

EC/Switzerland agreement: taxation of savings income in the form of interest payments (Directive 2003/48/EC)

2004/0027(CNS) - 16/03/2004

The committee adopted the report by José GARCÍA-MARGALLO Y MARFIL (EPP-ED, E) broadly approving the proposal under the consultation procedure, subject to a few amendments. These essentially introduced several new recitals into the Council Decision raising a number of issues, i.e. the agreement with Switzerland should not be linked to negotiations with other parties, and the best way to tax savings income effectively is through the automatic exchange of information between tax authorities. One amendment pointed out that Switzerland, like some EU Member States, had opted in the framework of the EU Savings Tax Directive (2003/48/EC) for a withholding tax at source and would introduce such a tax on funds from EU residents of the European Union, with 75% of the revenue generated by the tax being transferred to the Member State of residence of the beneficial owner.