**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 3 December 2010

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LIMITE

FISC 149
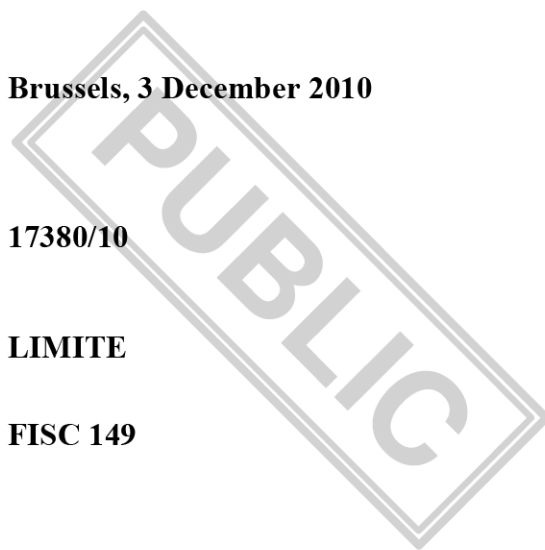
NOTE

from:	General Secretariat
to:	Council
Subject:	Code of Conduct (Business Taxation)
	- Report of the Code of Conduct Group to the Council
	- Draft Council Conclusions

1. At its meeting on 19 November 2010 the Code of Conduct Group (Business Taxation) agreed its report to the Council (ECOFIN) as set out in doc. 16766/10 FISC 139.

2. Subsequently the Chair of the Group put forward the draft Council conclusions (doc. 16769/10 FISC 140), which were discussed by COREPER on 1 December 2010.

3. In the light of the discussion, the Presidency submits to the Council the following set of the draft conclusions:

"With regard to the Code of Conduct (Business Taxation), the Council:

– welcomes the progress achieved by the Code of Conduct Group (Business Taxation) during the Belgian Presidency and takes note of the report as set out in doc. 16766/10 FISC 139;

– asks the Group to continue monitoring standstill and the implementation of rollback, as well as to carry on the work under the Work Package agreed by the Council (ECOFIN) on 5 December 2008 (doc. 16410/08 FISC 174);

– in order to facilitate the work of the Group in promotion of the adoption of the principles of the Code of Conduct in third countries, encourages the Commission to continue discussions with Switzerland and Liechtenstein on the application of the principles and criteria of the Code as requested in the Council conclusions adopted on 8 June 2010 (doc. 10595/10 FISC 57) and to keep the Group regularly informed of the progress;

– takes note that the Hungarian Presidency will address the scope of the Code of Conduct at the Council High Level Working Party and invites the Hungarian Presidency to report back to the Council by the end of the Hungarian Presidency;

– invites the Group to report back on its work to the Council by the end of the Hungarian Presidency."

4. The Council is invited to agree on these draft conclusions.

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