

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

2016/0109(NLE) - 16/06/2016 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Andreas SCHWAB (EPP, DE) 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 Monaco providing for measures equivalent to those laid down in Council Directive 2003/48/EC.

The committee approved the conclusion of the Amending Protocol to the Agreement.

To recall, the Amending Protocol represents an important step in ongoing efforts to clamp down on tax fraud and tax evasion and upgrades the 2004 agreement that ensured that Monaco applied measures equivalent to those in an [EU directive on the taxation of savings income](#).

Under the new agreement, the EU Member States and Monaco will **automatically exchange information** on the financial accounts held on their territories by each other's residents, starting in 2018 for information collected since 1 January 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 Monaco applies strengthened measures that are equivalent to the EU legal framework, as upgraded in December 2014 (amending the Directive on Administrative Cooperation, "[DAC2](#)") and that comply with the procedures for automatic exchange of financial account information promoted by **the 2014 OECD Global standard**.

In line with that OECD standard, the new Agreement provides for further provisions which aim at securing that exchanged information concerns not only income such as interest and dividends, but also account balances and proceeds from the sale of financial assets. Unconditional exchange of information upon request must also be provided under the new agreement.

In the explanatory memorandum in the report, the rapporteur welcomes the Agreement and strongly urges for it to be concluded and ratified as soon as possible in order to ensure its complete entry into force.