

European Union Savings Directive (EUSD)

The EUSD came into force on 1 July 2005. Its main purpose is to allow tax authorities to share information about savings income payments made to individuals. It will help to ensure that savers and investors pay the correct tax on their savings income in their country of residence.

The aim of the EUSD is to have automatic exchange of tax information between countries; however, during a transitional period, it allows either for the exchange of information or for a withholding tax to be deducted from the savings income.

Most of the countries within the EU, including the United Kingdom, have introduced the exchange of information regime. The Isle of Man, Jersey, Guernsey three EU member States (Austria, Belgium and Luxembourg), and many of the non-EU countries involved have introduced the transitional withholding tax system, people can elect for exchange of information if they wish. Accounts or Products held in the United Kingdom, which pay interest, are subject to the EUSD.

The details of account holders will be passed to HMRC who will pass that information on to the relevant revenue authority. The EUSD was agreed on 2 June 2003 and one of its specific aims is to counter cross border tax evasion, more details of which can be found on the [HMRC website](#). You may also find the following documents of interest:

[Council Directive 2003/48/EC](#)

[Reporting of Savings Income Information Regulations 2003](#)

[Reporting of Savings Income Information \(Amendment\) Regulations 2005](#)

Under UK law, Computershare is obliged to gather information from holders who receive savings income in the form of interest payments, and whose registered address is within one of the 'prescribed territories', as laid out within the Directive. A mailing was sent to all holders on 30 March 2006 who fall into this category. The letter below was sent as part of that mailing.

[EUSD Letter](#)

Click on the link below and select European Union Savings Directive, from the drop down menu, to view the complete set of FAQs.

[EUSD FAQs](#)

As with all tax matters, we recommend that you seek independent professional advice on the implications (if any) of the requirements for your own personal circumstances.