

EC/San Marino 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 Cora van NIEUWENHUIZEN (ADLE, NL) 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 Republic of San Marino 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 committee recommended the European Parliament to **approve the conclusion of the amending protocol to the agreement.**

To recall, the European Union and San Marino signed an agreement on 8 December 2015 on the automatic exchange of financial account information, aimed at improving international tax cooperation and compliance.

Under the new agreement, the EU and San Marino will automatically exchange information on the financial accounts of each other's residents, starting in 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 San Marino applies strengthened measures that are equivalent to the EU legal framework and that comply with the procedures for automatic exchange of financial account information promoted by the 2014 OECD Global standard. It shall have a provisional entry into application on 1 January 2016, pending the completion of their respective internal procedures for its formal entry into force. The rapporteur strongly urged that the agreement is concluded and ratified as soon as possible thereafter in order to keep the transitional phase as short as possible.