



**COUNCIL OF
THE EUROPEAN UNION**

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ADDENDUM to DRAFT MINUTES

Subject: **3227th** meeting of the Council of the European Union (**ECONOMIC and FINANCIAL AFFAIRS**) held in Brussels on 5 March 2013

PUBLIC DELIBERATION ITEMS¹

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¹ Deliberations on Union legislative acts (Article 16(8) of the Treaty on European Union), other deliberations open to the public and public debates (Article 8 of the Council's Rules of Procedure).

LEGISLATIVE DELIBERATIONS

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

2. Revised capital requirements rules (CRD IV) [First reading]

- a) Proposal for a Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms**
 - b) Proposal for a Directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate**
- Political endorsement
6947/13 EF 32 ECOFIN 161 CODEC 455

The Council took note of a broad majority in favour of the compromise package and on this basis asked the Committee of Permanent Representatives to finalise the negotiations with the European Parliament. The Council also took note of some outstanding technical points, including on the date of entry into force and some details of how the remuneration cap is implemented, which the Presidency undertook to iron out with the Parliament over the coming weeks, hoping some progress could be made before concluding.

Germany, joined by the Netherlands for the first part of the text, made a statement to the minutes as set out hereafter:

"Germany recognizes the major importance of the CRD IV package in the general framework of the EU financial markets regulation and, therefore accepts the compromise package.

- I. However, Germany stresses again its fundamental disagreement with the provision of Art. 86 (2) 2a of the CRD IV Directive regarding gender balance in management bodies. Germany continues to be of the opinion that there is no valid legal basis in the Treaties for the adoption of the mentioned provision and that, in any event, it does not comply with the principle of subsidiarity.

Furthermore, Germany stresses that its acceptance of the compromise on the CRD IV package as a whole is completely without prejudice to Germany's position regarding the draft directive on women on company boards being currently discussed in Council bodies.

Notwithstanding its general disagreement with Art. 86 (2) 2a in the draft CRD IV directive, Germany underlines its understanding that this provision contains no obligation for nomination committees to decide on a target number quota for the underrepresented gender in the composition of the management body. Germany furthermore underlines that it will not accept any changes to the compromise text at hand which foresee even more rigid obligations with regard to gender balance in management bodies.

- II. Furthermore, with regard to the compromise on country by country reporting obligations, Germany would have appreciated to discuss such a provision in the Accounting Directive rather than in the CRD IV package, as it is a matter of transparency rather than of financial stability. Germany's acceptance of the compromise on the CRD IV package is made without any prejudice to the negotiations on the Accounting Directive and on the Amendment of the Transparency Directive."

3. VAT fraud: Quick reaction mechanism - Reverse charge mechanism

- Political guidelines
6717/1/13 REV 1 FISC 34

The Council held an exchange of views on the way forward concerning two legislative proposals aimed at better and more rapidly combating VAT fraud. A broad majority of Member States indicated that they could support the way forward suggested by the Presidency in the form of a package encompassing both proposals.

In the light of the Council's discussion and the guidance received, the Presidency announced its intention to carry forward work on the compromise package at the level of experts, on the basis of guidelines set out in Annex II of doc. 6717/1/13 REV 1.

The Presidency remains open to explore any concrete proposals by member states supporting the objectives of the package, in particular in delivering the requisite speed to tackle sudden and massive fraud.

The aim of the Presidency remains to seek an adoption of the legislative proposals by the Council before the end of June.

4. Economic governance - "Two pack"

- a) **Proposal for a Regulation on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area**
- b) **Proposal for a Regulation on the strengthening of economic and budgetary surveillance of Member States experiencing or threatened with serious difficulties with respect to their financial stability in the euro area**
- Information from the Presidency

The Council took note of the information provided by the Presidency and by the Commission on the "two-pack" agreement reached by the European Parliament and the Council.

5. Any other business

- **Current legislative proposals**
 - Information from the Presidency

The President informed the Council on the state of play of a number of legislative files in the financial services sector:

- the Proposal for a Single Supervisory Mechanism and the revision of the Regulation on the European Banking Authority;
- the Proposal for Bank Recovery and Resolution;
- the Proposal for the Markets in Financial Instruments Regulation, MiFIR, and the Proposal for the Markets in Financial Instruments Directive, MiFID; and
- the Mortgage Credit Directive, MCD.

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