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Chronology:

Major Events in International and European Tax Governance since 1998

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Chronology
Major Events in International and
European Tax Governance since 1998

NEWGOV Project 22:
The Changing Governance Architecture of International Taxation
Claudio M. Radelli and Ulrike S. Kraemer

Date	Event	Source
9 March 1998	The Council confirms the establishment of the Code of Conduct Group (Primarolo Group)	14812/02 LIMITE FISC 299 26 November 2002 (28.11) Report from Code of Conduct Group to ECOFIN Council on 3 December 2002; p1
December 1998	The conclusions of the ECOFIN meeting request the Commission to carry out an analytical study on company taxation in the European Union	COM(2001)582final “Towards an Internal Market without tax obstacles”
22 July 1999	The Permanent Representatives Committee (COREPER) refined this request into a formal mandate. This study should examine differences in the effective level of corporate taxation and identify the main tax provisions that might cause distortions in the cross border economic activity in the Single Market. The mandate is therefore broader than that given to the Ruding Committee in 1990 as it explicitly requests the analysis of tax obstacles in the Internal Market	COM82001)582final “Towards an Internal Market without tax obstacles” Executive Summary p28
29 November 1999	The Primarolo Group reports to ECOFIN the results of the assessment of 271 tax measures. The report identifies 66 potentially harmful tax measures	14812/02 LIMITE FISC 299 26 November 2002 (28.11) Report from Code of Conduct Group to ECOFIN Council on 3 December 2002 p2
28 January 2000	The Commission produces a report that proposes tackling tax fraud by improving administrative cooperation	Com(2000)28

Date	Event	Source
5 June 2000	<p>The Council takes the view that the recommendations of an ad hoc working group set up in 1999 to assess the current situation concerning tax fraud and to examine the possibility of improved administrative cooperation for dealing with tax fraud and evasion in the areas of indirect and direct taxation were a “useful basis for future work by the Commission and the member states”.</p> <p>These recommendations include mutual assistance and exchange of information between member states as well as optimising control selection methods on the basis of risk analysis and amending the VAT Information Exchange System.</p>	COM (2001)260 final “Tax Policy in the EU” 23 May 2001 p19
26-27 November 2000	<p>At the Santa Maria da Feira European Council ECOFIN reached an agreement on a draft Directive for ensuring a minimum of effective taxation of savings income in the form of interest payments within the Community (COM(1998)295).</p> <p>All member states would adopt the exchange of information system – Austria, Belgium and Luxembourg would introduce a withholding tax for seven years and then follow into the exchange of information system. A condition of adopting the Directive (made by Austria and Luxembourg) is that third countries like the US and especially Switzerland will introduce “equivalent” measures.</p>	European Parliament Fact Sheets 3.4.8. Personal and Company Taxation (http://www.europarl.eu.int/factsheets/3_4_8_en.htm) p4
2000	<p>Inter-Governmental Conference (IGC) agrees on reforms to the Community’s institutions that are supposed to pave the way for enlargement.</p> <p>The Commission later calls the outcome of the Treaty negotiations on decision-making for tax issues “disappointing” – the remaining legal basis unanimity for decisions on taxation is considered to be suboptimal, especially in the context of the enlargement.</p>	COM (2001)260 final “Tax Policy in the EU” 23 May 2001 p4-9
26-27 November 2000	The Council agrees on the key elements of the tax package	COM (2001)260 final “Tax Policy in the EU” 23 May 2001 p3
21 December 2000	The Commission presents a document on the Contribution of Public Finances to Growth and Employment (COM(2000)846). The document declares the tax reforms implemented over the last three years a move in the right direction: While the reforms vary, most member states are cutting direct taxation on personal and corporate income.	COM (2001)260 final “Tax Policy in the EU” 23 May 2001 p5

Date	Event	Source
23 May 2001	In the communication “Tax Policy in the European Union” (COM(2001)260 final) the Commission states that the progress towards greater tax coordination since the beginning of the debate on taxation policy on 13 October 1997 has been disappointingly slow: “there are currently 16 Commission proposals for Directives in the taxation domain on the Council’s table. Some of these have been on the table since the early nineties” (p20). Moreover, the Commission points out that tax systems must be made simpler and more transparent and that “a more pro-active, well-focused and even-handed use of infringement proceedings in the tax field is now required” (p24). It also emphasizes the usefulness of non-legislative solutions and the mechanism of enhanced co-operation	COM (2001)260 final “Tax Policy in the EU” 23 May 2001 p24
7 June 2001	Ireland rejects the Treaty of Nice in its first referendum on the future of the EU expansion treaty.	
July 2001	ECOFIN adopts the timetable of the tax package: member states must unanimously adopt the final text of the savings tax directive by 31 December 2002	TNI 15 July 2002 p248
23 October 2001	The Commission presents the results of the requested study on “Company Taxation in the Internal market” in the communication “Towards an Internal Market without tax obstacles. A strategy for providing companies with a consolidated corporate tax base for their EU-wide activities”. The report promotes a common consolidated tax base for EU-wide activities of companies.	COM(2001)582final “Towards an Internal Market without tax obstacles” p47
March 2002	The International Conference on Financing for Development, held in Monterrey, Mexico, results in the Monterrey Consensus, that provides the groundwork for the UN general assembly in October. The Consensus calls for strengthened international tax cooperation, through enhanced dialogue between national tax authorities, multilateral bodies and regional entities.	TNI 10 November 2003 p541

Date	Event	Source
11 March 2002	<p>After the Council Conclusions welcome the initiative, the Commission sets up the EU Joint Transfer Pricing Forum (JTPF) consisting of an expert of each member state and 10 experts from business. Representatives from applicant countries and the OECD are invited to take part as observers.</p> <p>The task of this forum is to elaborate on the basis of consensus pragmatic, non-legislative solutions to practical transfer pricing problems in the European Union, within the framework of the OECD guidelines - this is to consider ways of reducing the high compliance costs and eliminating the double taxation that might arise in the case of cross border intercompany transactions. The JFTP therefore focuses particularly on the reduction of the compliance burden due to documentation requirements, the promotion of greater certainty and the exploration of speedier dispute resolution processes.</p>	<p>Doc:JTPF/003/2002/EN "The EU JTPF Issues for Debate" (Homepage European Commission, directorate-general, Taxation and Customs Union, Tax Policy) p1</p> <p>www.kpmg.be</p>
April 2002	<p>The Commission hosts a conference on company taxation. More than 500 participants debate future European tax policy. The Commission committed to working on the creation of a consolidated tax base for EU-wide operations and an apportionment formula to distribute income among member states. The main considerations include common consolidated base taxation as a tax system for the European Company Statute and home state taxation for SMEs.</p>	<p>TNI 30 December 2002 p1277-1278</p> <p>original: Doc 2002-10646</p>
10 April 2002	<p>UNICE (Union of Industrial and Employers' Confederations of Europe) reacts to the Commission's report on company taxation (COM(2001)582final) UNICE supports the Commission's work and points out very clearly that 15 different tax administrations in one market are a major burden to business, especially for SMEs. UNICE also calls the increased burden of transfer pricing documentation requirements and the risk of double taxation due to the cross-border business complexity an "impossible and intolerable compliance burden for business in Europe".</p>	<p>UNICE Reaction 10 April 2002 www.unice.org p4</p>
16 April 2002	<p>The European Commission calls on transfer pricing experts to apply for membership of the JTPF in the Official Journal of the European Communities (C-90/7)</p>	<p>www.kpmg.be</p>
June 2002	<p>The EU Council adopts the Regulation on International Accounting Standards (IAS): All listed European companies have to prepare their consolidated accounts in accordance with IAS from 2005</p>	<p>TNI 30 December 2002; p1278 original: Doc 2002-13798</p>

Date	Event	Source
20 June 2002	ECOFIN Progress Report on the Tax Package: Switzerland still refuses to join an automatic information exchange system in the area of savings taxation. Negotiations with the US, Monaco, Andorra, San Marino, and Liechtenstein have started	TNI 8 July 2002 p162
1 July 2002	Denmark assumes the presidency of the European Union and announces that completing the tax package, which consists of the code of conduct for business taxation, the proposed directive on interest and royalty payments, and the directive on savings taxation, until the end of the year will be its top priority. The United Kingdom and the Netherlands have reported progress in their negotiations with their dependent and associated territories. The Code of Conduct Group continues its work to roll back harmful aspects of tax competition.	TNI 15 July 2002 p248
September 2002	Ireland prepares for the second referendum on the Treaty of Nice. Prime Minister Bertie Ahern blames the result of the first referendum on a lack of publicly available information. Anthony Coughlan, of the National Platform, says to the Irish Times that people rejected the treaty because it threatens the future of Ireland's ultra-low corporation tax rates. Ireland would lose its veto power and have only a qualified-majority vote on the Council. Moreover the treaty would favour the largest member states like Germany and France. Finance Minister Charlie McGreevy, however, tells the Irish House of Representatives on 4 September that in his opinion the treaty of Nice represents "a very good outcome for Ireland and for small member states in general". He points out that there's no possibility to impose direct tax harmonization on Ireland by other member states: "Enhanced cooperation is not a blueprint for large member state domination of a two-tier Europe. It does allow for a necessary degree of flexibility in the context of a union of 27 where there maybe instances that a smaller group of member states wish to participate in a particular project."	TNI 9 September 2002 p1255-1257 original: Irish Times 2 September 2002 Speech before Ireland's Dáil Éireann by McGreevy 4 September 2002
September 2002	During the campaign for Germany's federal election, held on 22 September, the Green Party appears to be in favour of an EU-wide corporate tax harmonization to ensure "fair" tax competition.	TNI 9 September 2002 p1258

Date	Event	Source
21 October 2002	<p>The Final Report of Working Group VI on Economic Governance states that the decision-making procedures in the area of fiscal policy should be changed in order to “provide for sufficient approximation of rates, minimum standards and tax bases in the areas of indirect and company taxation to ensure that the proper functioning of the Single Market is not affected by harmful tax competition or serious internal trade distortion”</p> <p>The work of the Group has been based on the expectation that there will be a basic European constitutional treaty.</p>	<p>CONV 357/02 WG VI 17 Final Report of Working Group VI on Economic Governance to the members of the Convention 21 October 2002</p>
8 November 2002	<p>The 2002 broad economic policy guidelines for the EU member states are published online by the European Commission. The report recommends coordinating the taxation of member states in order to avoid harmful tax competition. According to the report the corporate tax system and the regulatory environment should be simplified and improved and barriers to cross-border economic activities associated with VAT and business taxation should be reduced.</p>	<p>TNI 16 December 2002 p1085</p> <p>original: Doc 2002-4510</p>
11 December 2002	<p>Extraordinary ECOFIN meeting after the unsuccessful regular meeting on 3 December: The Danish EU presidency makes a last effort to secure agreement among the 15 member states on the effective taxation of individuals’ cross-border interest income within the EU but fails.</p> <p>Austria, Belgium and Liechtenstein refuse to accept any deal short of Switzerland’s automatic exchange of information with EU member states.</p> <p>EU tax commissioner Frits Bolkestein got a revised offer from Switzerland on 6 December to disclose information on demand in case of tax fraud. However, this offer is regarded as incomplete by the presidency and no agreement is found.</p> <p>Since the savings directive is part of the wider tax-package the end-2002 deadline can’t be made and has to be delayed into 2003 under the Greek presidency.</p> <p>In the ongoing savings tax negotiations with the United States, Liechtenstein, Monaco, Andorra and San Marino no agreement on the adoption of equivalent measures to the EU savings tax measures has been reached so far.</p>	<p>TNI 30 December 2002 p1277</p>

Date	Event	Source
13 December 2002	The Danish EU presidency announces at the Copenhagen Summit the successful conclusion of talks with 10 accession countries. The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Cyprus and Malta will become full EU member states in May 2004. All of the states had to adopt direct and indirect tax policies in keeping with the EU tax standards.	TNI 23 December 2002 p1183 original: Doc 2002-22982
20 December 2002	France and Germany propose to the Convention on the Future of Europe to move to qualified majority voting in the Council in the area of EU tax legislation. This signals a shift for both France and Germany – both countries opposed giving up national tax sovereignty until now.	TNI 6 January 2003 p27
17 January 2003	The Financial Times points out that the compromise on the table regarding the savings tax negotiations will undermine European and OECD efforts to rein in global tax haven activities and to combat “an evil that weakens the public finances of leading economies and helps bankrupt ailing states in the developing world”. Belgium, Luxembourg and Austria were supposed to impose a withholding tax on non-resident savings at a sufficiently high level and then move to automatic information exchange from 2011. The new compromise no longer obliges these three countries to move to information exchange from 2011 – instead a unanimous vote of all 15 member states would be required, giving each of the three an effective veto. The FT calls this compromise “unacceptable” and demands a “solution that does not destroy the credibility and effectiveness of information exchange”.	Financial Times 17 January 2003 p10 “Reject this squalid tax compromise”

Date	Event	Source
21 January 2003	<p>The Greek presidency announces a “breakthrough” on the issue of taxation of savings: During the ECOFIN meeting on 21 January 2003 a compromise is found that allows Austria, Belgium and Luxembourg to participate in the savings directive without abandoning their bank secrecy rules. These three countries will not exchange information about non-residents’ accounts until Switzerland and others does the same. The agreement is supposed to take effect on 1 January 2004. Those three jurisdictions will withhold 15% tax on other members’ residents’ interest income. On 1 January 2007 the rate will go up to 20% and it will rise to 35% on 1 January 2010. Switzerland has offered to exchange information in the case of a legitimate criminal investigation and to move to a broader definition of tax crime that will allow information exchange more easily than before.</p> <p>Condition of the whole agreement is that the non-EU states Liechtenstein, Andorra, the US, Monaco, San Marino and Switzerland agree to the savings tax terms, otherwise Austria, Belgium and Luxembourg will cancel their support.</p> <p>The OECD harshly criticizes the agreement. The Organisation is afraid that the global effort on cracking down on tax having activities will get undermined by EU plans that allow some of their jurisdictions to maintain bank secrecy.</p>	TNI 27 January 2003 p343-345
24 January 2003	<p>A survey of 1450 top executives done by the US delivery company UPS leads to the result that businesses believe greater tax harmonization across Europe would benefit them more than any other improvement to the EU Single Market.</p> <p>One in three company directors in seven of the largest EU countries regarded the issue as more important than an EU set of Company laws or a Europe-wide pension regime, although the percentage of executives putting tax on the top of their wish-list ranged from 47% in Italy to 25% in Britain.</p> <p>John Cridland, deputy director-general of the Confederation of British Industry tells the Financial Times that the support for harmonization is highest in high tax countries and that the UK must “resist moves that would erode our competitive advantage”.</p>	Financial Times 24 January 2003 “Business puts tax harmonisation at top of EU wish-list”

Date	Event	Source
24-25 Januar 2003	<p>Conference on Multinational Enterprise Taxation in the EU held in Siena, Italy with academics, senior tax policy experts from the Commission, the Italian Government, and Italian Industry.</p> <p>University of Bologna Professor Silvia Giannini said that the EU should consider a minimum tax rate on corporate income in order to put a brake on the potentially harmful tax competition that might otherwise prevail and to act as a corporate tax floor, similar to the system in the US and Canada. She also raised the issue of Estonia as potentially troublesome when entering the EU next year because of abolished corporation tax.</p> <p>Matthias Mors, head of the Commission’s Tax Coordination Unit stressed out that “the objective of tax neutrality is not the only legitimate goal of tax policy, and taxation ultimately involves a political choice and a trade-off between pure economic efficiency and other legitimate policy goals”.</p> <p>Hugh Ault, senior advisor to the OECD’s Centre for Tax Policy and administration, reported that 31 low-tax jurisdictions have become “participating partners” in the OECD work over the last five years. The International Tax Dialogue (ITD), a joint effort of the OECD, the IMF and the World Bank is, according to Ault, setting up an internet-based system for tax administrations to share experiences and exchange best practice in international tax issues.</p> <p>Robert Verrue, director general of the European Commission’s Taxation and Customs Unit pointed out that the exchange of information is the chief means to combat tax evasion. Since he didn’t mention withholding tax as another means he also seemed to suggest that national tax measures in general are not sufficient to combat cross border tax abuses.</p> <p>The European Commission plans to address this issue by updating the Directive on Mutual Assistance (77/799/EEC) during the first half of 2003 in order to improve administrative cooperation. One new element will be a provision allowing member states to conduct simultaneous controls of companies doing business in more than one country.</p> <p>Franco Gallo, University of Rome, pointed out that since the code of conduct for business taxation just represents a soft law approach, more concrete steps could be taken by the ECJ or through the European Treaty concerning state aid.</p>	TNI 3 February 2003 p460-462 p481-482

Date	Event	Source
29 January 2003	Franz von Daeniken, Switzerland’s chief diplomat in the European Union, states according to Reuters News that he believes a savings tax agreement between Switzerland and the EU to be possible. Switzerland wants the agreement to be linked to the EU approval of agreements in nine non-tax areas, including agricultural trade and asylum and migration. Swiss Finance Minister Kaspar Villiger also is “to a measured degree” optimistic about the savings tax directive.	TNI 3 February 2003 p482
4 February 2003	In an article for the Financial Times Edward Troup, head of tax strategy at Simmons and Simmons writes about the European Court of Justice quietly undermining national corporation tax systems. He emphasises that the Court can strike out tax rules as unlawful but cannot build up its own solutions: “As a result it is carving pieces off the tax systems of Europe, seeking to leave behind only those elements consistent with the fundamental freedoms of the EU treaty. Herein lies the rub: the only corporation tax system truly compatible with those freedoms is a fully harmonised one [...] As long as harmonisation is off the agenda, EU governments should establish new parameters for the application of the single market rules to taxation, before they find they have no corporation tax revenues left to defend”.	Fiancial Times.Com 4 February 2003 “Europe is losing control of company taxation”
18 February 2003	ECOFIN pledges to formally adopt the tax package before the European Council meeting on 21 March 2003. Greek Finance Minister Nikos Christodoulakis is optimistic to conclude negotiations with Switzerland on the savings tax directive. However, there are quite a few problems left to solve: Switzerland wants a firm conclusion on nine other non-tax policy areas. It also wants the EU to withdraw all threads of sanctions and an understanding with the EU that if Switzerland cooperates on the savings tax deal, the EU will not try to tackle Swiss bank secrecy via the OECD. And Switzerland wants flexibility to tax the interest income of non-residents from EU member states based on the tax rates in their home jurisdictions.	

Date	Event	Source
7 March 2003	<p>ECOFIN fails to move any closer to find a final agreement on the savings tax directive, because of internal EU problems. Italy has linked its agreement on the savings tax issue with an extension on its reduced diesel fuel rates for truckers. Germany, with the Green Party in the Government coalition, strongly opposes this demand. Additionally, Italy wants higher EU milk production quotas for Italian dairy farmers in order which led to anger from the other 14 member states. Switzerland in the meantime made clear that its agreement with the savings tax directive depends on the EU granting parent-subsidiary benefits to Swiss companies. Spain, Portugal, and Italy oppose the extending of the parent-subsidiary directive to Switzerland. These countries will receive permission from ECOFIN in May to begin bilateral negotiations regarding this issue.</p> <p>However, Greek Finance Minister Nikos Christodoulakis said after the ECOFIN meeting, that he believes an EU-Swiss agreement could be achieved before April.</p> <p>All ECOFIN members have an interest in solving the issue before mid-April, at which time the ten accession states agree on the final EU membership terms. They would have a say in the savings tax issue after that date.</p>	<p>TNI 17 March 2003 p1022</p> <p>TNI 19 May 2003 p649</p>
20 March 2003	<p>ECOFIN approved an energy tax directive, that sets minimum tax rates for coal, mineral oil, electricity, and natural gas in all EU member states. Before this meeting Austria opposed the directive; it objected to the low taxes on energy-intensive firms and diesel fuel. Chuck Austria's agreement to the directive at the end of the day can be seen to be set as an example for Italy to compromise on the savings tax deal.</p>	<p>TNI 31 March 2003 p1210</p>
16 April 2003	<p>10 countries, the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, and Slovakia, sign the EU accession treaty, which will make them full members of the EU in May 2004.</p>	<p>TNI 21 April 21003 p221</p>

Date	Event	Source
2 May 2003	<p>The Financial Times reports according to a study done by KPMG that the average corporate tax rate across the 15 members of the European Union has declined from 39% in 1996 to just under 31.7%.</p> <p>The average OECD country corporate tax rate fell in the same time from 37.5% to 30.8%.</p> <p>The FT talks about tax competition that leads to a race to the bottom.</p> <p>However the share of total tax revenues represented by corporate income has been stable and even rose in the 1990s.</p>	<p>Financial Times 2 May 2003 “Company taxes in steady decline”</p>
5 May 2003	<p>The European Commission releases Internal Market Scoreboard No. 12, which tracks member states’ delays in implementing EU law.</p> <p>According to this scoreboard the existence of 15 different corporate tax systems causes inefficiencies in the Single Market. The Commission believes a common consolidated tax base (CCTB) to be the only lasting solution to this problem as well as to the problem of the complex and inequitable transfer pricing systems of EU member states.</p>	<p>TNI 12 May 2003 p547</p>
13 May 2003	<p>At the ECOFIN meeting Denmark and the Netherlands lead the criticism of Italian tactics regarding the savings tax directive and its linkage to milk quotas and insisted that Italian dairy farmers should not be let off easily over unpaid fees for exceeding their quotas.</p> <p>Italy proposed that they should have 30 years interest free to pay of fines. This was rejected but a compromise is to be expected. According to the Financial Times many ministers expressed their anger about Italy holding up the agreement. However, Italy is expected to step back from its demands after a round of municipal elections on 25 May, which clears the way for a final agreement on the savings tax deal in June. Switzerland and the US have both agreed on reciprocal accords with the EU to create a savings tax regime.</p>	<p>Financial Times 14 May 2003 p3</p>
2 June 2003	<p>EU finance ministers agree on the tax package first proposed in December 1997. It includes a code of conduct for business taxation, a directive to abolish withholding taxes on interest and royalties between EU group companies, and a directive to ensure the taxation of interest income of individuals, either through exchange of information authorities or by applying a withholding tax on interest.</p>	<p>Deloitte www.deloitte.com 9 June 2003</p>
3 June 2003	<p>The EU council states in a release...</p>	

Date	Event	Source
10-11 October 2003	<p>The Council of Heads of Tax Services within the Integration Committee of the Eurasian Economic Community (EURASEC) and the Coordination Council of Heads of CIS (Commonwealth of Independent States) Tax authorities held separate meetings in Moscow.</p> <p>EURASEC approved a strategy to harmonize tax administration in member countries in 2004 and 2005. The Coordination Council of Heads of CIS Tax Authorities instructed a working group to analyze tax harmonization proposals and observations of member states.</p>	<p>TNI 3 November 2003 p428</p>
Mid- October 2003	<p>OECD meeting in Ottawa with 20 OECD member countries and 20 low-tax jurisdictions. Although the organization agreed to move forward with its strategy to crack down on harmful tax competition, two jurisdictions dropped out after charging that the OECD was holding them to a different standard than its own members.</p>	<p>TNI 10 November 2003 p541</p> <p>original: Doc 2003-22543</p>
29 October 2003	<p>Following the Monterrey Consensus the United Nations announces at its general assembly meeting the creation of a global commission to help governments coordinating their tax policies with the aim of cracking down on tax evasion and tax avoidance. U.N. officials emphasised that the new body would be a forum for governments to discuss their ideas and philosophies – it wouldn't write countries' tax codes or set global tax rates.</p>	<p>TNI 10 November 2003 p540-541</p>
December 2003	<p>Christa Randzio-Plath, president of the Economic and Monetary Affairs Committee comments the maintaining of the status quo instead of a move towards qualified majority in the area of taxation policy in the Council at a conference on EU Corporate Tax Reform in Rome: "It is deeply regrettable that the Convention on the future of Europe, and the ongoing Intergovernmental Conference represents a lost opportunity when it comes to addressing the European Union's shortcomings in creating an Internal Market without tax barriers."</p>	<p>TNI 2 February 2004 p445</p> <p>original: http://europa.eu.int/comm/taxation_customs/taxation/company_tax/conference_rome.htm</p>

Date	Event	Source
31 December 2003	<p>The European Union’s self-imposed deadline for the adoption of the savings tax directives expires. This is due to Switzerland, which even though it is not an EU member must participate in the savings tax directive for the plan to move forward (the US, Andorra, Liechtenstein, Monaco, and San Marino also have to participate).</p> <p>In the same time EU transportation ministers concluded an agreement, limiting alpine trucking. After that Austria is willing to show greater flexibility with Switzerland in savings tax negotiations.</p>	TNI 13 January 2003 p139
April 2004	Regarding the EU enlargement Gerhard Schroeder, the German Chancellor, says that it is unacceptable that “Germany as the European Union’s biggest net payer, finances unfair tax competition against itself. Germany threatens to cut EU regional aid unless the new members rethink their tax policies.	TNI 20 September 2004 p1073
23 April 2004	In the Commissions Communication on the work of the JFTP in the first year (COM(2004)297) the Commission announces that it may decide to extend the Forum’s mandate for another period of two years	DOC: JTPF/008/REV3/2004/EN Secretariat Information Note on the working program 2005-2006
28 April 2004	Germany’s Supreme Tax Court rejects tax authorities’ contention that transfer pricing rules contained in regulations issued under the Foreign Tax Relations Act apply to domestic relationships	TNI 13 September 2004 p967
May 2004	The European union expands from 15 to 25 member states	
3-4 June 2004	<p>Germany hosts a meeting of the OECD Global Forum of Taxation in Berlin. 100 representatives from 42 governments, both OECD and non-OECD, participate. The meeting was convened to discuss the process in achieving a global level playing field based on high standards of transparency and effective exchange of information in tax matters, in a way that is fair, equitable and permits fair competition between all countries, large and small, OECD and non-OECD. All participants are committed to this objective and look forward to engage in dialogues with financial centres that haven’t participated yet.</p> <p>A future meeting is set to review thr outcome of the compilation of current practices in transparency and information exchange.</p>	OECD “Outcome, conclusion of the meeting of the OECD Global Forum on Taxation in Berlin, 3-4 June” www.oecd.org
4 August 2004	The Commission launches a consultation on HST (home state taxation) and releases additional technical details	TNI 20 September 2004 p1053

Date	Event	Source
10 September 2004	Luxembourg prime minister Jean-Claude Juncker is elected as chair of the Euro group by their 12 finance ministers, a new position that will represent the group's interests.	TNI 20 September 2004 p1053
10-11 September 2004	The EU Council of Economic and Finance Ministers (ECOFIN) agrees in an informal meeting in The Hague to set up a working group to study both a common consolidated tax base for EU companies and the use of home state taxation (HST) by small and medium-sized EU companies during a trial period. UK Chancellor Gordon Brown opposes moving towards a consolidated tax base because he views it as a first step toward EU tax rate harmonization. Apart from the UK Ireland, Estonia, Malta and Slovenia oppose the creation of the working group and are likely not to participate in it, fearing that it'll lead to full tax rate harmonisation and a weakening of their economic advantage. France and Belgium want the group to study both base and rate harmonization, but they are alone with this position.	TNI 20 September 2004 p1053 CFO Europe.com "Never say never" by Ben McLannahan November 2004 www.cfoeurope.com/ displaystory.cfm/3350545/ l_print
16 September 2004	The European Commission publishes a study done by Deloitte EU Tax Group on a pilot project for CCTB for the European company statute (SE). The study concludes that limiting the benefits of a CCTB to companies set up as SEs would create a discriminatory regime and foster unfair state aid.	Tax Analysts By Chuck Gnaedinger 2004 WTD 181-3 original: Doc 2004-18484 www.europa.eu.int/comm/ taxation_customs/publication s/ reports_studies/report.htm
30 September 2004	Following the Parmalat accounting scandal the Commission announced adoption of a broad strategy on corporate tax compliance and corporate governance to avoid future scandals involving financial malpractice. The Italian food giant Parmalat had made use of "nontransparent structures provided by offshore jurisdictions". Hence the strategy calls for actions at the global level to achieve more transparency and information exchange with third countries which means primarily tax haven jurisdictions. It also calls for a more coordinated approach on the OECD project to crack down on harmful tax competition.	TNI 11 October 2004 p111-112 original: Doc 2004-19340
8 October 2004	Societas Europea (SE), that is "European Companies", are from now on a way of forming and registering a European public limited liability company. The main benefit is that an SE should only register in the country in which its headquarter is located to be recognised throughout the EU and to access the Single Market. It is available for all 28 EU and EEU states.	TNI 18 October 2004 p237

Date	Event	Source
26 October 2004	The European Union and Switzerland sign the savings tax agreement in Luxembourg. It is scheduled to take effect on 1 July 2005. The Swiss Parliament still has to ratify the agreement. Eight other bilateral agreements (The Schengen Agreement on border controls for example) between the EU and Switzerland get signed the same day.	TNI 1 November 2004 p414
4 November 2004	The new President of the European Commission Jose Manuel Barroso selects Laszlo Kovacs, former foreign minister of Hungary, for the post as EU Tax Commissioner.	TNI 22 November 2004-12-02 p660
15 November 2004	The European Union and Andorra sign the savings tax agreement	TNI 20 December 2004 p998
16 November 2004	Joint confirmation hearing of the Parliament's Economic and Monetary Affairs Committee (EMAC) and the Internal Market Consumer Protection Committee (IMCPC) in order to decide on Laszlo Kovacs's nomination. Kovacs says he favours removing tax obstacles that disturb the Single market, exchanging saving tax information also with financial centres outside the EU, such as Hong Kong and Singapore, and creating a common consolidated tax base for EU companies. Both committees were obviously more impressed by him than by former Tax Commissioner-designate Ingrida Urdre: Pervenche Beres, EMAC chair, and Phillip Whitehead, IMCPC chair wrote in a letter to the Parliament President, that Kovacs "showed a commendable grasp of his portfolio" in light of "the short period of time which was available to him to prepare for the hearing".	TNI 22 November 2004 p660
18 November 2004	The European parliament votes to approve the slate of 24 commission nominees presented by the President of the European Commission Jose Manuel Barroso, including tax nominee Laszlo Kovacs of Hungary.	TNI 22 November 2004 p660
9 December 2004	Swiss parliament approves Switzerland's savings tax agreement with the European Union	TNI 20 December 2004 p997
1 July 2005	The savings tax directive takes effect	TNI 20 December 2004 p998