Canary Islands: arrangements concerning the tax on imports and exchanges AIEM

2001/0284(CNS) - 20/06/2002 - Final act

PURPOSE : to apply an AIEM tax in the Canary Islands. COMMUNITY MEASURE : Council Decision 2002/546/EC on the AIEM tax applicable in the Canary Islands. CONTENT : to recall, the Decision states that a AIEX tax is levied on supplies of goods produced in the Canary Islands effected by the producers of these goods and on imports of comparable or similar goods of the same type defined by reference to the Common Customs Tariffs Nomenclature. The taxable base for imported goods will be based on the customs value and that of supplies of goods effected by producers in the Canary Islands will be based on the total amount of the consideration. Like the APIM, the AIEM may be exempted on locally produced goods. The industrial products for which exemption is foreseen include: - agricultural and fisheries products, building material, chemicals, products of the metalworking industries, foodstuffs and beverages, tobacco products, textiles and leather, paper, graphic arts and publishing. Tobacco, being a highly sensitive product is given additional favourable treatment (25%). Nevertheless, the Spanish authorities may establish a minimum on cigarettes of not more than EUR 6 per 1000 cigarettes, applicable only if the AIEM tax resulting from the general types of taxation is below this figure. As regards the rates applicable to the above mentioned products, the Spanish authorities have taken as a basis the level of the APIM tax as it resulted in 1996 from the application of Regulation 1911/91/EEC and other special national taxes. The Commission evaluated, on a case by case basis, proposed tax and set the rates by the categories of products. The maximum rates vary from 5% to 15% according to the sensitivity of the sector and the proposed products. Moreover, the objectives of promoting the socio-economic development of the Canary Islands are reflected at national level in the purpose of the tax and allocation of the revenue it generates. The incorporation of the revenue from this tax in the resources of the Canary Islands economic and tax system and its use for an economic and social development strategy involving the promotion of local activities will be a legal obligation. By way of derogation from Articles 23, 25 and 90 of the Treaty, the Spanish authorities shall be authorised until 31 December 2011 to lay down, in respect of products listed in the Annex that are produced locally in the Canary Islands, total exemptions from or partial reductions of the tax known as "Arbitrio sobre las Importaciones y Entregas de Mercancas en las islas Canarias (AIEM)". These exemptions must form part of the strategy for economic and social development of the Canary Islands and contribute to the promotion of local activities. The Spanish authorities shall present to the Commission at the latest by 31 December 2005 a report on the application of the arrangements in order to check the impact of the measures taken and their contribution to the promotion or maintenance of local economic activities, account being taken of handicaps affecting the outermost regions. On this basis, the Commission shall present a report to the Council comprising a full analysis of the economic and social aspects and where appropriate a proposal for adapting the provisions of this Decision. ENTRY INTO FORCE : This Decision shall be applicable from 1 January 2002.