



EUROPEAN COMMISSION

*Brussels, 14.07.2015
C(2015) 4803 final*

Dear President,

The Commission would like to thank the Senat for its Opinion concerning the Commission proposal for a Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation {COM(2015) 135 final}.

With respect to the question of the impact assessment, the Commission respectfully refers the Senat to the staff working document accompanying the proposal of 18 March 2015. This document provides information on the economic background and an assessment of the costs and benefits of the proposal once implemented. The Commission acknowledges that there would be a certain administrative burden on tax administrations linked to the proposal but is convinced that the principle of proportionality is respected.

The proposal would also require the exchange of information for tax rulings issued before the entry into force of the new Directive (retroactivity). The Commission takes the view that in order to get a full overview of existing practices in this field it is not sufficient to focus only on future arrangements. The terms and conditions of this retroactive element are still under negotiation in Council and the Commission will give careful consideration to the concerns raised in the Opinion.

The Commission agrees with the Senat that the exchange of information needs to be standardised. Provision is therefore made in the proposed Directive to develop a standard form for the automatic exchange of information which would ensure that the administrative burden is limited. The standard form would be developed on the basis of the comitology procedure by the relevant committee together with Member States. A future central directory could be developed to further automate the procedure and to reduce the administrative burden.

While the date of entry into force of the new requirements has to be realistic and in practice manageable by Member States, the exchange of information between Member States foreseen in the proposal must be in place as soon as possible. In view of the urgent need for change and the ongoing public debate, the Commission hopes that the new rules

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can be in place by January 2016. Therefore, swift progress in Council will be necessary to keep to this ambitious timeframe.

The Commission has proposed an approach which would ensure that a defined set of information regarding tax rulings issued by a Member State would have to be automatically exchanged between all Member States. Situations where tax rulings issued by the authority of an EU Member State would have an effect also on non-EU jurisdictions would be within the scope of the proposal. However, the proposal does not contain any requirement to exchange information with non-EU jurisdictions.

The points made above are based on the proposal presented by the Commission which is currently in the legislative process involving both the European Parliament and the Council in which your government is represented.

The Commission hopes that these clarifications address the issues raised by the Senat and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Pierre Moscovici
Member of the Commission*