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Brussels

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Alain Lamassoure
Member of the European Parliament
Chair of the Special Committee on Tax Rulings and
Other Measures Similar in Nature or Effect (TAXE)
European Parliament
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Subject: Information about the activities of the Special Committee on Tax Rulings and Other Measures
Similar in Nature or Effect (TAXE)

Ref.: Your letters of 23 April and 29 June 2015

Our letter of 10 July 2015

Brussels, 2 September 2015

Dear Mr Lamassoure,

Events in Greece unfortunately made it impossible for the Federal German Finance Minister, Dr
Wolfgang Schäuble, to attend the meeting of the TAXE Special Committee held on 13 July 2015.
As the German Government is keen to do everything it can to support the special committee's
work, however, please find below written answers to your questions concerning tax transparency.

The Federal Republic has long been an advocate, both at EU level and in the context of the
G20/OECD BEPS project, of measures to combat base erosion and profit shifting (BEPS) on the
part of multinational undertakings. Establishing transparency in international tax matters, both
vis-à-vis and between financial authorities, is a key policy objective for Germany. This is
confirmed by:

- Germany's contributions to the ongoing work on amending the Mutual Assistance
Directive with a view to incorporating provisions on the automatic exchange of information on tax
rulings and advance pricing agreements on transfer pricing (DAC III). We wholeheartedly support
the objective of the proposal for a directive, namely that of making tax rulings transparent. What is
more, we are playing an active part in the work on Action 5 of the G20/OECD BEPS action plan,
which seeks to make spontaneous exchanges of information on cross-border rulings relating to
preferential tax regimes mandatory;

- the bilateral agreement concluded by Germany and the Netherlands on 14 July

2015 on stepping up spontaneous exchanges of information on cross-border tax agreements and decisions.

In addition, in March 2015 Germany met the Commission's request for information about tax rulings issued by the financial authorities in the context of the taxation of corporate earnings and is continuing to work constructively with the Commission on this issue.

Germany is a strong advocate of discussions at EU level on the issue of the harmful tax practices employed by multinational undertakings. At the joint instigation of Germany, Italy and France, the Council working groups will also consider the justifications for BEPS laid down in EU and Member State law. The basis for this work is the road map finalised under the Latvian Presidency. The road map is closely linked to the Commission Action Plan of 17 June 2015 on Fair and Efficient Corporate Taxation in the EU, whose objectives the Federal Government also supports.

During its G7 Presidency Germany also took steps to foster international cooperation between tax authorities. There was consensus among the G7 countries that existing international information networks and cross-border cooperation on tax matters needed to be improved. The Federal Government takes the view that this will strengthen the resolve to go beyond the BEPS project and improve international cooperation between tax authorities even further, so that efficient and effective taxation of international matters continues to be possible in the future and joint action can be taken against international tax evasion and avoidance.

I should also like to draw attention to the incorporation into the Mutual Assistance Directive, in December 2014, of the standards developed by the OECD concerning the mandatory automatic exchange of financial account information. This measure, an important tax policy milestone, is based to a large extent on the G5 initiative on the automatic exchange of information concerning financial accounts. That initiative, and the joint undertaking given by the Member States, were instrumental in bringing about the signing, on 27 May 2015, of the Amending Protocol to the Agreement between the European Communities 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.

Yours sincerely,

(sgd) Reinhard Silberberg