Basic information

2011/0192(CNS) CNS - Consultation procedure Decision	Procedure completed
Canary Islands: exemptions from or reductions in the AIEM tax, period of application Amending Decision 2002/546/EC 2001/0284(CNS) **Subject** 2.70.02 Indirect taxation, VAT, excise duties 4.70.06 Outlying and outermost regions, overseas countries and territories **Geographical area** Spain	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	HÜBNER Danuta Maria (PPE)	06/10/2011
	Shadow rapporteur KREHL Constanze (S&D) UGGIAS Giommaria (ALDE) GRÈZE Catherine (Verts /ALE) VLASÁK Oldřich (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Environment	3139	2011-12-19

European Commission

Commission DG	Commissioner
Taxation and Customs Union	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
19/07/2011	Legislative proposal published	COM(2011)0443	Summary
13/09/2011	Committee referral announced in Parliament		
14/11/2011	Vote in committee		Summary
16/11/2011	Committee report tabled for plenary, 1st reading/single reading	A7-0381/2011	
01/12/2011	Decision by Parliament	T7-0528/2011	Summary
01/12/2011	Results of vote in Parliament		
19/12/2011	Act adopted by Council after consultation of Parliament		
19/12/2011	End of procedure in Parliament		
29/12/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/0192(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Amending Decision 2002/546/EC 2001/0284(CNS)
Legal basis	Treaty on the Functioning of the European Union TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	REGI/7/06610

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE472.403	19/10/2011	
Committee report tabled for plenary, 1st reading/single reading		A7-0381/2011	16/11/2011	
Text adopted by Parliament, 1st reading/single reading		T7-0528/2011	01/12/2011	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2011)0443	19/07/2011	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	IT_SENATE	COM(2011)0443	14/10/2011	
Contribution	PT_PARLIAMENT	COM(2011)0443	17/10/2011	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Decision 2011/0895
OJ L 345 29.12.2011, p. 0017 Summary

Canary Islands: exemptions from or reductions in the AIEM tax, period of application

2011/0192(CNS) - 19/07/2011 - Legislative proposal

PURPOSE: to extend the period of application of Decision 2004/162/EC for a period of two years, authorising Spain to apply exemptions from or reductions in the tax known as AIEM for certain products produced locally in the Canary Islands.

PROPOSED ACT: Council Decision.

BACKGROUND: Council Decision 2002/546/EC authorises Spain, up to 31 December 2011, to apply exemptions from or reductions in the tax known as AIEM to certain products produced locally in the Canary Islands. The Annex to that Decision contains a list of products to which tax exemptions and reductions may be applied. The difference between the taxation of locally manufactured products and the taxation of other products may not exceed 5, 15 or 25 percentage points, depending on the product.

The global economic crisis of 2009, with its impact in the reduction of travelling, had severe consequences on the economy of Canary Islands, highly dependent on the revenues from tourism. The unemployment rate that in the period of 2001-2007 oscillated between 10.4% and 12%, rose to 17.3% in 2008 and 26.2% in 2009.

On 16 November 2010, Spain submitted a request to the European Commission to extend the period of application of Decision 2002/546/EC for two years. The report received from the Spanish authorities confirms that the handicaps that justified the approval of total exemptions and partial reduction of the AIEM tax to a list of products produced locally in the Canary Islands are still valid.

IMPACT ASSESSMENT: the Spanish authorities' request to extend the application of the AIEM was a response to requests from the economic sectors concerned. The Commission has not used an impact assessment.

LEGAL BASIS: Article 349 of the TFEU (formerly Article 299(2) of the EC Treaty). This Article provides for the possibility of introducing specific measures for those regions because of the permanent handicaps which affect the economic and social conditions of the outermost regions.

CONTENT: the report from the Commission to the Council on the application of the special arrangements concerning the AIEM tax applicable in the Canary Islands, confirmed that the AIEM was functioning in a satisfactory manner and without the need to any amendments to the provisions of Decision 2002/546/EC.

Accordingly, the purpose of this proposal is to extend the period of application of Decision 2004/162/EC for a period of two years – **until 31 December 2013**, in order to make it coincide with the Guidelines on National Regional Aid, that are applicable for the period 2007-2013.

BUDGETARY IMPLICATION: this proposal has no budgetary implication for the Union budget.

Canary Islands: exemptions from or reductions in the AIEM tax, period of application

2011/0192(CNS) - 01/12/2011 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 550 votes to 62, with 14 abstentions, a legislative resolution, approving unamended under the framework of a special legislative procedure (Parliament consultation), the proposal for a Council decision amending Decision 2002/546/EC as regards its period of application.

Canary Islands: exemptions from or reductions in the AIEM tax, period of application

2011/0192(CNS) - 19/12/2011 - Final act

PURPOSE: to extend the period of application of Decision 2004/162/EC for a period of two years, authorising Spain to apply exemptions from or reductions in the tax known as AIEM for certain products produced locally in the Canary Islands.

LEGISLATIVE ACT: Council Decision No 895/2011/EU amending Decision 2002/546/EC as regards its period of application.

CONTENT: the Council has decided to authorise Spain for a **further two years until 31 December 2013** to apply exemptions from or reductions in the tax known as AIEM for certain products produced locally in the Canary Islands.

It is justified to extend the period of application of Decision 2002/546/EC for two years, since the basic elements justifying the authorisation provided under that Decision have remained unchanged. In this regard, the report from the Commission to the Council of 28 August 2008 on the application of the special arrangements concerning the AIEM tax applicable in the Canary Islands confirmed that the AIEM tax was functioning in a satisfactory manner and without the need for any amendments to Decision 2002/546/EC.

Moreover, the report received by the Commission from the Spanish authorities confirms that the handicaps that justified the authorisation of total exemptions and partial reductions of the AIEM tax to a list of products produced locally in the Canary Islands are still valid.

ENTRY INTO FORCE: 19/12/2011.