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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 Principality of Liechtenstein

Done at Brussels on 7 December 2004

Entered into force on 7 December 2004

Presented to Dáil Éireann by the Minister for Foreign Affairs

**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
PRINCIPALITY OF LIECHTENSTEIN**

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 PRINCIPALITY OF LIECHTENSTEIN, hereinafter referred to as
'Liechtenstein'

HAVE AGREED as follows:

[1. Introduction](#)

Liechtenstein and the European Community are entering into an Agreement providing for measures equivalent to those laid down in Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as the 'Directive'). This Memorandum of Understanding complements that Agreement.

[2. Discussions for Securing Equivalent Measures with other Third Countries.](#)

During the transitional period provided for in the Directive, the European Community will 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. Declaration of Intent](#)

The signatories to this Memorandum of Understanding declare that they consider the Agreement referred to in point 1 and this Memorandum to provide an acceptable and balanced arrangement that can be considered as safeguarding the interests of the parties. They will therefore implement the agreed measures in good faith and will not act unilaterally to undermine this arrangement without due cause.

If any significant difference between the coverage of the Directive as adopted on 3 June 2003 and that of the Agreement should be discovered, in particular with regard

to Article 6 of the Agreement, the Contracting Parties will immediately enter into consultations in accordance with Article 13(1) of the Agreement with a view to ensuring that the equivalent nature of the measures provided for in the Agreement is maintained.

Liechtenstein undertakes to use its best endeavours to determine without delay the acceptability of a duly justified request for exchange of information under Article 10 of the Agreement, in accordance with its procedural laws.

The European Union and its Member States will take into account Liechtenstein's decision to provide for measures equivalent to those laid down in the Directive in their cooperation with Liechtenstein, including cooperation in fiscal matters. The signatories agree in this context that either party to negotiations provided for in Article 10(4) of the Agreement may raise in parallel with such negotiations other taxation issues, including issues related to the elimination or reduction of double taxation of income.

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 languages 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 languages referred to in the preceding paragraph.

In witness whereof, the undersigned Plenipotentiaries have hereunto set their hands.

DONE at Brussels on the seventh day of December in the year two thousand and four.