Savings, taxation: minimum of savings income in the form of interest payments within the Community

1998/0193(CNS) - 23/11/1998 - Document attached to the procedure

PURPOSE: to present Commission plans for addressing the external dimension of taxation on savings. CONTENT: The Commission proposes taking steps to establish exploratory contacts on this subject with third countries, initially based on proximity to the Community. Such a criterion would indicate first contacts should include Switzerland, Liechtenstein, Andorra, Monaco and San Marino. Priority is also given to contacts with certain fundamental Community partners such as the United States and Japan. Preliminary contacts would focus on three key elements: - the need to ensure a minimum of effective taxation on savings income at the international level; - the specific elements of the measures which could be considered equivalent to those envisaged by the co-existence model; - the adoption of the paying agent method. The Commission considers the establishment of such contacts to be a matter of urgency for the ECOFIN Council, as technical discussions within the Council on the proposal for a directive could produce concrete results by the end of the German Presidency. The Commission also proposes raising the issue of adoption of equivalent measures, in the context of pre-accession discussions with the candidate countries.