

MEMORANDUM OF UNDERSTANDING

between the European Community, the Kingdom of Belgium, the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of Estonia, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Hungary, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Republic of Poland, the Portuguese Republic, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden, the United Kingdom of Great Britain and Northern Ireland and the Republic of San Marino

THE EUROPEAN COMMUNITY, hereinafter referred to as 'Community',

THE KINGDOM OF BELGIUM,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE REPUBLIC OF ESTONIA,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE REPUBLIC OF CYPRUS,

THE REPUBLIC OF LATVIA,

THE REPUBLIC OF LITHUANIA,

THE GRAND DUCHY OF LUXEMBOURG,

THE REPUBLIC OF HUNGARY,

THE REPUBLIC OF MALTA,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE REPUBLIC OF POLAND,

THE PORTUGUESE REPUBLIC,

THE REPUBLIC OF SLOVENIA,

THE SLOVAK REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

AND

THE REPUBLIC OF SAN MARINO, hereinafter referred to as 'San Marino',

HAVE AGREED AS FOLLOWS:

When an Agreement providing for measures equivalent to those laid down in the Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments, hereinafter 'the Directive', was concluded, the European Community, the Kingdom of Belgium, the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of Estonia, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Hungary, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Republic of Poland, the Portuguese Republic, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden, the United Kingdom of Great Britain and Northern Ireland and the Republic of San Marino signed this Memorandum of Understanding supplementing this Agreement.

1. The signatories to this Memorandum of Understanding consider that the Agreement between San Marino and the Community providing for measures equivalent to those laid down in the Directive is a balanced and acceptable agreement protecting the interests of both Contracting Parties. Consequently, they shall apply in good faith the measures agreed and shall refrain from taking any unilateral action which might jeopardise this Agreement without reasonable cause. If a serious discrepancy is discovered between the scope of the Directive as adopted on 3 June 2003 and that of the Agreement, in particular with regard to Articles 4 and 6 of the latter, the Contracting Parties shall consult each other forthwith in accordance with Article 15(1) of the Agreement to ensure that the equivalent nature of the measures provided for by the Agreement is safeguarded. The signatories to this Memorandum of Understanding note that the definition of tax fraud for the purposes of Article 13 of the Agreement concerns only needs relating to the taxation of savings within the framework of this Agreement and is without prejudice to developments and/or decisions relating to tax fraud under other circumstances and in other forums.
2. During the transitional period provided for in the Directive, the Community shall enter into discussions with other important financial centres with a view to promoting the adoption by those jurisdictions of measures equivalent to those to be applied by the Community.
3. Considering that San Marino wishes to be further integrated in the European economic environment, and that it considers its full participation in the European banking and financial system as therefore appropriate and desirable, San Marino and the Community shall enter into consultations as soon as possible with a view to identifying the conditions for reaching a mutual recognition of the prudential measures and systems of the respective Parties on financial services, including insurance. In this context, San Marino, in order to preserve the proper functioning of the internal market in the sectors in question, undertakes to adopt and implement, in the relevant business sectors, the relevant existing, and future, *acquis communautaire*, including the relevant prudential rules and the supervision of the San Marino operators concerned. Any possible Agreement in this field may also provide that San Marino undertakes to implement other relevant Community rules, both current and those to be introduced in future, for example in matters of competition and taxation.
4. In this context of deepening relations, the conclusion of fiscal agreements with Member States of the European Union, hereinafter referred to as 'Member States', and San Marino's commitment to provide, within this framework, for information exchange in accordance with the standards of the OECD would enhance wider economic and tax cooperation. Recognising the efforts made by San Marino, consultations could take place between San Marino and the Member States with the objective of eliminating or reducing, on a bilateral basis, double taxation in relation to different forms of income.
5. The Community and San Marino shall also enter into consultations with a view to:
 - defining forms for simplifying the procedures laid down in their Agreement on Customs Union and Cooperation. In this regard, San Marino is ready to adopt computerised procedures even similar to the Intrastat system;
 - better exploring the existing possibilities for nationals and enterprises from the San Marino to participate in research and development Community programmes and activities.

Drawn up at Brussels on 7 December 2004 in duplicate in the Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Polish, Portuguese, Slovak, Slovenian, Spanish and Swedish languages, each of these texts being equally authentic.

The Maltese language version shall be authenticated by the signatories on the basis of an Exchange of Letters. It shall also be authentic, in the same way as for the language versions referred to in the preceding paragraph.

Pour le Royaume de Belgique
Voor het Koninkrijk België
Für das Königreich Belgien



Za Českou republiku



På Kongeriget Danmarks vegne



Für die Bundesrepublik Deutschland



Eesti Vabariigi nimel



Για την Ελληνική Δημοκρατία



Por el Reino de España



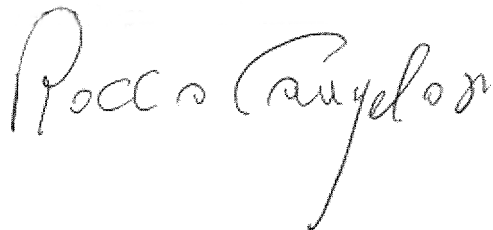
Pour la République française



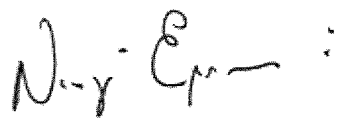
Thar cheann Na hÉireann
For Ireland



Per la Repubblica italiana



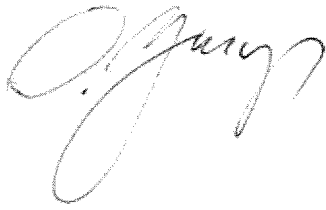
Για την Κυπριακή Δημοκρατία,



Latvijas Republikas vārdā




Lietuvos Respublikos vardu



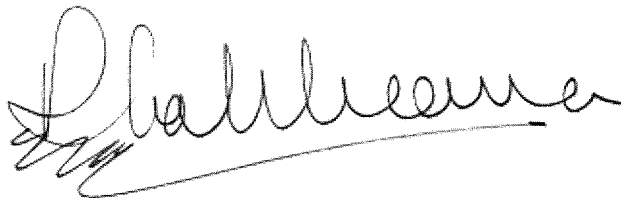
Pour le Grand-Duché de Luxembourg



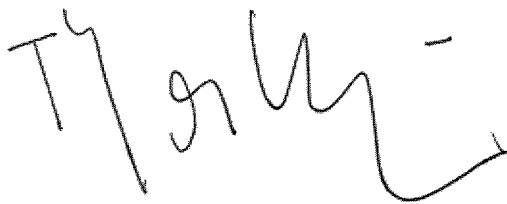
A Magyar Köztársaság részéről



Għar-Repubblika ta' Malta



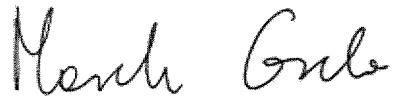
Voor het Koninkrijk der Nederlanden



Für die Republik Österreich



W imieniu Rzeczypospolitej Polskiej



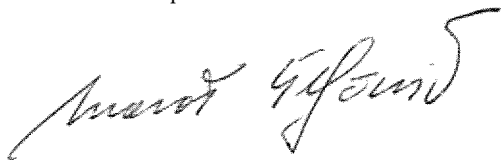
Pela República Portuguesa



Za Republiko Slovenijo



Za Slovenskú republiku



Suomen tasavallan puolesta
För Republiken Finland



För Konungariket Sverige



For the United Kingdom of Great Britain and Northern Ireland



Por la Comunidad Europea
Za Evropské společenství
For Det Europæiske Fællesskab
Für die Europäische Gemeinschaft
Euroopa Ühenduse nimel
Για την Ευρωπαϊκή Κοινότητα
For the European Community
Pour la Communauté européenne
Per la Comunità europea
Eiropas Kopienas vārdā
Europos bendrijos vardu
az Európai Közösség részéről
Ghall-Komunità Ewropea
Voor de Europese Gemeenschap
W imieniu Wspólnoty Europejskiej
Pela Comunidade Europeia
Za Európske spoločenstvo
za Evropsko skupnost
Euroopan yhteisön puolesta
På Europeiska gemenskapens vägnar



Per la Repubblica di San Marino

