

**Question for written answer E-005927/2014
to the Commission**
Rule 130
Charles Tannock (ECR)

Subject: Taxation of gambling products in Montenegro

Article 35 of Council Directive 2006/112/EC on the common system of Value Added Tax states that Member States should exempt 'betting, lotteries and other forms of gambling' from VAT. Montenegro, a candidate country to the European Union, currently applies a specific gambling tax in addition to VAT. So far 12 chapters have been opened as part of Montenegro's accession process and two have been provisionally closed. It should be noted that Chapter 16 (Taxation) is yet to be opened. An initial screening conducted in 2013, however, confirms that no major difficulties are expected. Bearing in mind the potential for non-compliance on this issue and the pressures now being placed on legal and reputable gambling operators:

1. Will the Commission raise this issue with the relevant Montenegrin authorities, highlighting the potential for non-compliance and establishing whether the Government of Montenegro has any intentions to implement an alternative taxation regime that would comply with Directive 2006/112/EC?
2. Does the Commission have any plans to open Chapter 16 in the near future as part of Montenegro's ongoing accession process?
3. If so, does the Commission intend to seek compliance on the aforementioned directive as part of an agreement to provisionally close Chapter 16?