



Council of the
European Union

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NOTE

From: Presidency
To: Delegations

Subject: Italian Presidency's Work Programme for the Council (ECOFIN)

Delegations will find attached the Italian Presidency's Work Programme for the ECOFIN Council and the draft provisional Council agendas for the second half of 2014.



Italian Presidency
of the Council
of the European Union



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

A new economic policy agenda

The present juncture calls for a profound change in the EU economic policy agenda towards the most effective policy strategy to restore growth, create jobs and rebuild a positive relationship between the Union and its citizens, based on broad ownership of European policy.

Growth is very low and unemployment at unacceptably high levels. The recovery remains weak and uneven, with the risk of even more divergence across Member States. Fiscal consolidation is still challenging in spite of the unprecedented efforts that have been made, because of subdued growth and very low inflation. Sustained growth, financial stability and fiscal sustainability go hand in hand with one another: establishing the conditions for an increase in potential growth is the best possible strategy for ensuring the sustainable provision of adequate public services and the social cohesion necessary in order for economic systems to prosper durably. It is a means of rekindling positive expectations, improving confidence and the overall economic climate, and thereby further boosting growth prospects.

The focus on structural reforms is the cornerstone of the new vision underpinning the Presidency's policy agenda. Reforms and the innovations they stimulate are the major driver of growth, especially if the reform effort is wide-ranging at national level and is simultaneous with analogous efforts in other countries.

To that end, the Presidency will put forward a new European economic policy agenda based on structural reforms and investments in growth and jobs. Following the assessment of the economic situation of the euro area and the common guidelines for Member States within the European Semester, the ongoing process of policy coordination could be strengthened in order to contribute to the maximisation of positive spillovers, and will attest to the added value of coordinated reform efforts across Europe.

A common policy process, supported by an appropriate information strategy, can help to explain to citizens the rationale underpinning reforms and give a European dimension to a new growth strategy. Genuine and wide-ranging reform efforts should be encouraged and underpinned by appropriate incentives.

The Commission's review of the legislative package on economic governance scheduled for December 2014 will allow for a further assessment of the effectiveness of the current fiscal framework as well as of the macroeconomic imbalance procedure, so as to achieve coordination of policy actions and convergence of economic performances.

The Italian Presidency is committed to continuing work on deepening the EMU along the "four pillars" road map outlined in the report of the four Presidents ("Towards a genuine Economic and Monetary Union") and endorsed by the EU leaders in December 2012. While significant progress has been made in the field of financial stability and banking union, a decisive step forward is needed in order to take EMU integration to a new level. The progress achieved in coordinating budget decisions will form the basis for advancing the objective of a capacity to absorb external shocks and enhance the resilience of the euro area. The stronger the signal given by the euro area in terms of the irreversibility of the integration process, the sounder the economic climate for reforms and investment to foster growth and employment.

The review of the Europe 2020 Strategy represents an opportunity to refocus policy objectives and instruments on the true drivers of growth and on the investment and structural reforms necessary for ensuring job-rich, sustainable and inclusive growth. In this regard the Presidency will work towards the mid-term review of the Europe 2020 Strategy and encourage an effective policy debate in the ECOFIN Council.

Banking Union

The Presidency will oversee all the necessary arrangements for a successful start-up of the Single Supervisory Mechanism, due to take place in November 2014; it will be looking closely at the process of establishing the Single Resolution Board, which could start as soon as the Single Resolution Mechanism Regulation is published, as well as the process of ratification of the related Intergovernmental Agreement by the participating Member States.

In particular, the Presidency will steer the Council's oversight of and communications relating to the finalisation of the agreed comprehensive Assessment, including balance sheet assessment, Asset Quality Reviews and Stress Tests by the European Central Bank and EBA, and the national and European follow-up actions, with due regard for financial stability considerations.

Strengthening the Regulation of Financial Markets

The Presidency will continue to work towards strengthening the regulation of financial markets, with a view to facilitating credit flows to the real economy and maintaining confidence in the sound and efficient functioning of financial markets and intermediaries. Financial market integrity, including the prevention of the misuse of the financial system for illicit purposes, will remain a priority.

As set forth in the Commission Communication on the Long-term Financing of the European Economy, Italy expects to contribute to the modernisation of the framework for long-term investors, such as insurance companies, pension funds and other long-term vehicles. In this connection, the Italian Presidency will closely follow the implementing measures aimed at completing the Solvency II framework as regards the insurance sector, with due attention also being given to pension funds through a revision of the Institutions for Occupational Retirement Provision (IORP) Directive. The Italian Presidency will aim at finalizing the legislation concerning the creation of a new category of pooled funds, the “European Long Term Investment Funds”.

Furthermore, the Presidency will seek agreement within the Council on possible improvements to the functioning of the European System of Financial Supervision following the review of the first few years of its activities.

The Italian Presidency will endeavour to make further progress on the Regulation proposed by the Commission aimed at restoring confidence in benchmarks, the integrity of which is critical in view of their widespread use as a point of reference in contracts and financial instruments.

In the banking sector, the Presidency will follow on from the Commission proposals to introduce structural measures to reduce the interconnectedness of extremely large banking groups with a view to improving prudential safeguards and reducing the possibility of using public funds in the event that a resolution process becomes necessary. Also the accompanying measures aimed at increasing reporting and disclosure of securities financing transactions in the shadow banking sector will be addressed. Finally, in the quest to subject ‘shadow banking’ activities to proper supervision, the Italian Presidency will address the Commission proposal for the Regulation of money market funds.

A special focus will also be given to the update of the regulatory framework for payment systems to reduce its present fragmentation among Member States and to align it with recent technological innovations, making sure that efficiency gains and payment security are passed on to consumers. Enhancing consumer protection and increasing market integration and efficiency are also the objectives attached to the revision of the Insurance Mediation Directive (IMD2), whose negotiation is expected to achieve significant progress under the Italian Presidency.

Finally, the Presidency will aim at finalizing if feasible the new Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing as well as the Regulation on information accompanying transfers of funds to improve traceability of payments and to be fully compliant with FATF International Standards.

Taxation

In the area of taxation, the Italian Presidency will focus on issues relating to transparency and the fight against tax fraud and evasion. The Presidency will seek to finalise discussions on the amending Directive 2011/16/EU on administrative cooperation in the field of taxation, with the aim of extending the automatic exchange of information in line with new international standards.

The Italian Presidency will also monitor negotiations on the revision of the agreements with third countries (Andorra, Liechtenstein, Monaco, San Marino and Switzerland) on savings taxation. The Presidency will carry forward discussions on improvements to administrative cooperation in the field of VAT.

The Italian Presidency will also work on measures aimed at preventing double non-taxation. In this context, the Presidency will continue discussions on amending the Parent/Subsidiary Directive and carry forward work in the area of mismatches caused by hybrid structures. The Presidency will also take forward discussions on the Common Consolidated Corporate Tax Base (CCCTB), with a particular focus on the tax base elements and cross-border aspects, and on the Interests and Royalties Directive 2003/49/EC.

Building on the ongoing work at OECD level in the context of the Base Erosion and Profit Shifting (BEPS) Action Plan and on the analysis carried out by the European Commission, the Italian Presidency will continue discussions on the issue of the taxation of the digital economy.

In the field of indirect taxation, the Italian Presidency will pursue discussions on improvements to the VAT system in order to make it more resilient and simpler for economic operators. The Presidency will further progress on the proposals on standard VAT returns and the VAT treatment of vouchers. The proposal on insurance and financial services will also be resumed and advanced as appropriate.

The Council will be working towards an agreement on the proposal on Energy Taxation. Moreover, the Presidency will work towards an agreement also on the Financial Transaction Tax, within the framework of an enhanced cooperation procedure taking due account of the implications for the proper functioning of financial markets.

EU Budget

The Council will consider the EU budget an important instrument to translate into real terms the objectives of growth and jobs. Consequently, the Italian Presidency will aim to adopt the Annual Budget so as to ensure the resources for an effective implementation of the new programmes within the Multiannual Financial Framework and of the outstanding commitments as well. Moreover, the Council will give an appropriate degree of attention to the sound financial management of EU funds, with due regard for the Annual report of the Court of Auditors.

Representing the EU in the G20

The Italian Presidency will work to ensure effective and thorough preparation and follow-up in the ECOFIN of the G20 meetings of Finance Ministers and Central Bank Governors. In preparation of these meetings, the Presidency will lead the formulation of the EU's common position on G20 priority issues, notably growth strategies, reforms, investment in infrastructure and SMEs, as well as taxation and beneficial ownership, financial regulation and IMF Reform.

The ECOFIN will prepare EU participation in the G20 meetings of Finance Ministers and Central Bank Governors as well as participation to the Annual meetings of the IMF and World Bank Group.

Main Presidency Events

The Informal ECOFIN will be held in Milan on 13 September 2014.

The Eleventh ASEM Finance Ministers' Meeting will be held in Milan in the afternoon of 12 September 2014.

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 8 JULY 2014

- **Adoption of the agenda**

Legislative deliberations

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

- *(poss.)* **Approval of the list of A items**

Any other business

- **Level 2 legislation concerning bank contributions under BRRD/SRM**
 - State of play

Non-legislative activities

- **Approval of the list of "A" items**
- **Presentation of the Italian Presidency Work Programme¹**
 - *Exchange of views*
- **Review of the EU2020 strategy**
 - *Policy debate*

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

- **Savings taxation: update on negotiations with third countries**

- *Information point*

Any other business

Monday 7 July 2014

11:00 Macro-economic dialogue

15:00 Eurogroup

Tuesday 8 July 2014

09:00 Breakfast

10:30 Council (ECOFIN)

PROVISIONAL AGENDA
(POSS.) ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL
BRUSSELS – 17 JULY 2014

- **Adoption of the agenda**

Legislative deliberations

- **Adoption of the Council's position on the draft Union budget for 2015 (*)**

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.

The formal adoption of the Council's position will be done in early September, after the end of the eight-week period foreseen in Protocol No 1 on the role of national parliaments in the European Union, by written procedure.

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
LUXEMBOURG – 14 OCTOBER 2014

- **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**

- **Mandatory automatic exchange of information**
 - **Proposal for a Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation**
Interinstitutional file: 2013/0188 (CNS)
 - *Political Agreement*

- **(poss.) Energy taxation**
 - **Proposal for a Council Directive amending Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity**
Interinstitutional file: 2011/0092 (CNS)
 - *Political agreement*

Any other business

Non-legislative activities

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

- **(poss.) Preparation of the European Council on 23-24 October 2014**
 - *Exchange of views*

- **(poss.) Review of the supervisory structure**
 - *Follow up to the Commission reports: Exchange of views*

- **Follow-up to G20 Finance Ministers and Governors' meeting on 9-10 October 2014 and Annual meetings of the IMF and World Bank Group on 10-12 October 2014 in Washington**
 - *Information from the Presidency and the Commission*

- **(poss.) European Semester: Lessons from 2014 and way forward**
 - *Exchange of views*

- **Commission update on negotiations with third countries on taxation of savings**
 - *Information point*

Any other business

Monday 13 October 2014

15:00 Eurogroup

Tuesday 14 October 2014

09:00 Ministerial dialogue with EFTA countries

10:30 Breakfast

11:00 Council (ECOFIN)

13:00 (*poss.*) Lunch

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 7 NOVEMBER 2014

- **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**

- **(poss.) Financial Transaction Tax**
 - **Proposal for a Council Directive implementing enhanced cooperation in the area of Financial Transaction Tax**
Interinstitutional file: 2013/0045 (CNS)
 - *Political agreement*

- **(poss.) Single Resolution Mechanism**
 - *Approval of a Council Implementing Act on banks' ex-ante contributions to the Single Resolution Fund*

- **Common Consolidated Corporate Tax Base**
 - **Proposal for a Council Directive on a Common Consolidated Corporate Tax Base**
Interinstitutional file: 2011/0058 (CNS)
 - *Orientation debate*

- **Standard VAT return**
 - **Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return**
Interinstitutional file: 2013/0343 (CNS)
 - *Political agreement*

- **(poss.) Vouchers**
 - **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)
 - *Political agreement*

- **(poss.) Insurance mediation (First reading)**
 - **Proposal for a Directive of the European Parliament and of the Council on insurance mediation**
Interinstitutional file: 2012/0175 (COD)
 - *General approach*

- **(poss.) Payment services in the internal market (First reading)**
 - **Proposal for a Directive of the European Parliament and of the Council on payment services in the internal market and amending Directives 2002/65/EC, 2013/36/EU and 2009/110/EC and repealing Directive 2007/64/EC**
Interinstitutional file: 2013/0264 (COD)
 - *General approach*

- **(poss.) Proposal for a Regulation of the European Parliament and of the Council on interchange fees for card-based payment transactions**
Interinstitutional file: 2013/0265 (COD)
 - *Exchange of views*

- **(poss.) Securities Financing Transactions (SFT)**

Proposal for a Regulation of the European Parliament and of the Council on reporting and transparency of securities financing transactions

Interinstitutional file: COD 2014/0017

- *General approach*

Any other business

Non-legislative activities

- **Approval of the list of "A" items**
- **Implementation of the Single Supervisory Mechanism**
 - *State of play*
- **(poss.) Preparation of the G20 Finance Ministers and Governors' meeting on 13-15 November 2014 in Brisbane, Australia**
 - *Terms of reference*
- **EU statistics**
 - *Council conclusions*
- **(poss.) Follow-up to the European Council on 23-24 October 2014**
 - *Exchange of views*
- **Preparation of the 20th Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Lima from 1 to 12 December 2014**
 - *Council conclusions*

Any other business

Thursday 6 November 2014

10:30 **Informal dialogue of representatives of the Council (ECOFIN) and of the European Parliament**

15:00 **Eurogroup**

Friday 7 November 2014

09:00 **Breakfast**

10:00 **Council (ECOFIN)**

13:00 **(*poss.*) Lunch** _____

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS (BUDGET) COUNCIL
BRUSSELS – 14 NOVEMBER 2014

- **Adoption of the agenda**

Legislative deliberations

- **Agreement on the joint text of the Union Budget for 2015 (*)**

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 – 9 DECEMBER 2014

- **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**

- **Mandatory automatic exchange of information (*)**
 - **Proposal for a Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation**

Interinstitutional file: 2013/0188 (CNS)
 - *Adoption*

- **(*poss.*) Indices used as benchmarks in financial instruments and financial contracts (First reading)**
 - **Proposal for a Regulation of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts**

Interinstitutional file: 2013/0314 (COD)
 - *General approach*

- **(*poss.*) Activities and supervision of institutions for occupational retirement provision (First reading)**
 - **Proposal for a Directive of the European Parliament and of the Council on the activities and supervision of institutions for occupational retirement provision**
Interinstitutional file: 2014/0091 (COD)
 - *General approach*

- **(*poss.*) Money Market Funds (First reading)**

- **Proposal for a Regulation of the European Parliament and of the Council on Money Market Funds**

Interinstitutional file: 2013/0306 (COD)

- *General approach*

- **Six Pack and Two Pack - Mid-term review**

- *Exchange of views*

- **(poss.) Review of the Europe 2020 strategy**

- *Exchange of views*

Any other business

- **Current legislative proposals**

- *Information from the Presidency*

Non-legislative activities

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

- **(poss.) Follow-up to the G20 Finance Ministers and Governors' meeting on 13-15 November 2014 in Brisbane, Australia**
 - *Information by the Presidency and the Commission*

- **(poss.) Implementation of the Stability and Growth Pact (*) (restricted session)**
 - *Draft Council Decision/Recommendation*

 - **Macroeconomic Imbalance Procedure – Commission Alert Mechanism Report**
 - *Exchange of views*

 - **Annual Growth Survey 2015**
 - *Exchange of views*

- **Presentation of the new Commission work programme for financial services**
 - *Orientation debate and Council conclusions*

- **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*

- **Annual report of the Court of Auditors on the implementation of the budget for the financial year 2013**
 - *Presentation*

Any other business

(*) Items on which a vote might be requested

Monday 8 December 2014

15:00 Eurogroup

Tuesday 9 December 2014

09:00 Breakfast

10:00 Council (ECOFIN)

13:00 (*poss.*) Lunch
