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Brussels, 21 October 2011

**Re : EU expert group on taxation of savings  
Comments from EuroInvestors  
Meeting of Oct. 28, 2011**

Dear M. Zuijdendorp,

As you know, EuroInvestors (the European Federation of Investors / Fédération Européenne des Epargnants) is the European federation representing the interests of all individual financial services consumers. It is open to all organizations representing financial services consumers in Europe <sup>(1)</sup>.

As such we are currently consulting with our members in order to finalize a position paper regarding the workings of directive 2003/48/EC on taxation of savings.

This position paper should be available soon. However, taking into account the meeting of the experts which has been scheduled for next Friday we find it useful to already communicate its key findings which can be summarized as follows and shared with the experts of the group.

- EuroInvestors recognizes that the system should be commended insofar as it reduces any purely tax incentive taxpayers may have to invest in other countries and allows to limit tax evasion;
- However, it must also be observed that the system has the somewhat paradoxical effect of discouraging and therefore reducing movements of capital throughout the EU for individual investors, sometimes rendering access to certain investments impossible, because :
  - (i) The Directive does not address the problem of the double taxation of financial income (in the country of source and in the country of residence), which

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<sup>1</sup> About 50 organizations have already joined directly or indirectly. In turn these member organizations have more than 4 million EU citizens as their members. The main initial member organizations are, a.o., Euroshareholders, ADICAE the largest association of Spanish financial services consumers, Consumatori Associati, an independent consumer association in Italy, DSW, the leading German association of shareholders and FAIDER, the French federation of investors, pension participants and insurance policy holders.

- EuroInvestors believes (pending review) remains more often than not the rule rather than the exception even between EU Member States and make investments abroad inefficient;
- (ii) Misgivings about the Directive's scope of application and its effects as well as the fact that the information provided by paying agents about the workings of the Directive is more often than not presented in ways that are not easily comprehensible by the investors add to the administrative burden of investing in another country.
- It is therefore EuroInvestors opinion at this stage that in order to address these issues the directive should be amended in order to provide:
    - (i) An obligation or at least a recommendation to the Member State of residence of the beneficial owner to grant full relief from double taxation by taking into account the taxes already paid in the country of source of the income;
    - (ii) An obligation for the paying agents to disclose, free of charge, in a timely manner and in full to the beneficial owners all information pertaining to them which have been transmitted to their States of residence and, where applicable, a spreadsheet detailing, for each 'saving income' the withholding applied pursuant to the directive.

EuroInvestors is looking forward to discuss these points and the other amendments proposed to Directive 2003/48/EC with the experts of the group.

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Sincerely yours,



Guillaume Prache  
Managing Director  
EuroInvestors