EUROPEAN PARLIAMENT

FORM FOR TABLING PARLIAMENTARY QUESTIONS

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To the: COUNCIL ☐
COMMISSION ☒

ORAL QUESTIONS		WRITTEN QUESTIONS	
Oral Question with debate (Rule 115)	☒	Written Question (Rule 117)	☐
Question Time (Rule 116)	☐	Priority Written Question (Rule 117 (4))	☐

AUTHOR(S): Sharon Bowles on behalf of the Committee on Economic and Monetary Affairs

SUBJECT: (please specify) Compatibility of the German and British Tax Agreements with Switzerland with the EU Savings Tax Directive

TEXT:

Both Germany and the UK recently signed bilateral tax agreements with Switzerland. According to the DE-CH agreement, a final withholding tax will be charged on income from savings, investments et al of German citizens with Swiss accounts (Art. 18). The agreement foresees both a one-off payment for lost income in the past, paid initially by Swiss banks, and an ongoing tax on interest and return on capital. However, the withholding tax will be returned anonymously, thereby protecting Swiss banking secrecy. Other Member States might envisage similar agreements, with France and Spain currently considering it.

1. Does the Commission consider the German-Swiss Tax Agreement, which foresees a withholding tax rate of 26,375% (Art 18), being compatible with the EUSTD and the Agreement between the EC and the Swiss Confederation providing for measures equivalent to those laid down in the EUSTD, which foresees a withholding tax of 35%? Is the credit system foreseen in Art 20 of the agreement sufficient, also in comparison to the UK approach of a 48% withholding tax? Has the Commission been able to evaluate the terms of the agreement reached between the UK and Switzerland and, if so, how does it evaluate the provisions of the agreement?
2. How does the Commission see this agreement affect the ongoing negotiations on the EUSTD in the Council, and more globally, how does this agreement fit into the proclaimed aim for stronger tax coordination between Member States at EU level? Does the Commission or other Member States regard the agreement as an obstacle for the progress of the EUSTD development? What action will the Commission take to defend the provisions of the EUSTD and make progress with its revision?
3. Do the Member States have the competence to negotiate such bilateral agreements despite the EUSTD already providing for rules for the same subject matter? Does the Commission consider that it should have a stronger role in the *ex ante* control of bilateral tax agreements between Member States and third countries? Has the Commission been involved or consulted in the negotiations between Germany/ the UK and Switzerland? Will the Commission seek to be involved or consulted in upcoming further negotiations with other third countries in this context?
4. How does the agreement relate to Art. 26 OECD Model and does it curb the development of automatic exchange of information in tax matters?

Signature(s): Date: 3 October 2011

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