

Procedure file

Basic information		
CNS - Consultation procedure Decision	2011/0192(CNS)	Procedure completed
Canary Islands: exemptions from or reductions in the AIEM tax, period of application		
Amending Decision 2002/546/EC 2001/0284(CNS)		
Subject		
2.70.02 Indirect taxation, VAT, excise duties		
4.70.06 Outlying and outermost regions, overseas countries and territories		
Geographical area		
Spain		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	REGI Regional Development		06/10/2011
		PPE HÜBNER Danuta Maria	
		Shadow rapporteur	
		S&D KREHL Constanze	
		ALDE UGGIAS Giommaria	
		Verts/ALE GRÈZE Catherine	
		ECR VLASÁK Oldřich	
	Committee for opinion	Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Environment	3139	19/12/2011
European Commission	Commission DG	Commissioner	
	Taxation and Customs Union	ŠEMETA Algirdas	

Key events			
19/07/2011	Legislative proposal published	COM(2011)0443	Summary
13/09/2011	Committee referral announced in Parliament, 1st reading/single reading		
14/11/2011	Vote in committee, 1st reading/single reading		Summary
16/11/2011	Committee report tabled for plenary, 1st reading/single reading	A7-0381/2011	
01/12/2011	Results of vote in Parliament		
01/12/2011	Decision by Parliament, 1st reading/single reading	T7-0528/2011	Summary
19/12/2011	Act adopted by Council after consultation of Parliament		

19/12/2011	End of procedure in Parliament		
29/12/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/0192(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
	Amending Decision 2002/546/EC 2001/0284(CNS)
Legal basis	Treaty on the Functioning of the EU TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 150
Stage reached in procedure	Procedure completed
Committee dossier	REGI/7/06610

Documentation gateway

Legislative proposal	COM(2011)0443	19/07/2011	EC	Summary
Committee draft report	PE472.403	19/10/2011	EP	
Committee report tabled for plenary, 1st reading/single reading	A7-0381/2011	16/11/2011	EP	
Text adopted by Parliament, 1st reading/single reading	T7-0528/2011	01/12/2011	EP	Summary

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

[Decision 2011/895](#)
[OJ L 345 29.12.2011, p. 0017](#) Summary

2011/0192(CNS) - 19/07/2011 Legislative proposal

PURPOSE: to extend the period of application of Decision 2004/162/EC for a period of two years, authorising Spain to apply exemptions from or reductions in the tax known as AIEM for certain products produced locally in the Canary Islands.

PROPOSED ACT: Council Decision.

BACKGROUND: Council Decision 2002/546/EC authorises Spain, up to 31 December 2011, to apply exemptions from or reductions in the tax known as AIEM to certain products produced locally in the Canary Islands. The Annex to that Decision contains a list of products to which tax exemptions and reductions may be applied. The difference between the taxation of locally manufactured products and the taxation of other products may not exceed 5, 15 or 25 percentage points, depending on the product.

The global economic crisis of 2009, with its impact in the reduction of travelling, had severe consequences on the economy of Canary Islands, highly dependent on the revenues from tourism. The unemployment rate that in the period of 2001-2007 oscillated between 10.4% and 12%, rose to 17.3% in 2008 and 26.2% in 2009.

On 16 November 2010, Spain submitted a request to the European Commission to extend the period of application of Decision 2002/546/EC for two years. The report received from the Spanish authorities confirms that the handicaps that justified the approval of total exemptions and partial reduction of the AIEM tax to a list of products produced locally in the Canary Islands are still valid.

IMPACT ASSESSMENT: the Spanish authorities' request to extend the application of the AIEM was a response to requests from the economic

sectors concerned. The Commission has not used an impact assessment.

LEGAL BASIS: Article 349 of the TFEU (formerly Article 299(2) of the EC Treaty). This Article provides for the possibility of introducing specific measures for those regions because of the permanent handicaps which affect the economic and social conditions of the outermost regions.

CONTENT: the report from the Commission to the Council on the application of the special arrangements concerning the AIEM tax applicable in the Canary Islands, confirmed that the AIEM was functioning in a satisfactory manner and without the need to any amendments to the provisions of Decision 2002/546/EC.

Accordingly, the purpose of this proposal is to extend the period of application of Decision 2004/162/EC for a period of two years ? until 31 December 2013, in order to make it coincide with the Guidelines on National Regional Aid, that are applicable for the period 2007-2013.

BUDGETARY IMPLICATION: this proposal has no budgetary implication for the Union budget.

2011/0192(CNS) - 14/11/2011 Vote in committee, 1st reading/single reading

The Committee on Regional Development adopted, unamended, the report by Danuta Maria HUBNER (EPP, PL) in the framework of a special legislative procedure (European Parliament consultation) on the proposal for a Council decision amending Decision 2002/546/EC as regards its period of application.

2011/0192(CNS) - 01/12/2011 Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 550 votes to 62, with 14 abstentions, a legislative resolution, approving unamended under the framework of a special legislative procedure (Parliament consultation), the proposal for a Council decision amending Decision 2002/546/EC as regards its period of application.

2011/0192(CNS) - 19/12/2011 Final act

PURPOSE: to extend the period of application of Decision 2004/162/EC for a period of two years, authorising Spain to apply exemptions from or reductions in the tax known as AIEM for certain products produced locally in the Canary Islands.

LEGISLATIVE ACT: Council Decision No 895/2011/EU amending Decision 2002/546/EC as regards its period of application.

CONTENT: the Council has decided to authorise Spain for a further two years until 31 December 2013 to apply exemptions from or reductions in the tax known as AIEM for certain products produced locally in the Canary Islands.

It is justified to extend the period of application of Decision 2002/546/EC for two years, since the basic elements justifying the authorisation provided under that Decision have remained unchanged. In this regard, the report from the Commission to the Council of 28 August 2008 on the application of the special arrangements concerning the AIEM tax applicable in the Canary Islands confirmed that the AIEM tax was functioning in a satisfactory manner and without the need for any amendments to Decision 2002/546/EC.

Moreover, the report received by the Commission from the Spanish authorities confirms that the handicaps that justified the authorisation of total exemptions and partial reductions of the AIEM tax to a list of products produced locally in the Canary Islands are still valid.

ENTRY INTO FORCE: 19/12/2011.