Canary Islands: exemptions from or reductions in the AIEM tax, 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.