



EUROPEAN COMMISSION

*Brussels, 04.01.2021  
C(2021) 39 final*

*Dear President,*

*The Commission would like to thank the Senato della Repubblica for its Opinion on the proposal for a Council Decision on the AIEM taxation system applicable in the Canary Islands {COM (2020) 355}.*

*The Commission is pleased that the Senato della Repubblica shares the view that action at European level as envisaged in the proposal is required, and considers the proposal to be consistent with the principles of subsidiarity and proportionality. The Commission takes note of the suggestion of the Senato della Repubblica to extend the provisions of the TFEU which apply to the outermost regions to other EU territories characterised by constraints linked to their insularity or mountainous terrain. The Commission has carefully considered the issue raised by the Senato della Repubblica and would like to make the following observations.*

*The legal basis for the provisions dedicated to the outermost regions, including the AIEM taxation system in the Canary Islands ('Arbitrio sobre Importaciones y Entregas de Mercancías en las Islas Canarias'), is Article 349 of the TFEU. This article defines the list of outermost regions, and allows for specific measures for these regions, especially in areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, conditions for supply of raw materials and essential consumer goods, State aid and conditions of access to structural funds and to horizontal Union programmes.*

*The Commission would like to recall that the list of outermost regions as defined in Article 349 of the TFEU may only be changed under the conditions specified in Article 355(6) of the TFEU. This provision allows a change of status of a Danish, French or Netherlands country or territory referred to in paragraphs 1 and 2 of the same Article by a unanimous decision of the European Council, without recourse to the ordinary Treaty revision procedure. Adding any other region to the list of outermost regions eligible for measures based on Article 349 of the TFEU would require a revision of the Treaty.*

*Ms Maria Elisabetta ALBERTI CASELLATI  
President of the  
Senato della Repubblica  
Piazza Madama, 1  
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*The Commission would like to draw the attention of the Senato della Repubblica to Article 174 of the TFEU. This Article provides that the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion, and shall pay particular attention to regions which suffer from severe and permanent natural or demographic constraints, such as the northernmost regions with very low population density and island, cross-border and mountain regions. The Commission would like to reassure the Senato della Repubblica that, based on Article 174 of the TFEU, it is taking appropriate measures dedicated to these territories to take account of their corresponding natural or demographic constraints.*

*The Commission is fully committed to promoting an overall harmonious development of the Union to strengthen its economic, social and territorial cohesion and to reduce disparities between the levels of development of the Union's various regions.*

*The Commission hopes that the clarifications provided in this reply address the issue raised by the Senato della Repubblica and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*

*Elisa Ferreira  
Member of the Commission*