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[Press release](#) | 26.10.2011

Tax agreements

Commission underlines illegal nature of German and UK tax agreements with Switzerland

EU tax commissioner Semeta highlighted major flaws with the bilateral tax agreements concluded by the UK and Germany with Switzerland at a debate in the European Parliament last night (1). The Greens welcomed his response to an oral question - which underlined problems with the applicable rates of withholding taxes, the nature of their application and the overlap with the EU-Swiss tax agreement (2) - and called on the Commission to take swift action to redress this. Commenting on the statement, Green economic and monetary affairs spokesperson **Sven Giegold** said:

"The Commission has today clearly underlined the flaws with these bilateral tax agreements, which are at odds with the existing EU-Swiss agreement. Although the Commission's assessment is not finalised, commissioner Semeta has stated that these agreements are illegal. This is a clear rebuke to the UK and Germany. These bilateral deals, which have been signed but not yet ratified, must now be withdrawn. If the UK and Germany fail to do so, the Commission must launch an infringement procedure and the Greens will press to ensure this is pursued. The common goal has to be the introduction of automatic information exchange and a level playing field for the taxation of savings throughout the EU."

(1) Response of Commissioner Semeta: <http://www.sven-giegold.de/wp-content/uploads/2011/10/Swiss-agreements-UK-DE-Speaking-at-EP-25-10-2011-2.doc>

Oral Question Economic and Monetary Affairs Committee:

<http://www.europarl.europa.eu/sides/getDoc.do?type=OQ&reference=O-2011-000229&language=EN>

AGREEMENT between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:385:0030:0042:EN:PDF>

(2) Commissioner Semeta stated that the final withholding taxes applied by Germany (26.375%) and the UK (48%) under their bilateral agreements are not in line with the withholding tax foreseen 35% of the EU-Swiss agreement on savings taxation. He also observed that the German-Swiss withholding tax appears to be final whereas it is in the nature of an advance payment under the EU-Swiss agreement. Finally, he underlined that bilateral agreements may not regulate areas of law already covered by the EU-Swiss agreement.

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Sven Giegold

Member

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