



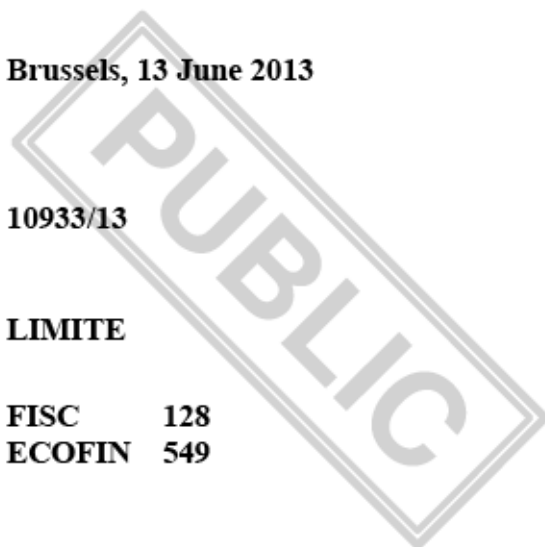
**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 13 June 2013

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NOTE

from: General Secretariat
to: Council

Subject: Report by Finance Ministers on Tax issues in the framework of the Euro Plus Pact

1. The European Council conclusions of 9 December 2011 concerning the Euro Plus Pact request that structured discussions of tax policy issues are being pursued.
2. A draft Report by Finance Ministers in the framework of the Euro Plus Pact, covering progress made, was agreed in the context of the Council High Level Working Party on Tax issues, following discussions on 6 June 2013, on the understanding that a (factual) updating of the parts in brackets (item 4) would take place at a later stage.
3. The agreement was confirmed at the Permanent Representatives Committee meeting of 12 June 2013.
4. The draft Report is therefore forwarded to the Council (ECOFIN) of 21 June 2013 for endorsement by Finance Ministers of the Pact as set out in the Annex (on the understanding that the text in brackets would be updated before forwarding the Report to the European Council).

Subject: Draft Report by Finance Ministers on Tax issues in the framework of the Euro Plus Pact

1. As set out in the EC conclusions of 9 December 2011¹, this report by participant Finance Ministers of the Euro Plus Pact covers progress made in structured discussions on the coordination of tax policies.
2. The Irish Presidency approach to coordination of tax policies in accordance with the Euro Plus Pact built on and enhanced the work undertaken by previous Presidencies. In particular the Irish Presidency strengthened the role of the High Level Working Party (HLWP) on Tax issues in relation to tax aspects of the European Semester process. Member States have agreed that the Commission should now inform the HLWP concerning the tax aspects of the European Semester process prior to designing recommendations. The Irish Presidency also updated Member States on the work being carried out as part of the tax dialogue in the EPC. There was strong support for this work to be monitored on an ongoing basis by the HLWP.
3. Another innovation of the Irish Presidency has been the initiative of inviting Member States to present to the HLWP work ongoing in their tax systems to improve revenue collection or new sources of revenue that may be of interest to Member States. Member States actively participated in this initiative. It was agreed that future Presidencies would also continue to offer Member States the opportunity to present at future HLWP meetings.

¹ EUCO 139/1/11 REV 1 (item 6).

4. The Irish Presidency focused on the area of tackling tax fraud and evasion as part of its tax priorities. Agreement on the Negotiating Mandate for agreements with third countries in relation to the Savings Agreement was adopted by the May ECOFIN. The Council notes that the European Council conclusions of 22 May 2013 acknowledge the consensus on the scope of the revised Directive and call for its adoption by the end of 2013. Comprehensive Council conclusions in relation to the Commission's Action Plan and two associated recommendations were adopted by the Council on 14 May 2013.² In addition in the area of combating VAT Fraud [agreement was reached on two Directives – Reverse Charge Mechanism and a VAT Quick Reaction Mechanism].
5. In relation to the Commission's proposal on a Common Consolidated Corporate Tax Base (CCCTB), the Presidency fulfilled the mandate received from the European Council and held an orientation at the HLWP where consensus was achieved on a step by step approach to future technical work; the incoming Presidency will continue to work accordingly.
6. In addition, in relation to the other dossiers identified in the Euro Plus Pact, in particular the Commission proposals on energy taxation and on a common system of financial transaction tax (FTT) by way of enhanced cooperation, work is ongoing and the proposals are being taken forward.
7. Member States have continued to work constructively in order to achieve progress across a range of tax dossiers and the comprehensive Presidency report highlighting progress made during the last six months provides additional detail.³

Progress in the area of combating tax fraud and tax evasion continues to be a priority for Member States.

8. The incoming Presidencies are invited to pursue work in these fields and to continue monitoring results in the context of the Council HLWP.

² Doc. 9549/13 FISC 94 ECOFIN 353.

³ Doc. 10659/13 FISC 122 ECOFIN 518.