

Case C-118/96

Jessica Safir

v

Skattemyndigheten i Dalarnas Län, formerly
Skattemyndigheten i Kopparbergs Län

(Reference for a preliminary ruling
from the Länsrätt i Dalarnas Län,
formerly the Länsrätt i Kopparbergs Län)

(Freedom to provide services — Free movement of capital —
Taxation of savings in the form of life assurance —
Legislation of a Member State establishing different tax regimes according
to the place of establishment of the undertaking providing the services)

Opinion of Advocate General Tesauro delivered on 23 September 1997 I - 1899
Judgment of the Court, 28 April 1998 I - 1919

Summary of the Judgment

*Freedom to provide services — Restrictions — Taxation of savings in the form of life assurance —
National legislation providing for different tax regimes according to the place of establishment of
the insurance companies — Not permissible
(EC Treaty, Art. 59)*

Although direct taxation does not as such fall within the purview of the Community, the powers retained by the Member States must nevertheless be exercised consistently with Community law.

As regards freedom to provide services, Article 59 of the Treaty precludes the application of legislation in a Member State which

provides for different tax regimes for capital life assurance policies, depending on whether they are taken out with companies established in that Member State or with companies established elsewhere, where that legislation contains a number of elements liable to dissuade individuals from taking out capital life assurance with companies established in other Member States and liable to dissuade those insurance companies from offering their services on the market in that Member State.