



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 6 July 2012

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REV 1**

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NOTE

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

Delegations will find attached the Work programme of the European Union Economic and Financial Affairs Council during the Cyprus Presidency and the draft provisional Council agendas for the second half of 2012.

Encl:

WORK PROGRAMME OF THE ECOFIN DURING THE CYPRUS PRESIDENCY

Cyprus will assume the Presidency amid challenging times for the Union. Significant measures have been taken at European level, which have contributed to tackling the effects of the economic and sovereign debt crisis. These measures have been enhanced by the European Council conclusions in June 2012, including, inter alia, the report Towards a genuine Economic and Monetary Union, which aims at a stronger Union in the financial, fiscal, economic and political domains.

During the Presidency, due attention will be given to addressing the current multidimensional challenges, including low levels of growth, high unemployment, fiscal imbalances and financial sector problems.

Against this background, the ECOFIN Council will continue to closely monitor the situation and, when necessary, address issues pertaining to the proper functioning of the markets. Fiscal consolidation is a necessary precondition for macroeconomic stability and key for reversing and gradually improving the situation, whereas at the same time, it is of utmost importance to focus on fostering economic growth and creating new job opportunities, inter alia, through structural reforms.

In the area of economic policy, the Cyprus Presidency will attach high priority to the effective implementation of the recently adopted initiatives for improving economic governance, ensuring fiscal consolidation, strengthening the European financial services framework and accelerating structural reforms, with a view to enhancing growth potential and social cohesion. In addition, the strengthening of the European financial services framework, together with promoting further work on various key taxation issues, also constitute important priorities for the Presidency.

The Presidency will aim for an effective coordination within the EU, with a view to ensuring appropriate representation of EU positions at international fora, such as the G20 meetings and securing the overall European interests.

Towards enhanced economic governance, policy coordination and crisis management

The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, aiming at strengthening fiscal discipline and introducing stricter surveillance within the euro area, was signed at the European Council meeting in March 2012. The ratification process at national level has already been initiated and is expected to be finalised by the first quarter of 2013. The entry into force of the Treaty will constitute a major step in addressing market concerns brought by the sovereign debt crisis and pave the way back to sound public finances and financial stability in the euro area, thus creating a sound basis for the future economic growth in the European Union. The Presidency will monitor the process for a smooth ratification within the set deadlines. The Presidency will continue work, on the two Regulations, the so-called two-pack, which aim at stronger economic and budgetary surveillance of the euro area's members experiencing or threatened with serious difficulties, as well as stronger monitoring and assessment of draft budgetary plans. The Presidency will aim at their successful incorporation in the enhanced Stability and Growth Pact.

In addition, the Cyprus Presidency will contribute to ensuring the effective implementation of the commitments of the euro area members in the framework of the Euro Plus Pact, which identifies the issues that are essential to foster competitiveness in the euro area and encourages countries to adopt concrete measures to that effect.

The Council will furthermore assess the progress made during the second European Semester, placing special emphasis on the compliance with the strengthened Stability and Growth Pact. The Presidency will take stock of the progress and overall process in relation to the new initiative of the Macroeconomic Imbalances Procedure. Moreover, at the beginning of the Cyprus Presidency, the European Stability Mechanism will come into force, aiming at safeguarding macroeconomic stability and providing, where needed, financial assistance to Member States. The Presidency will ensure coherence between all these procedures, processes and measures, as well as transparency and effectiveness in their implementation.

Europe 2020 Strategy and Compact for Growth and Jobs: Putting Europe back on the track for Growth

Fostering smart, sustainable and inclusive economic growth and promoting employment opportunities will be among the main objectives of the Cyprus Presidency, also in line with the European Council conclusions of June 2012. In this context, work at EU and national level for delivering the Europe 2020 strategic goals for supporting competitiveness and social inclusion will be pursued. The Presidency intends, inter alia, to promote the revival and expansion of capital markets to finance large European infrastructure projects in the fields of transport, energy and information technology through the launch of the pilot phase (2012-2013) of the Europe 2020 Project Bond Initiative.

Recalling the importance of fiscal consolidation, structural reform and targeted investment for sustainable growth, the Compact for Growth and Jobs provides coherent framework for action at national, EU and euro area levels, using all possible levels and instruments. The Cyprus Presidency will ensure appropriate follow up, pushing the growth agenda forward.

EU Budget 2013: Allocating funds effectively

The Cyprus Presidency will steer the work with a view to a timely adoption of the 2013 budget, taking into account the need for balance between fiscal consolidation and appropriate allocation of resources to policies that contribute to growth and jobs.

Revisiting the own resources system

The Presidency will carry on the examination of the proposals for the new system of own resources of the EU, with the overall objective to put in place a fair, simple and transparent system that will enable the financing of the next Multiannual Financial Framework.

Strengthening the European Financial Services Framework

Strengthening regulation and supervision of the financial sector is vital, in order to ensure the proper and sound functioning of the financial institutions and markets. The Presidency is committed to making progress on the financial regulatory agenda. Priority will be given to the finalisation of the revised capital requirements for credit institutions and investment firms (CRD IV), which is part of the legislative implementation of the Basel III Agreement for credit institutions and investment firms.

Similarly, work will be carried forward in the area of insurance, with the Omnibus II Directive proposing specific changes to legislation mainly for insurance (Solvency II Directive) and also for securities (Prospectus Directive). Furthermore, the Presidency will seek to achieve an agreement with the European Parliament on the proposals for a further revision of the Regulation on credit rating agencies (CRA III), as well as for the revision of the Transparency Directive. The Presidency will work towards an agreement on the revised rules on markets in financial instruments (MiFID/MiFIR) and on the revised rules on market abuse (MAR), with a view to contributing to the establishment of a single rule book for EU financial services.

Very high on the agenda of the Presidency is the crisis management framework in the financial sector, aiming at putting in place an EU framework for crisis management in the financial sector and at enlarging the toolkit of authorities for dealing with the orderly resolution of failing financial institutions. The Presidency will focus on the examination of the proposal for the Recovering and Resolution of Credit Institutions and Investment Firms. The Presidency will also progress work on other legislative initiatives in the financial services sector, in order to improve the protection of European consumers and investors.

Taxation policies in the EU

As regards taxation of the financial sector, following the discussion at the ECOFIN Council of 22 June, and in light of the conclusions of the European Council 28/29 June on this issue, the Presidency notes the lack of unanimous support for the FTT proposal discussed under the Danish Presidency. There remain essential differences on the need to establish a common system of financial transaction tax (FTT) at the EU level, making a decision requiring unanimity unlikely now and in the foreseeable future. The Cyprus Presidency will closely monitor discussions and constructively accompany the process as necessary.

In the area of indirect taxation, the Presidency will ensure appropriate follow up of the relevant Council conclusions on the Future of VAT, that underline the need for a simpler, more efficient, robust and fraud-proof VAT system. The Presidency will initiate work on the proposal for a Council Directive regarding the treatment of vouchers, which seeks to tackle market inefficiencies created by differences in national rules across Europe. Moreover, technical discussions will be continued on the proposal for a Council Directive on Energy Taxation, with the aim of carrying the work forward.

The work on the proposal for a Regulation establishing an action programme for customs and taxation for the period 2014-2020 (FISCUS Programme) will be pursued, subject to the negotiations of the MFF.

In the area of direct taxation, the Presidency will carry on the work on the Directive on Taxation of Savings Income and on the adoption of the negotiating mandates for Savings Taxation Agreements with third countries. The Presidency will also work on the revision of the proposal for a Council Directive on a Common System of Taxation applicable to interest and royalty payments made between associated companies of different Member States.

On the issue of tax coordination, during the Cyprus Presidency, the Council will discuss tax policy issues in order to ensure the exchange of best practices, in order to avoid harmful practices and fight fraud and tax evasion.

Furthermore, the Presidency will continue discussions on technical issues with regards to the Common Consolidated Corporate Tax Base.

Enhancing the European Statistical Framework

The Cyprus Presidency will continue the work for the provision of high quality, reliable and relevant European statistics in compliance with the principles of the European Statistics Code of Practice. The Presidency will emphasise the necessity for a continuous focus on simplification and prioritisation initiatives in the field of statistics, as well as on the reduction of the administrative burden on statistical authorities and respondents, which are key elements in balancing the new data needs against the increasing resource constraints.

Particular attention will be given to the finalisation of the work on the proposal for a Regulation on the European Statistical Programme 2013-2017, which provides the framework for the development, production and dissemination of European statistics, intended to support the implementation and monitoring of EU policies. Also, the Presidency will progress the negotiations on the proposal for amending the Regulation on European Statistics, which aims at improving the governance and efficiency of the European Statistical System. The Presidency will conclude the work on the proposal for a Regulation on the European System of National and Regional Accounts in the EU.

Main Presidency events

Informal ECOFIN Council, Lefkosia (Nicosia), 14-15 September 2012.

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 10 JULY 2012

- **Adoption of the provisional agenda**

Legislative deliberations

- **Approval of the list of “A” items**

- **Economic governance - Two pack**
 - = *Orientation debate*

- **(poss.) Revised capital requirements rules (CRD IV)**
 - a) **Proposal for a Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms**

 - b) **Proposal for a Directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate**
 - = *Information from the Presidency*

- **Proposal for a Directive of the European Parliament and of the Council establishing a frame work for the recovery and resolution of credit institutions and investment firms**
[First reading]
 - = *Presentation by the Commission*

- **Any other business**
 - **(poss.) Current legislative proposals**
 - = *Information from the Presidency*

Non-legislative activities

- **Approval of the list of “A” items**

- **Presentation of the Cyprus Presidency Work Programme¹**
 - = *Exchange of views*

- **Follow-up to the European Council on 28-29 June 2012**
 - = *Exchange of views*

- **European Semester**
 - a) **Draft Council Recommendations on the National Reform Programmes 2012 to each Member State and draft Council Opinions on the updated Stability or Convergence Programmes**
 - = *Adoption*

 - b) **Draft Council recommendation on the implementation of the broad guidelines for the economic policies of the Member States whose currency is the euro**
 - = *Adoption*

- **Any other business**

¹ Public debate pursuant to Article 8 (4) of the Council's Rules of Procedure.

p.m.

Monday, 9 July 2012

15.30 (poss.) ESM Inaugural Board of Governors meeting

17.00 Eurogroup

Tuesday, 10 July 2012

9.00 Breakfast

10.00 Council (ECOFIN) Meeting

PROVISIONAL AGENDA
(POSS.) ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL
BRUSSELS – 26 JULY 2012

Legislative deliberations

- **Adoption of the Council position on the draft Union budget for 2013 (*)**

- **Any other business**

() 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 at another meeting of the Council.

**PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
LUXEMBOURG – 9 OCTOBER 2012**

- **Adoption of the provisional agenda**

Legislative deliberations

- **Approval of the list of “A” items**
- **Economic governance - Two pack**
 - = *Political agreement*
- **Revised rules for markets in financial instruments (MiFID/MiFIR)**
 - = *General approach*
- **Market Abuse Regulation (MAR)**
 - = *General approach*
- **(poss.) Crisis Management and Bank Resolution Directive**
 - = *State of Play*
- **(poss.) Financial Transactions Tax (FTT)**
 - = *Orientation debate*
- **Any other business**
 - *(poss.) Current legislative proposals*
 - = *Information from the Presidency*

Non-legislative activities

- **Approval of the list of "A" items**

- **Mini One Stop Shop Implementing Regulation (VAT)**
= *Political agreement / Adoption*

- **Follow-up to the informal meeting of ECOFIN Ministers**
= *Debriefing by the Presidency*

- **Preparation of the European Council meeting on 18-19 October 2012**

- **European Semester 2012 – In-depth review**

- **(poss.) Implementation of the Stability and Growth Pact (*restricted session*)**
= *Draft Council Decision*

- **International meetings**
 - (a) **Follow-up to the G20 Finance Deputies meeting in Mexico City on 13-14 September 2012 and Preparation of the G20 Finance Ministers and Governors meeting in Mexico City on 4-5 November 2012**
= *Exchange of views*

 - (b) **Preparation of the Annual meeting of the IMF and World Bank Group in Tokyo on 12-14 October 2012**
= *Draft EU Presidency statement to IMF Committee*

- **(poss.) Innovative and Long-term Climate Finance**
= *Draft Council conclusions*
- **(poss.) Renewable Energy Strategy**
= *Draft Council conclusions*
- **(poss.) Stepping up beyond 20% emissions reduction**
= *Draft Council conclusions*
- **Any other business**

p.m.

Monday, 8 October 2012

17.00 Eurogroup

Tuesday, 9 October 2012

9.00 Breakfast

10.00 Council (ECOFIN) meeting

13.00 (poss.) Lunch

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL
BRUSSELS - 9 NOVEMBER 2012

Legislative deliberations

- **Agreement on the joint text of the Union Budget for 2013 (*)**

- **Any other business**

() Items on which a vote may be requested*

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 – 13 NOVEMBER 2012

- **Adoption of the provisional agenda**

Legislative deliberations

- **Approval of the list of “A” items**
- **(poss.) Revision of the Transparency Directive**
- **(poss.) Revised rules for Credit Rating Agencies (CRA III)**
- **(poss.) FISCALIS Programme**
 - = *General approach*
- **(poss.) Quick Reaction Mechanism against VAT fraud**
 - = *Orientation debate*
- **Energy Taxation Directive**
 - = *Political agreement*
- **Interest and Royalties Directive (Recast)**
 - = *Political agreement*

- **(poss.) Savings Taxation Directive**
= *Political agreement*

- **Any other business**
 - **(poss.) Current legislative proposals**
= *Information from the Presidency*

Non-legislative activities

- **Approval of the list of “A” items**

- **Mandate for negotiations of amendments to the Savings Taxation agreements with third countries**
= *Adoption*

- **Follow-up to the European Council on 18-19 October 2012**
= *Exchange of views*

- **Follow-up to the Annual meeting of the IMF and World Bank Group in Tokyo on 12-14 October 2012 and the G20 Finance Ministers and Governors meeting in Mexico City on 4-5 November 2012**
= *Exchange of views*

- **Preparation of the 18th Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Qatar from 26 November to 7 December 2012**
= *Draft Council conclusions*

- **Any other business**

p.m.

Monday, 12 November 2012

14.15 – 15.45 Macroeconomic dialogue at political level

17.00 Eurogroup

Tuesday, 13 November 2012

9.00 Break fast
 – Ministerial dialogue with EFTA countries

10.00 Council (ECOFIN) meeting

13.00 (poss.) Lunch

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 4 DECEMBER 2012

- **Adoption of the provisional agenda**

Legislative deliberations

- **Approval of the list of “A” items**

- **Central Securities Depositories (CSD)**
 - = *General approach*

- **Crisis Management and Bank Resolution Directive**
 - = *-General approach*

- **Any other business**
 - **(poss.) Current legislative proposals**
 - = *Information from the Presidency*

Non-legislative activities

- **Approval of the list of “A” items**

- **Implementation of the Stability and Growth Pact (*restricted session*)**
 - = *Draft Council Decision / Recommendation*

- **Macroeconomic Imbalance Procedure – Commission annual report**
 - = *Exchange of views*

- **Annual Growth Survey 2013**
 - = *Exchange of views*

- **EU Statistics**
 - = *Draft Council conclusions*

- **Preparation of the European Council meeting on 13-14 December 2012**

- **Code of Conduct (Business Taxation)**
 - = *Draft Council conclusions*
 - = *Report to the Council*

- **(poss.) ECOFIN Report to the European Council on tax policy issues**
= *Endorsement*

- **Annual Report of the Court of Auditors for the Financial Year 2011**
= *Presentation*

- **Any other business**

p.m.

Monday, 3 December 2012

- 13.15-14.45** Informal dialogue between representatives of the Council (ECOFIN) and the European Parliament
- 17.00** Eurogroup

Tuesday, 4 December 2012

- 9.00** Break fast
- 10.00** Council (ECOFIN) meeting
- 13.00** (poss.) Lunch

