



Council of the
European Union

053012/EU XXV. GP
Eingelangt am 19/01/15

Brussels, 19 January 2015
(OR. en)

5335/15

ECOFIN 29

NOTE

From:	Presidency
To:	Delegations
Subject:	Latvian Presidency's Work Programme for the Council (ECOFIN)

Delegations will find attached the Latvian Presidency's Work Programme for the ECOFIN Council.

Work programme of the European Union Economic and Financial Affairs Council during the Latvian Presidency and the draft provisional agendas for the first half of 2015

Latvia will conduct its Presidency in the Economic and Financial Affairs Council in a transparent and open manner in line with the European Council guidance and in cooperation with the European Parliament as enshrined in the Lisbon Treaty. Latvia will continue working towards promoting sustainable economic recovery and growth in Europe by encouraging smart fiscal consolidation in line with the provisions of the *Stability and Growth Pact*, and developing further growth promoting initiatives, in particular, work on the implementation of the *Investment plan for Europe* by June 2015 as decided by the Heads of State and Government in December 2014.

Building on the work of the Italian Presidency in the area of economic and fiscal governance, the Latvian Presidency will carry out the six-pack and two-pack review started at the end of 2014, as well as complete the EU2020 Strategy review with a view to strengthening the drivers of European economic growth.

The European Semester has become an efficient tool for economic and fiscal policy coordination. The Latvian Presidency will ensure smooth running of the process with improvements initiated by the Commission during the next European Semester cycle.

Furthermore, based on the decisions taken by the October 2014 European Council, the Latvian Presidency expects proposals from the "Four Presidents" on the deepening of the Economic and Monetary Union and will continue working towards stronger, better functioning and more resilient Economic and Monetary Union.

The Latvian Presidency will also continue working on the Financial sector regulations and tackling tax fraud and evasion.

The Presidency together with the European Commission and the European Central Bank will represent the EU at the meetings of G-20 Finance Ministers and Central Bank Governors.

Finally, the Presidency will prioritise work on the macro-financial assistance to Ukraine.

Investment plan

The “Investment plan for Europe” has come at the right time and requires the immediate launching of work on all its pillars. In order to implement the December decisions of the Heads of State and Government, the Latvian Presidency has set out an ambitious plan to agree on the proposal for setting up a European Fund for Strategic Investments by June..

For the fulfilment of this plan the Latvian Presidency established an Ad-Hoc Working Party on the European Fund for Strategic Investments which will focus on achieving results by the deadline set by the European Council.

Another challenging aspect of the Investment plan is to act quickly to unlock the potential of the EU's internal market in order to render the investment climate much more favourable. The Latvian Presidency will ensure a coordinated discussion on the relevant areas, in particular on the digital market; however these might take longer and will go beyond the first half of 2015. The Latvian Presidency is also looking forward to the Commission suggestions on the Capital Markets Union and is planning to organise the initial discussions already at the informal ECOFIN in April.

The Latvian Presidency stands ready to cooperate closely with all stakeholders, including the European Commission, the European Parliament, the European Investment Bank in order to make substantial progress on the Investment Plan in its entirety.

European semester

The European Semester will enter its fifth cycle during the Latvian Presidency. The Semester has proven its importance in enhancing economic and fiscal policy coordination in the EU. In line with the comprehensive roadmap, the Latvian Presidency will ensure the smooth running of the process, while implementing changes as recommended in 2015 Annual Growth Survey.

In addition, in order to bring added value to the European semester process, to foster economic policy coordination and to promote political discussions, the intention of the Latvian Presidency is to organise a horizontal debate during March Council meeting on key structural reforms, main challenges in their implementation and best practices.

Economic governance

Based on the Commission's review of the Six Pack and the Two Pack legislation, the Latvian Presidency looks forward to engaging all stakeholders in discussions on simplifying the system and exploring the flexibility available within the framework. The Latvian Presidency intends to launch the discussion on the two-pack and six-pack review in January ECOFIN Council.

Implementation of Stability and Growth Pact

Credible rules and adhering to them are essential for the proper functioning of the Economic and Monetary Union. The Stability and Growth Pact is the cornerstone of European economic governance. The way it is implemented, has an impact on trust and confidence in public finances of the Member States. In order to ensure implementation of the **Stability and Growth Pact** and **Macroeconomic Imbalances procedure** the Latvian Presidency, following the proposals from the European Commission, will provide the necessary framework for proper discussions at March, May and June ECOFIN Councils.

Deepening of Economic and Monetary Union

Recognising the importance of the enhanced **economic governance within the Economic and Monetary Union**, the Presidency is looking forward to receiving the four presidents' report and stands ready to foster elaboration of new ideas.

Strengthening the Regulation of Financial Markets

The Presidency will work to continue strengthening the financial markets regulation to enhance consumer confidence in the sound and efficient functioning of financial markets and intermediaries. The sound and efficient financial and capital markets are key to the resilience and recovery of the real economy in the EU.

The Presidency will make sure that developments are monitored and will, as appropriate, facilitate political discussions on the implementation of the Banking Union mechanisms. In particular, a follow-up on the progress of the establishment of the Single Resolution Board will be considered by the Council with an aim to ensure smooth functioning of the newly established mechanism.

The Latvian Presidency will build on the progress achieved by the previous Presidency on the Bank Structural Reform (BSR) proposal and aim at a credible and well-balanced approach to address systemic risks from "too big to fail" banks. In line with the overall priorities of the EU, the Presidency will in particular scrutinize the proposal from the angle of growth and employment to ensure that sound lending avenues are not undermined and credit can continue to flow for the economic activity to pick up again in Europe. The aspiration is to reach an agreement in the Council by the end of the Presidency term.

In the same vein, the Presidency will engage in trilogue negotiations and strive to reach a political agreement with the European Parliament on the accompanying measures that are aimed at increasing the transparency of securities financing transactions (SFT).

In order to allow businesses, consumers and enterprises to reap the full range of benefits of the EU internal market, including e-commerce, the Presidency will work towards the finalisation of discussions on the revised Payments Services Directive (PSD2). The successful adoption of this proposal will improve the payments framework so that it better serves the needs of an effective European payments market, fully contributing to a payments environment which facilitates stronger competition, innovation and security to the benefit of all stakeholders and consumers in particular.

The Latvian Presidency will aim for finalisation of discussions with the European Parliament on the Benchmarks regulation, thereby restoring confidence in the integrity of benchmarks. It is crucial to find the right approach in the regulation in order to enhance the reliability of benchmarks and indexes, to facilitate the prevention and detection of their manipulation, and to clarify responsibility and the supervision of benchmarks by the authorities.

In the insurance sector, the Latvian Presidency will take forward the work on the Insurance Mediation Directive (IMD) aiming to reach the final agreement with the European Parliament. The new rules on insurance distribution will enhance transparency, improve the information provided to the insurance policy holder and further clarify passporting rules and market access for insurance distributors in the EU. The Directive will also aim to ensure consistency with other financial services files, especially as regards the sale of those insurance products that have an investment element, having regard to the specificities of insurance distribution across the EU.

In the area of occupational pensions, the Latvian Presidency will build on the negotiating mandate obtained at the end of 2014 for the revised Directive on the activities and supervision of institutions for occupational retirement provision (IORP2), which aims to facilitate occupational retirement saving in the EU. The Latvian Presidency stands ready to start trilogues with the European Parliament when practicable.

The Latvian Presidency will strive to make as much progress on the Regulation on Money Market Funds (MMF) as possible. Being mindful of the need to work towards an increased protection of investors in this particular type of funds as well as enhanced financial stability through prevention of contagion risk, the Presidency will build on the progress so far, yet considers further careful assessment of possible policy options warranted before resuming discussions in the second half of its term.

Taxation

In the area of **taxation**, the Latvian Presidency will continue the work on tackling tax fraud, evasion and avoidance. This work includes both currently existing initiatives and new initiatives that the Commission intends to propose.

Taking into account recent international developments, the Presidency will take the necessary steps in order to initiate discussions to commence the work on Base Erosion and Profit Shifting (BEPS) issues in the EU dimension (including the expected Commission's proposal on the automatic exchange of information on tax rulings in the EU). In the area of **direct taxation**, the Presidency plans to initiate the following discussions in the light of the EU dimension of BEPS:

- on the existing proposal for a Directive on a Common Consolidated Corporate Tax Base (CCCTB), taking into consideration consistency of BEPS deliverables with EU law.
- on the proposal to amend the Interest and Royalties Directive (IRD).

The Presidency will also monitor negotiations on the revision of the agreements with third countries (Andorra, Liechtenstein, Monaco, San Marino and Switzerland) on savings taxation.

Depending on the date of adoption of the Commission proposal to repeal Savings Directive, the Presidency will strive to reach a political agreement on this dossier.

Moreover, the Presidency will also continue to follow the work undertaken by the Code of Conduct Group on harmful business taxation regimes, notably with regard to "patent box" regimes and negotiations with third countries.

As regards **indirect taxation**, the Presidency will continue discussions regarding the rules that govern VAT treatment on vouchers with the aim to achieve agreement on minimum rules needed to clarify the legal situation in respect of vouchers potentially affected by the new VAT rules in force as of 1 January 2015.

The Presidency will continue work on a proposal aimed at reducing the administrative burden and increasing tax compliance in the form of the Standardised VAT Return.

The Presidency will also support the work on the proposal for a Directive implementing enhanced cooperation in the area of financial transaction tax (FTT).

EU budget

The Presidency will seek to ensure the smooth implementation of the annual budget for 2015. Council recommendations on budgetary discharge procedure for 2013 and budget guidelines for 2016 will be included in February ECOFIN Council for their approval. Following Commission's approval of draft budget for 2016, its presentation will be included on the agenda of the ECOFIN Council.

The Presidency will strive to abide by the deadline enshrined in the Council Regulation 1311/2013 laying down the multiannual financial framework (MFF) for the years 2014-2020 and ensure timely revision of MFF due to late adoption of programmes under shared management and related draft amending budget. Furthermore, the Presidency will aim at facilitating timely adoption of the draft amending budget related to the establishment of European Fund for Strategic Investments.

We will continue to work on the revision of the Financial Regulation in order to align it with the new public procurement directive. Due attention will be given to the expected Commission's proposal to amend Council regulation No.609/2014 on methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements. The ECOFIN Council is expected to take note of the first assessment presented by High Level Group on Own Resources and follow its further work progress.

Representing the EU in the G20

The Latvian 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 contribute to the formulation of the EU's common position on the priority issues of G20 regarding global economy, growth strategies, investment and infrastructure, financial regulation, reform of the international financial architecture and other relevant issues. Next to the G20 meetings of Finance Ministers and Central Bank Governors, ECOFIN will also prepare EU participation in the spring meetings of the IMF and World Bank Group.

Climate finance

Depending on the discussions of the outcome of the Conference of parties in Lima (COP20) and whether there will be new elements for the EU to elaborate, the Presidency will consider the possibility of discussion and adoption of ECOFIN Council conclusions as a preparation for a 2015 agreement on a climate change regime for the post-2020 period to be concluded in Paris at the 21st Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC).

Main Presidency Events

The informal ECOFIN will be held in Riga on 24 – 25 April 2015.

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 27 JANUARY 2015

- **Adoption of the provisional 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**
- **Investment Plan for Europe**
 - **Commission Proposal on the European Fund for Strategic Investments**
 - *Presentation by the Commission and exchange of views*

Any other business

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

Non-legislative activities

- **(poss.) Approval of the list of "A" items**
- **Presentation of the Presidency Work Programme ¹**
 - *Exchange of views*
- **Presentation of the Commission Work Programme ²**
 - *Exchange of views*

¹ Public debate in accordance with Article 8(2) of the Council's Rules of Procedure

² Public debate in accordance with Article 8(3) of the Council's Rules of Procedure

- **(poss.) Follow-up to the European Council Meeting on 18-19 December 2014**
 - *Exchange of views*
- **(poss.) Economic Governance**
 - *Exchange of views*
- Preparation of the G20 Meeting of Finance Ministers and Governors
(Istanbul, 9 and 10 February 2015)
 - *Terms of reference*

Any other business

p.m.

Monday 26 January 2015

15.00 **Eurogroup**

Tuesday 27 January 2015

09.00 **Breakfast**

10.00 **Council (ECOFIN)**

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 17 FEBRUARY 2015

- **Adoption of the provisional 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**
- **Investment Plan for Europe**
 - **Commission Proposal on the European Fund for Strategic Investments**
 - *State of play*
- **(poss.) Savings Directive**
 - **Proposal for a Council Directive repealing Savings Directive 2003/48/EC as amended, and providing for transitional provisions**
Interinstitutional file: 2008/0215 (CNS)
 - *Political agreement*

Any other business

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

Non-legislative activities

- **(poss.) Approval of the list of "A" items**
- **Annual Growth Survey 2015 and Alert Mechanism Report**
 - *Council conclusions / Exchange of views*

- **(poss.) Other measures in support of investment**
 - *Exchange of views*
- **Follow-up to the G20 Meeting of Finance Ministers and Governors on 9-10 February 2015 in Istanbul**
 - *Information from the Presidency and the Commission*
- **Discharge procedure in respect of the implementation of the budget for 2013**
 - *Council recommendation*
- **Budget guidelines for 2016**
 - *Council conclusions*
- **High level group on Own resources – first assessment report**
 - *Presentation by Chair of the High Level Group*

Any other business

p.m.

Monday 16 February 2015

11:00 Macro-economic dialogue
 15.00 Eurogroup

Tuesday 17 February 2015

09.00 Breakfast (EBRD matters may be discussed)
 10.00 Council (ECOFIN)

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 10 MARCH 2015

- **Adoption of the provisional 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**
- **(poss.) Investment Plan for Europe**
 - **Commission Proposal on the European Fund for Strategic Investments**
 - *General approach*
- **(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 / State of play*
- **(poss.) 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)
 - *Orientation debate*

Any other business

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

Non-legislative activities

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

- **(poss.) Preparation of the European Council on 19-20 March 2015**
 - *Exchange of views*
- **Europe 2020 strategy review**
 - *Presentation by the Commission and exchange of views*
- **(poss.) European Semester - Implementation of key structural reforms**
 - *Exchange of views*
- **(poss.) Other measures in support of investment**
 - *Exchange of views*
- **Establishment of the Single Resolution Board**
 - *State of play*
- **(poss.) Broad Economic Policy Guidelines**
 - *Exchange of views*
- **(poss.) Implementation of Stability and Growth Pact**

Any other business

p.m.

Monday 9 March 2015

15.00 Eurogroup

Tuesday 10 March 2015

09.00 Breakfast

10.00 Council (ECOFIN)

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
BRUSSELS – 12 MAY 2015

- **Adoption of the provisional 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**
- **(poss.) Investment Plan for Europe**
 - **Commission Proposal on the European Fund for Strategic Investments**
 - *Political agreement*
- **Structural measures improving the resilience of EU credit institutions**
 - ***(poss.) Proposal for a Regulation of the European Parliament and of the Council on structural measures improving the resilience of EU credit institutions***
(First reading)
Interinstitutional file: 2014/0020 (COD)
 - *General approach*
- **(poss.) Draft general budget for 2016**
 - *Presentation by the Commission*
- **(poss.) Common Consolidated Corporate Tax Base (CCCTB)**
 - **Proposal for a Council Directive on a Common Consolidated Corporate Tax Base (CCCTB)**
Interinstitutional file: 2011/0058 (CNS)
 - *Orientation debate*

- **(poss.) Interest and Royalty Directive**
 - **Proposal for a Council Directive on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States (recast)**
 - *Political agreement*
- **(poss.) 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)
 - *Political agreement / Adoption*
- **(poss.) Proposal for a Directive of the European Parliament and of the Council on insurance mediation (recast)**
Interinstitutional file: 2012/0175 (COD)
 - *Political agreement*
- **(poss.) Reporting and transparency of securities financing transactions**
- **Proposal for a Regulation of the European Parliament and of the Council on reporting and transparency of securities financing transactions**
Interinstitutional file: 2014/0017 (COD)
 - *Political agreement*

Any other business

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

Non-legislative activities

- **(poss.) Approval of the list of "A" items**
- **Debriefing from the informal ECOFIN**
 - *Information from the Presidency*

- **Macroeconomic Imbalances Procedure - In depth-reviews**
 - *Council conclusions*
- **(poss.) Implementation of the Stability and Growth Pact**
 - *Draft Council Decision / Recommendation*
- **Ageing Report 2015**
 - *Council conclusions*
- **Climate Change Financing**
 - *Council conclusions*

Any other business

p.m.

Monday 11 May 2015

- 13.00 Informal dialogue of representatives of the Council (ECOFIN) and of the European Parliament
- 15.00 Eurogroup

Tuesday 12 May 2015

- 08.30 Annual EIB Governors meeting
- 09.30 Breakfast
- 10.00 Council (ECOFIN)
- 13.00 Ministerial dialogue with candidate countries

PROVISIONAL AGENDA
ECONOMIC AND FINANCIAL AFFAIRS COUNCIL
LUXEMBOURG – 19 JUNE 2015

- **Adoption of the provisional 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**
- **(poss.) Treatment of 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 / Adoption*
- **(poss.) Draft general budget for 2016**
 - *Presentation by the Commission*
- **(poss.) 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)
 - *Political agreement*
- **(poss.) Administrative cooperation**
 - **Proposal for a directive on mandatory and automatic exchange of information on cross-border tax rulings**
 - *Political agreement / State of play*

Any other business

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

Non-legislative activities

- **(poss.) Approval of the list of "A" items**
- **(poss.) ECOFIN Report to the European Council on tax issues**
 - *Endorsement*
- **(poss.) Report by Finance Ministers on tax issues in the framework of the Euro Plus Pact**
 - *Endorsement*
- **(poss.) Code of Conduct (Business Taxation)**
 - **Report to the Council**
 - **Draft Council conclusions**
 - = *Endorsement*
- **Contribution to the European Council meeting on 25-26 June 2015 - European Semester 2015**
 - a) **Draft Council Recommendations on the National Reform Programmes 2015 to each Member State and draft Council Opinions on the updated Stability or Convergence Programmes**
 - b) **Draft Council Recommendation on the implementation of the broad guidelines for the economic policies of the Member States whose currency is the euro**
 - *Approval*
- **(poss.) Broad Economic Policy Guidelines**
 - *Adoption*
- **(poss.) Implementation of the Stability and Growth Pact**
 - *Draft Council Decision / Recommendation*

- (poss.) Implementation of the macroeconomic imbalances procedure
- (poss.) Other measures in support of investment
 - *Exchange of views*

Any other business

p.m.

Thursday 18 June 2015

15.00 Eurogroup

Friday 19 June 2015

09.00 Breakfast

10.00 Council (ECOFIN)
