Canary Islands: exemptions from or reductions in the AIEM tax, period of application

2013/0387(CNS) - 17/12/2013 - Final act

PURPOSE: to extend the period of application of Decision 2002/546/EC for six months.

LEGISLATIVE ACT: Council Decision No 1413/2013/EU amending Decision 2002/546/EC as regards its period of application.

CONTENT: Council Decision 2002/546/EC authorises Spain to apply exemptions from, or reductions in, the tax known as '*Arbitrio sobre Importaciones y Entregas de Mercancías en las Islas Canarias*' ('AIEM') to certain products produced in the Canary Islands. The Annex to that Decision contains a list of products to which tax exemptions and reductions may be applied.

The exemptions from, and reductions in, the AIEM establish differentiated taxation, benefiting the local production of some products. This constitutes state aid that requires the approval of the Commission.

Council Decision 2002/546/EC was originally applicable until 31 December 2011. At the end of 2011, Council Decision 895/2011/EU amended Decision 2002/546/EC, extending its period of application until 31 December 2013.

On 28 June 2013, the Commission adopted its Guidelines on regional state aid for 2014-2020. These Guidelines, which will enter into force on 1 July 2014.

Since the structural, social and economic situation in the Canary Islands is still in place, this Decision **extends the period of application of Decision 2002/546/EC for six months, until 30 June 2014** so that its expiry date coincides with the date of entry into force of the Guidelines on regional state aid for 2014–2020.

ENTRY INTO FORCE: 17.12.2013.