the provision will only apply from the entry into force of a bilateral agreement between Spain and Switzerland on the exchange of information on request in cases of tax fraud or the like with respect to items of income not subject to this Agreement but covered by a bilateral convention or agreement between the two countries. In approving the draft Agreement, the Council took the view that the Community does not have exclusive competence to conclude an agreement with Switzerland on the tax treatment of dividends and of interest and royalty payments as mentioned in article 15 of the draft Agreement. Delegations agreed nevertheless, by way of exception and without creating a precedent, that Member States will not exercise their competence in this particular case. Member States maintain their competence to conclude bilateral agreements with other third countries on the tax treatment of dividends and of interest and royalty payments between companies. The Agreement is now being presented to the Council to be concluded. The accompanying Memorandum of Understanding: -commits Switzerland and Member States to enter into bilateral negotiations with a view to including in their respective double taxation conventions provisions on exchange of information on request for cases falling within the concept of "tax fraud or the like" with respect to items of income not subject to the Agreement but covered by their respective conventions, and with a view to defining individual categories of cases falling under "the like" in accordance with the procedure of taxation applied by those countries; -confirms that, during the transitional period provided for in Council Directive 2003/48/EC, the EC will enter into discussions with other important financial centres with a view to promoting the adoption by those jurisdictions of measures equivalent to those to be applied by the Community; - provides that the agreed measures will be implemented in good faith

and that parties will not act unilaterally to undermine this arrangement without due cause. Should any significant difference between the coverage of Council Directive 2003/48/EC and that of the Agreement be discovered, the Contracting Parties will immediately enter into consultations with a view to ensuring that the equivalent nature of the measures provided for in the Agreement is maintained.