



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 8 July 2011**

**12303/11**

**ECOFIN 480**

**NOTE**

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from:	Presidency
to:	Delegations
Subject:	Work programme of the European Union Economic and Financial Affairs Council during the Polish Presidency

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Delegations will find attached the Work programme of the European Union Economic and Financial Affairs Council during the Polish Presidency and the draft provisional Council agendas for the second half of 2011.

Encl:

**WORK PROGRAMME FOR THE ECOFIN COUNCIL  
DURING THE POLISH PRESIDENCY IN THE SECOND HALF OF 2011**

*“Structural reforms, faster economic growth, sounder public finances”*

In the second half of 2011, the Economic and Financial Affairs Council will focus on the following areas:

- measures enhancing economic growth,
- putting public finances in the EU on a stable footing,
- implementing – under the Europe 2020 strategy – initiatives to promote employment and economic growth, contributing to enhancing EU global competitiveness as well as adequate response to the current economic situation.

All ECOFIN Council activities will be implemented with a view to improving the quality and comprehensive impact assessment of new legislative acts, to eliminating barriers and obstacles in the operation of the Single Market, and good coordination with other EU Council formations.

**Economic governance – implementation of new measures**

**Overcoming the current sovereign debt crisis in many countries and enhancement of economic governance in the EU** will be the main priorities of the Polish Presidency in the economic and financial area. Maintaining stability of the euro area is of key importance for the whole of the EU and thus the Presidency will pay utmost attention to this issue and support actions undertaken by the Eurogroup, despite the fact that Poland is not a member of the Eurozone. The Presidency will be actively supporting measures aiming at ensuring long-term sustainability of public finances that strengthen fiscal discipline and macroeconomic oversight and will facilitate the work on the new stability and support mechanisms. This includes the establishment of the **European Stability Mechanism**, scheduled to begin its operation in 2013.

Presidency will aim at ensuring Council's consistent application of the Stability and Growth Pact. The Council is expected to assess progress made by Member States in reducing excessive deficits during the first year of the enforcement of the *European Semester*. These actions have great importance due to their effects and the need to strengthen the measures helping avoid such crisis in the future.

Some of the Council's actions will also be related to the process of managing the implementation of the Europe 2020 strategy. It will aim at effective implementation of medium- and long-term structural reforms with a view to increasing EU's competitiveness, its economic potential, social cohesion and economic convergence.

Recognising that the European System of National and Regional Accounts is an important tool of EU administration, and is also used to analyse the coordination and convergence of the Member States' economic policies, the Polish Presidency will work actively on the legislative proposals aimed at revising this system.

*In line with these priorities the Presidency will put the following issues on the agenda of the ECOFIN Council meetings during the second half of 2011:*

- *the discussion on the state of play in negotiations with the European Parliament relating to the adoption of the six legislative proposals on economic governance will take place on 12 July and Presidency will inform about the way forward with regard to these negotiations – this will prepare further guidance on finding - as soon as possible - a compromise between the Council and the European Parliament,*
- *discussions relating to the application of the Stability and Growth Pact are foreseen for every meeting of the Council; for example on 12 July this will include the adoption of the Council decision abrogating the decision on the existence of an excessive deficit in Finland and Council conclusions on fiscal surveillance and Excessive Deficit Procedure; further EDP developments may be continued throughout other Council meetings,*
- *in October or November the revised Code of Conduct of the Stability and Growth Pact will be endorsed,*
- *on 12 July adoption of the conclusions on Single Market Act will take place.*

## **Financial services – enhancing the security of the European financial market**

Recognising the importance of improving the stability of the financial sector in the EU, the Polish Presidency will support and promote the early adoption of proposals aimed at **improving financial market regulation and oversight**, and at developing **crisis management rules**, which would help to safeguard the sector against the negative effects of crises and help maintain financial market stability. Special emphasis will be placed on the implementation of **measures to increase the integrity and transparency of the financial sector**, reducing systemic risks and excessive risk-taking. In addition, the ECOFIN Council will **monitor the operation of the new macro- and micro-prudential oversight framework**, closely collaborating with the European Systemic Risk Board and the newly established supervisory agencies.

*In line with these priorities the Presidency will put the following issues on the agenda of the ECOFIN Council meetings during the second half of 2011:*

- *on 12 July discussion on bank stress tests and backstop mechanisms will take place,*
- *on 4 October Presidency will aim at reaching an agreement on European Market Infrastructure Regulation,*
- *on 30 November conclusions on financial exit strategies will be adopted,*
- *on 8 November Presidency will aim at reaching an agreement on Investor Compensation Schemes Directive,*
- *on 30 November progress report on financial services legislation will be adopted,*
- *on 30 November an evaluation of the European System of Financial Supervision and discussions on Commission legislative plans for 2012 will take place.*

## **2012 EU Budget – meeting our needs and challenges**

The Polish Presidency acts to efficiently conduct the annual budget procedure in line with the new legislative provisions of the Lisbon Treaty, which grant equal rights to the European Parliament and the Council. The aim of the Presidency is to ensure that the 2012 EU budget is adopted on time and that its size guarantees that the challenges facing Europe can be met.

*The Presidency aims at reaching an agreement on the joint text of the Union Budget for 2012 during the ECOFIN/budget Council meeting on 18 November.*

## **Taxes – towards more transparent regulations**

In the area of **direct taxes**, the Presidency will continue working on the European Commission's proposal for a common consolidated tax base. Efforts will be made to achieve progress on the European Commission's other legislative proposals. Special emphasis will be placed on **good governance**, particularly with regard to the taxation of savings income and agreements on counteracting fraud signed with third countries.

Considering the conclusions of the European Council of March 24-25 2011, it will be necessary to continue work on **financial sector taxation**. With respect to indirect taxes, as soon as the European Commission tables a legislative proposal, the Presidency will engage, as a priority, in work relating to **administrative cooperation on excise duties**. Work to amend the **Energy Taxation Directive** will also be continued.

In the area of value added tax, the Presidency will continue the work **to streamline regulations, reduce administrative burdens, and counteract fraud**. If the European Commission announces a Communication on a new VAT strategy, efforts will be undertaken to use the discussions on this new strategy to improve the functioning of the internal market and to increase the effectiveness of the system of indirect taxes, in order to enhance EU economic growth.

*In order to ensure that these priorities are properly addressed, the Presidency will put the following issues on the agenda of the ECOFIN Council meetings during the second semester of 2011:*

*in the area of direct taxation:*

- *on 12 July the ECOFIN Council will be informed by the Commission, on the recommendation for a Council decision authorising to negotiate amendments to the 2004 Agreements with Switzerland, Liechtenstein, Monaco, Andorra and San Marino providing for measures equivalent to those in Directive 2003/48/EC, with a view to agree the way forward with this issue,*
- *on 8 November orientation debate on Common Consolidated Corporate Tax Base will take place,*
- *on 30 November Presidency will aim at reaching an agreement on Interest and Royalty Payments Directive, provided that a proposal is presented on time; moreover conclusions with regard to the Code of Conduct on business taxation will be adopted,*
- *on 30 November there will also be an orientation debate on financial sector taxation,*

*in the area of indirect taxation:*

- *we aim at organising an orientation debate on VAT taxation of financial services,*
- *on 30 November a debate on VAT taxation of vouchers could be held, provided that a proposal from the Commission will be presented in due course,*
- *on 8 November Presidency will conduct a debate on administrative cooperation in the field of excise duty with the aim of reaching a general approach with regard to the respective regulation,*
- *on 30 November an orientation debate on energy taxation will be held.*

### **The external dimension – the EU's strong and united voice at international fora**

The Polish Presidency will aim at **developing and presenting the EU's coordinated, common position at G20 meetings** at the level of finance ministers and central bank presidents. It will use its best efforts to ensure, with the full cooperation of the President of the European Council, the President of the European Commission and the Member States attending the summit meeting, the proper coordination in the preparation of the EU position before the G20 leaders' summit.

The Polish Presidency will be involved in the development and presentation of the EU's position on the forum of the **International Monetary Fund, the World Bank Group**, and it will maintain close relations with other relevant international and regional financial institutions and organisations dealing with economic integration. The Polish Presidency will act to strengthen economic cooperation with candidate countries for the EU membership and partner countries covered by the **European Neighbourhood Policy**, in particular countries participating in the **Eastern Partnership**, and continue well established cooperation with the **European Free Trade Association** member countries.

Given the importance of EU's strong and united voice at international fora the Presidency will conduct discussions in order to prepare EU's position for the G20 meetings and IMF and World Bank Annual meetings. The Presidency will also ensure proper follow-up to these meetings. These discussions will take place according to the following timetable:

- *on 12 July follow-up to the G20 Deputies meeting in Paris on 9-10 July, the first one in which Poland as EU Presidency will participate,*
- *on 4 October Terms of Reference for the G20 Finance Ministers and Governors meeting on 13-16 October will be adopted as well as preparations for the G20 Summit on 3-4 November will take place,*
- *also, on 4 October a follow-up to the IMF and World Bank Annual meetings on 24-26 September 2011 and G20 Deputies Finance Ministers on 22-23 September 2011 will be provided,*
- *on 8 November a follow-up to the G20 Summit on 3-4 November 2011 in Cannes,*
- *preparations for the 17<sup>th</sup> Conference of Parties of the United Nations Framework Convention on Climate Change will take place on 4 October and 8 November,*
- *also, Ministerial dialogue with EFTA countries will take place on 8 November.*

**PROVISIONAL AGENDA**  
**ECONOMIC AND FINANCIAL AFFAIRS COUNCIL**  
**BRUSSELS - 12 JULY 2011**

**Legislative deliberations**

- - Approval of the list of "A" items
- (poss.) Savings Taxation Directive

**Non-legislative activities**

- - Approval of the list of "A" items
- Presentation of the Polish Presidency work programme<sup>1</sup>
  - = *Public debate*
- Stability and Growth Pact (*restricted*)
  - = *Council decision abrogating the decision on the existence of an excessive deficit in Finland*
- - Follow-up to the G20 Deputies meeting in Paris on 9-10 July 2011
  - = *Exchange of views*
- (poss.) Follow-up to the June European Council on 23-24 June 2011
- Bank stress tests and backstop mechanisms
  - = *Exchange of views*

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<sup>1</sup> Public debate – under Art. 8 (4) of the Council's Rules of Procedure

- - AOB

**p.m.:**

- - Eurogroup

- Breakfast

- Lunch

= 11th Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Ministerial meeting

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**PROVISIONAL AGENDA**  
**(POSS.) ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL**  
**BRUSSELS – 22 JULY 2011**

**Legislative deliberations**

- Adoption of the Council position on the draft Union budget for 2012 (\*)
  
- - AOB

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*(\*) Items on which a vote may be requested*

**This Council will be convened in case an agreement has not been reached before at Coreper level.**

**In case of an agreement at Coreper level, the adoption of the Council position will be done as an "A" item in a following Council.**

**PROVISIONAL AGENDA**  
**ECONOMIC AND FINANCIAL AFFAIRS COUNCIL**  
**LUXEMBOURG - 4 OCTOBER 2011**

**Legislative deliberations**

- - Approval of the list of "A" items
  
- (poss.) European Markets Infrastructure Regulation  
= *State of play / Political agreement*
  
- VAT financial services  
= *Orientation debate*

**Non-legislative activities**

- - Approval of the list of "A" items
  
- (poss.) Financial assistance to Greece - disbursement of next instalment  
= *Draft Council Decision*
  
- Preparation of G20 Finance Ministers and Governors meeting on 13-16 October 2011  
= *Draft Terms of Reference*
  
- Preparation of the October European Council on 17-18 October 2011  
= *Preparation of the G20 Summit on 3-4 November 2011*  
= *Preparation of the 17th Conference of Parties (COP-17) of the United Nations Framework Convention on Climate Change (UNFCCC) in Durban, South Africa - Draft Council conclusions*

- Revised Code of Conduct of the Stability and Growth Pact  
= *Endorsement*
- - Information on the informal meeting of ECOFIN Ministers
- Follow-up to the IMF and World Bank Annual meetings on 24 – 26 September 2011 and G20 Finance Ministers and Deputies on 22-23 September 2011
- AOB

**p.m.:**

- - Eurogroup
- Macroeconomic dialogue at political level
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- Breakfast
- Lunch

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**PROVISIONAL AGENDA**  
**ECONOMIC AND FINANCIAL AFFAIRS COUNCIL**  
**BRUSSELS - 8 NOVEMBER 2011**

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**Legislative deliberations**

- - Approval of the list of "A" items
  
- (poss.) Investor Compensation Schemes Directive  
= *State of play / Political agreement*
  
- Regulation on administrative cooperation in the field of excise duty (Recast)  
= *Orientation debate / General approach*
  
- Common Consolidated Corporate Tax Base (CCCTB)  
= *Orientation debate*

**Non-legislative activities**

- - Approval of the list of "A" items
  
- Follow up to the European Council on 17-18 October 2011  
= *Exchange of views*
  
- EU statistics  
= *Draft Council conclusions*

- Follow-up to the G20 summit on 3-4 November 2011 in Cannes
  - = *Exchange of views*
  
- Preparation of the 17th Conference of Parties (COP-17) of the United Nations Framework Convention on Climate Change (UNFCCC) in Durban, South Africa
  - = *Draft Council conclusions on fast-start financing*
  
- AOB

**p.m.:**

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- - Eurogroup
  
- Breakfast
  - = *Ministerial dialogue with EFTA countries*
  
- Lunch
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- [- Meeting of the Ministers of Finance and Economy of the EU with their counterparts from the Eastern Partnership countries]

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**PROVISIONAL AGENDA**  
**ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL**  
**BRUSSELS - 18 NOVEMBER 2011**

**Legislative deliberations**

- Agreement on the joint text of the Union Budget for 2012
  
- - AOB

**This Council takes place on the same day as the Conciliation Committee with the European Parliament which should conclude the conciliation period of 21 days foreseen by the TFEU.**

**PROVISIONAL AGENDA**  
**ECONOMIC AND FINANCIAL AFFAIRS COUNCIL**  
**BRUSSELS - 30 NOVEMBER 2011**

**Legislative deliberations**

- - Approval of the list of "A" items
  
- Financial services legislation  
= *Progress Report*
  
- Energy Taxation Directive  
= *Orientation debate*
  
- Interest and Royalty Payments Directive (Recast) (\*)  
= *Political agreement*
  
- (poss.) VAT – Vouchers  
= *Orientation debate*

**Non-legislative activities**

- - Approval of the list of "A" items
  
- Preparation of the European Council on 9 December 2011  
= *Draft Council (ECOFIN) Report*

- Implementation of the Stability and Growth Pact (*restricted session*)
  
- Code of Conduct (business taxation)
  - = *Council conclusions*
  - = *Report to the Council*
  
- Financial sector taxation
  - = *Orientation debate*
  
- Financial exit strategies
  - = *Council conclusions*
  
- Financial services
  - Commission plans with regard to major evaluations (2012-2014):
    - evaluation of the European System of Financial Supervision
    - evaluation of the regulatory reform in the financial sector
    - Commission legislative plans for 2012
  
- Annual Report of the Court of Auditors on the implementation of the budget for the financial year 2010
  - = *Presentation*
  
- - AOB

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*(\*) Items on which a vote may be requested*

**p.m.:**

- - Eurogroup
  - Informal dialogue of representatives of the Council (ECOFIN) and of the European Parliament
  - Breakfast
  - Lunch
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