


# Procedure file

Basic information		
CNS - Consultation procedure Decision	<a href="#">2004/0191(CNS)</a>	Procedure completed
EC/Liechtenstein agreement: taxation of savings income in the form of interest payments		
See also Directive 2003/48/EC <a href="#">2001/0164(CNS)</a> See also <a href="#">2015/0175(NLE)</a>		
Subject 2.50.02 Savings 2.70.01 Direct taxation		
Geographical area Liechtenstein		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs		13/09/2004
Council of the European Union		PPE-DE <a href="#">GAUZÈS Jean-Paul</a>	
	Council configuration	Meeting	Date
	<a href="#">Agriculture and Fisheries</a>	<a href="#">2633</a>	21/12/2004
European Commission	<a href="#">Transport, Telecommunications and Energy</a>	<a href="#">2625</a>	29/11/2004
	Commission DG <a href="#">Economic and Financial Affairs</a>	Commissioner	

Key events			
23/08/2004	Legislative proposal published	<a href="#">COM(2004)0569</a>	Summary
07/10/2004	Vote in committee, 1st reading/single reading		Summary
13/10/2004	Committee referral announced in Parliament, 1st reading/single reading		
14/10/2004	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A6-0016/2004</a>	
17/11/2004	Results of vote in Parliament		
17/11/2004	Decision by Parliament, 1st reading/single reading	<a href="#">T6-0053/2004</a>	Summary
21/12/2004	Act adopted by Council after consultation of Parliament		
21/12/2004	End of procedure in Parliament		
03/05/2005	Final act published in Official Journal		

Technical information	
Procedure reference	2004/0191(CNS)

Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
	See also Directive 2003/48/EC <a href="#">2001/0164(CNS)</a> See also <a href="#">2015/0175(NLE)</a>
Legal basis	EC Treaty (after Amsterdam) EC 300-p3-a1; EC Treaty (after Amsterdam) EC 094; EC Treaty (after Amsterdam) EC 300-p2-a1; EC Treaty (after Amsterdam) EC 300-p4
Stage reached in procedure	Procedure completed
Committee dossier	ECON/6/23343

#### Documentation gateway

Legislative proposal		<a href="#">COM(2004)0569</a>	23/08/2004	EC	Summary
Committee draft report		PE347.220	30/09/2004	EP	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0016/2004</a>	14/10/2004	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0053/2004</a> <a href="#">OJ C 201 18.08.2005, p. 0018-0063 E</a>	17/11/2004	EP	Summary

#### Additional information

European Commission	<a href="#">EUR-Lex</a>
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#### Final act

<a href="#">Decision 2005/353</a> <a href="#">OJ L 112 03.05.2005, p. 0012-0013</a> Summary
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## 2004/0191(CNS) - 23/08/2004 Legislative proposal

**PURPOSE** : to conclude the Agreement between the European Community and the Principality of Liechtenstein providing for measures equivalent to those laid down in Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments.

**PROPOSED ACT** : Council Decision.

**CONTENT** : by its decision of 16 October 2001, the Council authorised the Commission to negotiate appropriate agreements with Switzerland, the United States of America, Andorra, Liechtenstein, Monaco and San Marino to ensure that these countries adopt measures equivalent to those to be applied within the Community to ensure effective taxation of savings income in the form of interest payments.

The Council identified four elements of this Agreement : Retention and withholding: Switzerland will apply the same rates of retention and withholding as Belgium, Luxembourg and Austria; Revenue sharing: Switzerland will share the revenue of the retention tax and will accept the 75/25 division applied within the Community; Voluntary disclosure of information and a review clause stating that "The Contracting Parties shall consult with each other at least every three years or at the request of either Contracting Party with a view to examining and ? if deemed necessary by the Contracting Parties - improving the technical functioning of the Agreement. In any event when Belgium, Luxembourg and Austria change from withholding tax to automatic exchange of information in accordance with the Directive, the Contracting Parties shall consult each other in order to examine whether the changes to the Agreement are necessary taking into account international developments.

This Agreement is accompanied by a Memorandum of Understanding between the European Community and its Member States, of the one part, and the Principality of Liechtenstein of the other part. In accordance with the conclusions of the ECOFIN Council of 21 January 2003, the Memorandum of Understanding confirms that within the transition period provided for by Council Directive 2003/48/EC of 3 June 2003, the European Community will enter into discussions with other important financial centres with a view to promoting adoption by those jurisdictions of measures equivalent to those applied by the Community.

The Memorandum of Understanding also provides that the agreed measures will be implemented in good faith and that the Parties will not act unilaterally to undermine this arrangement without due cause. Should any significant difference between the scope of Council Directive

2003/48/EC and that of the Agreement, in particular with regard to Article 6 of the Agreement, be discovered, the Contracting Parties will immediately enter into discussions with a view to ensuring that the equivalent nature of the measures provided for by the Agreement is maintained.

Lastly, as regards the exchange of information, the Memorandum of Understanding provides that the Principality of Liechtenstein undertakes to make its best endeavour to determine without delay the acceptability of a duly justified request in accordance with its procedural laws. The Memorandum of Understanding further states that European Union and its Member States will take into account Liechtenstein's decision to provide for measures equivalent to the Directive in their co-operation with Liechtenstein including co-operation on fiscal matters. The signatories agree that in the context of the negotiations foreseen on the exchange of information as set out in Article 10(4) of the Agreement, either party may raise in parallel other taxation issues, including issues related to the elimination of double taxation of income.

## 2004/0191(CNS) - 07/10/2004 Vote in committee, 1st reading/single reading

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The committee adopted the report by Jean-Paul GAUZÈS (EPP-ED, FR) approving the conclusion of the agreement (consultation procedure).

## 2004/0191(CNS) - 17/11/2004 Text adopted by Parliament, 1st reading/single reading

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The European Parliament adopted a resolution drafted by Jean-Paul GAUZES (EPP-ED, FR) and approved the conclusion of the Agreement with Liechtenstein.

## 2004/0191(CNS) - 22/12/2004 Final act

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**PURPOSE:** the conclusion of the Agreement between the European Community and the Principality of Liechtenstein 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.

**LEGISLATIVE ACT:** Council Decision 2005/353/EC.

**CONTENT:** The Agreement between the European Community and the Principality of Liechtenstein 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 is approved on behalf of the European Community.

The Commission is authorised to approve, on behalf of the Community, the amendments to the Annexes to the Agreement which are required to ensure that they correspond to the information relating to the competent authorities notified under Article 5(a) of Directive 2003/48/EC and to the information in the Annex thereto.

The President of the Council shall give the notification provided for in Article 16(1) of the Agreement on behalf of the Community.

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.