

# **Report 6<sup>th</sup> Meeting of the Fiscal Compliance Experts' Group – FISCO**

**Wednesday 26<sup>th</sup> April 2006 in Brussels**

The main operative conclusions of the 6<sup>th</sup> FISCO Meeting are the following:

## **1. Introductory Address**

- The Chairman welcomed all Members to this Sixth FISCO Meeting and thanked all experts for their efficiency and good contributions, in particular as regards the finalization of the FISCO Fact Finding Study.

### **1.1. Plan of the Sixth FISCO Meeting**

- The main topic of the 6th FISCO Meeting was to discuss and identify the priority key issues for the FISCO Second Report on Solutions.

## **2. Distribution of the FISCO Fact Finding Study**

- The FISCO Fact Finding Study will be printed in 1.500 copies. Each FISCO Expert will receive 50 copies for individual distribution. Consequently 750 copies of the FFS will be distributed by the Experts. The remaining 750 copies of the FFS will be centrally distributed by the FISCO Secretariat.

## **3. OECD WG on Financial Markets Tax Issues in General**

- The Chairman informed that the OECD recently has started work in form of a working group as regards financial markets tax issues in general. The Director in charge at the OECD is Mr. Jeffrey Owens. Some clear correspondence appears to be at hand with the present FISCO work. The OECD has also showed great interest to establish contacts and exchanging of views with the FISCO Group. Reflecting this information the Meeting decided that representatives of FISCO should meet corresponding representatives from the OECD, including Mr. Jeffrey Owens. Then it should be investigated whether formal cooperation and contact between the two Working groups could be established. One solution could be that the OECD nominates a

representative to follow the FISCO work and that the FISCO Group correspondingly nominates a representative to follow their work. The Meeting between the FISCO representatives and OECD is planned to take place in Paris 17 May 2006. The FISCO representatives nominated to this meeting are Mario Nava, Tomas Thorsén and Philip Kerfs.

#### **4. FISCO Report on Solutions –Distribution of Work Topics**

- The Meeting agreed that the FISCO Second Report on Solutions should propose solutions to the issues identified in the FISCO First Report – the FISCO Fact Finding Study. The spirit of the Second Report should be very pragmatic and aimed to suggest practical ways for Member States to avoid fiscal rules to become hurdle to cross-border environment. This means that some priority choices should be done.

#### **Withholding Tax Procedures**

- Building on the considerations from the FISCO Fact Finding Study, the FISCO Second Report should:
  - A) Propose pragmatic solutions on a national basis to specific problems.
  - B) Verify if, for some issues, general solutions –such as the ISSA model– could work well for the MS.
- The Meeting agreed that initial texts as regards withholding tax procedures should be provided as regards:
  1. France by Francis Barrier.
  2. Ireland by Philip Kerfs. (Should be considered as a "best case".)
  3. Italy by Gabriele Escalar.
  4. Portugal by Francisco Uria and Philip Kerfs.
  5. Spain by Francisco Uria and Philip Kerfs.
  6. Sweden by Anne Rutberg. (Should be considered as a "best case".)
  7. Finland by Errki Kontkanen (Should be considered as a "best case".)

#### **Transaction Tax Procedures**

- Building on the considerations from the FISCO Fact Finding Study the FISCO Second Report should:
  - A) Seek pragmatic solutions to be suggested to the Member States still levying a transaction tax.

B) If possible, propose some harmonised rules.

C) When proposing solutions under this chapter, it should be kept in mind the need to minimize market liquidity disruption.

- The Meeting agreed that initial texts on solutions on transaction tax procedures should be provided as regards:

Ireland and UK by Charles Hellier, Steven McGrady and Jeffrey Näslund.

Belgium, France and Greece will at this stage not be considered as a matter of priority.

## 5. Publication of the National Studies

- The Meeting decided that Steven McGrady should ask the representative from Cambridge University Press to participate at one of the coming FISCO Meetings to present the project as regards the publication in form of a book with all FISCO National Reports included.

## 6. Next Steps

- The contributions both on Withholding Tax Procedures and on Transaction Tax Procedures should be provided to the FISCO Secretariat **by the latest 21st of June 2006** to be discussed at the next FISCO Meeting 28<sup>th</sup> of June 2006.

## 7. Planned FISCO Meetings 2006

- The following Meeting dates were decided:
  1. **Wednesday 28<sup>th</sup> of June 2006.**
  2. **Wednesday 11<sup>th</sup> of October 2006.**
  3. **Friday 1<sup>st</sup> of December 2006.**