



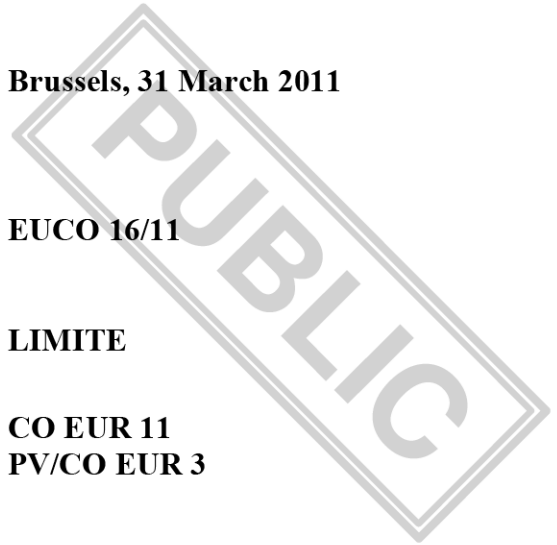
**EUROPEAN COUNCIL**

**Brussels, 31 March 2011**

**EUCO 16/11**

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**DRAFT MINUTES**

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Subject: Meeting of the EUROPEAN COUNCIL  
held on 24 and 25 March 2011

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## **1. Exchange of views with the President of the European Parliament**

The President of the European Parliament was heard by the European Council.

## **2. Adoption of the agenda**

The European Council adopted its agenda (doc. EUCO 5/11).

## **3. Main issues**

### **- Economic policy <sup>1</sup>**

The European Council held a discussion on economic policy and adopted a comprehensive package of measures to respond to the crisis and preserve financial stability. The Euro Plus Pact as agreed by the euro Heads of State or Government was joined by Bulgaria, Denmark, Latvia, Lithuania, Poland and Romania.

### **- Libya and Southern neighbourhood**

The European Council discussed the situation in Libya and in the Southern neighbourhood.

### **- Japan**

The European Council discussed the situation in Japan and the lessons to be drawn from the events occurred, notably as regards nuclear safety. It reiterated its readiness to support Japan to overcome the challenges it faces.

## **4. Conclusions**

The European Council approved its conclusions, setting out the outcome of its discussions (doc. EUCO 10/11).

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<sup>1</sup> cf. declaration by Malta in ANNEX I.

**5. European Council Decision amending Article 136 of the Treaty on the Functioning of the European Union with regard to a stability mechanism for Member States whose currency is the euro <sup>1</sup>**

The European Council adopted the Decision amending Article 136 of the Treaty on the Functioning of the European Union with regard to a stability mechanism for Member States whose currency is the euro (doc. EUCO 11/1/11 REV 1).

**6. European Council Decision appointing a member of the Executive Board of the European Central Bank**

The European Council adopted the Decision appointing a member of the Executive Board of the European Central Bank (doc. EUCO 9/1/11 REV 1).

**7. Adoption of the minutes of the European Council meeting on 4 February and on 11 March 2011**

The European Council adopted the minutes of its meetings held on 4 February and on 11 March 2011 (docs. EUCO 4/11 and EUCO 12/11).

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<sup>1</sup> cf. joint declaration by Cyprus and Malta in ANNEX II.

**Declaration by Malta on corporate tax**

Malta:

- NOTES that the Heads of State or Government of the Eurozone have agreed that “Developing a common corporate tax base could be a revenue neutral way forward to ensure consistency among national tax systems while respecting national tax strategies” in the Pact for the Euro;
- HOLDS that a common corporate tax base would only be revenue neutral if it respects the comparative and competitive advantage of Member States;
- UNDERLINES that the Heads of State or Government of the Eurozone refer to a common corporate tax base and not a common consolidated corporate tax base;
- HOLDS that the Commission’s proposal on a common consolidated corporate tax base would distort the comparative and competitive advantage of Member States and penalise those economies where productivity is relatively high and/or that have moved to higher value-added economic activities and/or where market size is limited.

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**Joint Declaration by Cyprus and Malta concerning the decision amending article 136  
of the TFEU with regard to the setting up of the European Stability Mechanism**

Without prejudice to the provision of article 125 of the treaty on the functioning of the European Union (TFEU), the reference in the proposed amendment of article 136 of the TFEU that “the ESM will be activated by mutual agreement, if indispensable to safeguard the financial stability of the euro area as a whole” does not *ipso jure* preclude that the mechanism be used to provide financial assistance to any Member State whose currency is the Euro, since financial stability of the euro area as a whole is inextricably linked to its integrity and the financial stability of all its members.

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