

9 April 2013

Commissioner Algirdas Šemeta
Berlaymont Building
200 Rue de la Loi
1049 Brussels

Dear Commissioner Šemeta

The Commission has recently published a Communication containing an Action Plan on tackling tax fraud and evasion. This important agenda matters both for the protection of revenues and for ensuring the confidence of our citizens in the fairness and effectiveness of our tax systems. We look forward to continuing discussions of the Action Plan and to ensuring that early action is taken in the areas of highest priority. It will also be important that actions at the EU level join up effectively with work going on at wider international level given the international nature of tax fraud and evasion and the need for solutions that work globally.

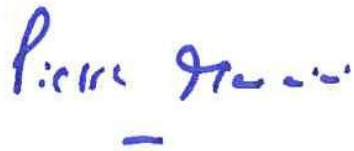
An important part of the fight against international evasion and fraud is tax transparency. As you know, following the passage of the US Foreign Account Tax Compliance Act we have all been in joint discussions with the US as to the most effective way of concluding intergovernmental agreements to provide for automatic information exchange. These discussions have resulted in a model agreement which minimises burdens on business while ensuring effective and efficient reciprocal exchange of information. We believe that these agreements represent a step change in tax transparency, enabling us to clamp down further on tax evasion. We will be looking to promote these agreements as the new international standard, including through the various international fora, with the ultimate aim of agreeing a multilateral framework.

In this regard we wanted to bring to your attention that France, Germany, Italy, Spain and the UK have today agreed to work on a pilot multilateral exchange facility between our countries using the model agreed with the US as the basis for this multilateral exchange. This pilot will not only help in catching and deterring tax evaders but it will also provide a template as to the wider multilateral agreement we hope to see in due course.

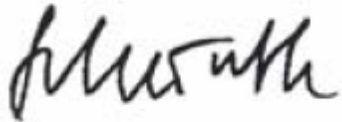
We would invite other EU Member States to join in this pilot and we hope that Europe can take a lead in promoting a global system of automatic information exchange, removing the hiding places for those who would seek to evade paying their taxes. In this context we also look forward to discussing how progress can be made within Europe on improving tax information exchange between all Member States. In particular, we urge progress on the implementation of article 8 of the Administrative Cooperation and Mutual Assistance Directive of 2011, which provides for mandatory exchange of information, and on the effective application of the “most favoured nation” provision in its Article 19. Accordingly, we call on all EU Member States for being able to agree without delay on the amending

proposal to the Savings Taxation Directive of 2003, which would then pave the way for extending its scope to relevant third countries.

We therefore look forward to discussing this new initiative during our work on the Action Plan, as we consider that enhancing administrative cooperation at the EU level is one of its key elements.



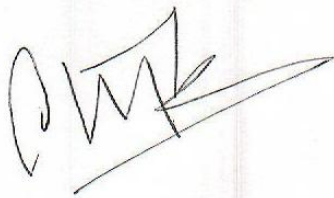
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WOLFGANG SCHÄUBLE



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