

## **EUROPEAN COMMISSION**

DIRECTORATE-GENERAL TAXATION AND CUSTOMS UNION

Direct taxation, Tax Coordination, Economic Analysis and Evaluation Direct Tax Policy & Cooperation

Brussels, 01/04/2015 TB/dc -taxud.d.2(2015)1702423

## REPORT OF MEETING

1. Meeting Subject:	Council Working Party on Tax Questions – Direct Taxation.  Agenda Item 2 - Proposal to repeal the Savings Directive; &  Agenda Item 3 – Savings Agreements with Dependent and Associated  Territories of UK & NL.			
2. Date and Place:	31 March 2015 – Brussels – Justus Lipsius Building			
3. In attendance:	(for D2 only) Commission -			
4. Summary:	Agenda Item 2 - Proposal to repeal the Savings Directive.  MSs support the proposal, but FR, PL, NL, SI, IT, EL & SK entered Parliamentary scrutiny reservations. PRES invited written comments (if any) by 10 April (silence procedure) and will announce next steps soon thereafter.  Agenda Item 3 – Savings Agreements with Dependent and Associated Territories of & NL ("the D&A Savings Agreements").			

## 5. Detailed report:

Agenda Item 2 - Proposal to repeal the Savings Directive;

PRES invited COM to present its proposal.

COM ( explained that despite the Savings Directive having been a ground-breaking pioneer in automatic exchange of information, the time had now come to repeal it. Its scope has been largely covered by the amended Directive on Administrative Cooperation (DAC2), to which it has been legally subordinated. It is no longer efficient to retain the Savings Directive and, accordingly, the COM formally proposed its abolition on 18 March [COM (2015)129 final]. As abolition will require an orderly and seamless transition to DAC2, the COM proposal includes transitional measures, which COM presented to MSs with the help of a short Powerpoint Presentation. The presentation centred on two timelines, one for the phasing out of the Savings Directive, the second for the phasing in of DAC2. Questions were invited and answers given.

DE was informed (i) that the amended savings Directive would not become operational and wouldn't therefore have to be transposed by MS, as clearly stated in recital 7; (ii) that, technically, there was no obligation on MSs to transpose the repealing Directive, subject to full observance of other EU law; (iii) that it would not be obliged to retain its IT system for Savings, after the phase out; but (iv) that all obligations created under Savings would have to be fulfilled.

FR expressed a Parliamentary scrutiny reservation (referring to IT systems) and received technical clarification of why certain references in the proposal were framed as they are.

Following a query from IT, Council LS & COM confirmed that MSs were not obliged to transpose the repealing Directive, subject to full observance of other EU law.

COM reminded MSs that, under DAC2, they are obliged to submit their lists of exempted entities to the COM by July.

AT thanked COM for setting out its transitional obligations so clearly.

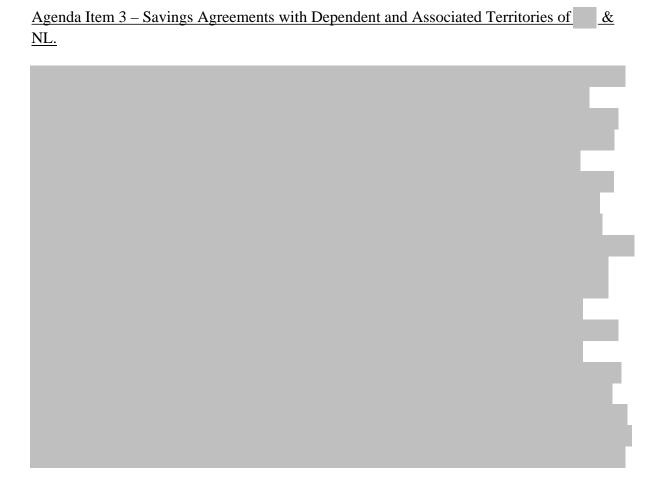
PRES set out its ambitions that, subject to satisfying the FR Parliamentary reservation, the proposal would go to May ECOFIN for adoption. PRES invited written comments (if any) by 10 April and will announce next steps after that.

PL, NL, SI, IT EL & SK then spoke to enter Parliamentary scrutiny reservations.

CZ asked whether there would be an opportunity to discuss the DAC2 lists of non-reporters and excluded accounts. COM said that it was open to bi-lateral contact or, if there was a wider interest, it would support putting the issue on a WP agenda. COM invited all MSs to read the first report of the Expert Working Group on automatic exchange (on COM website) which was quite informative on these practical issues and, while having been drafted under the sole responsibility of the Experts, could be of assistance to MS in the transposal of DAC2.

NL raised the matter of some cross references between the texts of DAC2 and the Savings Directive, namely on the existence of an obligation to collect and report details on the place of birth. COM explained that these were in order, as they were referring also to community legislation that was in operation before the entry into force of DAC2 (that includes also the Savings Directive).

PRES concluded the discussion by acknowledging all of the Parliamentary reservations. Subject to these, the proposal will go to May ECOFIN for adoption. PRES invited written comments (if any) by 10 April (silence procedure) and will announce next steps after that, depending on whether any comment was received and on the foreseeable date at which Parliamentary reservations may be levied.





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6. Report by:			
7. Copy:	Ms M-E. Scoppio (CAI Mr V. Moutarlier; TAXUD LIST D2.	3);	;