

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

2015/0285(NLE) - 09/03/2016 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 647 votes to 29, with 21 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 Andorra 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.

Parliament approved the conclusion of the Amending Protocol to the Agreement.

To recall, the European Union and Andorra signed an agreement on 12 February 2016 on the automatic exchange of financial account information, aimed at improving international tax cooperation and compliance.

The agreement aims at ensuring that Andorra 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.

As a result of the new agreement, tax administrations in the Member States and in Andorra will be able to:

- identify correctly and unequivocally the taxpayers concerned;
- administer and enforce their tax laws in cross-border situations;
- assess the likelihood of tax evasion being perpetrated;
- avoid unnecessary further investigations.

The Agreement shall enter into force on 1 January 2017, subject to the completion of their respective internal procedures.