

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

2004/0027(CNS) - 30/03/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Jos Manuel GARCIA-MARGALLO Y MARFIL (EPP-ED, E) on the agreement with Switzerland on taxation of savings. (Please see the document of 16/03/04.) Parliament stated that consideration needs to be given to the needs of the banking sectors of some Member States and their structural differences by allowing them to have a transitional period during which they will levy a withholding tax, at a rate increasing progressively to 35%. Until full information exchange is achieved this will ensure a minimum level of effective taxation. The greater part of this revenue should be transferred to the Member State of residence of the beneficial owner of the interest. In order to prevent the flight of capital from the European Union, the application of this agreement should be conditional upon the adoption and implementation by the dependent or associated territories of the Member States mentioned in the Feira European Council Decision of 19 and 20 June 2000, as well as the United States of America, Andorra, Liechtenstein, Monaco and San Marino, respectively, of measures which conform with those contained in Directive 2003/48/EC or in the present agreement on the taxation of savings income in the form of interest payments. Negotiations with these third countries should be concluded in a timely manner and no further counter-requests from these countries should be accepted. Agreements with these countries should include the same fundamental elements as those in the agreement with Switzerland.