

Modtaget via elektronisk post. Der tages forbehold for evt. fejl

Europaudvalget (2. samling)
(Alm. del - bilag 187)
rådsmødereferater
(Offentligt)

Medlemmerne af Folketingets Europaudvalg
og deres stedfortrædere

Bilag	Journalnummer	Kontor	
1	400.C.2-0	EU-sekr.	21. december 2001

Til underretning for Folketingets Europaudvalg vedlægges Finansministeriets redegørelse for rådsmøde (økonomi- og finansministre) den 13. december 2001.



Referat af mødet i Rådet (økonomi- og finansministre) den 13. december 2001

Dagsordenspunkt: Forberedelse af Det Europæiske Råd i Laeken

Kommissionen gav en kort præsentation af eurolandenes overgang til eurosedler og -mønter.

ECOFIN vedtog endvidere vedlagte sæt konklusioner om den økonomiske politik i lyset af den økonomiske afmatning. I konklusionerne vurderes det, at der er udsigt til en gradvis bedring af den internationale økonomi i 2002 og behovet for en fortsat stabilitetsorienteret finanspolitik samt strukturreformer understreges.

Dagsordenspunkt: Finansielle tjenesteydelser – Kommissionens 5. fremskridtsrapport om gennemførelsen af handlingsplanen for finansielle tjenesteydelser

Kommissionen præsenterede den 5. fremskridtsrapport om den finansielle handlingsplan og konstaterede, at hovedparten af handlingsplanens lovgivningsinitiativer er fremsat. ECOFIN tog fremskridtsrapporten til efterretning.

Dagsordenspunkt: Direktivforslag vedrørende finansiell sikkerhedsstillelse

ECOFIN opnåede politisk enighed om direktivet vedrørende finansiell sikkerhedsstillelse uden videre drøftelse.

Dagsordenspunkt: Direktivforslag vedrørende insiderhandel og markedsmanipulation

ECOFIN opnåede politisk enighed om direktivet vedrørende insiderhandel og markedsmanipulation uden videre drøftelse.

Dagsordenspunkt: Forslag om forordning om anvendelse af internationale regnskabsstandarder

ECOFIN opnåede politisk enighed om forordningen vedrørende anvendelse af internationale regnskabsstandarder, herunder en overgangsordning indtil 1. januar 2007 inden den endelige indførelse af de internationale regnskabsstandarder.

Dagsordenspunkt: Skattepakken: Forslag til direktiv om beskatning af private renteindtægter i andre EU-lande

ECOFIN opnåede enighed om, at udkastet til teksten til direktivet om beskatning af private renteindtægter i andre EU-lande skal udgøre grundlaget for forhandlingerne vedrørende rentebeskatning med de centrale tredjelande.

Rådet vedtog vedlagte konklusioner.

Dagsordenspunkt: Energibeskatning

ECOFIN havde en drøftelse af energibeskatning uden at nå til enighed om konklusioner, blandt andet som følge af uenighed vedrørende sammenhængen mellem energibeskatning og liberalisering af energimarkederne samt regler for afgiftsfritagelser.

Dagsordenspunkt: Moms på e-handel

ECOFIN opnåede enighed om at gennemføre en løsning med én elektronisk portal, der sikrer automatisk opkrævning og fordeling af momsen til forbrugslandene. Der blev desuden lagt op til, at ECOFIN i februar 2002 skal opnå enighed om at gennemføre en midlertidig løsning baseret på det forhenværende svenske formandskabs kompromisforslag om elektroniske portaler i de enkelte medlemslande, inden man efter en periode på 3 år går over til den endelige løsning.

ECOFIN vedtog i lyset heraf vedlagte konklusioner.

Dagsordenspunkt: Kommissionen interimrapport vedrørende svar på globaliseringens udfordringer

Kommissionen præsenterede en foreløbig rapport om arbejdet med den endelige rapport vedrørende svar på globaliseringens udfordringer, som Kommissionen ventes at fremlægge i februar 2002.

Dagsordenspunkt: Eventuelt - EIB-lån for EFTA-landene

ECOFIN opnåede enighed om en forlængelse af lånemandatet til EFTA-landene til 2005.

Dagsordenspunkt: Eventuelt – Status for medlemslandenes ratificering af Rådets beslutning om EU's egne indtægter

ECOFIN opfordrede til, at Rådets beslutning om egne indtægter snarest bliver ratificeret i de medlemslande, der endnu ikke har afsluttet ratifikationsproceduren. Beslutningen om egne indtægter vil have virkning fra 1. januar 2002 og således ligge til grund for medlemslandenes bidrag til finansieringen af EU's budget for 2002. Det vil sige, at når beslutningen er ratificeret i alle medlemslande, vil Kommissionen korrigere medlemslandenes bidrag til finansieringen af EU's budget med tilbagevirkende kraft. Der vil blive foretaget en ny status på ECOFIN-rådsmødet den 22. januar 2002.

Uformelt ECOFIN den 14. december 2001

På det uformelle ECOFIN var der drøftelse af den globale økonomiske situation, globalisering og udvikling samt euroens rolle som international valuta.

Report of the Council (ECOFIN) to the European Council on the taxation of savings

At its meeting on 13 December 2001, the Council (ECOFIN)

- APPROVED the following conclusions:

1. The present draft Directive (see Annex) represents the entirety of the provisions for the taxation of savings for the purpose of negotiations with the third countries;
2. Once Member States have assessed the assurances provided for in the Feira Conclusions with regard to equivalent measures in third countries and the same measures in dependent or associated territories, the Council will decide, on the basis of a report presenting the outcome of the negotiations, on a final text of the Directive no later than 31 December 2002, and do so by unanimity.

- DECIDED to make the present draft Directive public.

Proposal for a
COUNCIL DIRECTIVE

Proposal for a Council Directive on taxation of savings income in the form of
interest payments

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 94 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

HAS ADOPTED THIS DIRECTIVE:

Chapter I: Introductory provisions

Article 1

Aim

1. The ultimate aim of the Directive is to enable savings income in the form of interest payments made in one Member State to beneficial owners, individuals, resident for tax purposes in another Member State to be made subject to effective taxation in accordance with the national laws of the latter Member State.
2. Member States shall take the necessary measures to ensure that the tasks necessary for the implementation of this Directive are carried out by paying agents established within their territory, irrespective of the place of establishment of the debtor of the debt-claim producing the interest.

Article 2

Definition of beneficial owner

1. For the purposes of this Directive, "beneficial owner" means any individual who receives an interest payment or any individual for whom an interest payment is secured, unless he provides evidence that it was not received or secured for his own benefit, that is to say that:
 - (a) he acts as a paying agent within the meaning of Article 4(1), or
 - (b) the acts on behalf of a legal person, an entity which is taxed on its profits under the general arrangements for business taxation, a UCITS authorised in accordance with Council Directive 85/611/EEC or an entity referred to in Article 4(2) of this Directive and, in the latter case, discloses the name and address of that entity to the economic operator making the interest payment and the latter communicates such information to the competent authority of its Member State of establishment,
 - (c) he acts on behalf of another individual who is the beneficial owner and discloses to the paying agent the identity of that beneficial owner in accordance with Article 3(2).
2. Where a paying agent has information suggesting that the individual who receives an interest payment or for whom an interest payment is secured may not be the beneficial owner, and where neither paragraph 1(a) nor 1(b) applies to that individual, it shall take reasonable steps to establish the identity of the beneficial owner in accordance with Article 3(2). If the paying agent is unable to identify the beneficial owner, it shall treat the individual in question as the beneficial owner.

Article 3

1. Each Member State shall, within its territory, adopt and ensure the application of the procedures necessary to allow the paying agent to identify the beneficial owners and their residence for the purposes of Articles 8 to 12 of this Directive.

Such procedures shall comply with the minimum standards established in paragraphs 2 and 3.

2. The paying agent shall establish the identity of the beneficial owner on the basis of minimum standards which vary according to when relations between the paying agent and the recipient of the interest are entered into:

(a) for contractual relations entered into before 1 January 2004, the paying agent shall establish the identity of the beneficial owner, consisting of his name and address, by using the information at its disposal, in particular pursuant to the regulations in force in its State of establishment and to Council Directive 91/308/EEC;

(b) for contractual relations entered into, or transactions carried out in the absence of contractual relations, on or after 1 January 2004, the paying agent shall establish the identity of the beneficial owner, consisting of the name, address and, if there is one, the tax identification number allocated by the Member State of residence for tax purposes. These details shall be established on the basis of the passport or of the official identity card presented by the beneficial owner. If it does not appear on that passport or on that official identity card, the address shall be established on the basis of any other documentary proof of identity presented by the beneficial owner. If the tax identification number is not mentioned on the passport, on the official identity card or any other documentary proof of identity, including, possibly, the certificate of residence for tax purposes, presented by the beneficial owner, the identity shall be supplemented by a reference to the latter's date and place of birth established on the basis of his passport or official identification card.

3. The paying agent shall establish the residence of the beneficial owner on the basis of minimum standards which vary according to when relations between the paying agent and the recipient of the interest are entered into. Subject to the conditions set out below, residence shall be considered to be situated in the country where the beneficial owner has his permanent address:

(a) for contractual relations entered into before 1 January 2004, the paying agent shall establish the residence of the beneficial owner by using the information at its disposal, in particular pursuant to the regulations in force in its State of establishment and to Directive 91/308/EEC;

(b) for contractual relations entered into, or transactions carried out in the absence of contractual relations, on or after 1 January 2004, the paying agent shall establish the residence of the beneficial owner on the basis of the address mentioned on the passport, on the official identity card or, if necessary, on the basis of any documentary proof of identity presented by the beneficial owner and according to the following procedure: for individuals presenting a passport or official identity card issued by a Member State who declare themselves to be resident in a third country, residence shall be established by means of a tax residence certificate issued by the competent authority of the third country in which the individual claims to be resident. Failing the presentation of such a certificate, the Member State which issued the passport or other official identity document shall be considered the country of residence.

Article 4

Definition of paying agent

1. For the purposes of this Directive, "paying agent" means any economic operator who pays interest to, or secures the payment of interest for the immediate benefit of, the beneficial owner, whether the operator is the debtor of the debt-claim which produces the interest or the operator charged by the debtor or the beneficial owner with paying interest or securing the payment of interest.

2. Any entity established in a Member State to which interest is paid or for which interest is secured for the benefit of the beneficial owner shall also be considered a paying agent upon such payment or securing of such payment. This provision shall not apply if the economic operator has reason to believe, on the basis of [official] evidence produced by that entity, that:

- a. it is a legal person, with the exception of those legal persons referred to in paragraph 5; or
- (b) its profits are taxed under the general arrangements for business taxation; or
- (c) it is a UCITS recognised in accordance with Directive 85/611/EEC.

An economic operator paying interest to, or securing interest for, such an entity established in another Member State which is considered a paying agent under this paragraph shall communicate the name and address of the entity and the total amount of interest paid to, or secured for, the entity to the competent authority of its Member State of establishment, which shall pass this information on to the competent authority of the Member State where the entity is established

3. The entity referred to in paragraph 2 shall, however, have the option of being treated for the purposes of this Directive as a UCITS as referred to in 2(c). The exercise of such option shall require a certificate to be issued by the Member State in which the entity is established and presented to the economic operator by that entity.

Member States shall lay down the detailed rules for this option for entities established on their territory.

4. Where the economic operator and the entity referred to in paragraph 2 are established in the same Member State, that Member State shall take the necessary measures to ensure that the entity complies with the provisions of this Directive when it acts as a paying agent.

5. The legal persons exempted from paragraph 2(a) are:

In Finland: avoin yhtiö (Ay) and kommandiittiyhtiö (Ky)/öppet bolag and kommanditbolag.

In Sweden: handelsbolag (HB) and kommanditbolag (KB).

Article 5

Definition of competent authority

For the purposes of this Directive, "competent authority" means:

- (a) for Member States, any of the authorities notified by the Member States to the Commission, and
- (b) for third countries, the competent authority for the purposes of bilateral or multilateral tax conventions or, failing that, such other authority as is competent to issue certificates of residence for tax purposes.

Definition of interest payment

1. For the purposes of this Directive, "interest payment" means:

(a) interest paid, or credited to an account, relating to debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures; penalty charges for late payments shall not be regarded as interest payments;

(b) interest accrued or capitalised at the sale, refund or redemption of the debt-claims referred to in (a);

(c) income deriving from interest payments either directly or through an entity referred to in Article 4(2), distributed by

(i) UCITS authorised in accordance with Directive 85/611/EEC,

(ii) entities which qualify for the option under Article 4(3), and

(iii) undertakings for collective investment established outside the territory referred to in Article 7;

(d) income realised upon the sale, refund or redemption of shares or units in the following undertakings and entities, if they invest directly or indirectly via other undertakings for collective investment or entities referred to below more than 40% of their assets in debt-claims as referred to in (a):

(i) UCITS authorised in accordance with Directive 85/611/EEC,

(ii) entities which qualify for the option under Article 4(3),

(iii) undertakings for collective investment established outside the territory referred to in Article 7 deriving from interest payments within the meaning of (a) and (b).

However, Member States shall have the option of including income mentioned under (d) in the definition of interest only to the extent that such income corresponds to gains directly or indirectly deriving from interest payments within the meaning of (a) and (b).

2. As regards paragraph 1(c) and (d), when a paying agent has no information concerning the proportion of the income which derives from interest payments, the total amount of the income shall be considered an interest payment.

3. As regards paragraph 1(d), when a paying agent has no information concerning the percentage of the assets invested in debt-claims or in shares or units as defined in that paragraph, that percentage shall be considered to be above 40%. Where he cannot determine the amount of income realised by the beneficial owner, the income shall be deemed to correspond to the proceeds of the sale, refund or redemption of the shares or units.

4. When interest as defined in paragraph 1 is paid to or credited to an account held by an entity referred to in Article 4(2), such entity not having qualified for the option under Article 4(3), it shall be considered an interest payment by such entity.

5. As regards paragraph 1(b) and (d) Member States shall have the option of requiring paying agents in their territory to annualise the interest over a period of time which may not exceed one year, and treating such annualised interest as an interest payment even if no sale, redemption or refund occurs during that period.

6. By way of derogation from paragraphs 1(c) and (d), Member States shall have the option of excluding from the definition of interest payment any income referred to in those provisions from undertakings or entities established within their territory where the investment in debt-claims referred to in paragraph 1(a) of such entities has not exceeded 15% of their assets. Likewise, by way of derogation from paragraph 4, Member States shall have the option of excluding from the definition of interest payment in paragraph 1 interest paid or credited to an account of an entity referred to in Article 4(2) which has not qualified for the option under

Article 4(3) and is established within their territory, where the investment of such an entity in debt-claims referred to in paragraph 1(a) has not exceeded 15% of its assets.

The exercise of such option by a Member State shall be binding on other Member States.

7. The percentage referred to in paragraph 1(d) and paragraph 3 shall after the end of the transitional period referred to in Article 10 be 25%.

8. The percentages referred to in paragraph 1(d) and in paragraph 6 shall be determined by reference to the investment policy as laid down in the fund rules or instruments of incorporation of the undertakings or entities concerned and, failing which, by reference to the actual composition of the assets of the undertakings or entities concerned.

Article 7

Territorial scope

This Directive shall apply to interest paid by a paying agent established within the territory to which the Treaty applies by virtue of Article 299 thereof.

Chapter II: Exchange of information

Article 8

Information reporting by the paying agent

1. Where the beneficial owner is resident in a Member State other than that in which the paying agent is established, the minimum amount of information to be reported by the paying agent to the competent authority of its Member State of establishment shall consist of:

- (a) the identity and residence of the beneficial owner established in accordance with Article 3;
- the name and address of the paying agent;
- (c) the account number of the beneficial owner or, where there is none, identification of the debt-claim giving rise to the interest, and

(d) information concerning the interest payment in accordance with the second paragraph.

2. The minimum amount of information concerning interest payment to be reported by the paying agent shall distinguish between the following categories of interest and indicate:

- (a) in the case of an interest payment within the meaning of Article 6(1)(a): the amount of interest paid or credited;
- (b) in the case of an interest payment within the meaning of Article 6(1)(b) or (d): either the amount of interest or income referred to in those paragraphs or the full amount of the proceeds from the sale, redemption or refund;
- (c) in the case of an interest payment within the meaning of Article 6(1)(c): either the amount of income referred to in that paragraph or the full amount of the distribution;
- (d) in the case of an interest payment within the meaning of Article 6(4)

the amount of interest attributable to each of the members of the entity referred to in Article 4(2) who meet the conditions of Articles 1(1) and 2(1);

(e) where a Member State exercises the option under Article 6(5): the amount of annualised interest.

However, Member States may restrict the minimum amount of information concerning interest payment to be reported by the paying agent to the total amount of interest or income and to the total amount of the proceeds from sale, redemption or refund.

Article 9

Automatic exchange of information

1. The competent authority of the Member State of the paying agent shall communicate the information referred to in Article 8 to the competent authority of the Member State of residence of the beneficial owner.
2. The communication of information shall be automatic and shall take place at least once a year, within 6 months following the end of the tax year of the Member State of the paying agent, for all interest payments made during that year.
3. The provisions of Directive 77/799/EEC shall apply to the exchange of information under this Directive, provided that the provisions of this Directive do not derogate therefrom. However, Article 8 of Directive 77/799/EEC shall not apply to the information to be provided pursuant to this Chapter.

Chapter III: Transitional provisions

Article 10

Transitional period

During a transitional period of seven years starting from the date referred to in Article 17(1)

and subject to Article 13(1), Belgium, Luxembourg and Austria shall not be required to apply the provisions of Chapter II.

They shall, however, receive information from the other Member States in accordance with Chapter II.

During the transitional period, the aim of this Directive shall be to ensure minimum effective taxation of savings in the form of interest payments made in one Member State to beneficial owners, individuals who are resident for tax purposes in another Member State.

Article 11

Withholding tax

1. During the transitional period referred to in Article 10, where the beneficial owner is resident in a Member State other than that in which the paying agent is established, Belgium, Luxembourg and Austria shall levy a withholding tax at a rate of 15% during the first three years of the transitional period and 20% for the remainder of the period.
2. The paying agent shall levy withholding tax as follows:
 - (a) in the case of an interest payment within the meaning of Article 6(1)(a): on the amount of interest paid or credited;
 - (b) in the case of an interest payment within the meaning of Article 6(1)(b) or (d): on the amount of interest or income referred to in those paragraphs or by a levy of equivalent effect to be borne by the recipient on the full amount of the proceeds of the sale, redemption or refund;
 - (c) in the case of an interest payment within the meaning of Article 6(1)(c): on the amount of income referred to in that paragraph;

(d) in the case of an interest payment within the meaning of Article 6(4): on the amount of interest attributable to each of the members of the entity referred to in Article 4(2) who meet the conditions of Articles 1(1) and 2(1);

(e) where a Member State exercises the option under Article 6(5): on the amount of annualised interest.

3. For the purposes of points (a) and (b) of paragraph 2, withholding tax is levied pro rata to the period of holding of the debt-claim by the beneficial owner. When the paying agent is unable to determine the period of holding on the basis of information in its possession, it shall treat the beneficial owner as having held the debt-claim throughout its period of existence unless he provides evidence of the date of acquisition.

4. The imposition of withholding tax by the Member State of the paying agent shall not preclude the Member State of residence for tax purposes of the beneficial owner from taxing the income in accordance with its domestic law, subject to compliance with the Treaty.

5. During the transitional period Member States levying withholding tax may provide that an economic operator paying interest to, or securing interest for, an entity referred to in Article 4(2) established in another Member State shall be considered the paying agent in place of the entity and shall levy the withholding tax on that interest, unless the entity has formally agreed to its name, address and the total amount of interest paid to it or secured for it being communicated

in accordance with the last subparagraph of Article 4(2).

Article 12

Revenue sharing

1. Member States levying withholding tax in accordance with Article 11(1) shall retain 25% of their revenue and transfer 75% of the revenue to the Member State of residence of the beneficial owner of the interest.

2. Member States levying withholding tax in accordance with Article 11(5) shall retain 25% of the revenue and transfer 75% to the other Member States proportionate to the transfers carried out pursuant to paragraph 1 of this Article.

3. Such transfers shall take place at the latest within a period of 6 months following the end of the tax year of the Member State of the paying agent in the case of paragraph 1, or of the economic operator in the case of paragraph 2.

4. Member States levying withholding tax shall take the necessary measures to ensure the proper functioning of the revenue sharing system.

Article 13

Exceptions to the withholding tax procedure

1. Member States levying withholding tax in accordance with Article 11 shall provide for one or both of the following procedures in order to ensure that the beneficial owners may request that no tax be withheld:

(a) a procedure which allows the beneficial owner expressly to authorise the paying agent to report information in accordance with Chapter II, such authorisation covering all interest paid to the beneficial owner by that paying agent; in such cases, the provisions of Article 9 shall apply;

(b) a procedure which ensures that withholding tax shall not be levied where the beneficial owner presents to his paying agent a certificate drawn up in his name by the competent authority of his Member State of residence for tax purposes in accordance with paragraph 2.

2. At the request of the beneficial owner, the competent authority of his Member State of residence for tax purposes shall issue a certificate indicating:

(a) the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner;

(b) the name and address of the paying agent;

(c) the account number of the beneficial owner or, where there is none, the identification of the security.

Such certificate shall be valid for a period not exceeding three years. It shall be issued to any beneficial owner who requests it, within two months following such request.

Article 14

Elimination of double taxation

1. The Member State of residence for tax purposes of the beneficial owner shall ensure the elimination of any double taxation which might result from the imposition of the withholding tax referred to in Article 11, in accordance with the provisions of paragraphs 2 and 3.

2. If interest received by a beneficial owner has been subject to withholding tax in the Member State of the paying agent, the Member State of residence for tax purposes of the beneficial owner shall grant him a tax credit equal to the amount of the tax withheld in accordance with its national law. Where this amount exceeds the amount of tax due in accordance with its national law, the Member State of residence for tax purposes shall repay the excess amount of tax withheld to the beneficial owner.

3. If, in addition to the withholding tax referred to in Article 11, interest received by a beneficial owner has been subject to any other type of withholding tax and the Member State of residence for tax purposes grants a tax credit for such withholding tax in accordance with its national law or double taxation conventions, such other withholding tax shall be credited before the procedure in paragraph 2 is applied.

4. The Member State of residence for tax purposes of the beneficial owner may replace the tax credit mechanism referred to in paragraphs 2 and 3 by a refund of the withholding tax referred to in Article 11.

Article 15

Negotiable debt securities

1 During the transitional period referred to in Article 10, domestic and international bonds and other negotiable debt securities which have been first issued before 1 March 2001 or for which the original issuing prospectuses have been approved before that date by the competent authorities within the meaning of Council Directive 80/390/EEC, or by the responsible authorities in third countries, shall not be considered as debt-claims within the meaning of Article 6(1)(a), provided that no further issues of such negotiable debt securities are made on or after 1 March 2002.

If a further issue is made on or after 1 March 2002 of an aforementioned negotiable debt security issued by a Government or a related entity acting as a public authority whose role is recognised by an international treaty, the entire issue of such security, consisting of the original issue and any further issue, shall be considered a debt-claim within the meaning of Article 6(1)(a).

If a further issue is made on or after 1 March 2002 of an aforementioned negotiable debt security issued by any other issuer not covered by the previous sentence, such further issue shall be considered a debt-claim within the meaning of Article 6(1)(a).

2. Nothing in this Article shall prevent Member States from taxing the income from the negotiable debt securities referred to in the first paragraph in accordance with their national laws.

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Chapter IV: Miscellaneous and final provisions

Article 16

Other withholding taxes

This Directive shall not preclude Member States from levying other types of withholding tax than that referred to in Article 11 in accordance with their national laws or double taxation conventions.

Article 17

Transposition

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive on 1 January 2004.

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall forthwith inform the Commission thereof and communicate to the Commission the main provisions of national law which they adopt in the field covered by this Directive and a correlation table between this Directive and the national provisions adopted.

Article 18

Review

The Commission shall report to the Council every three years on the operation of this Directive. On the basis of these reports, the Commission shall, where appropriate, propose to the Council any amendments to the Directive that prove necessary in order better to ensure effective taxation of savings income and to remove undesirable distortions of competition.

Article 19

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Communities.

Article 20

Addressees

This Directive is addressed to the Member States.

NOTE

from :	(ECOFIN) Council
to :	European Council
Subject :	Statement by the (ECOFIN) Council to the Laeken European Council on The economic policy line in light of the cyclical slowdown

EU economies are experiencing a period of slower growth and considerable uncertainty under the combined impact of the synchronised global slowdown and less resilient domestic demand. Yet, present expectations are for a gradual recovery in the course of 2002.

The economic fundamentals are sound in the EU, and growth will come from domestic sources, thereby contributing to the promotion of a global upswing. Real disposable incomes are improving due to diminishing inflation, and tax cuts in some countries. The fall in interest rates also helps to strengthen demand. These factors will play to the EU's advantage as confidence strengthens.

Confidence will be bolstered by the firm implementation of the EU's economic policy strategy. This well-defined strategy allows policies to respond flexibly to changing economic conditions in the short run whilst strengthening the productive capacity of the economy over the medium term.

- By maintaining price stability, *monetary policy* plays an important role for the stabilisation of output growth and for securing low cost of capital. Monetary policy has reacted to reduced risks to price stability by lowering interest rates.
 - *Moderate wage developments* have contributed to low cost and price developments and will continue to underpin a favourable inflation outlook and to support employment perspectives.
 - *Fiscal policy* is geared to achieving and maintaining sound public finances and thus contributes to low long-term interest rates. By fostering predictability and long-term sustainability of public finances, budgetary policy enhances confidence. Thanks to the progress already made in budgetary consolidation within the framework of the Stability and Growth Pact, fiscal policy is now able to respond flexibly to the economic slowdown with automatic stabilizers working while staying on the medium-term path of consolidation. And by continuing with tax reforms and expenditure restructuring, public finances are contributing to an improved economic performance in the medium run.
 - The ongoing process of *structural reform* has already enhanced the adaptability of the EU economy to changing economic conditions. The objective is to increase potential growth and to enhance the ability to exploit the opportunities offered *inter alia* by technological developments. The EU is committed to an ambitious agenda which includes further improvements in the functioning of labour, product and financial markets. Benefit systems have been reformed, or are being reviewed, so as to provide higher incentives for taking up jobs. Network industries have undergone thorough changes which are continuing. Encouraging progress has been made in integrating and developing financial services in the EU, and the EU is determined to complete an integrated financial market in the EU by 2005. However, stronger commitments on implementation are needed to increase confidence, thereby strengthening the recovery and reducing the impact of the slowdown on employment. Progress will be appraised in detail at the forthcoming Barcelona European Council meeting.
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OUTCOME OF PROCEEDINGS

of :	ECOFIN Council
on :	13 December 2001
Nos prev. docs :	15081/01 FISC 262
Subject :	VAT: e-commerce

At its meeting on 13 December 2001, the Council (ECOFIN) approved the following conclusions:

The Council:

- invites the Commission and the Member States with immediate effect to work to develop and implement as soon as possible an appropriate electronic mechanism on a non discriminatory basis for charging, declaring, collecting and allocating tax revenues in connection with e commerce supplies with taxation in the place of consumption; and
- instructs the Fiscal Questions Working Party to finalise, for agreement at the ECOFIN Council in February 2002, a temporary interim solution - time-limited to 3 years, to be extended, for practical reasons, by the Council acting unanimously on a proposal from the Commission - based upon the Swedish Presidency compromise incorporating a simplified revenue reallocation mechanism and a commitment to the introduction of an electronic solution as soon as possible and no later than 3 after implementation of the Directive.
