NOTE

From: General Secretariat of the Council
To: Delegations
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 19 November 2013.

3. Subsequently the Report was forwarded, via Coreper, to the Council (ECOFIN) on 10 December 2013, and endorsed by Finance Ministers of the Pact with a view to its submission to the European Council on 19/20 December 2013.
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\(^1\), 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 Lithuanian Presidency approach to coordination of tax policies in accordance with the Euro Plus Pact built on the work undertaken by previous Presidencies.

As done during the Irish Presidency, the Lithuanian Presidency invited Member States to present to the HLWP, work ongoing regarding their tax systems, in particular regarding measures aimed to fight tax fraud. Member States actively participated in this initiative at the HLWP meeting on 12 September 2013. France, Ireland and Slovakia made presentations on their approach to the fight against tax fraud. It was agreed that future Presidencies would also continue to offer Member States the opportunity to present their tax systems at future HLWP meetings.

\(^1\) EUCO 139/1/11 REV 1 (item 6).
3. The following progress was noted on a number of files which were considered relevant under the Euro Plus Pact.

a) The European Council conclusions of 22 May 2013 acknowledged the consensus on the scope of the revised Directive on the taxation of savings income and called for its adoption by the end of 2013. As a response to this call by the European Council, the Presidency submitted the issue to the preparatory bodies of the Council. The Commission updated Member States on its contacts with five non-EU Western European countries (on the basis of the negotiating mandate adopted by ECOFIN in May 2013). Against this background the Presidency submitted the revised Savings Directive in the form agreed at technical level to the Council (ECOFIN) on 15 November 2013 and 10 December 2013 in view of the European Council mandate to reach a political agreement on the issue by the end of 2013. The political agreement could not be reached due to reservations by two delegations.

b) In relation to the Commission’s proposal on a Common Consolidated Corporate Tax Base (CCCTB), the Presidency led intensive technical discussions in the Council preparatory bodies on the basis of a compromise text covering some aspects of the proposal.

c) In relation to the other legislative files 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 has been carried forward at technical level during the Lithuanian Presidency.
d) On 11 June 2013, the Commission presented a revision of Directive 2011/16/EU on administrative cooperation in the field of (direct) taxation. The Presidency has put this file high on its agenda, discussing the issue at the High Level Working Party (HLWP) and the Informal ECOFIN Council in Vilnius in September 2013.

On that basis, the work undertaken by the OECD on developing automatic exchange of information as a global standard has been discussed at experts’ level by the Working Party on Tax Questions, which resulted in a letter by the Presidency to the OECD Secretariat addressing the points of concern that had been discussed, as an input to ongoing discussions at the OECD.

4. A comprehensive ECOFIN report highlighting progress made during the last six months provides additional detail on the work carried out at the EU level.²

5. The incoming Presidencies are invited to pursue work in these fields, taking into account the specific aims pursued under the Euro Plus Pact, and to continue monitoring results in the context of the Council HLWP.

² Doc. 17674/13 FISC 259 ECOFIN 1147 CO EUR-PREP 50.