



Tax Transparency Proposal on Automatic Exchange of Information on Tax Rulings

TAXE Committee – Information sessions

Brussels, 26th March 2015

Exchange of information on tax rulings

Outline

- 1. General Context**
- 2. Rules in place today**
- 3. What we propose**
- 4. What will change**

Rules in place today

Directive 2011/16/EU (DAC) on spontaneous exchange

- Room for discretion for Member States
- Member States only exchange "if they think it is relevant"
- No clear definition of tax rulings
- Content of exchange not clearly defined
- Timing of exchange not systematic
- Lack of information for the Commission

Exchange of information on tax rulings

- **Which rulings?**
 - Broad scope on taxes, taxpayers covered and type of rulings
 - Retrospective element – 10 years back
- **Which information?**
 - Push: pre-defined information
 - Pull: Member States can ask for more if relevant to them
- **How often?**
 - Automatic exchange every 3 months
- **To whom?**
 - All other Member States (Elimination of discretion) and the EC
- **When?**
 - Effective date of implementation 1/1/2016



TAX TRANSPARENCY: what will change

Proposal on the automatic exchange of information on tax rulings

Current framework

New proposal

Obligation: weak

Member States choose what information to send, when, and to whom



Obligation: strong

Member States must send information on all tax rulings to all other Member States

Discretion: some

Member States have discretion to assess whether their tax rulings are relevant for other Member States



Discretion: none

Member States have no discretion to withhold information on tax rulings

When: discretionary

Information to be exchanged whenever rulings are issued



When: regular reporting

Common framework sets strict timeline to share information

Scope: not clearly defined

Rulings are not defined



Scope: clearly defined

Definition of rulings on which exchange shall take place

More info provided under the following link:

http://ec.europa.eu/taxation_customs/taxation/company_tax/transparency/index_en.htm

Thank you!