[38.03.19] Repeal of EU Savings Directive

Updated September 2016

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1. Repeal of the Savings Directive

On 10 November 2015, the Council of the European Union adopted a Directive repealing the Savings Tax Directive (EUSD). As a result of the repeal of the EUSD, Irish paying agents are no longer required to report interest payment information to Revenue on payments made to individuals resident in another EU Member State under the EUSD. With the exception of Austria, where the repealing Directive will be effective from 1 January 2017, the repeal became effective in all EU Member States from 1 January 2016. This means that Austrian paying agents are required to apply the provisions of the EUSD for a longer period than other Member States but Member States will cease to exchange EUSD information with Austria once exchanges of information in respect of 2015 interest payments, are completed in 2016.

2. Impact of Repeal on Irish paying agents

As a result of the repeal, Irish paying agents will no longer be required to report interest payment information relating to individuals resident in other Member States (including Austria) to Revenue under the EU Saving Directive. Instead, reporting of financial information will be under Directive 2014/107/EU for mandatory automatic exchange of information in the field of taxation (DAC2).

Financial Information reporting for non-EU countries will be under the Common Reporting Standard (CRS) developed by the OECD. DAC2 and CRS came into force in Ireland on 1 January 2016 with the commencement of due diligence procedures by Irish Financial Institutions to identify account holders who are tax resident in other countries. Reporting to Revenue under DAC2/CRS by Irish Financial Institutions will commence in 2017 when information relating to non-resident account holders and their accounts will be filed with Revenue for exchange with partner jurisdictions.

3. Current position for certain third countries

The EU also had agreements in place with Andorra, Liechtenstein, Monaco, San Marino and Switzerland, which provided for measures equivalent to those laid down in the Savings Directive.

During 2015 and 2016, the European Council adopted Amending Protocols which align information reporting by Andorra, Liechtenstein, Monaco, San Marino and Switzerland with the requirements on EU Member States under DAC2. The Amending Protocol to the Agreements with San Marino and Liechtenstein came into effect on 1 January 2016 and these third countries will exchange DAC2 equivalent information in 2017. The Amending Protocol to the Agreements with Switzerland, Monaco and Andorra will come into effect on 1 January 2017 and these third countries will exchange DAC2 equivalent information in 2018.

4. Current position for certain associated and dependent territories of the United Kingdom and the Kingdom of the Netherlands

Following the signing of the Multilateral Competent Authority Agreement to exchange CRS information, the bi-lateral agreements between Ireland and the dependent territories of Curacao, Jersey, Guernsey and the Isle of Man to exchange the EU Savings Directive equivalent information have been terminated. Irish paying agents will no longer be required to report EU Savings Directive equivalent information to Revenue in respect of these jurisdictions once returns containing 2015 information are completed in 2016.

The bi-lateral agreements between Ireland and Aruba and St Maarten to exchange EU Savings Directive equivalent information have been extended until the end of 2016. Irish Paying Agents will be required to report EU Savings Directive equivalent information relating to 2016 to Revenue by 31 March 2017 in respect of these jurisdictions. This is to facilitate the later implementation of CRS in Aruba and St Maarten. Once returns in respect of 2016 are complete, reporting under these agreements will cease and Irish reporting agents will commence reporting under CRS instead.