

| Basic information | |
|---|---------------------|
| <p>2015/0175(NLE)</p> <p>NLE - Non-legislative enactments</p> <p>EC/Liechtenstein Agreement: taxation of savings income in the form of interest payments. Protocol</p> <p>See also Directive 2003/48/EC 2001/0164(CNS) See also Decision 2005/353/EC 2004/0191(CNS)</p> <p>Subject</p> <p>2.50.02 Savings 2.70.01 Direct taxation 2.80 Cooperation between administrations 7.30.30.06 Action to combat economic fraud and corruption</p> <p>Geographical area</p> <p>Liechtenstein</p> | Procedure completed |

| Key players | | | | |
|-------------------------------|--|--|---|------------------|
| European Parliament | Committee responsible | | Rapporteur | Appointed |
| | ECON Economic and Monetary Affairs | | LOONES Sander (ECR) | 10/09/2015 |
| | | | Shadow rapporteur SCHWAB Andreas (PPE) KOFOD Jeppe (S&D) VIEGAS Miguel (GUE/NGL) | |
| | Committee for opinion | | Rapporteur for opinion | Appointed |
| | IMCO Internal Market and Consumer Protection | | The committee decided not to give an opinion. | |
| | JURI Legal Affairs | | The committee decided not to give an opinion. | |
| | LIBE Civil Liberties, Justice and Home Affairs | | The committee decided not to give an opinion. | |
| Council of the European Union | Council configuration | | Meetings | Date |
| | Economic and Financial Affairs ECOFIN | | 3435 | 2015-12-08 |

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|---------------------|----------------------------|------------------|
| European Commission | Commission DG | Commissioner |
| | Taxation and Customs Union | MOSCOVICI Pierre |

| Key events | | | |
|------------|---|--|---------|
| Date | Event | Reference | Summary |
| 07/08/2015 | Legislative proposal published | COM(2015)0395  | Summary |
| 11/11/2015 | Committee referral announced in Parliament | | |
| 13/11/2015 | Vote in committee | | |
| 18/11/2015 | Committee report tabled for plenary, 1st reading/single reading | A8-0334/2015 | Summary |
| 02/12/2015 | Decision by Parliament | T8-0421/2015 | Summary |
| 02/12/2015 | Results of vote in Parliament |  | |
| 08/12/2015 | Act adopted by Council after consultation of Parliament | | |
| 08/12/2015 | End of procedure in Parliament | | |
| 24/12/2015 | Final act published in Official Journal | | |

| Technical information | |
|----------------------------|---|
| Procedure reference | 2015/0175(NLE) |
| Procedure type | NLE - Non-legislative enactments |
| Procedure subtype | Consultation of Parliament |
| Amendments and repeals | See also Directive 2003/48/EC 2001/0164(CNS) See also Decision 2005/353/EC 2004/0191(CNS) |
| Legal basis | Treaty on the Functioning of the European Union TFEU 218-p6b-ab Treaty on the Functioning of the European Union TFEU 115 Treaty on the Functioning of the European Union TFEU 218-p8-a2 |
| Other legal basis | Rules of Procedure EP 165 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | ECON/8/04380 |

| Documentation gateway | | | | |
|---|-----------|------------------------------|------------|---------|
| European Parliament | | | | |
| Document type | Committee | Reference | Date | Summary |
| Committee draft report | | PE569.772 | 20/10/2015 | |
| Committee report tabled for plenary, 1st reading/single reading | | A8-0334/2015 | 18/11/2015 | Summary |
| Text adopted by Parliament, 1st reading/single reading | | T8-0421/2015 | 02/12/2015 | Summary |

| Council of the EU | | | |
|------------------------------------|--|------------|-------------------------|
| Document type | Reference | Date | Summary |
| Document attached to the procedure | 11798/2015 | 20/10/2015 | Summary |
| European Commission | | | |
| Document type | Reference | Date | Summary |
| Commission document (COM) | COM(2015)0394  | 07/08/2015 | |
| Legislative proposal | COM(2015)0395  | 07/08/2015 | Summary |

| Additional information | | |
|------------------------|-------------------------|------|
| Source | Document | Date |
| European Commission | EUR-Lex | |

| Final act |
|---|
| Decision 2015/2453 OJ L 339 24.12.2015, p. 0001 Summary |

EC/Liechtenstein Agreement: taxation of savings income in the form of interest payments. Protocol

2015/0175(NLE) - 02/12/2015 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 562 votes to 30, with 49 abstentions, a legislative resolution on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Amending Protocol to 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.

Parliament **approved the conclusion of the Amending Protocol to the Agreement** which seeks to implement the Global Standard for the automatic exchange of financial account information between EU Member States and Liechtenstein. This Standard was published by the OECD Council in July 2014.

EC/Liechtenstein Agreement: taxation of savings income in the form of interest payments. Protocol

2015/0175(NLE) - 07/08/2015

PURPOSE: to conclude, on behalf of the European Union, the Amending Protocol to 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.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: following the adoption of [Council Directive 2003/48/EC](#), the Savings Directive, and in order to preserve the level playing field of economic operators, the EU signed Agreements with Liechtenstein providing for measures equivalent to those laid down in the Directive.

The importance of **automatic exchange of information** as a means to combat cross-border tax fraud and tax evasion by ensuring full tax transparency and cooperation between tax administrations worldwide has also been recognised at the international level. In this regard, the Organisation for Economic Cooperation and Development (OECD) was mandated by the G20 to develop a **single global standard for automatic exchange of financial account information**. The Global Standard was released by the OECD Council in July 2014.

Following the adoption of a [proposal](#) to update the Savings Directive, the Commission adopted on 17 June 2011 a recommendation for a **mandate to initiate negotiations with Liechtenstein** in order to upgrade the EU's Agreements with those countries in line with international developments and to ensure that those countries continue to apply measures equivalent to those in the EU.

On 14 May 2013, the Council reached an agreement on the Negotiating Mandate.

On the basis of a proposal presented by the Commission in June 2013, the Council on 9 December 2014 adopted [Directive 2014/107/EU](#) amending Directive 2011/16/EU and extending the mandatory automatic exchange of information between EU tax authorities to a full range of financial items in accordance with the Global Standard.

As Directive 2014/107/EU is generally broader in scope than Directive 2003/48/EC and provides that in cases of overlap of scope, Directive 2014/107/EU prevails, the Commission adopted a [proposal](#) to repeal Directive 2003/48/EC.

The Commission considered it crucial to ensure that the amendment of the existing Savings Agreement with Liechtenstein is in line with EU and international developments. This will increase tax transparency in Europe and will be the legal basis for implementing the OECD Global Standard on automatic exchange of information between Liechtenstein and the EU.

CONTENT: under this proposal, the Council is called upon to **approve, on behalf of the European Union, the Amending Protocol** to 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.

The Amending Protocol implements the Global Standard between EU Member States and Liechtenstein.

It also replaces the existing articles and Annexes with a new set of provisions comprising 10 Articles, an Annex I that reflects the OECD Common Reporting Standard which is part of the Global Standard, an Annex II that reflects important parts of the OECD Commentaries to the Global Standard and an Annex III that lists the Competent Authorities of Liechtenstein and of each Member State.

The new Articles reflect the articles of the OECD Model Competent Authority agreement for the implementation of the Global Standard. They include, *inter alia*:

- a full set of provisions on exchange of information upon request that follows the latest text of the OECD Model Tax Convention;
- a more detailed set of provisions on data protection;
- provisions on amendments to the Agreement, including a quick mechanism for provisional application by one of the Contracting Parties of amendments to the Global Standard, on the condition of consent by the other Party.

The Amending Protocol includes provisions on the entry into force and application. It deals with issues on the transition from the existing Agreement to the amended Agreement, with regard to requests for information, credits available to beneficial owners for withholding tax, final payments of withholding tax by Liechtenstein to Member States and final exchange of information under the voluntary disclosure mechanism.

The revised Agreement is supplemented by two Joint Declarations of the contracting parties.

EC/Liechtenstein Agreement: taxation of savings income in the form of interest payments. Protocol

2015/0175(NLE) - 20/10/2015

PURPOSE: to conclude, on behalf of the European Union, the Amending Protocol to 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.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

CONTENT: with this proposal, the Council is called to approve, on behalf of the EU, the Amending Protocol to the Agreement between the European Community and 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.

The text of the Amending Protocol aligns 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 with the latest developments at international level concerning the automatic exchange of information, namely, with **the Global Standard for automatic exchange of financial account information in tax matters**, developed by the Organisation for Economic Cooperation and Development (OECD).

The Union, its Member States and the Principality of Liechtenstein have actively participated in the work of the Global Forum of the OECD for supporting the development and implementation of that Standard.

The text of the Agreement, as amended by the Amending Protocol, is the legal basis for implementing **the Global Standard in relations between the European Union and Liechtenstein**.

The Amending Protocol introduces a new body of provisions comprising 10 articles, an Annex I which sets out the common standard on reporting and due diligence for financial accounting information established at the OECD, an Annex II setting out complementary reporting rules and Annex III which sets out the list of competent authorities in Liechtenstein and each Member State.

For more details on the Amending Protocol, please see the summary of the initial legislative proposal of 7.8.2015.

EC/Liechtenstein Agreement: taxation of savings income in the form of interest payments. Protocol

2015/0175(NLE) - 08/12/2015 - Final act

PURPOSE: to conclude an the Amending Protocol to the Agreement between the European Community and Liechtenstein to allow tax administrations to extend the automatic exchange of information and to improve cross-border access to information on private savers.

NON-LEGISLATIVE ACT: Council Decision (EU) 2015/2453 on the conclusion, on behalf of the European Union, of the Amending Protocol to the Agreement between the European Community and Liechtenstein the 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.

CONTENT: by this Decision, the Council approves the Amending Protocol to the Agreement between the European Community and 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 hereby approved on behalf of the Union. That directive (2003/48/EC) has since [been repealed](#) to eliminate an overlap with [Directive 2014/107/EU](#), which includes strengthened provisions to prevent tax evasion.

The [Amending Protocol](#) to the Agreement between the EU and Liechtenstein was signed on 28 October 2015. The text of the Protocol aligns the Agreement with the latest developments at international level concerning **automatic exchange of information**, namely the **Global Standard for automatic exchange of financial account information in tax matters** developed by the Organisation for Economic Cooperation and Development (OECD).

The text of the Agreement, as amended by the Amending Protocol, will allow the implementation of the Global Standard in relations between the EU and Liechtenstein, and accordingly, prevent tax fraud and tax evasion.

ENTRY INTO FORCE: 08.12.2015.

EC/Liechtenstein Agreement: taxation of savings income in the form of interest payments. Protocol

2015/0175(NLE) - 07/08/2015 - Legislative proposal

PURPOSE: to conclude, on behalf of the European Union, the Amending Protocol to 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.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: following the adoption of [Council Directive 2003/48/EC](#), the Savings Directive, and in order to preserve the level playing field of economic operators, the EU signed Agreements with Liechtenstein providing for measures equivalent to those laid down in the Directive.

The importance of **automatic exchange of information** as a means to combat cross-border tax fraud and tax evasion by ensuring full tax transparency and cooperation between tax administrations worldwide has also been recognised at the international level. In this regard, the Organisation for

Economic Cooperation and Development (OECD) was mandated by the G20 to develop a **single global standard for automatic exchange of financial account information**. The Global Standard was released by the OECD Council in July 2014.

Following the adoption of a [proposal](#) to update the Savings Directive, the Commission adopted on 17 June 2011 a recommendation for a **mandate to initiate negotiations with Liechtenstein** in order to upgrade the EU's Agreements with those countries in line with international developments and to ensure that those countries continue to apply measures equivalent to those in the EU.

On 14 May 2013, the Council reached an agreement on the Negotiating Mandate.

On the basis of a proposal presented by the Commission in June 2013, the Council on 9 December 2014 adopted [Directive 2014/107/EU](#) amending Directive 2011/16/EU and extending the mandatory automatic exchange of information between EU tax authorities to a full range of financial items in accordance with the Global Standard.

As Directive 2014/107/EU is generally broader in scope than Directive 2003/48/EC and provides that in cases of overlap of scope, Directive 2014/107/EU prevails, the Commission adopted a [proposal](#) to repeal Directive 2003/48/EC.

The Commission considered it crucial to ensure that the amendment of the existing Savings Agreement with Liechtenstein is in line with EU and international developments. This will increase tax transparency in Europe and will be the legal basis for implementing the OECD Global Standard on automatic exchange of information between Liechtenstein and the EU.

CONTENT: under this proposal, the Council is called upon to **approve, on behalf of the European Union, the Amending Protocol** to 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.

The Amending Protocol implements the Global Standard between EU Member States and Liechtenstein.

It also replaces the existing articles and Annexes with a new set of provisions comprising 10 Articles, an Annex I that reflects the OECD Common Reporting Standard which is part of the Global Standard, an Annex II that reflects important parts of the OECD Commentaries to the Global Standard and an Annex III that lists the Competent Authorities of Liechtenstein and of each Member State.

The new Articles reflect the articles of the OECD Model Competent Authority agreement for the implementation of the Global Standard. They include, *inter alia*:

- a full set of provisions on exchange of information upon request that follows the latest text of the OECD Model Tax Convention;
- a more detailed set of provisions on data protection;
- provisions on amendments to the Agreement, including a quick mechanism for provisional application by one of the Contracting Parties of amendments to the Global Standard, on the condition of consent by the other Party.

The Amending Protocol includes provisions on the entry into force and application. It deals with issues on the transition from the existing Agreement to the amended Agreement, with regard to requests for information, credits available to beneficial owners for withholding tax, final payments of withholding tax by Liechtenstein to Member States and final exchange of information under the voluntary disclosure mechanism.

The revised Agreement is supplemented by two Joint Declarations of the contracting parties.

EC/Liechtenstein Agreement: taxation of savings income in the form of interest payments. Protocol

2015/0175(NLE) - 18/11/2015 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Sander LOONES (ECR, BE) on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Amending Protocol to 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.

The committee recommended the European Parliament to **approve the conclusion of the Amending Protocol to the Agreement**.

The Amending Protocol seeks to implement the Global Standard between EU Member States and Liechtenstein. It aims at ensuring that Liechtenstein applies strengthened measures that are equivalent to the EU legal framework and that it complies with the automatic exchange of financial account information promoted by the 2014 OECD global standards.