

Swedish Bankers' Association
Swedish Securities Dealers Association
Swedish Investment Fund Association

CONSULTATION COMMENTS
Stockholm, 8th June 2006

European Commission
DG Taxation and Customs Union
VAT and other turnover taxes unit
B – 1049 Brussels
Belgium

”Consultation Paper on modernising Value Added Tax obligations for financial services and insurances”

Swedish Bankers' Association, Swedish Securities Dealers Association and Swedish Investment Fund Association – henceforth “the Associations” – are the trade associations and representatives of Swedish banks, securities dealers and fund companies. In this capacity we would like to give our comments on the European Commission's “Consultation Paper on modernising Value Added Tax obligations for financial services and insurances”, launched in March 2006. The Associations welcome the initiative as we believe that the current, to some extent outdated VAT Directive prevents pan-European initiatives as well as desired and needed rationalization of the European financial industry. However, we refrain from making any comment on the issue of VAT on insurance services, as the Swedish Insurance Federation - an association representing the vast majority of Swedish insurance community - will provide their own views and remarks for the account of their members.

As stated above, the Associations welcome the Commission's consultation initiative. The issues raised in the Consultation Paper are of most significant importance for achieving a level playing field rules in the EU as regards VAT on financial services.

The Associations wish to stress that current VAT system has a negative impact on the efficiency and competitiveness of the European financial sector. Banks and other fi-

nancial institutions are often forced to refrain from restructuring their business, as significant cost savings of, e.g., 15 or 20 percent would otherwise be more than outweighed by additional VAT. Our subsequently suggested amendments to and changes in the Sixth VAT Directive will thus - at large – have a neutral impact on the “budgetary security for Member States”. Furthermore, the existing VAT system brings about a multiple taxation of services, so called cascading. If such hidden VAT were to be eliminated, the level of taxation would only be adjusted to what is justified and defensible from a macro economic point of view, although the budgetary effects of such an adjustment might be negative.

The Associations would like to remind the Commission that we on 2 April 2004 sent to the Commission a “Complaint concerning Sweden’s application of the Sixth VAT Directive”. In section 4 below, we give the background to our concerns as regards the inconsistent way of applying the Sixth VAT Directive in the various Member States, which is a severe obstacle to an equal treatment of financial services throughout the Union. However, the Commission responded in a note dated 20 December 2005 that – with reference to the forthcoming review of the Sixth Directive – the Commission did not want to take a stand on the Associations’ complaint. In a letter to the Commission dated 31 January 2006, the Associations made some comments on the Commission’s position.

1. Our most important comments and proposals as regards the Consultation

- The Associations wish to state that it is unclear what is to be regarded as Financial Services in accordance with the Sixth VAT Directive. As a consequence, “exempt services” are treated in different and inconsistent ways in the EU Member States. As far as Sweden is concerned, it is unclear what constitutes a bank or financial service. The phrase, “nor can it be deemed to constitute a bank or financial service” has been used in judgments without detailed argumentation. Consequently, specialists or all parties that do not participate in the transfer of rights and obligations regarding financial instruments but which perform other, often essential services in order for a transaction to take place, run the risk of being liable to VAT. Thus, for example, the brokering of units in investment funds has been deemed by the Swedish Tax Authority and the Swedish Supreme Administrative Court to constitute a taxable service. Thus, the Directive needs to be amended and clarified so that the intended uniform treatment of financial services among Member States is achieved.
- The Associations have undertaken a survey describing the manner in which Intermediary Services and Underwriting Services are treated in the various Member States. The study demonstrates that the treatment differs in one crucial respect. The provision of Intermediary Services is regarded as a taxable service in Sweden and in five of the, in total, 15 countries that were studied. Regarding

Underwriting Services, Sweden is the only country of the 15 studied in which this service is taxable. These circumstances have resulted in a distortion of competition for those Swedish companies that provide such services in competition with undertakings from other EU Member States. These harmful conditions must be eliminated as soon as possible. The Directive needs an amendment that clarifies this issue.

- Compensation for a *primary dealer undertaking* on the fixed income market has been regarded by the Supreme Administrative Court as liable to VAT insofar as the obligation relates to the provision of bid and ask interest rates/trading in bonds and commercial paper on the secondary market. The Associations consider this service to be a financial service and of the type that is exempt from VAT. The Directive needs an amendment that clarifies this issue.
- Outsourcing of financial services has, in Sweden, been regarded by both the Tax Authority and the Supreme Administrative Court as non-financial service and thereby as liable to VAT. This has hampered natural, appropriate and desirable development and an increase in efficiency in the range of financial services on offer. It must be possible to outsource financial services without becoming immediately subject to VAT. The Directive needs an amendment that clarifies this issue.
- In several EU Member States local tax law supplies the possibility for financial institutions to apply for VAT grouping. VAT grouping provides the possibility to supply services within a Group of company's exempt of VAT. For the financial industry, being only partially liable for VAT, this opportunity for VAT Grouping is of substantial importance to maintain lower costs for the financial services supplied to customers. The possibility to apply for cross border VAT Grouping does not however exist. If a financial company has a pan European organisational structure and supplies services intra group cross border any such supply is liable for VAT. This creates actual competitive distortions between supply of local services within VAT Grouping and supply of cross border services without the possibility for VAT Grouping. This kind of distort elements in supplies across different Member States should be removed for the financial industry by allowing a cross border VAT Grouping. From a pure VAT prospective it could be argued that a *Societas Europaea* (SE) or a branch structure would give the same result as crossborder VAT grouping. However, regulatory, income tax and other reasons may in many cases make such a solution impracticable.
- The Sixth VAT Directive should contain a clear and unequivocal wording concerning services rendered between a parent company and its foreign branches or between the foreign branches themselves. The used wording should preclude any possibility to interpret the Directive in any other way than that services parent to branch and branch to branch always are exempt from VAT. Some Mem-

ber States have chosen not to follow this commonly accepted interpretation now even supported by the ECJ judgement in the FCE Bank case. The Directive needs an amendment that clarifies this issue.

- Member States have chosen different techniques for determine how VAT recovery is to be calculated on received invoices covering the expenses for a service intended for the benefit of several group company members (a joint group purchase of services invoiced only to one company within the group). Some of the locally directed methods for recovery of VAT contribute to actual competitive distortions between Member States, which is not acceptable. Any such recovery methods must be neutral and independent of in which EU country the company receiving such cost share/disbursement invoice is located. It is necessary to amend the rules in the Directive in such a manner that there is no doubt about the correct applicable method.
- If Member States cannot agree on a clarifying wording concerning the parent versus branch issue another alternative is to supply for means that make it possible for the financial industry to zero rate cross border intra group supplies.
- In case RÅ 2005, note 61, the Supreme Administrative Court decided that the brokering of loans carried out by a mail order company on behalf of a credit institution constitutes a taxable service. In Sweden, it is common that loans between customers and financial institutions are brokered in retail trade. Today, these are probably treated as VAT exempt brokering services but, in light of the Supreme Administrative Court's decision, it cannot be ruled out that these brokering services might also be deemed subject to VAT.

According to UK case law, the brokering of, e.g., credit card applications are covered by the exemption for financial services (Court of Appeal concerning co-branded credit card schemes, British Airports Authority, BAA). Following from this case, the exemption with respect to credit brokering is applicable provided that the following conditions pertain:

- stands between the parties to a contract in the performance of a distinct act of mediation;
- brings the two parties to the contract together; and
- undertakes "work preparatory" such as completing or assisting with the completion of application forms, forwarding forms to the credit card company, and making representations on behalf of either party.

In addition, in a number of cases the European Court of Justice has ruled that a service whereby a person brings together a seller and a buyer of financial services, i.e. what in Swedish case law has come to be called customer brokering, is covered by the exemption in Article 13.B.d. of the Sixth Directive; cases 8/81 (Ursula Becker), 255/81 (Grendel), 70/83

(Gerda Kloppenburg) and 2/87 (Gerd Weissgerber).

- In order to achieve a uniform interpretation of the Sixth VAT Directive throughout the EU, an arrangement is required that continuously ensures uniform interpretation of the Directive. The arrangement currently applicable in accordance with Article 234 of the EC Treaty does not ensure this.

2. Specific comments on some aspects of the Consultation Paper

- **Zero rate supplies of financial services to taxable persons (paragraph 4.2.1 in the Consultation Paper)**

Zero rating has been introduced in New Zealand and seems to work well conceptually because the VAT cost on financial services is only felt by the final consumer. This proposal would probably have a massive budgetary effect, and the chances of being agreed upon are very low. Having said that, it would be a great solution from a business point of view since it would eliminate all sticking VAT in the supply chain. The difficulties with this solution would be to determine the status of the customer. There would still be a need for a pro rata calculation since not all customers are taxable persons.

- **Extend the scope of exemption to e.g. outsourced services (paragraph 4.2.2)**

This would have revenue implications for the Member States. However, in our opinion, it is likely that the implications would be limited since currently services are either not outsourced due to the VAT costs or outsourced, but within the VAT group only, to minimise the VAT costs. Hence, there should only be limited revenue implications for the Member States.

An extension could lead to renewed difficulties to decide where exactly a borderline should be drawn between services where the extension should apply and where it should not.

From Mr. Kovacs speech in Brussels on 11 May 2006, it was clear that some of the objectives of the modernisation of VAT obligations for Financial Services were to help EU banks to reach profits at the same level as its competitors outside the EU and to keep the jobs in the Financial Services sector within the EU. If the exemption were extended, VAT costs would instead occur in those companies who supply the outsourced services to the Financial Institutions. Our experience is that any chance to avoid or to decrease such VAT cost will be explored thoroughly by the companies that supply such (outsourced) services. Since with an extension a supply from outside the EU will not be subject to reverse charge, as exempt, it is very likely that the outsourcing companies will

move their establishments to third countries, outside the EU, from where their services will be supplied to the Financial Institutions without any hidden VAT costs.

- **A uniform limited input credit option (paragraph 4.2.3)**

This should only be applied on certain specific acquisitions. The experience from Australia, as we have heard it, is that the system is disapproved by the tax authorities, since numerous activities are included and it is seen as too generous. Hence, the system and the uniform input credit rate can be subject to change and may not provide a sustainable solution for the future. Since all banks do not conduct the same type of business, the system may be more favourable for certain banks than others and not neutral from a competition perspective. The system could also be used for tax planning by dividing a banking business into separate entities where one entity conducts business where the pro-rata, using the current system, is very low and one entity where the pro-rata is very high.

- **Option to tax B2B supplies (paragraph 4.2.4)**

For the credit card industry the option to tax B2B supplies has the favourable effect of removing exemption for the merchant fee. However, issuers would still make exempt supplies to cardholders and would not want to receive taxable supplies from outsourcers. With regard to the experience from the option to tax letting of real estate in Sweden, it is crucial that the option to tax should be easy to exercise, e.g. by transaction basis and without formal applications. There will probably be budget implications for the Member States.

- **Cross border VAT groups (paragraph 4.3)**

It is in our opinion of vast importance that cross-border VAT grouping is introduced within the EU. We note that a number of Member States have so far refrained from allowing VAT groups domestically, and may also be resistant to international grouping. Some of those States apply, however, a generous cost sharing regime, which in practice gives a similar result as domestic VAT grouping. Such a solution, i.e. an extensive use of cost sharing arrangements, opens, however, for an inconsistent interpretation of Article 13.A.1.f. of the Sixth Directive. Allowing cross border VAT grouping would, thus, be a more consistent and effective solution. It would give the desired competitive neutrality between domestic and cross-border supplies within a VAT group and would promote competition within the EU. As stated above, see 5th bullet point under “Our most important comments...”, a SE structure or a branch structure is not a satis-

factory alternative.

- **Modernising and clarifying the scope of the exemption for financial services (paragraph 4.4)**

On the modernising of the definition of exempt services, the focus will be on details. The present combination of relatively vague definitions in Article 13.B.d implies that Article 13 must either be redrafted completely or have a list added where various supplies are listed as subject to VAT or not. Such list will of course be hard to develop and even harder to maintain with an ever changing market, with increasing speed.

3. The need for level playing field rules as regards VAT for financial services in the EU

Based on the surveys that the Associations have undertaken we believe that, among other things, there exist obvious and concrete discrepancies between the Sixth VAT Directive and the interpretation thereof in the various Member States. This is entirely contradictory to the development that was intended through the Financial Service Action Plan and, e.g., Markets in Financial Instruments Directive, which were aimed at creating harmonisation of, and increased efficiency in, securities trading in Europe. In a harmonised market, there is no scope for some sub-markets being subject to VAT, in Sweden's case 25 percent, and not in others. In Sweden, we have already noticed how competition is intensifying through services subject to Swedish VAT being provided from countries in which VAT is not imposed. The way VAT exemption is adopted in Sweden does in practise also harm smaller companies compared with larger as the latter could have service supporting functions inside the company with no VAT. Smaller companies more often have to buy services and pay VAT on that. This must be changed in a way that makes the VAT exemption more neutral between smaller and larger companies. In order to achieve continued development of competition based on conditions of equality, it is necessary that the conditions in this respect are as equal as possible.

Thus, in order to achieve the desired harmonisation within the EU, the Sixth VAT Directive must be amended in such a manner ensuring that all Member States apply the Directive in a uniform way. An arrangement must also be introduced to secure uniform interpretation over time.

Clients have begun asking for unbundling of financial services. Unbundling is also a natural way of development and presenting more information for the clients. However the Swedish way of interpreting the Sixth VAT directive makes the industry less willing to change the present way of offering services as unbundling may cause liability

for VAT. Unbundling must be a natural way of offering services and should not change the interpretation of the VAT liability of the provided services.

4 Background to our proposals

4.1 Generally comments regarding securities trading

Application of the Sixth VAT Directive in Sweden has been characterised by the Swedish Tax Authority making an all too restrictive interpretation of what constitutes VAT exempt securities trading. The Swedish Tax Authority's interpretation has subsequently been supported by judgments of the Supreme Administrative Court which can be characterised by being based, to an increasing degree, on the position that only the activity that is directly associated with, e.g. a transaction in financial instruments is exempt from VAT, provided that the institution is a member of a securities exchange and that contract notes are prepared in its own name. Consequently, from the Swedish Tax Authority's perspective, some activities that are regarded by the Swedish Financial Supervisory Authority as trading in securities are not regarded as VAT exempt transactions.

4.2 Intermediary services

Certain securities institutions that are authorised to engage in securities trading have chosen to specialise and devote themselves entirely to customer contacts, including advisory services, receipt of orders and certain analysis, but not the actual execution of orders on the Stockholm Stock Exchange or maintaining a custodian account for customers' securities. The payment obtained by these securities institutions has been regarded by the Swedish Tax Authority as subject to VAT.

The circumstances in the cases Supreme Administrative Court 2003 ref 72, note 189 and note 190, were generally as follows. Client X had a contact with Broker Y to sell/buy securities etc. Broker Y is not a member of the Stock Exchange so he uses Broker Z for that trade. Broker Z charges Client X a commission of e.g. 4 % on every transaction. This commission is split between Broker Y and Broker Z, e.g. Broker Y sends an invoice to Broker Z that amounts to 50 % of the commission charged by Broker Z to Client X. It should be noted that Broker Y had discretion to decide which broker to use for a specific request from the clients, i.e. Broker Y could choose the broker that offered the best deal.

The question was whether Broker Y's services were exempt from VAT or not. Broker Y argued that the service it provided was an intermediary service in relation to securities which was exempt from VAT according to Article 13B(d)(5).

The Supreme Administrative Court stated that since the transactions and negotiations in securities were completed without Broker Y issuing a transaction note, Broker Y could not be considered acting as an intermediary in the transaction, even though Broker Y received and forwarded its customers' orders to buy or sell. The Supreme Administrative Court view was not changed by the fact that the Broker Y carried part of the financial risk of the transaction, i.e. Broker Y was partially liable for Client X non-payment to Broker Z.

In 2004 the Administrative Court of Appeal ruled that an insurance broker's brokering of units in investment funds does not constitute a stage in any securities trading and thus is not exempt from VAT. The judgment has, however, been appealed against and the brokering company has requested that the matter should be brought before the European Court of Justice.

In our opinion, these approaches conflict with EC precedent, the European Court of Justice's judgment in case C-235/00, CSC, in which the European Court of Justice defined the term "brokering". In our opinion, the services provided in conjunction with Intermediary Services are covered by the definition expressed by the European Court of Justice. In the English VAT Act, this type of brokering is expressly exempt from VAT in accordance with Article 13.B.d.5 of the Sixth Directive.

4.3 Underwriting services

The aim of share *underwriting* services is that a securities issue or sale will be subscribed for or acquired, respectively, and that the issuer will receive a certain amount of capital. The underwriter may underwrite an issue by agreeing to acquire the whole block of securities offered by the issuer, instead of guaranteeing that buyers will be found.

Hence, the underwriter guarantees, for a certain fee, to acquire the parts of the shares which cannot be sold on the market for example in course of a corporate finance project aiming at the issuing of shares.

In the report of the OECD 22 October 1998 "Indirect Tax Treatment of Financial Services and Instruments" underwriting services are mentioned as VAT exempt. Nevertheless, in two cases from 15 December 2003 the Swedish Supreme Administrative Court held that underwriting in connection with new issue of shares was subject to VAT.

The Supreme Administrative Court stated that the underwriting services could either be a part of a corporate finance service or supplied as a separate service. The underwriting service could either be supplied by the same company that supplies the corporate finance service or by an independent company. Therefore the underwriting ser-

vices could not be considered as a part of a composite supply of a corporate finance service and should consequently be unbundled and evaluated independently.

The Supreme Administrative Court continued and found that the underwriting service did not create, alter or extinguish parties' rights and obligations to securities and hence could not in itself be considered as "transactions in securities" in the meaning of Article 13B(d)(5) in the Sixth VAT Directive. Hence the underwriting service was subject to VAT.

From a study carried out by the Associations, it is evident that, in 2004, all EU Member States - although the 10 new states were not covered by the study - were of the opinion that underwriting commission was covered by the exemption for financial services. In a report produced by the OECD in 1998, it is evident that, at that point in time, Sweden also regarded underwriting commission as covered by the exemption.

4.4 Market making

In RÅ 2004 ref. 100, the Supreme Administrative Court ruled that a *primary dealer's* undertaking on the fixed income market (money and bond market) constitutes a taxable supply of services insofar as the undertaking relates to the provision of bid and ask interest rates/trading in bonds and commercial paper on the secondary market. With respect to the primary dealer undertakings, both a variable and a fixed commission are received, the latter in certain cases being designated as a market maker fee. The fact that an issuer was prepared to pay to ensure that a secondary market was maintained could not, in the opinion of the Supreme Administrative Court, be deemed to constitute a service auxiliary to trading in securities within the meaning of the Value Added Tax Act. Nor, in the opinion of the Supreme Administrative Court, could the undertaking be deemed to constitute a bank or financing service.

The Administrative Court of Appeal, in three judgments dated 6 February 2006 made similar assessments and, in its holding, referred to RÅ 2004 ref. 100.

However, *market maker* undertakings with respect to the secondary market that are separate from *primary dealer* undertakings – corresponding to the undertakings which on the secondary stock market are performed by firms, *market makers*, that do not participate in the issuance of the securities covered by the undertaking – are not offered separately on the money and bond market, nor are they sought after as separate services by the issuers on the market. The grounds for the Supreme Administrative Court's position as stated in RÅ 2004 ref. 100 thus lack relevance in this case; see the European Court of Justice's decision in case C-349/96, *Card Protection Plan Ltd. (CPP)*. As stated in the reference, a pan-European study has also been carried out regarding the manner in which *primary dealer* undertakings are viewed from a VAT perspective in other EU states. A majority of the then EU states (15 in number) re-

garded this type of service in its entirety as covered by the exemption in Article 13.B.d of the Sixth Directive.

4.5 *Liquidity guarantors*

As distinct from market making on the fixed income market, *liquidity guarantees* are offered separately on the stock market. Where the order-driven market is (too) small the issuer enters into a contract with a liquidity guarantor. The latter undertakes, as ultimate guarantor, to quote prices when e.g., there are no bid prices quoted in the order-driven market. According to an advance ruling of the Swedish Council for Advance Tax Rulings dated 5 March 2004, which has not been appealed against, the Council was of the opinion that the compensation received by a liquidity guarantor cannot be deemed exempt from VAT. The Council referred to RÅ 2003 ref. 94 (underwriting commissions) and was of the opinion that the payment received by a liquidity guarantor could be compared with an underwriting commission and, since a transaction was involved that did not affect rights and obligations to securities, the payment was not covered by the exemption.

4.6 *Outsourcing*

The Associations note that the Swedish principle regarding the imposition or not of VAT on securities trading is largely characterised by VAT exemption being extended only to transactions in financial instruments. In addition, the VAT exemption is limited just to the institutions that have executed the actual transaction and, e.g., are exchange members.

It is evident from the European Court of Justice's judgment in case C-2/95 (SDC) that data services may be considered exempt from VAT if they are necessary and specific for carrying out a VAT exempt financial transaction and if they result in legal changes or transfers of assets. In our opinion, the case provides a great scope for regarding outsourced data services as exempt from VAT. The Swedish Tax Agency has, however, adopted an extremely restrictive approach with respect to the interpretation of the judgment. The question has been addressed in Swedish case law in the Supreme Administrative Court's decision RÅ 1999 note 46 (BGC).

The consequence of the prevailing arrangement is that market structure is becoming ossified. The structuring of activities and, e.g., outsourcing of any part of the activities which perhaps does not belong to the absolute core operations entail a palpable risk that the outsourced operations will be classified as operations that are subject to VAT. This type of structural transformation should, in fact, be natural and desirable but is currently being impeded by the risk of VAT liability. This is serious, since many operations contain economies of scale. In impeding the development, the possibilities for more efficient operations are lost, to the detriment of, among others, the customers. In

addition, as a consequence of the current situation, small institutions find it more difficult to compete with larger institutions that have created economies of scale internally. Examples of activities that can advantageously be outsourced, but where such a development is impeded, include analyst operations and custodian account services.

4.7 Foreign branch offices of Swedish companies – relationship to the VAT group in which the head office is included

In an upheld advance ruling dated 28 February 2006 (case no. 3529-05), the Supreme Administrative Court decided that a service provided from a Swedish company's branch office abroad (X branch) to a company (Y) which is included in the same VAT group as the head office X constitutes a VAT sale in respect of which head office X is liable to pay VAT. The Supreme Administrative Court disregarded the fact that X and Y are included in the same VAT group and, according to the VAT Act, constitute a single legal person from a VAT perspective. Accordingly, X is to be regarded as a tax subject in Sweden through the VAT group and through its foreign branch. In our opinion, the Sixth VAT Directive provides no scope for this interpretation.

4.8 Factoring

The European Court of Justice, in its judgment C-305/01 (MKG), reached the conclusion that factoring may include a service from the acquiring party to the selling party that is subject to VAT. According to the Swedish Tax Agency, the judgment is to be interpreted such that in cases where the purchasing party, e.g., pays 98 for a nominal claim of 100, the purchasing party is deemed to provide the seller with a service subject to VAT, wherein the tax basis is 2 (100-98). This approach makes it more difficult for financial undertakings to outsource any debt collection to external suppliers.

4.9 Restriction on the right to refund of input VAT

On 1 July 2003, Sweden introduced a restriction on the right to obtain refund of input VAT where the service is provided to a purchaser in another EU state. Normally, an undertaking that sells a service subject to VAT to a purchaser in another EU state is entitled to a refund (right of deduction) of input VAT which may be deemed directly or indirectly attributable to the service. The restriction that was introduced entails that if the purchased service is tax-exempt in the country of the recipient, the Swedish supplier is not entitled to a refund of the input VAT, notwithstanding that the service is deemed liable to VAT in Sweden. As a consequence, Swedish companies must possess detailed knowledge of the VAT legislation in every other EU state. This problem arises particularly in the finance industry, since exemptions from VAT liability are interpreted differently in different EU states. A service that is deemed subject to VAT in Sweden (e.g. undertaking commissions) is not regarded as liable to VAT in other

EU states and, consequently, the restriction on deductions applies. In our opinion, the EC's Sixth VAT Directive contains no counterpart to this restriction on deductions. Furthermore, the national restriction on deductions was introduced after Sweden acceded to the EU, which violates governing EC law.

4.10 SWIFT payments

This type of service has traditionally been deemed to constitute a VAT exempt forwarding of payments. The Swedish Tax Agency has indicated that, in certain cases, this type of service will be regarded as a telecommunication service that is subject to VAT.

5. Concluding remarks

The Associations wish to stress that in all the above mentioned cases, the application of the Sixth VAT Directive in Sweden brings about unfairly increased VAT costs for the Swedish financial industry, compared to most of their EU based competitors. Loss of revenue for Sweden and - as the case may be - a few other Member States must not prevent amending the Directive in a manner that indeed ensures a consistent application of its provisions and promotes fair competition within the European Union.

The Associations have great confidence in that the review of the Sixth VAT Directive now initiated by the Commission will soon lead to a clearer interpretation of the rules in the Directive and to a more level playing field application of these rules throughout the European Union.

SWEDISH BANKERS' ASSOCIATION


Ulla Lundquist


Bengt G. Löwenthal

SWEDISH SECURITIES DEALERS ASSOCIATION


Kerstin Hermansson


Vigg Troedsson

SWEDISH INVESTMENT FUND ASSOCIATION


Pia Nilsson


Eva Broms

Copy: Swedish Ministry of Finance