

Taxation of savings income in the form of interest payments: repealing the Savings Directive

2015/0065(CNS) - 27/10/2015 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 629 votes to 30, with 29 abstentions, in the framework of a special legislative procedure (Parliament's consultation), a legislative resolution on the proposal for a Council directive repealing Council Directive 2003/48/EC on taxation of savings income in the form of interest payments.

Parliament approved the Commission proposal subject to amendment introduced in the form of recitals.

Given that all of the bilateral agreements are adapted to the new OECD Global Standard and to [Directive 2014/107/EU](#), Parliament expressed its concern about the potential for the creation of loopholes if the separate bilateral agreements between the Union and **five European countries that are not Member States of the Union** (Switzerland, Liechtenstein, San Marino, Monaco and Andorra) are not rapidly concluded. It also regretted that the Commission does not have a mandate to negotiate with the **12 dependent or associated territories** (the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean).

Members considered it important that the Commission should continue to **monitor that the repeal does not create loopholes**. They proposed that the Commission shall:

- by 1 July 2016, submit a report to the Council and to the European Parliament on the transition of moving from the reporting standard applied under Directive 2003/48/EC to the new reporting standard established by Directive 2014/107/EU;
- by 1 October 2017, submit a follow-up report in order to closely monitor the situation. The reports shall, where appropriate, be accompanied by legislative proposals.

Lastly, Parliament stressed that although no **specific cost-benefit analysis** has been made of a dual reporting system, not even for a temporary transition period between the two standards, it is reasonable to assume that the minor benefits of retaining such dual reporting would be outweighed by the costs.