# General principles applicable to tax and financial relations

## Tax Relations Principles

### General principles of tax systems established by the Historical Territories
- Respect for the solidarity principle
- Regard for the taxation structure of the State
- Coordination, tax harmonization and collaboration with the State
- Coordination, tax harmonization and collaboration with the State among the institutions of the Historical Territories
- Submission to International Agreements or Treaties

### Tax harmonization principles of the tax legislation of the Historical Territories
- Respect the General Tax Law in matters of terminology and concepts
- Maintain an overall effective fiscal pressure equivalent to that in force in the rest of the State
- Respect and guarantee freedom of movement and establishment of persons and the free movement of goods, capital and services throughout the territory of Spain, without giving rise to discrimination or a lessening of the possibilities of commercial competition or to distortion in the allocation of resources
- Use the same system for classifying livestock, mining, industrial, commercial, service, professional and artistic activities as is used in the so-called common territory, without prejudice to further itemisations that might be made.

### Cooperation principle
- Exchange of draft bills on tax regulations prior to their coming into effect
- Collaboration of the Basque Country Institutions in any international Agreements
- Exchange of information and cooperation concerning inspection competence

### Interpretation principle
- The rules laid down in the Economic Agreement shall be interpreted in accordance with the provisions contained in the General Tax Law for the interpretation of tax regulations.

## Financial Relations Principles

### General Principles
- Fiscal and financial autonomy of the Institutions of the Basque Country in the development and execution of their competences
- Respect for the principle of solidarity in the terms laid down in the Constitution and in the Statute of Autonomy
- Coordination and cooperation with the State in matters of budgetary stability
- Contribution by the Basque Country to the charges of the State not assumed by the Basque Autonomous Community

### Principles related to Local Entities
- Conferring to the competent Institutions of the Basque Country of the same faculties of financial supervision exercised by the State at any time
- Participation of the municipalities of the Historical Territories in non-agreed taxes