Banks urge EU to reconsider approach to Savings Tax Directive

- Current plan leads to disruption and unnecessary costs for European banks
- EU Savings Tax Directive is not compatible with OECD standards
- EBF urges EU member states to adopt coherent model and realistic timetable

The European Banking Federation is urging policy-makers in the European Union to reconsider the agreement on the review of the Savings Tax Directive that EU member states reached last week. European banks underline the importance of adopting a coherent model for the automatic information exchange between countries and a realistic timetable for implementation.

The current EU plans will lead to disruption and unnecessary costs for banks because they are not compatible with the multilateral regime adopted by the Organisation for Economic Cooperation and Development (OECD) for the Automatic Exchange of Information (AEOI) between countries.
"European banks fully support the fight against tax evasion, notably by means of information exchange. But this new system needs to be efficient and cost-effective," said Guido Ravoet, Chief Executive of the EBF. "There is a crucial need for this regime to be based on a single, consistent and coherent model, as banks and tax administrations are investing substantially in the development of systems that will enable them to comply with the new requirements."

The EU Savings Tax Directive was first adopted more than ten years ago. The EBF believes that EU policy-makers need to acknowledge that this directive is based on standards that are not compatible with the new OECD standards.

The EBF also insists that the timetable for implementation must be achievable both for governments and for business. This requires a proper and timely consultation process, an adequate assessment of all legal and constitutional aspects for data protection and sufficient lead-time for all stakeholders to develop and adapt their systems and procedures.

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