

Repeal of EU Savings Directive

Bulletin 2016/1

The Council of the European Union has repealed Directive 2003/48/EC, which had implemented the EU Savings Directive (EUSD). The repealing Council Directive (EU) 2015/2060 was made on 10 November 2015 and this decision will also impact on the equivalent agreements that Guernsey has with all EU Member States (EUMS).

For most EUMS, the EUSD will cease to apply after 2015 (the 2016 exchange, of 2015 data, being the last). For these EUMS, the intention is that the EU version of the Common Reporting Standard (CRS), which is the Directive on Administrative Cooperation (DAC), will replace the EUSD seamlessly from 1 January 2016 (with the first exchange of 2016 data, under the DAC, taking place in 2017). Letters have been sent to these EUMS to obtain their confirmation that the repeal of the Directive also suspends the equivalent agreements that they have with Guernsey (as Guernsey will also be entering into the CRS, in relation to them, from 1 January 2016). It is anticipated that this will be a formality.

The exception is Austria, which will not be fully joining the CRS until 1 January 2017 (with the first reporting of 2017 data taking place in 2018). Therefore, Austria also has to continue to operate the EUSD, in respect of other EUMS, for 2016 data, for accounts it will not be reporting under the DAC, but the other EUMS will completely terminate EUSD after 2015.

Discussions between the Crown Dependencies and the Austrian authorities are ongoing, with the Crown Dependencies preference being that EUSD with Austria will also end from 31 December 2015 and exchange of information with Austria under the CRS will commence from 1 January 2017 (i.e. having a one year “gap” where no information will be exchanged). A further update will follow once a definitive position has been established in respect of Austria.

The Director of Income Tax is currently in the process of arranging for relevant Regulations to be placed before Policy Council, suspending the existing domestic EUSD legislation from 1 January 2016 (whilst retaining the relevant provisions to enable the calendar year 2015 data to be reported to the Director by 31 March 2016). This process may, however, be delayed pending the outcome of the ongoing discussions with the Austrian authorities.

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