











# Procedure file

Basic information	
NLE - Non-legislative enactments	2016/0109(NLE)
Procedure completed	
EC/Monaco Agreement: taxation of savings income in the form of interest payments. Protocol See also Directive 2003/48/EC <a href="#">2001/0164(CNS)</a> See also <a href="#">2004/0264(CNS)</a>	
Subject 2.50.02 Savings 2.70.01 Direct taxation	
Geographical area Monaco	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Economic and Monetary Affairs		10/09/2015
		 <a href="#">SCHWAB Andreas</a>	
		Shadow rapporteur	
		 <a href="#">KOFOD Jeppe</a>	
		 <a href="#">LOONES Sander</a>	
		 <a href="#">VAN NIEUWENHUIZEN</a>	
		 <a href="#">KAPPEL Barbara</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Legal Affairs	The committee decided not to give an opinion.	
	 Internal Market and Consumer Protection	The committee decided not to give an opinion.	
	 Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">3480</a>	12/07/2016
European Commission	Commission DG	Commissioner	
	<a href="#">Taxation and Customs Union</a>	MOSCOVICI Pierre	

Key events			
13/04/2016	Legislative proposal published	<a href="#">COM(2016)0201</a>	
28/04/2016	Committee referral announced in Parliament		
15/06/2016	Vote in committee		

16/06/2016	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A8-0206/2016</a>	Summary
23/06/2016	Results of vote in Parliament		
23/06/2016	Decision by Parliament	<a href="#">T8-0284/2016</a>	Summary
12/07/2016	Act adopted by Council after consultation of Parliament		
12/07/2016	End of procedure in Parliament		
18/10/2016	Final act published in Official Journal		

Technical information	
Procedure reference	2016/0109(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consultation of Parliament
	See also Directive 2003/48/EC <a href="#">2001/0164(CNS)</a> See also <a href="#">2004/0264(CNS)</a>
Legal basis	Treaty on the Functioning of the EU TFEU 115; Treaty on the Functioning of the EU TFEU 218-p8-a2; Treaty on the Functioning of the EU TFEU 218-p6b-ab
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/06246

Documentation gateway					
Legislative proposal		<a href="#">COM(2016)0201</a>	13/04/2016	EC	
Document attached to the procedure		<a href="#">COM(2016)0200</a>	13/04/2016	EC	
Committee draft report		<a href="#">PE582.314</a>	19/05/2016	EP	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A8-0206/2016</a>	16/06/2016	EP	Summary
Text adopted by Parliament, 1st reading/single reading		<a href="#">T8-0284/2016</a>	23/06/2016	EP	Summary

Final act
<a href="#">Decision 2016/1830</a> <a href="#">OJ L 280 18.10.2016, p. 0001</a> Summary

## EC/Monaco Agreement: taxation of savings income in the form of interest payments. Protocol

**PURPOSE:** to conclude, on behalf of the European Union, the Amending Protocol to the Agreement between the European Community and the Principality of Monaco providing for measures equivalent to those laid down in Council Directive 2003/48/EC.

**PROPOSED ACT:** Council Decision.

**ROLE OF THE EUROPEAN PARLIAMENT:** Council may adopt the act only if Parliament has given its consent to the act.

**BACKGROUND:** following the adoption of [Council Directive 2003/48/EC](#), the Savings Directive, and in order to preserve a level playing field for economic operators, the EU signed Agreements with Switzerland, Andorra, Liechtenstein, Monaco and San Marino providing for measures equivalent to those laid down in the Directive. The Member States also signed agreements with the dependent territories of the United

Kingdom and the Netherlands.

The importance of automatic exchange of information as a means of combating cross-border tax fraud and tax evasion has also been recognised at the international level.

In this regard, the Organisation for Economic Cooperation and Development (OECD) was mandated by the G20 to develop a single global standard for automatic exchange of financial account information (Global Standard). The Global Standard was published by the OECD Council in July 2014.

Following the adoption of a proposal to update the Savings Directive, on 17 June 2011 the Commission adopted a recommendation for a mandate to initiate negotiations with Switzerland, Liechtenstein, Andorra, Monaco and San Marino, in order to upgrade the EU's agreements with those countries in line with international developments and to ensure that those countries continue to apply measures equivalent to those in the EU. On 14 May 2013, the Council reached an agreement on the negotiating mandate.

On the basis of a proposal presented by the Commission in June 2013, on 9 December 2014 the Council adopted [Directive 2014/107/EU](#) amending Directive 2011/16/EU and extending the mandatory automatic exchange of information between EU tax authorities to a full range of financial items in accordance with the Global Standard.

As Directive 2014/107/EU is generally broader in scope than Directive 2003/48/EC and provides that in cases of overlap of scope, the Council, on the basis of a Commission proposal adopted [Directive \(EU\) 2015/2060](#) repealing Directive 2003/48/EC.

The Commission considers it crucial to ensure that the amendment of the existing Savings Agreement with Monaco is in line with EU and international developments. This will increase tax transparency in Europe and will be the legal basis for implementing the OECD Global Standard on automatic exchange of information between Monaco and the EU.

CONTENT: the Commission proposes that the Council should adopt a decision approving, on behalf of the European Union, the Amending Protocol to the Agreement between the European Community and Monaco 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.

The Amending Protocol implements the Global Standard between EU Member States and Monaco. It replaces the existing articles and annexes of the existing Agreement with a new set of provisions comprising 10 articles, an Annex I that reflects the OECD Common Reporting Standard which is part of the Global Standard, an Annex II that reflects important parts of the OECD Commentaries on the Global Standard, an Annex III that reflects the additional data protection safeguards to be put in place as regards data collection and exchanges under the Agreement, and an Annex IV that lists the competent authorities of Monaco and of each Member State.

The new articles reflect the articles of the OECD Model Competent Authority agreement for the implementation of the Global Standard. They include:

- a full set of provisions on exchange of information upon request that follows the latest text of the OECD Model Tax Convention.
- a detailed set of provisions on data protection;
- an additional stage of consultation before any Member State or Monaco undertakes to suspend the Agreement as well as amendments to the Agreement;
- provisions on amendments to the Agreement, including a quick mechanism for provisional application by one of the Contracting Parties of amendments to the Global Standard, subject to the consent of the other Party.

Moreover, the Amending Protocol:

- deals with issues on the transition from the existing Agreement to the amended Agreement as regards requests for information, credits available to beneficial owners for withholding tax, final payment of withholding tax by Monaco to Member States and final exchanges of information under the voluntary disclosure mechanism;
- includes a Protocol on additional safeguards related to the exchange of information on request. The text specifies that exchanges on the basis of a group request are not ruled out.

The revised Agreement is supplemented by four Joint Declarations of the contracting parties.

## EC/Monaco Agreement: taxation of savings income in the form of interest payments. Protocol

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The Committee on Economic and Monetary Affairs adopted the report by Andreas SCHWAB (EPP, DE) on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Amending Protocol to the Agreement between the European Community and the Principality of Monaco providing for measures equivalent to those laid down in Council Directive 2003/48/EC.

The committee approved the conclusion of the Amending Protocol to the Agreement.

To recall, the Amending Protocol represents an important step in ongoing efforts to clamp down on tax fraud and tax evasion and upgrades the 2004 agreement that ensured that Monaco applied measures equivalent to those in an [EU directive on the taxation of savings income](#).

Under the new agreement, the EU Member States and Monaco will automatically exchange information on the financial accounts held on their territories by each other's residents, starting in 2018 for information collected since 1 January 2017. The aim is to address situations where a taxpayer seeks to hide capital representing income or assets for which taxes have not been paid.

The agreement aims at ensuring that Monaco applies strengthened measures that are equivalent to the EU legal framework, as upgraded in December 2014 (amending the Directive on Administrative Cooperation, "[DAC2](#)") and that comply with the procedures for automatic exchange of financial account information promoted by the 2014 OECD Global standard.

In line with that OECD standard, the new Agreement provides for further provisions which aim at securing that exchanged information concerns not only income such as interest and dividends, but also account balances and proceeds from the sale of financial assets. Unconditional exchange of information upon request must also be provided under the new agreement.

In the explanatory memorandum in the report, the rapporteur welcomes the Agreement and strongly urges for it to be concluded and ratified as

soon as possible in order to ensure its complete entry into force.

## EC/Monaco Agreement: taxation of savings income in the form of interest payments. Protocol

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The European Parliament adopted by 549 votes to 16, with 23 abstentions, a legislative resolution on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Amending Protocol to the Agreement between the European Community and the Principality of Monaco providing for measures equivalent to those laid down in Council Directive 2003/48/EC.

In line with the Committee on Economic and Monetary Affairs, Parliament approved the conclusion of the Amending Protocol to the Agreement.

The agreement aims at ensuring that Monaco applies strengthened measures that are equivalent to the EU legal framework, as upgraded in December 2014 (amending the Directive on Administrative Cooperation, "[DAC2](#)") and that comply with the procedures for automatic exchange of financial account information.

## EC/Monaco Agreement: taxation of savings income in the form of interest payments. Protocol

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**PURPOSE:** to approve the conclusion of an Agreement between the EU and Monaco on the automatic exchange of financial account information, aimed at improving international tax cooperation and compliance

**PROPOSED ACT:** Council Decision.

**NON-LEGISLATIVE ACT:** Council Decision (EU) 2016/1830 on the conclusion, on behalf of the European Union, of the Amending Protocol to the Agreement between the European Community and the Principality of Monaco providing for measures equivalent to those laid down in Council Directive 2003/48/EC.

**CONTENT:** the Council approved, on behalf of the European Union, the Amending Protocol to the Agreement between the European Community and the Principality of Monaco 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.

The Amending Protocol to the Agreement between the European Community and Monaco was signed on 12 July 2016. It aligns the Agreement between the European Community and Monaco with the latest developments at international level concerning automatic exchange of information, namely, with the Global Standard for automatic exchange of financial account information in tax matters developed by the Organisation for Economic Cooperation and Development (OECD).

The text of the Agreement, as amended by the Amending Protocol, is the legal basis for implementing the Global Standard in the relations between the Union and Monaco. It will contribute to efforts to clamp down on tax evasion, by requiring the EU Member States and Monaco to exchange information automatically. This will allow their tax administrations improved cross-border access to information on the financial accounts of each other's residents.

Information to be exchanged concerns not only income such as interest and dividends, but also account balances and proceeds from the sale of financial assets.

**ENTRY INTO FORCE:** 11.10.2016.