

**Changes to legislation:** There are currently no known outstanding effects for the Council Decision (EU) 2020/1792, ANNEX II. (See end of Document for details)

## 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 containing sufficient data to evaluate whether the additional costs, which increase the cost price of local production in comparison with products produced elsewhere, exist. 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. That data must be provided by, at least, a reference to the product categories of the Harmonised System Headings, according to the four digits of the Combined Nomenclature.

That 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 <sup>d</sup>	2019	2020	2021	2022	2023	2024	Notes <sup>e</sup>
Foregone tax revenue <sup>a</sup>							
Tax receipts – imports <sup>b</sup>							
Tax receipts – local production <sup>c</sup>							

**a** ‘Foregone tax revenue’: the total amount (in EUR) of tax not collected because of the tax differentials applied to local production (exemptions/reductions). At product level, it is calculated by 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.

**b** ‘Tax receipts – imports’: the total amount (in EUR) of the tax levied on the imports of taxable products.

**c** ‘Tax receipts – local production’: the total amount (in EUR) of the tax levied on the taxable local products.

**d** The information might not be available for all the years listed.

**e** Provide comments and clarifications as deemed relevant.

Notes to Table 1:

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 socioeconomic development of the region. The indicators required in Table 2 shall

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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 socioeconomic performance of the region.

Table 2

Year <sup>b</sup>	2019	2020	2021	2022	2023	2024	Notes <sup>c</sup>
Regional gross value added							
— In the supported sectors <sup>a</sup>							
Overall regional employment							
— In the supported sectors <sup>a</sup>							
Number of active enterprises							
— In the supported sectors <sup>a</sup>							
Price level index – mainland							
Price level index – region							

**a** ‘supported sectors’: intended as the economic sectors (NACE definition or the like) where the production is prevalently (by production volume) benefitting from tax exemptions/reduction.

**b** The information might not be available for all the years listed.

**c** Provide comments and clarifications as deemed relevant.

Notes to Table 2:

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.

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Table 3

**Identification of products and rates applied**

Supported products – CN code (4, 6, 8 or 10 digits)	Year	CN4 approved category <sup>a</sup>	Code specifications <sup>b</sup>	External tax rate <sup>c</sup>	Internal tax rate <sup>d</sup>	Tax differential applied <sup>e</sup>	Notes <sup>f</sup>
	2019						
	2020						
	2021						
	2022						
	2023						
	2024						

**a** ‘CN4 approved category’: the CN4 category approved in this Decision.

**b** ‘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.

**c** ‘External tax rate’: the tax rate applied to imports.

**d** ‘Internal tax rate’: the tax rate applied to local production.

**e** ‘Tax differential applied’: the difference between external and internal rate.

**f** Provide comments and clarifications as deemed relevant.

Notes to Table 3:

Table 4

**Market share of supported products**

Supported products – CN code (4, 6, 8 or 10 digits) <sup>a</sup>	Year	Volume <sup>b</sup>			Value (in EUR) <sup>c</sup>			Notes <sup>e</sup>
		local production	unit	imports	Market share <sup>d</sup>	local production	imports	
	2019							

**a** The first column should be identical to the previous table to allow data matching.

**b** ‘Volume’: in the column ‘unit’ specify the unit of measurement (tons, hl, pieces, etc.).

**c** ‘Value’: for import, it coincides with the taxable amount.

**d** ‘Market share’: the market share shall be calculated deducting the exports of local products.

**e** Provide comments and clarifications as deemed relevant.

Notes to Table 4:

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Table 4

**Market share of supported products**

2020									
2021									
2022									
2023									
2024									

**a** The first column should be identical to the previous table to allow data matching.

**b** 'Volume': in the column 'unit' specify the unit of measurement (tons, hl, pieces, etc.).

**c** 'Value': for import, it coincides with the taxable amount.

**d** 'Market share': the market share shall be calculated deducting the exports of local products.

**e** Provide comments and clarifications as deemed relevant.

Notes to Table 4:

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. They shall 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.

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