"IA" ITEM NOTE

from: General Secretariat
to: Coreper/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 14 November 2012.

3. The Permanent Representatives Committee is therefore invited to:
   – forward the draft report to Council (ECOFIN) of 4 December 2012;
   – suggest endorsement of the report by Finance Ministers of the Pact as set out in the Annex.
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 2011, this report by participant Finance Ministers of the Euro Plus Pact covers progress made in structured discussions on the coordination of tax policies.

2. Participants welcomed the Cyprus Presidency's intention to focus on areas where more ambitious activities can be envisaged and to continue to pay particular attention to how tax policy can support economic policy coordination and contribute to fiscal consolidation and growth. They welcomed the comprehensive Presidency's report highlighting progress made during the last six months.

3. In particular, participants welcomed the work done during the Cyprus Presidency regarding the Commission proposals on a Common Consolidated Corporate Tax Base (CCCTB), on energy taxation and on a common system of financial transaction tax and they called on the incoming Presidency to carry on in this way.

4. Participants confirmed that discussions, in particular in HLWP, have allowed a number of key issues set out in the Finance Ministers report to the EC in December 2011 to be taken up.

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1 EU CO 139/1/11 REV 1 (item 6).
2 Doc. 16327/12 FISC 166 ECOFIN 949.
3 See report on issues to be covered by the structured discussions on tax co-ordination: doc. 17951/11 FISC 157 ECOFIN 847 CO EUR-PREP 51.
They noted that, against the background of progress achieved, the issues set out in the December 2011 report should be looked at more specifically in the months to come, with a particular focus on exchange of best practices and international coordination.

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