Basic information

2015/0076(NLE) NLE - Non-legislative enactments	Procedure completed
EC/Switzerland agreement: taxation of savings income in the form of interest payments. Protocol See also Directive 2003/48/EC 2001/0164(CNS) See also 2004/0027(CNS) **Subject** 2.50.02 Savings 2.70.01 Direct taxation 2.80 Cooperation between administrations 6.40.01 Relations with EEA/EFTA countries 7.30.30.06 Action to combat economic fraud and corruption **Geographical area** Switzerland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	KOFOD Jeppe (S&D)	11/05/2015
	Shadow rapporteur SCHWAB Andreas (PPE) LOONES Sander (ECR) VAN NIEUWENHUIZEN Cora (ALDE) 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

Council configuration	Meetings	Date

European Union	Economic and Financial Affairs ECOFIN	3435	2015-12-08

European Commission	Commission DG	Commissioner
	Taxation and Customs Union	MOSCOVICI Pierre

Key events

Date	Event	Reference	Summary
07/04/2015	Initial legislative proposal published	COM(2015)0151	Summary
15/06/2015	Legislative proposal published	08266/2015	Summary
06/07/2015	Committee referral announced in Parliament		
23/09/2015	Vote in committee		
30/09/2015	Committee report tabled for plenary, 1st reading/single reading	A8-0271/2015	Summary
26/10/2015	Debate in Parliament		
27/10/2015	Decision by Parliament	T8-0361/2015	Summary
27/10/2015	Results of vote in Parliament		
08/12/2015	Act adopted by Council after consultation of Parliament		
08/12/2015	End of procedure in Parliament		
19/12/2015	Final act published in Official Journal		

Technical information

Procedure reference	2015/0076(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 2004/0027(CNS)
Legal basis	Treaty on the Functioning of the European Union TFEU 218-p8-a2 Treaty on the Functioning of the European Union TFEU 115 Treaty on the Functioning of the European Union TFEU 218-p6b-ab
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/03235

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE560.677	26/06/2015	
Amendments tabled in committee		PE565.170	02/09/2015	
Committee report tabled for plenary, 1st reading/single reading		A8-0271/2015	30/09/2015	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0361/2015	27/10/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	08297/2015	21/05/2015	
Legislative proposal	08266/2015	15/06/2015	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2015)0150	07/04/2015	
Initial legislative proposal	COM(2015)0151	07/04/2015	Summary
Commission response to text adopted in plenary	SP(2015)750	10/12/2015	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EDPS	Document attached to the procedure	52015XX0903(01) OJ C 289 03.09.2015, p. 0006	08/07/2015	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2015/2400
OJ L 333 19.12.2015, p. 0010 Summary

EC/Switzerland agreement: taxation of savings income in the form of interest payments. Protocol

2015/0076(NLE) - 15/06/2015 - Legislative proposal

PURPOSE: the conclusion of the Amending Protocol to the Agreement between the European Community and the Swiss Confederation, 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: Council may adopt the act only if Parliament has given its consent to the act.

CONTENT: the proposal for a Council Decision seeks the approval, on behalf of the European Union, of the Amending Protocol to the Agreement between the European Union and the Swiss Confederation 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 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 Union, its Member States and the Swiss Confederation have actively participated in the work of the OECD.

For further details of the Amending Protocol, please refer to the summary of the Commission's initial legislative procedure dated 7.4.2015.

EC/Switzerland agreement: taxation of savings income in the form of interest payments. Protocol

2015/0076(NLE) - 07/04/2015 - Initial legislative proposal

PURPOSE: to conclude, on behalf of the European Union, the Amending Protocol to the Agreement between the European Community and Switzerland 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: Council may adopt the act only if Parliament has given its consent to the act.

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 Switzerland 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. 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.

On the basis of a proposal presented by the Commission in June 2013, the Council 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, on 18 March 2015 the Commission adopted a proposal to repeal Directive 2003/48/EC.

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

CONTENT: under this proposal, the Council is invited to approve, on behalf of the European Union, the Amending Protocol to the Agreement between the European Community and Switzerland 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 seeks to implement the **OECD Global Standard** between EU Member States and Switzerland. It introduces a new set of provisions comprising 11 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 Switzerland 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.

Moreover, the Amending Protocol:

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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 Switzerland to Member States and final exchange of information under the voluntary disclosure mechanism;
- contains a Protocol on additional safeguards related to the exchange of information on request, which Switzerland includes in its tax treaties. The text specifies that exchanges on the basis of a group request are not prevented. The Protocol on additional safeguards is in line with the Global Forum's Terms of Reference for exchange of information on request.

The revised Agreement is supplemented by four Joint Declarations of the contracting parties and one Unilateral Declaration by Switzerland.

EC/Switzerland agreement: taxation of savings income in the form of interest payments. Protocol

2015/0076(NLE) - 27/10/2015 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 593 votes to 37, with 58 abstentions, a legislative resolution on the draft Council decision on the conclusion, on behalf of the European Union, of the Amending Protocol to the Agreement between the European Community and the Swiss Confederation 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 draft Council decision as amended and approves conclusion of the Amending Protocol to the Agreement**. It is stipulated that the President of the Council shall, on behalf of the Union, give the notification provided for in the Amending Protocol4 in order to ensure that the rules on automatic exchange of information with respect to reportable accounts are being followed and collaboration on compliance and enforcement is enabled.

Parliament regretted that no improvements can be made, particularly regarding **information provided and the automatic, binding and unrestricted nature of exchanges of information**.

In it resolution, it:

- called upon the Commission to keep Parliament informed in case of any change or new development in the final steps of the conclusion of the Amending Protocol to the Agreement;
- reminded the Council of its obligation to consult Parliament once more should it modify its draft decision;
- stressed the importance of taking effective action against fraud and tax avoidance and in particular tax evasion and tax avoidance by natural and legal persons based in the Union with the involvement of financial institutions based in third countries;
- called upon the Commission to assess, 18 months after the date of entry into force of the Amending Protocol to the Agreement, the application of the Agreement and its outcome, and present a report to the European Parliament and the Council, accompanied where appropriate by proposals for its review.

EC/Switzerland agreement: taxation of savings income in the form of interest payments. Protocol

2015/0076(NLE) - 08/12/2015 - Final act

PURPOSE: to conclude an the Amending Protocol to the Agreement between the European Community and the Swiss Confederation 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) 2015/2400 on the conclusion, on behalf of the European Union, of the Amending Protocol to the Agreement between the European Community and the Swiss Confederation 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 Switzerland 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 Switzerland was signed on 27 May 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 Switzerland, and accordingly, prevent tax fraud and tax evasion.

ENTRY INTO FORCE: 08.01.2016.

EC/Switzerland agreement: taxation of savings income in the form of interest payments. Protocol

2015/0076(NLE) - 07/04/2015

PURPOSE: to conclude, on behalf of the European Union, the Amending Protocol to the Agreement between the European Community and Switzerland 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: Council may adopt the act only if Parliament has given its consent to the act.

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 Switzerland 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. 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.

On the basis of a proposal presented by the Commission in June 2013, the Council 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, on 18 March 2015 the Commission adopted a proposal to repeal Directive 2003/48/EC.

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

CONTENT: under this proposal, the Council is invited to approve, on behalf of the European Union, the Amending Protocol to the Agreement between the European Community and Switzerland 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 seeks to implement the **OECD Global Standard** between EU Member States and Switzerland. It introduces a new set of provisions comprising 11 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 Switzerland 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.

Moreover, the Amending Protocol:

- 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 Switzerland to Member States and final exchange of information under the voluntary disclosure mechanism;
- contains a Protocol on additional safeguards related to the exchange of information on request, which Switzerland includes in its tax treaties. The text specifies that exchanges on the basis of a group request are not prevented. The Protocol on additional safeguards is in line with the Global Forum’s Terms of Reference for exchange of information on request.

The revised Agreement is supplemented by four Joint Declarations of the contracting parties and one Unilateral Declaration by Switzerland.

EC/Switzerland agreement: taxation of savings income in the form of interest payments. Protocol

2015/0076(NLE) - 30/09/2015 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Jeppe KOFOD (S&D, DK) on the draft Council decision on the conclusion, on behalf of the European Union, of the Amending Protocol to the Agreement between the European Community and the Swiss Confederation 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 Parliament to **approve the draft Council decision as amended and approves conclusion of the agreement**. Members regretted however that no improvements can be made, particularly regarding information provided and the automatic, binding and unrestricted nature of exchanges of information.

They called on the Commission to keep the Parliament informed in case of any change or new development in the final steps of the conclusion of this agreement.

Members stressed the importance of taking effective action against fraud and tax avoidance and in particular tax evasion and tax avoidance by natural and legal persons based in the Union with the involvement of financial institutions based in third countries.

The Commission is called upon to assess, 18 months after the date of entry into force of this Agreement, the application of this Agreement and its outcome, and present a report to the European Parliament and the Council, accompanied where appropriate by proposals for its review.