



Brussels, 4.8.2020
COM(2020) 355 final

ANNEXES 1 to 2

ANNEXES

to the

Proposal for a Council Decision

on the AIEM tax applicable in the Canary Islands

{SWD(2020) 154 final}

ANNEX I

List of products referred to in Article 1(1) according to the product categories of the Harmonized System Headings

Agriculture, livestock farming, forestry and fisheries

0203 0204 0207 0407 0603 0701 0703 0706 0708 0810

Mining and quarrying

2516 6801 6802 6810

Building materials

2523 3816 3824 6809 7006 7007 7008 7009 7010

Chemicals

2804 2807 2811 2828 2853 3102 3105 3208 3209 3212 3213 3214
3304

3401 3402 3406 3814 3917 3920 3923 3925 4012

Metal-working industries

7308 7309 7604 7608 7610 8415 8424 8907 9403 9404 9406

Food and beverage industry

0210 0305 0403 0406 0901 1101 1102 1601 1602 1702 1704 1806
1901 1902 1904 1905 2002 2005 2006 2007 2008 2009 2103
2105 2106 2201

2202 2203 2204 2208 2309

Tobacco

2402

Textiles, leather and footwear

6109 6112

Paper

4808 4811 4818 4819 4821 4823

Graphic arts

4909 4910 4911

ANNEX II

Information to be included in the monitoring report referred to in Article 4

1. Estimated additional costs. The Spanish authorities shall send a summary report with sufficient data to evaluate that the additional cost, which increase the cost price of local production in comparison with products produced elsewhere, exists. The information provided in the summary report shall include at least the following information, where such information is available: costs of inputs, costs of over-stocks, equipment costs, additional labour costs and financial costs. This data must be provided by reference to at least product categories of the Harmonized System Headings, according to the four digits of the Combined Nomenclature.

This report shall contain the summary results of detailed *ad hoc* studies on additional costs that Spain shall continue conducting periodically.

2. Other subsidies. The Spanish authorities shall send a list of all other aid and support measures addressing the additional operating costs of economic operators linked to the outermost region status of the Canary Islands.

3. Impact on public budget. The Spanish authorities shall complete Table 1 providing the estimated total amount (in EUR) of tax collected or not collected under the AIEM regime.

Table 1.

Year*	2019	2020	2021	2022	2023	2024	Notes**
Foregone tax revenue							
Tax receipts – imports							
Tax receipts - local production							

Notes to the Table:

- (1) ‘foregone tax revenue’: the total amount (in EUR) of tax not collected because of the tax differentials applied to local production (reductions/exemptions). At product level, it is calculated multiplying the value of production sold on the local market (i.e. deducting exports) by the tax differential applied. The indicator is then calculated by summing up product-level estimates.
- (2) ‘tax receipts - imports’: the total amount (in EUR) of the tax levied on the imports of taxable products.
- (3) ‘tax receipts – local production’: the total amount (in EUR) of the tax levied on the taxable local products.
- (4) (*) the information may not be available for all the years listed.
- (5) (**) provide comments and clarifications as deemed relevant.

4. Impact on overall economic performance. The Spanish authorities shall complete Table 2 providing any data demonstrating the impact of the reduced taxes on the socio-economic development of the region. The indicators required in the Table shall refer to the performance of the supported sectors compared to the general performance of the regional economy. If

some of the indicators are not available, alternative reporting data shall be included on the overall socio-economic performance of the region.

Table 2.

Year*	2019	2020	2021	2022	2023	2024	Notes**
Regional gross value added							
- <i>In the supported sectors</i>							
Overall regional employment							
- <i>In the supported sectors</i>							
Number of active enterprises							
- <i>In the supported sectors</i>							
Price level index - mainland							
Price level index - region							

Notes to the Table:

- (1) 'supported sectors': intended as the economic sectors (NACE definition or the like) where the production is prevalently (by production volume) benefitting from tax reduction/exemptions.
- (2) (*) the information may not be available for all the years listed.
- (3) (**) provide comments and clarifications as deemed relevant.

5. Specifications of the regime. The Spanish authorities shall complete Tables 3 and 4 for each product (CN4, CN6, CN8 or TARIC10 as applicable) and by year (from 2019 to 2024). The list includes only the products benefitting from differentiated tax rates.

Table 3. Identification of products and rates applied.

Supported products – CN code (4, 6, 8 or 10 digits)	Year	CN4 approved category	Code specifications	External tax rate	Internal tax rate	Tax differential applied	Notes**
	2019						
	2020						
	2021						
	2022						

	2023						
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Notes to the Table:

- (1) 'CN4 approved category': the CN4 category approved in this Decision.
- (2) 'code specification': in the event a different treatment is extended to different 10-digit codes or based on other *ad hoc* specifications of the CN/TARIC definitions.
- (3) 'External tax rate': the tax rate applied to imports.
- (4) 'Internal tax rate': the tax rate applied to local production.
- (5) 'Tax differential applied': the difference between external and internal rate.
- (6) (**) provide comments and clarifications as deemed relevant.

Table 4. Market share of supported products.

Supported products – CN code (4, 6, 8 or 10 digits)*	Year	Volume				Value (in EUR)			Notes**
		local production	unit	imports	Market share**	local production	imports	Market share**	
	2019								
	2020								
	2021								
	2022								
	2023								

Notes to the Table:

- (1) (*) the first column should be identical to the previous table to allow data matching.
- (2) 'volume': in the column 'unit' specify the unit of measurement (tons, hl, pieces, etc.).
- (3) 'value': for import, it coincides with the taxable amount.
- (4) (**) 'market share': the market share shall be calculated deducting the exports of local products.
- (5) (***) provide comments and clarifications as deemed relevant.

6. Irregularities. The Spanish authorities shall provide information on any investigations on administrative irregularities, in particular, on evasion from taxes or smuggling, in the context of the application of the authorisation. Provide detailed information, including at least information on the nature of the case, value and time period.

7. Complaints. The Spanish authorities shall provide information on whether the local, regional, or national authorities have received any complaints concerning the application of the authorisation, either by beneficiaries or by non-beneficiaries.