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THE EUROPEAN UNION**

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**NOTE**

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from: General Secretariat of the Council  
to: Delegations  
Subject: Summary record of the meeting of the European Parliament **Committee on Economic and Monetary Affairs (ECON)** held in Brussels on 30 January 2014  
Chair: Ms Bowles (ALDE, UK)

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**Half-day meeting at which ECON exchanged views on the Statistics for the Macroeconomic Imbalance Procedure and voted on several files including its own-initiative report on the Annual Growth Survey 2014 and the Amendment to Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return.**

***Agenda Item 1***

**Adoption of the agenda**

The agenda was adopted.

## ***Agenda Item 2***

### **Chair's announcements**

Ms BOWLES (ALDE, UK) mentioned that the first trilogue on key information documents and disclosure had taken place on 29 January and had dealt with the scope, the design of the document, the annex and the supervisory powers of the European Supervisory Authorities and competent authorities. She announced that the next trilogue would take place on 18 February.

She told the Committee that the third trilogue on the Single Resolution Mechanism had taken place on 29 January and had dealt with the ruling of the European Court of Justice on short selling, the legal need for the Intergovernmental Agreement, the composition of the board, the appointment of members to the board and its accountability, the scope, and the order of priority of claims. She said that some progress had been made and that the next trilogue would take place on 5 February.

She also informed the Committee that there was a small draft corrigendum on the Markets in Financial Instruments Directive which aimed at correcting a reference in Article 10a (8). In accordance with Rule 216 of the Rules of Procedure of the European Parliament, in the absence of any objections from the Committee, the corrigendum would be submitted to the February I plenary session and deemed approved unless a request was made by a political group or at least 40 MEPs for the corrigendum to be put to the vote.

## ***Agenda Item 3***

### **The European Semester for economic policy coordination: Annual Growth Survey 2014**

ECON/7/13128 2013/2157(INI)

Rapporteur: Mr Philippe DE BACKER (ALDE)

- Consideration of amendments

Mr DE BACKER (ALDE, BE) underscored the convergence among political groups on most issues and called for Member States, within the context of the Annual Growth Survey (AGS), to abide by the new economic governance framework, for the continuation of structural reforms, the stimulation of growth friendly measures, the finalisation of the European Monetary Union (EMU), and in particular of the banking union, and for the enhancement of democratic accountability in the economic governance process.

In the debate that followed all speakers supported the report. Mr ZALBA BIDEGAIN (EPP, ES) underscored the fundamental role of SMEs in the economic recovery and highlighted difficulties in accessing credit. Mr EPPINK (ECR, BE) agreed with calls to pursue fiscal consolidation, to strengthen competitiveness, to simplify tax systems, to reduce social contributions and to modernise health and pension systems. Nevertheless, he reiterated his view that the AGS report was not the proper place to express political wishes on the EMU. Mr GIEGOLD (Greens/EFA, DE), on behalf of Mr LAMBERTS (Greens/EFA, BE), welcomed the focus on the Europe 2020 objectives, on the need to correct excessive macroeconomic imbalances, to preserve the community method and to assess the involvement of the Commission in the Troika. Moreover, he considered it appropriate to call for the completion of the EMU in the AGS report. Ms BOWLES (ALDE, UK) welcomed calls to ensure the provision and quality monitoring of statistical data as input to the macroeconomic imbalance procedure. She proposed to offer any Member State being investigated with regard to its provision of data the opportunity to participate in an exchange of views with the relevant EP Committee. Finally, Ms PODIMATA (S&D, EL) suggested replacing the Troika method by an EU legal structure. The vote in the Committee took place soon after and was approved by a wide majority.

Vote in Plenary: February 2014

#### ***Agenda Item 4***

#### **Amendment to Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return**

ECON/7/14450 2013/0343(CNS)

Rapporteur: Mr Ivo STREJČEK (ECR)

- Consideration of amendments

Mr STREJČEK (ECR, CZ) stressed the potential gains in additional revenue and/or savings for Member States and in the improvement of the functioning of the internal market. He also referred to the consensus among all political groups. This was reflected in the vote that took place soon after.

Vote in Plenary: April 2014

\*\*\* *Voting time* \*\*\*

**Agenda Item 5**

**The European Semester for economic policy coordination: Annual Growth Survey 2014**

ECON/7/13128 2013/2157(INI)

Rapporteur: Mr Philippe DE BACKER (ALDE)

- Adoption of draft report

The draft report was approved, with 35 votes in favour, 5 against and 0 abstentions.

**Agenda Item 6**

**Amendment to Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return**

ECON/7/14450 2013/0343(CNS)

Rapporteur: Mr Ivo STREJČEK (ECR)

- Adoption of draft report

The draft report was approved, with 39 votes in favour, 0 against and 1 abstention.

**Agenda Item 7**

**Enhancing the coherence of EU financial services legislation**

ECON/7/14549

Rapporteur: Ms Sharon Bowles (ALDE)

- Adoption of draft report

The draft report was approved, with 37 votes in favour, 0 against and 1 abstention.

\*\*\* *End of vote* \*\*\*

## **Agenda Item 8**

### **Statistics for the Macroeconomic Imbalance Procedure**

ECON/7/12975 2013/0181(COD)

Rapporteur: Mr Derk Jan EPPINK (ECR)

- Consideration of amendments

Mr EPPINK (ECR, BE) repeated some of the views expressed during the consideration of the draft report<sup>1</sup>. He said that there was broad agreement on almost all the aspects of the regulation, including: the need to align the proposal with the existing legislation; the clarification of the procedure for submitting the data for the Macroeconomic Imbalance Procedure (MIP) by including a cut-off date for Eurostat to extract data for the MIP scoreboard and a publication date for the MIP scoreboard indicators; the modification of the designation of the missions to Member States into "dialogue missions"; the replacement of the implementing acts proposed by the Commission by delegated acts; and the creation of a 'two-step approach' to imposing sanctions for manipulation of MIP data (interest bearing deposits + fine). He proposed including a recital that would create additional clarity and certainty on the legal basis of the Regulation. Additionally, he informed the Committee about his decision to drop his demand for sanctions to be restricted to Eurozone countries, and about his support for closer alignment between the current regulation and existing legislation and practices in the area of European statistics. Finally, he ended his comments with a note on democratic accountability and scrutiny, calling for the close involvement of the European Parliament (EP) – notably by having the chance to invite the heads of National Statistical Institutes (NSIs) to participate voluntarily in hearings – and for the Commission to report regularly on the implementation of the Regulation.

The exchange of views reflected the broad agreement among speakers on most issues. Many called for additional legal clarity, especially on sanctions, and for the Commission to act accordingly. Ms PODIMATA (S&D, EL), on behalf of Mr HOANG NGOC (S&D, FR), reminded the Committee that the establishment of fines in the Regulation that would be applicable to all statistics, which had been adopted by the EP, had been rejected by the Council. Subsequently, it was agreed that the issue would be dealt with in sectoral legislation.

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<sup>1</sup> See 17686/13 page 2.

Ms PODIMATA therefore considered it key for the EP to reflect its position in the final report and to focus on the legal basis once a political agreement had been reached.

Mr GIEGOLD (Greens/EFA, DE), on behalf of Mr LAMBERTS (Greens/EFA, BE) also called for further legal clarity on the sanctioning mechanism provided for in Article 9 and in particular on its consistency with the principle of proportionality and the other legal limits of the Treaty. He noted that Article 338 on the Treaty on the Functioning of the European Union (TFEU) was the legal basis of the Regulation and would enable the European Court of Justice to have jurisdiction to apply sanctions if Member States did not comply with the provisions of the Regulation, in particular with the obligation to avoid intentional misrepresentation of statistical data related to the indicators relevant for the MIP. This was in contradiction with the provisions of the 'six pack' that applied in the event of infringement of the excessive deficit procedure, which were not subject to the right to bring actions before the ECJ under Articles 258 and 259 (TFEU). He therefore called for the Legal Service of the Commission to give a clear opinion on sanctions before the Committee proceeded to the vote and mentioned that some Member States had strong legal reservations for similar reasons. He advocated a more proportional regime that would establish a more gradual approach on sanctions and more clarity on the process of transition to the two-step approach.

Finally, Mr GIEGOLD told the Committee that the Legal Service of the Council had also expressed some doubts on the legal basis proposed by the Commission.

Ms BOWLES (ALDE, UK) explained that their Legal Service could provide an opinion before the vote. Nevertheless she asked the Commission to provide additional information.

The Commission representative reassured the Committee that the current legal basis (Article 338 TFEU) was sufficient for the legal act on sanctions and explained that at the moment no written document on the matter was available.

Vote in ECON: 12 February 2014. Vote in Plenary: March 2014

### ***Agenda Item 9***

#### **Any other business**

There was no other business.

***Agenda Item 10***

**Date of next meeting**

The next meeting will be held in Strasbourg on 3 February 2014.

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