



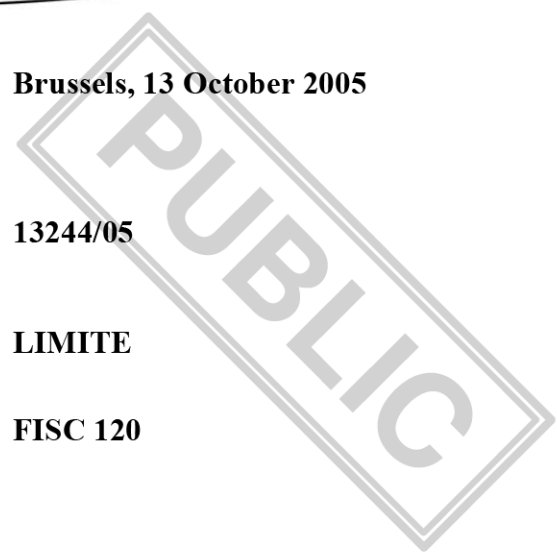
**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 13 October 2005

13244/05

LIMITE

FISC 120



REPORT

from :	The Chair
to :	Code of Conduct Group (Business Taxation)
Subject :	Code of Conduct Group (Business Taxation) = Work Programme under UK Presidency

Introduction

1. On 7 June 2005, the ECOFIN Council took note of the progress of the Code Group's work as set out in its report (FISC 55 9427/05) and requested that the Group report back to the Council on rollback and standstill before the end of the United Kingdom Presidency. In practice, this means that the Code Group needs to finalise its report at the meeting on 15 November, in order to report in time for the ECOFIN Council on 6 December.
2. This note sets out the proposed work programme under the United Kingdom Presidency to enable the Group to fulfil this request from the Council.
3. Report FISC 55 9427/05 referred to a number of issues which would be discussed at later meetings of the Code Group. Those issues form the main points to be discussed in the Code Group during the second half of 2005.

Organisation of work

4. The measures which remain to be considered under the heading of **rollback** from the last meeting of the Code Group on 24 May 2005 will be dealt with at the meeting on 15 September 2005. These measures are:
 - Gibraltar: Exempt Companies (B012)
 - British Virgin Islands: International Business Companies (F056)
 - Malta: International Trading Companies (ML4)
 - Malta: Dividends from (other) Maltese Companies with Foreign Income (ML5).
5. On **standstill**, the Code Group needs to take forward the outstanding work from the meeting on 24 May 2005. The measures to be considered here are:
 - Hungary: Interest from affiliated companies
 - Hungary: Royalty Income

Timetable and work programme

6. It is proposed that there should be three one-day meetings to enable the Code of Conduct Group to fulfil the request from ECOFIN to provide a report before the end of this Presidency:
 - **15 September:** one-day meeting to: confirm the appointment of the Vice-Chair and agree the work programme under the UK Presidency; consider developments on the implementation of rollback and take forward work on standstill relating to the measures mentioned in paragraphs 4 and 5 above;
 - **18 October:** one-day meeting to: continue work on rollback and standstill.
 - **15 November:** one-day meeting to: continue work on rollback and standstill and agree the Group's report to the ECOFIN Council on the outcome of its work on monitoring rollback and standstill;
7. If there is substantial progress on the outstanding work on rollback and standstill the Chair will schedule a discussion of the future work of the Code at the October or November meeting.