



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 18 January 2013

5148/13

ECOFIN 7

NOTE

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

Delegations will find attached the Work programme of the European Union Economic and Financial Affairs Council during the Irish Presidency and the draft provisional Council agendas for the first half of 2013.

Encl.:

Work Programme of the European Union Economic and Financial Affairs Council during the Irish Presidency and the draft provisional agendas for the first half of 2013.

Ireland assumes the Presidency at an important juncture in the development of the European Union. The past number of years has been devoted to managing the financial, economic and currency crisis. In response significant work has been carried out by the Member States and the institutions of the European Union. In particular we have seen the development of the EFSF and the ESM. There has been agreement on a reinforced Stability and Growth Pact, a surveillance system for macro imbalances and common requirements for budgetary frameworks. We also have seen the introduction of the Fiscal Compact and the Euro Plus Pact.

Significant decisions have been made by the European Council on the development of a four-strand approach to the crisis with a specific and time bound map for the achievement of a genuine economic and monetary union. Further work on the development of economic and monetary union is to be presented to the European Council in June 2013 by Council President Van Rompuy.

All of these are significant achievements and, while there is more work to do, there may now be grounds for greater optimism that there is sufficient momentum within the EU-27 and the Euro area towards resolving the economic and financial difficulties in the European Union. This should help support a return to economic growth and employment.

The overarching theme of the Irish Presidency is to secure stability and ensure that it leads to jobs and growth. In addition to the measures being pursued in the ECOFIN Council, there will be horizontal work ongoing across other Council formations to support this approach, including the delivery of the Europe 2020 Strategy and the Compact for Growth and Jobs.

It is clear that there cannot be growth or employment without responsible and sustainable fiscal, monetary, financial and economic policies. Growth and fiscal friendly policies that are consistent with and complement such policies are essential to help increase employment across the Union. In terms of the specific elements of the ECOFIN Council to support growth and promote employment, the Presidency will seek to:

- effectively implement the economic governance measures within the framework of the European Semester and the Annual Growth Survey and finalise the remaining measures
- continue work on strengthening the European Union financial services framework and specifically the single supervisory mechanism of the banking union measures
- support the further development of economic and monetary union
- promote work on various key taxation issues
- effectively represent EU member states in G20

Towards enhanced economic governance and policy coordination

The European Semester and economic governance ('Two-Pack') proposals are the building blocks for strengthening fiscal discipline and introducing stricter economic surveillance and they are essential in progressing towards sounder public finances and financial stability thereby reducing uncertainty and creating the basis for economic growth and increased employment in the European Union.

The European Council in December 2012 mandated the completion and implementation of the framework for stronger economic governance and the rapid adoption of the "Two-Pack" of economic coordination measures by the co-legislators.

The Presidency will seek to complete the "Two-Pack", as a matter of priority. Once adopted, the Presidency will work towards the successful implementation of these instruments.

As Presidency, Ireland will manage the third European Semester process. The European Semester, which has been in place since January 2011, represents a new approach to economic surveillance. It was devised with the aim of ensuring that all Member States' economic policies are analysed and assessed together and that policy areas which previously were not systematically covered by economic surveillance – such as macroeconomic imbalances and financial sector issues – are included. Effective management of the third European Semester cycle will be an important focus of the Irish Presidency to ensure the credibility of the process and create certainty about economic reforms in Member States.

An important aspect of the European Semester is the Macroeconomic Imbalance Procedure, (MIP) introduced by the 'Six-Pack'. The MIP for the 2013 Semester was kick-started by the publication in November of the Alert Mechanism Report which listed a number of Member States requiring In-Depth reviews.

The February ECOFIN is expected to adopt Conclusions for submission to the March European Council giving macro-economic and fiscal guidance to Member States in relation to their Stability and Convergence Programmes and National Reform Programmes. The guidance given will also take into account their obligations under the Euro Plus Pact. In March, the Commission is expected to adopt the in-depth reviews mandated by the Alert Mechanism Report.

On the basis of examination of the National Reform Programmes submitted and the contents of the in depth reviews, the ECOFIN will be asked to adopt Council opinions and country specific recommendations in June 2013 to be put forward to the June European Council.

In addition, the Irish Presidency will contribute to the effective implementation of the commitments in the Euro Plus Pact.

The Europe 2020 strategy provides for smart, sustainable growth with resource efficiency being one of the priorities identified. This strategy will inform the Council Conclusions to be adopted at the February ECOFIN, following on from the 18th Conference of Parties to the United Nations Framework Convention on Climate Change.

Strengthening financial regulation and supervision

The Presidency is committed to making progress on the financial regulatory agenda. Improving and enhancing the regulation and supervision of the financial sector is an essential requirement to improve the stability and viability of this sector. A strong and well regulated financial services sector is essential to the financing of economic growth and the creation of employment. It increases the confidence of depositors in the financial system and provides more certainty to borrowers. Getting agreement on the final aspects of the banking union measures is an important component of the strands of moving towards a genuine economic and monetary union.

The Irish Presidency will, in accordance with the conclusions of the December 2012 European Council, prioritise legislation to achieve a Banking Union and in particular the Commission's proposals on banking supervision, bank resolution and recovery and deposit insurance to protect consumers. The Irish Presidency will also support the development of institutional and political structures to support the new Banking Union and to ensure an effective and smooth transition to the new framework. The successful implementation of the Banking Union measures should help break the link between the financial sector and the sovereign.

The Single Supervisory Mechanism (SSM) is an important foundation to ensure confidence in supervision across Europe. A Council general approach was reached at ECOFIN on 13th December. This agreement provides the mandate for the Presidency to enter into discussions with the European Parliament. The Capital Requirements Directive IV (CRD IV) seeks to ensure that the effectiveness of regulation of credit institutions and investment firms in the EU is strengthened and that financial stability is enhanced. The proposals also aim to transpose the international agreement on banking supervision reached by the Basel Committee on Banking Supervision as endorsed by the G20 Leaders. The Irish Presidency will prioritise reaching an early agreement with the co-legislators on both of these elements. On Banking Resolution the Council Conclusions urge co-legislators to agree on the proposals for a Recovery and Resolution Directive and for the DGS Directive before June 2013.

Important files on the markets side include the Markets in Financial Instruments Directive and Regulation (MiFID/MiFIR) which seeks to harmonise national provisions concerning access to the activity of investment firms and related service providers, the modalities for their governance and their supervisory framework. The proposals are in line with the Presidency's objectives of promoting greater confidence by making financial markets more efficient, resilient and transparent as well as strengthening the protection afforded to investors.

The Irish Presidency aims to conclude an agreement with Council as soon as possible and conduct a number of trilogues with the Parliament in the markets and securities area including Market Abuse (MAD/MAR). It will also make progress on other dossiers in the consumer area, including the Mortgage Credit Directive.

Economic and Monetary Union

The document *Towards a Genuine Economic and Monetary Union* was presented on 5 December last and the contents of the report are reflected in the conclusions of the December 2012 European Council. The Presidency notes the intention of the President of the European Council to produce further proposals and a time-bound roadmap for further economic and fiscal governance reforms by June 2013 and, as Presidency, will contribute constructively to this process, particularly in relation to any tasks conferred on it by the President of the Council. The objective of such measures is to create a stronger and more effective EMU that can aid confidence and support economic recovery and employment growth across Europe.

Taxation

On the issue of Financial Transaction Tax (FTT) first of all the Presidency will facilitate the decision making process for the Council to move forward under enhanced cooperation if so decided by the Council. After that the Presidency will work to bring forward the Commission proposal under an enhanced cooperation procedure for a Financial Transaction Tax, in the event that the proposal is published during the first half of 2013. The Presidency notes the extensive work that has been carried out to date on the development of this proposal.

The Irish Presidency will also carry forward the discussions on the Common Consolidated Corporate Tax Base (CCCTB). The Presidency will also work towards agreement of the revised Savings Directive and the negotiating mandates with third countries, in line with the direction of the European Council.

The Ecofin Council will continue work on proposals facilitating fast and effective responses to VAT fraud in the form of the quick reaction and reverse charge mechanisms, as well as proposals on the VAT treatment of vouchers and the Fiscalis action programme for taxation in the EU for the period 2014 to 2020. The Presidency will also deal with the recently published implementing Regulation governing VAT rules for cross-border services.

The Presidency will also make progress on the revision of the Energy Tax Directive which forms part of the Single Market Act I package.

The Commission's Action Plan to strengthen the fight against Tax Fraud and Tax Evasion, including its Recommendations on Tax Havens and Aggressive Tax Planning, will be taken forward by the Presidency.

EU Budget

The Irish Presidency will seek to efficiently manage issues relating to the EU Budget, including the implementation of the annual budget for 2013. The budgetary discharge procedure for 2011 and the preparation of the budget guidelines for 2014 will be priorities with appropriate Council texts at ECOFIN.

Representing the EU in the G20

The Irish Presidency will work to ensure effective and thorough preparation in the ECOFIN of G20 meetings of Finance Ministers and Central Bank Governors. These have evolved into an important international forum for economic and financial policy coordination.

The ECOFIN will prepare EU participation in the G20 meetings of finance ministers and central bank governors in the G20 meeting of Finance Ministers and Governors in Moscow on February 15-16 2013 and the IMF/World Bank Spring meetings taking place in Washington 19-21 April 2013 and

Main Presidency events

The Informal ECOFIN Council will be held in Dublin on 12-13 April 2013

PROVISIONAL AGENDA

ECONOMIC AND FINANCIAL AFFAIRS COUNCIL

1.1

BRUSSELS – 22 JANUARY 2013

Adoption of the provisional agenda

Legislative deliberations

- **(poss.) Approval of the list of "A" items**
- **Any other business**
 - = Current legislative proposals
 - Information from the Presidency

Non-legislative activities

- **Approval of the list of "A" items**
- **Presentation of the Presidency work programme ¹**
 - = Exchange of views
- **Follow-up to the European Council meeting on 13/14 December 2012**
 - = Exchange of views
- **Annual Growth Survey**
 - = Exchange of views
- **Communication: An Action Plan to strengthen the fight against tax fraud and tax evasion**
 - = Presentation by the Commission

¹ Public debate in accordance with Article 8(2) of the Council's Rules of Procedure

- **Financial Transaction Tax (FTT) ***
 - = Proposal for a Council Decision authorising enhanced cooperation in the area of financial transaction tax

- **Any other business**

p.m.:

Monday 21 January 2013

17.00 Eurogroup

Tuesday 22 January 2013

09.00 Breakfast

10.00 Council (ECOFIN) meeting

* Item on which a vote might be requested

PROVISIONAL AGENDA

ECONOMIC AND FINANCIAL AFFAIRS COUNCIL

1.1

BRUSSELS – 12 FEBRUARY 2013

- **Adoption of the provisional agenda**

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

- **Approval of the list of “A” items**
- (poss.) **Economic governance - "Two Pack" [First reading]**
 - a) **Proposal for a Regulation on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area**
 - b) **Proposal for a Regulation on the strengthening of economic and budgetary surveillance of Member States experiencing or threatened with serious difficulties with respect to their financial stability in the euro area**
 - = *Political agreement*
- **Any other business**
 - (poss.) **Current legislative proposals**
 - = *Information from the Presidency*

Non-legislative activities

- **Approval of the list of “A” items**
- **Preparation of G20 Meeting of Finance Ministers and Governors (Moscow, Russia, 15-16 February 2013)**
 - = *Terms of reference*
- (poss.) **Follow-up to the 18th Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC, Doha, Qatar, 26 November to 7 December 2012)**
 - = *Council conclusions*
- **Annual Growth Survey 2013**
 - = *Council conclusions*
- **Alert Mechanism Report 2013**
 - = *Council conclusions*
- (poss.) **European semester 2013: Discussion on selected thematic issues identified during 2012 semester**
 - = *Exchange of views*

- **Fiscal Sustainability Report 2012**
= *Council conclusions*
- **Council guidelines for the budget for 2014**
= *Council conclusions*
- **Discharge to be given to the Commission in respect of the implementation of the budget for 2011 (*)**
= *Council Recommendation*
- **Any other business**

p.m.

Monday 11 February 2013

17.00 Eurogroup

Tuesday 12 February 2013

9.00 Breakfast
10.00 Council (ECOFIN) meeting
13.00 (poss.) Lunch

PROVISIONAL AGENDA

ECONOMIC AND FINANCIAL AFFAIRS COUNCIL

1.1

BRUSSELS – 5 MARCH 2013

- **Adoption of the agenda**

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

- **Approval of the list of A items**
- **Proposal for a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms**
Interinstitutional file 2012/0150 (COD)
=*General approach*
- **Proposal for a Directive on Deposit Guarantee Schemes (DGS)**
Interinstitutional file 2010/0207 (COD)
=*State of play*
- **VAT Quick Reaction Mechanism**
Interinstitutional file 2012/0205 (CNS)
=*State of Play*

Non-legislative activities

- **Approval of the list of A items**
- **Mandate for negotiations of amendments to the Savings Taxation agreements with five third countries (*)**
=*State of Play*
- **Contribution to the European Council meeting on 14-15 March 2013 - European Semester 2013**
=*Council conclusions*
- **(poss) European Semester: Country specific issues**
=*Exchange of views*
- **(poss.) Implementation of the Stability and Growth Pact (*restricted session*)**
=*Draft Council Decision / Recommendation*
- **Follow-up to G20 meeting of 15/16 February**
=*Information from the Presidency*

Any other business

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

(*) Item on which a vote may be requested

p.m.

Monday 4 March 2013

15.00 Macroeconomic Dialogue at political level
17.00 Eurogroup

Tuesday 5 March 2013

9.00 Breakfast
10.00 Council (ECOFIN) meeting
13.00 (poss.) Lunch

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 14 MAY 2013

- **Adoption of the agenda**

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

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

- **Financial Transaction Tax (FTT)**

Interinstitutional file: 2011/0261 (CNS)

= *State of play*

- **(poss.) VAT Quick Reaction Mechanism (*)**

Interinstitutional file: 2012/0205 (CNS)

= *Adoption*

- **(poss.) VAT optional and temporary reverse charge on certain supplies**

= *Adoption*

- **(poss.) CCCTB**

= *Orientation debate*

- **Revised rules for markets in financial instruments (MiFID/MiFIR)**

Interinstitutional file: 2011/0296 (COD); 2011/0298 (COD)

= *State of play*

- **Draft General Budget for 2014**

= *Presentation by the Commission*

Non-legislative activities

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

- **Debriefing from the Informal ECOFIN**

- **Follow-up to the G20 Meeting of Finance Ministers and Governors (18-19 April 2013) and IMF/World Bank Spring meetings (Washington, USA, 19-21 April 2013)**

= *Information by the Presidency and Commission*

- **Climate finance**
 - = *Council conclusions*

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

(*) Item on which a vote may be requested

p.m.

Monday 13 May 2013

14.30-16.00 Informal dialogue of representatives of the Council (ECOFIN) and of the
European Parliament
17.00 Eurogroup

Tuesday 14 May 2013

8.30 Annual EIB Governors meeting
9.30 Breakfast
10.00 Council (ECOFIN) meeting
13.00 (poss.) Lunch

PROVISIONAL AGENDA

ECONOMIC AND FINANCIAL AFFAIRS COUNCIL

1.1

LUXEMBOURG - 21 JUNE 2013

- **Adoption of the agenda**

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

- **Approval of the list of A items**
- **FISCALIS 2020 First Reading**
Interinstitutional file: 2011/0341b (COD)
= *Adoption*
- **Energy Taxation Directive (*)**
Interinstitutional file 2011/0092 (CNS)
= *Political agreement*

Non-legislative activities

- **Approval of the list of A items**
- **Single Supervisory Mechanism**
= *State of play on implementation*
- **Code of Conduct (Business Taxation)**
= *Draft Council conclusions*
= *Report to the Council*
= *Approval*
- **ECOFIN Report to the European Council on Tax issues**
= *Approval*
- **Report by Finance Ministers on Tax issues in the framework of the Euro Plus Pact**
= *Approval*

NB: Above Reports may become A items

- **Contribution to the European Council meeting on 27 - 28 June 2013**
European Semester 2013
 - (a) **Draft Council Recommendations on the National Reform Programmes 2013 to each Member State and draft Council Opinions on the updated Stability or Convergence Programmes**
= *Approval*
 - (b) **Draft Council Recommendation on the implementation of the broad guidelines for the economic policies of the Member States whose currency is the euro**
= *Approval*
- **(poss.) Excessive imbalance procedure (EIP) initiation**
= *Council decision*
- **(poss.) Calendar of Convergence towards Medium Term Objectives**
= *Presentation by the Commission*

Any other business

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

p.m.

Thursday 20 June 2013

17.00 Eurogroup

Friday 21 June 2013

9.00 Breakfast
10.00 Council (ECOFIN) meeting
13.00 (poss.) Lunch
