



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 5 July 2013
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NOTE

From: Presidency
To: Delegations

Subject: Work Programme of the European Union Economic and Financial Affairs
Council during the Lithuanian Presidency

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



**WORK PROGRAMME OF THE EUROPEAN UNION ECONOMIC AND FINANCIAL
AFFAIRS COUNCIL DURING THE LITHUANIAN PRESIDENCY**

The year 2013 marks a potentially positive turning point for the European Union in dealing with the consequences of the global financial crisis. For the EU economy to build a credible path, more determined efforts are required at all levels to advance structural reforms and enhance competitiveness, growth and jobs. The Lithuanian presidency of the Council of the EU shall focus on ensuring an adequate environment for long term and sustainable growth in Europe.

When presiding over the Economic and Financial Affairs Council, Lithuania will strive to strengthen the ground for financial stability and sound public finances in the EU, which are necessary preconditions to fully restore EU's economic credibility. In this respect, the Presidency's efforts will foremost be directed at further developing the framework of the Banking Union and making progress on other legislative proposals in the field of financial market reforms.

Another key area on which the Lithuanian Presidency will focus is continuing with discussions on more effective functioning of the EMU, with an aim of achieving concrete results.

Finally, significant attention will be devoted towards effective implementation of the newly established and enhanced economic governance framework focusing on prudent surveillance of potential budgetary and economic imbalances in the euro area and the EU.

Financial services

Noting the high importance that financial markets and the banking system have for the real economy of the EU, ensuring their stability and soundness remains of key importance. Well regulated and supervised financial markets provide for a strong foundation for financing economic growth as well as for overall confidence in the financial system. Taking that into account, the Presidency foresees two important work streams in the field of financial services: further development of the Banking Union, and progress on other important legislative dossiers in the field of financial services focusing among other things on investor protection via better regulated markets in financial instruments, more efficient European insurance market etc.

Further development of the Banking Union framework

The Lithuanian Presidency, in accordance with the conclusions of the June 2013 European Council, considers further work regarding the framework of the Banking Union as one of the main priorities of the Presidency. Successful conclusion of the Banking Union is crucial for smooth functioning of the Economic and Monetary Union and for financial stability of the whole EU.

Single Resolution Mechanism is a next important step in creation of the Banking Union. It will allow for the Banking Union to operate fully and effectively. The European Council in June 2013 invited the Council to reach an agreement on the proposal for the Single Resolution Mechanism by the end of the year so that the proposal could be adopted before the end of the current parliamentary term. As regards the proposals for the Bank Recovery and Resolution Directive and the Deposit Guarantee Schemes Directive, the European Council urges the Council to adopt both legislations by the end of this year.

The Lithuanian Presidency will put a high priority on all these elements and work in line with the European Council conclusions.

Progress on other legislative proposals in the field of financial markets reforms

The Lithuanian Presidency acknowledges the need to ensure sound, transparent and resilient financial markets and to strengthen the investor protection in Europe. In this respect, the Presidency sees the Markets in Financial Instruments Directive and Regulation as well as the Central Securities Depositories Regulation as of high importance. The Presidency foresees to continue negotiations on these dossiers striving for an agreement with the co-legislators.

Comprehensive approach to money laundering is vital for the sound functioning of financial markets. The May 2013 European Council stressed this element at the same time stating that the revision of the third Anti-Money Laundering Directive should be adopted by the end of the year.

In the insurance sector, the Presidency sees further negotiations on the Omnibus II file as of high importance for bringing more clarity to the European insurance market. Therefore, the Presidency will resume negotiations on this file.

The Lithuanian Presidency will strive to make progress on other important dossiers as well, including Payment Accounts Directive.

European Semester

The European Semester process aims to secure durable economic and financial stability in the EU through the recently enhanced system of economic policy coordination. The semester is becoming increasingly more important as it is developing into the main channel for coordinating macro-economic, budgetary and structural policies, ensuring healthier public finances and promoting stability in Member States and the whole EU.

The European Council endorsed the country-specific recommendations and Council will conclude the 2013 European Semester by adopting the recommendations on 9 July 2013. Thereafter Member States will have to take due account of these recommendations when developing their forthcoming decisions on budgets, structural reforms, and employment and social policies.

The implementation of these recommendations is key to ensure the credibility of this coordination mechanism. Given that the European Semester is still quite a recent establishment, the Lithuanian Presidency will devote time to draw another conclusions on the lessons learned from this year's exercise complementing the insights drawn after the last year's round.

The cycle of the next European Semester (2014) will also be launched under the Lithuanian Presidency with an exchange of views on the Annual Growth Survey and the Alert Mechanism Report in different Council formations.

Deepening and strengthening of the EMU

Effective functioning of the Economic and Monetary Union is key for the credibility, competitiveness, and sustainability of the European economy. Given the recent enhancement of fiscal coordination in the euro area based on the Two-Pack, there is a need to enhance coordination in the EMU's economic pillar.

The report of the President of the European Council "Towards a Genuine Economic and Monetary Union" and the Commission's communications on ex-ante coordination of economic policy reforms and the Convergence and Competitiveness Instrument provide an important basis for discussion in this respect. The June 2013 European Council gave an updated guidance on the work to be carried out in relation to these building blocks of a reinforced EMU.

Based on the European Council conclusions, the Lithuanian Presidency will further facilitate the discussions on the deepening of the EMU, aiming at concrete results that can further enhance the effective functioning of the euro area while preserving the integrity of the single market.

Implementing the newly established economic governance framework

Implementation of the recently agreed package of reforms (Two-Pack, Six-Pack, Treaty on Stability, Coordination and Governance) is key to restoring credibility in surveillance of Member States' budgetary and economic policies.

The Presidency will focus on smooth and effective implementation of the newly agreed rules for the stronger *ex-ante* budgetary monitoring process of the euro area Member States. It will seek to ensure application of the necessary provisions contained in the Stability and Growth Pact as well. Attention will also be dedicated to processes of the transposition of the Treaty on Stability, Coordination and Governance into national systems.

Further alignment of the EU support infrastructure and corresponding enhanced surveillance procedures amongst euro and non-euro area Member States is also an important element towards fully effective economic governance framework. The Presidency will therefore undertake to update the Balance of Payments facility for the non-euro area Member States accordingly.

Taxation

Issues relating to the fight against tax fraud and evasion will be a priority during the Lithuanian Presidency in the taxation area. In this context, the Presidency will seek to reach political agreement on the Savings Taxation Directive and start work on a new legislative proposal from the Commission to extend the scope of the Administrative Cooperation Directive in order to improve measures for the automatic exchange of information.

Lithuanian Presidency will also aim for progress in discussions on the rules governing VAT treatment on vouchers.

In addition, the discussions will be continued regarding the draft directive on Common Consolidated Corporate Tax Base (CCCTB) concentrating on the work of building common corporate tax rules.

The Presidency will carry forward the discussions on financial transaction tax with a view to making progress.

The work will also be continued on the proposal for the Energy Taxation Directive.

The EU budget for 2014

A particular emphasis will be given to the adoption of the EU budget for 2014, which will constitute the first budget of the 2014–2020 MFF. Its timely adoption would ensure smooth and continuous financing of the EU priority areas.

Representing the EU in the G20

The Lithuanian Presidency, alongside the European Commission and the European Central Bank, will work to ensure effective and thorough preparation in the ECOFIN for G20 meetings of Finance Ministers and Central Bank Governors. In preparation for these meetings, Lithuania will contribute to the coordination of the common EU position in priority areas of the G20 regarding the global economic situation and growth, financing for investment, financial market regulation, tax transparency, reform of the international financial architecture and other relevant issues.

The ECOFIN will agree on the EU terms of reference for the EU participation in the G20 meetings of Finance Ministers and Central Bank Governors to be held in Moscow on 19-20 July 2013 and in Washington on the 10-11 October 2013 together with the IMF/World Bank annual meeting on 11-12 October 2013.

Main Presidency events

The Informal ECOFIN will be held in Vilnius on 13-14 September 2013.

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS - 9 JULY 2013

- **Adoption of the agenda**

Non-legislative activities

- **Approval of the list of “A” items**
- **Presentation of the Lithuanian Presidency Work Programme**¹
= *Exchange of views*
- **Follow-up to the European Council on 27-28 June 2013**
= *Exchange of views*
- **Adoption of the euro by Latvia (*)**
 - (a) **Council Decision in accordance with Article 140(2) of the Treaty on the adoption by Latvia of the euro on 1 January 2014**
 - (b) **Council Regulation amending Regulation (EC) No 974/98 as regards the introduction of the euro in Latvia**
 - (c) **Council Regulation amending Regulation (EC) No 2866/98 as regards the conversion rate to the euro for Latvia**
= *Adoption of legal acts*
- **Implementation of the two-pack**
 - (a) **Code of conduct on draft budgetary plans**
= *Endorsement*
 - (b) **Commission delegated decision on content and scope of the reporting obligations for Member States subject to an excessive deficit procedure**
= *Intention not to raise objections to a delegated act*

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

- **Follow-up to G20 Finance Deputies meeting on 6-7 June 2013 in St-Petersburg and preparation of G20 Meeting of Finance Ministers and Governors of 19-20 July 2013 in Moscow**
 - = *Exchange of views*
 - = *Terms of reference*

- **Any other business**

Legislative deliberations

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

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

- **Any other business**

- **Legislative proposal on insider dealing and market manipulation (market abuse) (MAR)**
 - = *Information from the Presidency*

(*) Item on which a vote might be requested

Monday 8 July 2013

15.00 Eurogroup

Tuesday 9 July 2013

09.30 Breakfast

10.30 Council (ECOFIN) meeting

13.00 Ministerial dialogue with candidate countries (*lunch*)

15.00-17.00 Euro Festivities (*to celebrate Latvia joining the euro area*)

PROVISIONAL AGENDA
(POSS.) ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL
BRUSSELS – 25 JULY 2013

Legislative deliberations

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

- **Adoption of the Council position on the draft Union budget for 2014 (*)**

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 or by written procedure.

PROVISIONAL AGENDA

ECONOMIC AND FINANCIAL AFFAIRS COUNCIL

LUXEMBOURG - 15 OCTOBER 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**

- **Taxation of savings income**

- (poss.) **Proposal for a Council Directive amending Directive 2003/48/EC on taxation of savings income in the form of interest payments**

Interinstitutional file: 2008/0215 (CNS)

= *Political agreement*

- **Omnibus II (First reading)**

- **Proposal for a Directive amending Directives 2003/71/EC and 2009/138/EC in respect of the powers of the EIOPA and the ESMA (Omnibus II)**

Interinstitutional file: 2011/0006 (COD)

= *State of play*

- **Proposal for a Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing**

Interinstitutional file: 2013/0025 (COD)

= *General Approach*

- (poss.) **Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax, as regards standard VAT declaration forms**

= *Presentation from the Commission*

Non-legislative activities

- **Follow-up to G20 Finance Ministers and Governors meeting on 10-11 October 2013 and annual meetings of the IMF and World Bank Group on 12-14 October 2013 in Washington**

= *Information from the Presidency and the Commission*

- **(poss.) European Semester**
= *Lessons from 2013 round and recommendations for 2014*

- **Preparation of the 19th Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Warsaw from 11 to 22 November 2013**
= *Council conclusions*

Any other business

- **Current legislative proposals**
= *Information from the Presidency*

(*) Item on which a vote might be requested

Monday 14 October 2013

Eurogroup

Tuesday 15 October 2013

Ministerial dialogue with EFTA countries

Breakfast

Council (ECOFIN) meeting

Lunch

PROVISIONAL AGENDA

ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL

BRUSSELS - 11 NOVEMBER 2013

Legislative deliberations

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

- **Agreement on the joint text of the Union Budget for 2014 (*)**

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 - 15 NOVEMBER 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**

- **Single Resolution Mechanism (First reading)**

Interinstitutional file: not yet available

= *General approach*

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

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

= *State of play / Revised mandate / Political agreement*

- **Regulation on insider dealing and market manipulation (market abuse) (First reading)**

Interinstitutional file: 2011/0295 (COD)

= *State of play*

- **Proposal for a Council Directive amending Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation**

Interinstitutional file: 2013/0188 (CNS)

= *Political agreement / Orientation debate*

- (poss.) **Proposal for a Council Directive implementing enhanced cooperation in the area of financial transaction tax**

Interinstitutional file 2013/0045 (CNS)

= *State of play*

- (poss.) **Common system of value added tax**

Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax, as regards the treatment of vouchers

Interinstitutional file: 2012/0102 CNS)

= *Orientation debate*

- (poss.) **Fiscalis 2020 (First reading)**

Amended proposal for a Regulation of the European Parliament and of the Council establishing an action programme for taxation in the European Union for the period 2014-2020 (Fiscalis 2020) and repealing Decision N° 1482/2007/EC (*)

Interinstitutional file: 2011/0341b (COD)

= *Adoption*

Non-legislative activities

- **Approval of the list of “A” items**
- (poss.) **Implementation of the Stability and Growth Pact (*restricted session*)**
= Draft Council Decision / Recommendation
- **EU statistics**
= *Council conclusions*
- (poss.) **Implementation of two-pack: draft budgetary plans**

Any other business

- **Current legislative proposals**
= *Information from the Presidency*

Thursday 14 November 2013

Macroeconomic dialogue at political level

Eurogroup

Friday 15 November 2013

Breakfast

Council (ECOFIN) meeting

Lunch

13th Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Ministerial meeting

PROVISIONAL AGENDA

ECONOMIC AND FINANCIAL AFFAIRS COUNCIL

BRUSSELS - 10 DECEMBER 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**

- **Bank recovery and resolution**

- = **Proposal for a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (BRR) (First reading)**

- Interinstitutional file: 2012/0150 (COD)

- = *State of play*

- **Proposal for a Directive on Deposit Guarantee Schemes (DGS) (Second reading)**

- Interinstitutional file: 2010/0207 (COD)

- = *State of play*

Non-legislative activities

- **ECOFIN Report to the European Council on tax issues**

- = *Endorsement*

- **Report by Finance Ministers on tax issues in the framework of the Euro Plus Pact**

- = *Endorsement*

- **Code of Conduct (Business Taxation)**

- **Report to the Council**

- **Draft Council conclusions**

- = *Endorsement*

- **Macroeconomic Imbalance Procedure – Commission Alert Mechanism Report**
= *Exchange of views*
- **Annual Growth Survey 2014**
= *Exchange of views*
- **Annual report of the Court of Auditors on the implementation of the budget for the financial year 2012**
= *Presentation*

Any other business

- **Current legislative proposals**
= *Information from the Presidency*

(*) Item on which a vote might be requested

Monday 9 December 2013

Informal dialogue between representatives of the Council (ECOFIN) and the European Parliament

Eurogroup

Tuesday 10 December 2013

Breakfast

Council (ECOFIN) meeting

(poss.) **Lunch**
