



**COUNCIL OF
THE EUROPEAN UNION**



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PRESS RELEASE

3215th Council meeting

Economic and Financial Affairs

Brussels, 22 January 2013

President

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P R E S S

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Main results of the Council

*The Council adopted a decision authorising 11 member states to proceed with the introduction of a **financial transaction tax (FTT)** through enhanced cooperation.*

The Commission will now draw up a proposal defining the substance of the enhanced cooperation. Its adoption will require the unanimous agreement of participating member states.

*The Council decided to extend for two years an **EU training mission in Somalia**, aimed at strengthening the Somali armed forces so that they can take over security responsibilities.*

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
 - Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
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PARTICIPANTS

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Deputy Prime Minister and Minister for Finance

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Minister for Finance

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Deputy Prime Minister, Minister for Finance

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Minister for Finance

United Kingdom:

Mr Greg CLARK

Financial Secretary to the Treasury

Commission:

Mr Olli REHN

Vice President

Mr Michel BARNIER

Member

Mr Algirdas ŠEMETA

Member

Other participants:

Mr Jörg ASMUSSEN

Executive Board Member of the European Central Bank

Mr Werner HOYER

President of the European Investment Bank

Mr Thomas WIESER

President of the Economic and Financial Committee

Mr Hans VIJLBRIEF

President of the Economic Policy Committee

The Government of the Acceding State was represented as follows:

Croatia:

Mr Vladimir DROBNJAK

Permanent Representative

ITEMS DEBATED

PRESIDENCY WORK PROGRAMME

The Council took note of the presentation by the Irish presidency of a work programme on economic and financial matters for the duration of its term of office, which runs from January to July 2013 ([5148/13](#))

The Council held an exchange of views.

The programme sets out the following objectives:

- *Enhanced economic governance and policy coordination:* Concluding negotiations with the European Parliament on the "two-pack" (economic governance) and, once this has been adopted, working towards the successful implementation of the two instruments. Managing the third European Semester process and, in line with the December European Council, working towards a stronger and more effective economic and monetary union.
- *Strengthening financial regulation and supervision:* Priority will be given to legislation to achieve a banking union, especially proposals on banking supervision, bank resolution and recovery and deposit insurance to protect consumers. The aim is to reach an early agreement with the European Parliament on the single supervisory mechanism and on the capital requirements directive and regulation (CRD4 package).
- *Economic and monetary union:* Contributing constructively towards the objective of creating a stronger and more effective EMU that can aid confidence and support economic recovery and employment growth across Europe.
- *Taxation:* Progress on the financial transaction tax, discussions on the common consolidated corporate tax base, the savings directive and associated negotiating mandates with third countries.
- *External dimension:* Representing the EU at the G-20.

FOLLOW-UP TO THE DECEMBER EUROPEAN COUNCIL

The Council discussed the follow-up to be given to the European Council's meeting on 13 and 14 December, in particular with regard to the further development of economic and monetary union.

The Council will return to these issues at its meeting on 5 March.

EUROPEAN SEMESTER - ANNUAL GROWTH SURVEY

The Council discussed the Commission's annual growth survey, on the basis of an issues note prepared by the presidency ([5157/13](#)).

It concluded that the five priorities identified in the 2012 survey remain valid for 2013: pursuing differentiated growth-friendly fiscal consolidation; restoring normal lending to the economy; promoting growth and competitiveness; tackling unemployment and the social consequences of the crisis; and modernising public administration.

Draft conclusions will be prepared in the light of the Council's discussions, for adoption at its meeting on 12 February.

The Commission's annual growth survey outlines five priority areas where action should be taken at both EU and member state level in order to ensure better coordination and more effective policies for putting Europe's economy on a path to sustainable growth ([16669/12](#)).

The survey is the starting point for the European Semester, which involves simultaneous monitoring of the member states' fiscal policies and structural reforms, in accordance with common rules and time schedules, during a six-month period every year.

In March, the European Council will provide guidance on the next step in the European Semester process, namely the preparation by member states of their national reform programmes and stability and convergence programmes.

TAX FRAUD

The Council heard a presentation by the Commission of a communication proposing an action plan to strengthen the fight against tax fraud and tax evasion ([17637/12](#)).

The communication will be examined by technical experts in the Council.

The action plan, published in December, proposes 34 short- and medium-term measures in the area of both direct and indirect taxation. Together with its action plan, the Commission put forward recommendations on aggressive tax planning ([17617/12](#)) and on good governance in tax matters in third countries ([17669/12](#)).

The plan comes in response to a call from the European Council, in March 2012, for ways to improve the fight against tax evasion and tax fraud, including in relation to third countries. In November 2012, the Council adopted [conclusions](#) on this issue.

The action plan identifies measures that can be developed, both immediately and in the years to come, in order to deliver concrete results to all member states. It is also intended as a contribution to international debate and assisting the G-20 and the G-8 in ongoing work in the field of taxation.

Priority is given to actions already under development and to the full implementation of newly-adopted legislation. It is suggested that future work be guided by the need to reduce the costs and complexity of tax systems, so as to encourage better compliance by taxpayers, and to concentrate on achieving objectives.

FINANCIAL TRANSACTION TAX

The Council adopted, by qualified majority¹, a decision authorising 11 member states to proceed with the introduction of a financial transaction tax (FTT) through "enhanced cooperation"².

The Commission is now expected to finalise and submit its proposal on the substance of the enhanced cooperation on FTT. The proposal will then be examined by technical experts in the Council. Its adoption will require the unanimous agreement of participating member states.

For details, see press release [5555/13](#).

¹ The Czech Republic, Luxembourg, Malta and the United Kingdom abstained.

² Requirements for enhanced cooperation are laid down in article 20 of the Treaty on European Union and articles 326 to 334 of the Treaty on the Functioning of the European Union. It must be established that the objectives cannot be attained within a reasonable period by the EU as a whole. At least nine member states must participate, and the cooperation must remain open for any others that wish to join.

OTHER BUSINESS

The Council was informed by the presidency on progress made on three key legislative dossiers for which negotiations are ongoing with the European Parliament.

- ***Bank supervision:*** Following an agreement in the Council on 13 December, trilogues were held with the parliament on 18 December and on 8, 9 and 16 January.
- ***Capital requirements directive:*** Trilogues were held on 10 and 15 January. The next round of negotiations is scheduled for 30 January.
- ***Economic governance (Two-Pack):*** The aim is to close the dossier in the coming weeks.

MEETINGS IN THE MARGINS OF THE COUNCIL

The following meetings were held in the margins of the Council:

– ***Eurogroup***

Ministers of the euro area member states attended a meeting of the Eurogroup on 21 January.

– ***Breakfast meeting***

Ministers held a breakfast meeting to discuss the economic situation.

OTHER ITEMS APPROVED**ECONOMIC AND FINANCIAL AFFAIRS****Financial assistance to Ireland**

The Council adopted a decision modifying the conditions underpinning financial assistance to Ireland (decision 2011/77/EU), following a review of implementation by the "troika" (Commission, IMF and European Central Bank).

VAT derogation - Belgium

The Council adopted a decision authorising Belgium, by way of derogation from article 285 of directive 2006/112/EC, to exempt from VAT taxable persons whose annual turnover is no higher than EUR 25 000.

The decision will apply from 1 January 2013 until the date of entry into force of a directive amending the amounts of the annual turnover ceilings below which taxable persons may qualify for VAT exemption, or until 31 December 2015, whichever is earlier.

VAT derogation - Slovenia

The Council adopted a decision authorising Slovenia, by way of derogation from article 287 of directive 2006/112/EC, to exempt from VAT taxable persons whose annual turnover is no higher than EUR 50 000.

The decision will apply from 1 January 2013 until the date of entry into force of a directive amending the amounts of the annual turnover ceilings below which taxable persons may qualify for VAT exemption, or until 31 December 2015, whichever is earlier.

VAT derogation - Latvia

The Council adopted a decision authorising Latvia to extend until December 2015 a measure derogating from article 193 of directive 2006/112/EC for VAT on timber transactions.

The measure is aimed at combating tax fraud in the timber market by reversing liability for VAT payments from the supplier to the customer ("reverse charge" principle).

Any request for extension of the measure beyond 2015 has to be submitted to the Commission by 31 March 2015.

VAT derogation - Portugal

The Council adopted a decision authorising Portugal to extend until December 2015 a measure derogating from articles 168, 193 and 250 of directive 2006/112/EC as regards VAT on doorstep sales.

The derogation allows for the application of a special optional scheme for doorstep sales firms that fulfil specific conditions, where authorised by the tax authorities.

Any request for extension of the measure beyond 2015 has to be submitted to the Commission by 31 March 2015.

GENERAL AFFAIRS**EU agencies**

The Council adopted conclusions on the special report of the Court of Justice on the management of conflict of interest in selected EU agencies.

The conclusions are set out in [17767/12](#).

JUSTICE AND HOME AFFAIRS

New psychoactive substances

On the basis of a joint report from Europol and the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), the Council called for an assessment of the risks caused by the use, manufacture, and traffic of 5-(2-aminopropyl)indole, the involvement of organised crime and possible consequences of control measures.

These measures are in line with Council Decision 2005/387/JHA¹ on the information exchange, risk assessment and control of new psychoactive substances.

FOREIGN AFFAIRS

EU training mission in Somalia

The Council refocused the activities of the EU training mission in Somalia (EUTM Somalia) and extended it by two years.

For details, see press release [5578/13](#).

CFSP budget for 2013 and 2014

The Council approved guidelines on the Common Foreign and Security Policy (CFSP) budget for 2013 and 2014.

For 2013, the CFSP budget amounts to EUR 396 million.

Democratic Republic of the Congo - restrictive measures

The Council added two persons and two entities to the list of those subject to restrictive measures against the Democratic Republic of the Congo.

The measures consist of a travel ban and an asset freeze.

¹ OJ L 127, 20.5.2005.

Republic of Guinea - restrictive measures

The Council amended EU restrictive measures against the Republic of Guinea.

National competent authorities may now authorise, under strict conditions, the export of explosives and related equipment intended for civilian use in mining and infrastructure development, as well as related financial and technical assistance.

Libya - restrictive measures

The Council removed one person and one entity from the list of those subject to EU restrictive measures against Libya. It also facilitated the return of misappropriated funds to the Libyan state.

Relations with CELAC

With a view to the CELAC-EU and LAC-EU summits in Santiago (Chile) on 26 and 27 January 2013, the Council endorsed a draft "action plan" as the basis for final negotiations.

Arms trade treaty

The Council allocated EUR 160 800 to EU efforts aimed at supporting the successful completion of UN negotiations on an arms trade treaty and to support UN member states in building expertise to implement effective arms transfer controls.

Two seminars are envisaged for government experts, aimed at facilitating the conclusion of negotiations and the future implementation of the arms trade treaty. The treaty is intended to establish the highest possible common international standards to regulate legal trade in conventional weapons.

APPOINTMENTS

Committee of the Regions

The Council appointed Ms Regina POERSCH (Germany) ([5097/13](#)), Ms Annemieke TRAAG and Mr A. GIJSBERTS (Netherlands) ([5104/13](#)), Ms Helene FRITZON (Sweden) ([5108/13](#)) and Mr Vasco Ilídio ALVES CORDEIRO (Portugal) ([5280/13](#)) as members of the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2015.

DECISIONS TAKEN BY WRITTEN PROCEDURE**Council rules of procedure - Weighting of votes - Institutional affairs**

On 14 January, the Council amended its rules of procedure by updating a table of population figures for the EU member states for 2013 for the purposes of qualified majority decision-making in the Council ([18130/12](#)).

The Council's rules of procedure provide that when a decision is to be taken by qualified majority, and if a member of the Council so requests, it shall be verified that the member states constituting the qualified majority represent at least 62 % of the total population of the EU.

To that end, EU population figures are updated annually in line with figures provided by Eurostat.

A qualified majority in the Council is set at 255 votes out of a total of 345 and a majority of the 27 member states.

Anti-dumping measures***Tube and pipe fittings of iron or steel from Russia and Turkey***

On 17 January, the Council adopted a regulation imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain tube and pipe fittings of iron or steel originating in Russia and Turkey ([17973/12](#)).

Open mesh fabrics of glass fibres from Taiwan and Thailand

On 10 January, the Council adopted a regulation extending the definitive anti-dumping duty imposed by regulation 791/2011 on imports of certain open mesh fabrics of glass fibres originating in China to imports consigned from Taiwan and Thailand ([17728/12](#)).

TRANSPARENCY

Transparency - public access to documents

The Council approved:

- the reply to confirmatory application No 22/c/02/12 made by Mr Johnston, with the Danish, Estonian, Hungarian, Slovenian, Finnish and Swedish delegations voting against ([17777/2/12 REV 2](#)).
-