



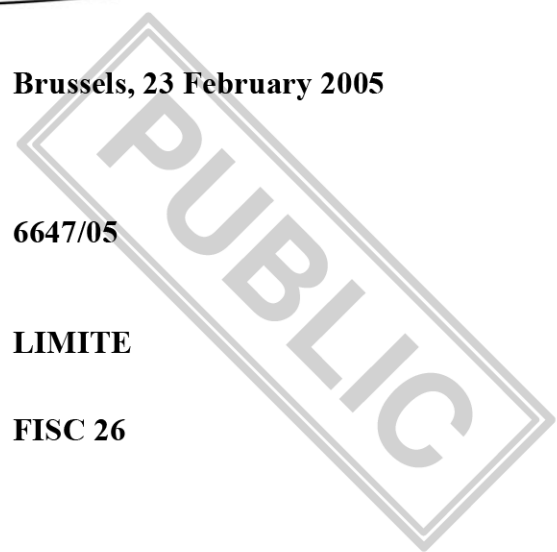
**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 23 February 2005

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NOTE

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

Introduction

1. On 7 December 2004, the ECOFIN Council took note of the progress of the Code Group's work as set out in its report 15317/04 FISC 249 and requested that the Group report back to the Council on rollback and standstill before the end of the Luxembourg Presidency. In practice, this means that the Code Group needs to finalise its report at the meeting on 26 May, in order to report in time for the ECOFIN Council on 7 June.
2. This note sets out the proposed work programme under the Luxembourg Presidency to enable the Group to fulfil this request from the Council.
3. Report 15317/04 FISC 249 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 first half of 2005.

Organisation of work

4. On **rollback**, each Member State has already been invited to provide written information on any developments since the Code Group's December 2004 report (15317/04 FISC 249) on the implementation of rollback of the measures in its name on the list in Annex C of SN 4901/99 (or, in the case of the ten Member States which acceded on 1 May 2004, the measures listed as harmful in the Annex to the Enlargement Group (Tax Experts) report of 3 October 2003 to the Permanent Representatives Committee and to the Council (13213/03 ELARG 94 FISC 138)). The deadline for submission of this information is **31 March 2005**.
5. The measures which remain to be considered under the heading of **rollback** from the last meeting of the Code Group on 8 November 2004 will be dealt with at the meeting on 24 February 2005. These measures are:
 - Gibraltar: Exempt (offshore) Companies and Captive Insurance (B012)
 - Malta: International Trading Companies (ML4)
 - Malta: Dividends from (other) Maltese Companies with Foreign Income (ML5).
 - Czech Republic Investment Incentives (CZ1)
6. On **standstill**, the Code Group needs to take forward the outstanding work from the meeting on 8 November 2004. The measures to be considered here are:
 - Netherlands: New Fiscal Framework in Aruba
 - Hungary: Revenue from Stock Exchange Operations
 - Hungary: Interest from affiliated companies
 - Hungary: Royalty Income
7. It is also proposed that the Group should make a start on its next round of work on standstill. Member States will be invited to assist the Group in its next round of work on monitoring and maintaining standstill by notifying to the Commission any new measures which potentially fall within the scope of the Code and which have been enacted in the year ending 31 January 2005. The Member States concerned are requested to send in notifications to the Commission by **31 March 2005**.

Timetable and work programme

8. It is proposed that there should be at least two 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. The meetings we have scheduled so far are as follows:

- **24 February:** one-day meeting to: confirm the appointment of the Vice-Chair and agree the work programme under the Luxembourg Presidency; consider developments on the implementation of rollback and take forward work on standstill relating to the measures mentioned in paragraphs 5 and 6 above;
- **26 May:** 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.

Further meetings may be called, depending on progress at the February meeting.
