

MEMO# 17713

June 29, 2004

APPLICATION DATE OF EU TAXATION OF SAVINGS DIRECTIVE DELAYED

[17713] June 29, 2004 TO: INTERNATIONAL MEMBERS No. 40-04 INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 26-04 TAX MEMBERS No. 34-04 RE: APPLICATION DATE OF EU TAXATION OF SAVINGS DIRECTIVE DELAYED The European Union has decided to delay the application date of the Taxation of Savings Directive from January 1, 2005 until July 1, 2005. As you know, the Savings Directive generally is intended to provide a mechanism for a Member State of the European Union to collect tax on income in the form of interest paid on savings products purchased by its citizens in another EU member state.¹ Although negotiations with third countries to adopt equivalent measures have generally concluded, the Council decided that Switzerland was not in a position to apply equivalent measures by the original effective date. On June 28, 2004, the Council voted to delay the date of application of the Directive by six months.² Jennifer S. Choi Associate Counsel 1 See Memorandum to International Members No. 22-03 and Tax Members 33-03 [16157] (June 9, 2003) and Memorandum to International Operations Advisory Committee No. 26-03 [16178] (June 9, 2003). 2 The Council's conclusions are available at, http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/envir/81264.pdf