Basic information

2004/0191(CNS) CNS - Consultation procedure Decision	Procedure completed
EC/Liechtenstein agreement: taxation of savings income in the form of interest payments See also Directive 2003/48/EC 2001/0164(CNS) See also 2015/0175(NLE) **Subject** 2.50.02 Savings 2.70.01 Direct taxation **Geographical area** Liechtenstein	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	GAUZÈS Jean-Paul (PPE-DE)	13/09/2004

Council of the European Union

Council configuration	Meetings	Date
Transport, Telecommunications and Energy	2625	2004-11-29
Agriculture and Fisheries	2633	2004-12-21

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	

Key events

Date	Event	Reference	Summary
23/08/2004	Legislative proposal published	COM(2004)0569	Summary
07/10/2004	Vote in committee		Summary
13/10/2004	Committee referral announced in Parliament		
14/10/2004	Committee report tabled for plenary, 1st reading/single reading	A6-0016/2004	
17/11/2004	Decision by Parliament	T6-0053/2004	Summary
17/11/2004	Results of vote in Parliament		

21/12/2004	Act adopted by Council after consultation of Parliament		
21/12/2004	End of procedure in Parliament		
03/05/2005	Final act published in Official Journal		

Technical information

Procedure reference	2004/0191(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	See also Directive 2003/48/EC 2001/0164(CNS) See also 2015/0175(NLE)
Legal basis	EC Treaty (after Amsterdam) EC 094 EC Treaty (after Amsterdam) EC 300-p4 EC Treaty (after Amsterdam) EC 300-p3-a1 EC Treaty (after Amsterdam) EC 300-p2-a1
Stage reached in procedure	Procedure completed
Committee dossier	ECON/6/23343

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A6-0016/2004	14/10/2004	
Text adopted by Parliament, 1st reading/single reading		T6-0053/2004 OJ C 201 18.08.2005, p. 0018-0063 E	17/11/2004	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2004)0569	23/08/2004	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2005/0353
OJ L 112 03.05.2005, p. 0012-0013 Summary

EC/Liechtenstein agreement: taxation of savings income in the form of interest payments

2004/0191(CNS) - 17/11/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Jean-Paul GAUZES (EPP-ED, FR) and approved the conclusion of the Agreement with Liechtenstein.

EC/Liechtenstein agreement: taxation of savings income in the form of interest payments

2004/0191(CNS) - 23/08/2004 - Legislative proposal

PURPOSE : to conclude the Agreement between the European Community and the Principality of Liechtenstein providing for measures equivalent to those laid down in Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments.

PROPOSED ACT : Council Decision.

CONTENT : by its decision of 16 October 2001, the Council authorised the Commission to negotiate appropriate agreements with Switzerland, the United States of America, Andorra, Liechtenstein, Monaco and San Marino to ensure that these countries adopt measures equivalent to those to be applied within the Community to ensure effective taxation of savings income in the form of interest payments.

The Council identified four elements of this Agreement : Retention and withholding: Switzerland will apply the same rates of retention and withholding as Belgium, Luxembourg and Austria; Revenue sharing: Switzerland will share the revenue of the retention tax and will accept the 75/25 division applied within the Community; Voluntary disclosure of information and a review clause stating that "The Contracting Parties shall consult with each other at least every three years or at the request of either Contracting Party with a view to examining and – if deemed necessary by the Contracting Parties - improving the technical functioning of the Agreement. In any event when Belgium, Luxembourg and Austria change from withholding tax to automatic exchange of information in accordance with the Directive, the Contracting Parties shall consult each other in order to examine whether the changes to the Agreement are necessary taking into account international developments.

This Agreement is accompanied by a Memorandum of Understanding between the European Community and its Member States, of the one part, and the Principality of Liechtenstein of the other part. In accordance with the conclusions of the ECOFIN Council of 21 January 2003, the Memorandum of Understanding confirms that within the transition period provided for by Council Directive 2003/48/EC of 3 June 2003, the European Community will enter into discussions with other important financial centres with a view to promoting adoption by those jurisdictions of measures equivalent to those applied by the Community.

The Memorandum of Understanding also provides that the agreed measures will be implemented in good faith and that the Parties will not act unilaterally to undermine this arrangement without due cause. Should any significant difference between the scope of Council Directive 2003/48/EC and that of the Agreement, in particular with regard to Article 6 of the Agreement, be discovered, the Contracting Parties will immediately enter into discussions with a view to ensuring that the equivalent nature of the measures provided for by the Agreement is maintained.

Lastly, as regards the exchange of information, the Memorandum of Understanding provides that the Principality of Liechtenstein undertakes to make its best endeavour to determine without delay the acceptability of a duly justified request in accordance with its procedural laws. The Memorandum of Understanding further states that European Union and its Member States will take into account Liechtenstein's decision to provide for measures equivalent to the Directive in their co-operation with Liechtenstein including co-operation on fiscal matters. The signatories agree that in the context of the negotiations foreseen on the exchange of information as set out in Article 10(4) of the Agreement, either party may raise in parallel other taxation issues, including issues related to the elimination of double taxation of income.

EC/Liechtenstein agreement: taxation of savings income in the form of interest payments

2004/0191(CNS) - 22/12/2004 - Final act

PURPOSE: the conclusion of the Agreement between the European Community and the Principality of Liechtenstein providing for measures equivalent to those laid down in Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments.

LEGISLATIVE ACT: Council Decision 2005/353/EC.

CONTENT: The Agreement between the European Community and the Principality of Liechtenstein providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments is approved on behalf of the European Community.

The Commission is authorised to approve, on behalf of the Community, the amendments to the Annexes to the Agreement which are required to ensure that they correspond to the information relating to the competent authorities notified under Article 5(a) of Directive 2003/48/EC and to the information in the Annex thereto.

The President of the Council shall give the notification provided for in Article 16(1) of the Agreement on behalf of the Community.

The date of entry into force of the Agreement will be published in the Official Journal of the European Union by the General Secretariat of the Council.