

Taxation of savings income in the form of interest payments. Savings Directive

2001/0164(CNS) - 20/02/2002

The committee adopted the report by Fernando PÉREZ ROYO (PES, E) broadly supporting the proposal under the consultation procedure, subject to a number of amendments. In line with the spirit of the agreements reached at the Feira Summit, the committee wanted to ensure that the same measures should be applied in dependent or associated territories and some third countries, an issue that the Commission had not addressed in its proposal. The report therefore called on Member States to ensure that the directive also applied to interest paid by paying agents in their associated or dependent territories (some of which were currently tax havens). Another amendment stipulated that the Community should negotiate with its main third country commercial parties to ensure that interest paid by third country entities to residents in the EU was treated in an equivalent fiscal way to that paid by European agents. The Commission should, moreover, inform Parliament of the progress of those negotiations. Finally, the committee adopted an amendment making it clear that, at the end of the 7-year transitional period allowed for Belgium, Luxembourg and Austria, those three countries should move automatically from levying a withholding tax to participating in the automatic exchange of information. No decision other than the entry into force of the directive would therefore be required.