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## OUTCOME OF THE COUNCIL MEETING

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### Economic and Financial Affairs

Brussels, 10 November 2015

President **Pierre Gramegna**  
Minister of Finance, Luxembourg

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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## **ITEMS DEBATED**

### **CAPITAL MARKETS UNION**

The Council adopted [conclusions](#) on the Commission's action plan for the development of a capital markets union.

The plan, published on 30 September 2015, is aimed at establishing a fully functioning EU capital markets union by the end of 2019.

It sets out a variety of measures to strengthen capital markets so as to attract more investment, including foreign investment, for European companies and infrastructure projects. One of the main aims is to improve access to finance for European SMEs and start-ups, especially in innovative industries.

The Council welcomed the Commission's first package of specific proposals and initiatives, and emphasised the need for an ambitious agenda, for the longer term also.

## **BANKING UNION - IMPLEMENTATION**

The Council reviewed implementation of Europe's banking union.

It once again urged member states to speed up the measures necessary for entry into force of the agreed rules.

The Commission provided an update on:

- ratification of an intergovernmental agreement on the single resolution fund (SRF). The deadline for ratification is 30 November 2015, with entry into force is scheduled for 1 January 2016;
- transposition into national law of a directive on bank recovery and resolution. The transposition deadline was 31 December 2014, whilst a provision on the bail-in of investors must be applicable on 1 January 2016;
- transposition into national law of a directive on deposit guarantee schemes, for which the deadline was 3 July 2015.

On 22 October 2015, the Commission indicated that it had decided to refer the Czech Republic, Luxembourg, the Netherlands, Poland, Romania and Sweden to the Court of Justice over their failure to transpose bank recovery and resolution rules in a timely manner.

As of 9 November 2015:

- 8 of the current 19 member states of the banking union had deposited their instruments of ratification of the IGA;
- 16 member states had fully transposed the directive on bank recovery and resolution, whilst 5 had partially transposed it;
- 11 member states had fully transposed the directive on deposit guarantee schemes, whilst 3 had partially transposed it.

The 19 countries of the euro area are participating in the banking union, whilst 7 other member states have indicated their intention to participate.

The single resolution fund is part of a single resolution mechanism (SRM) aimed at ensuring the orderly resolution of failing banks. Established by regulation in July 2014, the SRM will be fully applicable from 1 January 2016.

Entirely financed by banks, the SRF is being set up for possible intervention in resolution cases along with the bail-in of shareholders. It will be built up over eight years to reach an estimated €5 billion. The fund's target level is at least 1% of the covered deposits of all credit institutions in the participating member states.

The intergovernmental agreement on the SRF contains provisions on the transfer of contributions to the fund and the mutualisation of those contributions.

The single resolution board will be responsible for putting into place a resolution scheme in the event of a bank being placed into resolution. It will determine the resolution tools to be applied, and decide on the use of the single resolution fund. The board's six full-time members were appointed in December 2014, and Elke König took office as president of the board on 1 March 2015.

The bank recovery and resolution directive identifies the powers and instruments at the disposal of national authorities to resolve failing banks. It sets out to preserve essential bank operations and minimise taxpayers' exposure to losses in the event of a bank being resolved. Unlike the SRM, it applies to all 28 member states. It was adopted in May 2014.

For member states participating in the banking union, national resolution funds set up under the directive as of 1 January 2015 will be replaced by the SRF as of 1 January 2016.

The directive on deposit guarantee schemes (DGS) requires all banks to join a DGS so that deposits of up to €100 000 are protected. It sets requirements for supervision and for regular stress tests of such schemes.

[Press release on the adoption of the regulation establishing the SRM](#)

[Press release on the signature of the intergovernmental agreement on the SRF](#)

[Press release on SRF contributions and the appointment of members of the SRB](#)

[Press release on the adoption of the bank recovery and resolution directive](#)

[Press release on the Council's approval of the directive on deposit guarantee schemes](#)

## **SINGLE RESOLUTION MECHANISM – BRIDGE FINANCING**

The Council discussed short-term bridge financing for the EU's single resolution fund (SRF) for banks.

The chairman of the Economic and Financial Committee (EFC) reported on technical preparations for a bridge financing arrangement.

Ministers agreed on an approach to be followed. They asked the EFC to finalise technical work so as to enable bridge finance arrangements to be endorsed by the Council at its meeting on 8 December 2015.

Bridge financing will be needed for the SRF during an initial phase when the fund's resources have not been fully built up. An agreement is necessary before the end of the year, because the SRF will be operational on 1 January 2016.

Under the approach envisaged, bridge financing will consist of national credit lines from the member states. These will back up their respective national compartments in the SRF until the fund's resources have been fully mutualised. They will enable the SRF to face up to situations where it is still insufficiently funded to handle calls on it for the purposes of bank resolution. The money will be recovered from the banking sector at a later stage by means of ex-post contributions.

The SRF is part of a single resolution mechanism (SRM) aimed at ensuring the orderly resolution of failing banks. It will be entirely financed by banks. Established by regulation in July 2014, the fund will be built up over eight years to reach an estimated €55 billion. The fund's target level is at least 1% of the covered deposits of all credit institutions in the participating member states.

[Statement of Eurogroup and Ecofin ministers on the SRM backstop](#)

[Press release on the adoption of the regulation establishing the SRM](#)

[Press release on the signature of the intergovernmental agreement on the SRF](#)

## **ECONOMIC AND MONETARY UNION – “FIVE PRESIDENTS” REPORT**

The Commission presented a package of measures to implement the so-called five presidents’ report on the further development of the EU’s economic and monetary union (EMU).

The Council held a first exchange of views.

The presidency will report on the discussion to the president of the European Council ahead of the European Council meeting on 17 and 18 December.

Presented in June 2015, the five presidents’ report sets out an ambitious three-stage agenda for making EMU more resilient. It was prepared by the president of the Commission, in close cooperation with the presidents of the European Council, the Eurogroup, the European Central Bank and the European Parliament.

The economic and financial crisis exposed a situation where unsustainable policies in some member states can undermine the development of the euro area as a whole. It uncovered shortcomings in the EU’s economic governance framework. Despite progress made in recent years, particularly with the launch of a banking union, economic and monetary union remains incomplete.

The five presidents’ report identifies steps to be taken using existing instruments during stage 1, until mid-2017. It envisages more fundamental reforms during stage 2, until 2025, possibly involving changes to the EU treaties.

As part of Stage 1, the Commission presented on 21 October 2015 a package of initiatives including:

- a communication and a proposal for a Council decision on the external representation of the euro area. It is proposed that the president of the Eurogroup represent the euro area at the IMF in 2025;
- a Commission decision establishing an independent advisory European Fiscal Board, composed of five experts appointed by the Commission;
- a recommendation for a Council recommendation on the creation of national competitiveness councils in the euro area member states;



- a communication summarising these initiatives and announcing a legislative proposal by the end of 2015 on the first steps towards a European bank deposit guarantee system. Other suggestions include a revamp of the European Semester economic and fiscal policy monitoring process, better use of the EU's economic imbalances procedure and a renewed convergence process.

Two of these initiatives require a decision by the Council, namely the proposals on external representation of the euro area and on the establishment of national competitiveness boards.

To prepare the transition from stage 1 to stage 2, the Commission intends to present a white paper in spring 2017 outlining the next steps to be taken. In preparation for this, it will organise a broad consultation during 2016, including public debates, and will establish in mid-2016 a group of experts to look at the longer-term proposals.

[Commission October 2015 press release on completing EMU](#)

[Five presidents' report on completing EMU](#)

## **CLIMATE CHANGE - PREPARATION OF THE PARIS CONFERENCE**

The Council adopted [conclusions](#) ahead of the 21st conference of the parties to the UN framework convention on climate change, to be held in Paris from 30 November to 10 December 2015.

The conclusions focus on the EU's climate finance contributions towards the \$100 billion per year pledged by developed countries by 2020, and on the predictability of climate finance contributions. They address the financing aspects of a new UN climate agreement for the post-2020 period.

The conclusions constitute a second component of the EU's negotiating mandate, given that the Environment Council already adopted conclusions on 18 September 2015.

The aim of the Paris conference is to reach an agreement that limits the global average temperature increase to maximum 2°C compared to pre-industrial levels, and which guarantees sufficient public and private financing to achieve that.

Work on the climate finance aspects has intensified in recent months, given that financial contributions will be a key element in reaching an agreement in Paris. Significant resources will be needed to help developing countries deal adequately with climate change, both to reduce greenhouse gas emissions and to adapt to the consequences of climate change.

The \$100 billion per year pledged by developed countries by 2020 will come from a broad variety of sources: public and private, bilateral and multilateral and including alternative sources of finance.

## **G20 AND IMF MEETINGS**

The presidency and the Commission reported on:

- the IMF annual meetings that took place in Lima from 9 to 11 October 2015;
- a meeting of G20 finance ministers and central bank governors that was held on 8 October in the margins of the IMF meetings.

The G20 meeting focused on growth strategies, taxation, financial regulation and priorities for 2016. China presented priorities for its 2016 G20 presidency. A separate meeting on climate finance, organised by France and Peru, was held on 9 October. At the IMF meetings, the EU presidency submitted to the International Monetary and Financial Committee an agreed statement on the world economy, outlook and challenges, and on IMF policy issues.

Finance deputies will prepare a statement for the G20 summit that will be held in Antalya on 15 and 16 November. They will meet again on 14 and 15 December 2015, under Chinese presidency.

**OTHER BUSINESS**

The Council took note of on-going work on legislative proposals on financial services.

## **MEETINGS IN THE MARGINS OF THE COUNCIL**

### – Eurogroup

The Eurogroup met on 9 November 2015. It discussed Greece's economic adjustment programme, post-programme surveillance in Spain, implementation of banking union, the economic situation in the euro area and proposals for strengthening economic and monetary union.

### [Eurogroup main results](#)

#### – ESM board of directors

The European Stability Mechanism board of directors met on 9 November 2015.

#### – Meeting with EFTA finance ministers

Ministers met their counterparts from the EFTA countries: Iceland, Liechtenstein, Norway and Switzerland. They discussed economic growth and structural reforms.

#### – Ministerial breakfast

Ministers held a breakfast meeting to discuss the economic situation, in the light of the Commission's autumn economic forecast. They also discussed the ongoing refugee crisis: the Commission reported on how it is dealing with refugee expenditure under EU fiscal rules; and the Council of Europe Development Bank and the European Investment Bank reported on action taken.

## **OTHER ITEMS APPROVED**

### **ECONOMIC AND FINANCIAL AFFAIRS**

#### **Taxation of savings income - Repeal of the directive**

The Council repealed directive 2003/48/EC, which since 2005 has allowed tax administrations better access to information on private savers.

Repeal of the directive follows a strengthening of measures to prevent tax evasion. A significant overlap had developed with other legislation in this field, and the repeal eliminates that overlap.

Directive 2003/48/EC required the automatic exchange of information between member states on private savings income. This enabled interest payments made in one member state to residents of other member states to be taxed in accordance with the laws of the state of tax residence. The directive was last amended in March 2014 to reflect changes to savings products and developments in investor behaviour since it came into force in 2005.

See [press release](#)

#### **VAT on small businesses - Slovenia**

The Council adopted a decision authorising Slovenia to extend a measure derogating from article 287 of directive 2006/112/EC on value-added taxation (VAT), in order to continue to exempt small businesses from VAT ([12349/15](#) + [12333/15](#)).

Businesses with a turnover no higher than €50 000 will continue to be exempted from certain or all VAT obligations. The measure, which was due to expire on 31 December 2015, will continue until 31 December 2018.

## **BUDGETS**

### **Draft amending budget no 8 for 2015 - Revised forecast of own resources**

The Council adopted its position accepting draft amending budget no 8 for 2015 related mainly to the revenue side of the EU budget.

Draft amending budget no 8 for 2015 adjusts the 2015 budget to take account of a forecast increase in other revenue such as fines of €1.5 billion and customs duties of €800 million. It also incorporates into this year's budget the additional contributions that member states have already paid, or still have to pay, for the 2014 and 2015 VAT and GNI own resources balances (€5.7 billion and €1.4 billion respectively).

## **TRADE POLICY**

### **Liberia – Accession to the WTO**

The Council and the representatives of the member states adopted decisions approving the accession of Liberia to the WTO.

The EU and its member states will accordingly take a position approving a protocol of accession within the WTO General Council. Accession to the WTO is expected to make a positive and lasting contribution to the process of economic reform and sustainable development in Liberia. Market opening commitments undertaken by Liberia and laid down in the protocol of accession satisfy the EU's requests and are in line with WTO guidelines for the accession of least-developed countries.

## **EXPORT CREDITS**

### **Guidelines for export credits**

The Council decided not to object to a Commission regulation amending annex II to regulation 1233/2011 on the application of guidelines to officially supported export credits ([12847/15](#) + [12614/15](#) + [ADD 1](#)).

The regulation incorporates into EU law amendments agreed by the participants to an OECD arrangement on officially supported export credits.

The regulation is a delegated act pursuant to article 290 of the Treaty on the Functioning of the EU. The act can now enter into force, unless the European Parliament objects.

## **COMMON SECURITY AND DEFENCE POLICY**

### **EU special representatives**

The Council extended the mandate of the European Union special representatives (EUSRs) in Afghanistan, in Bosnia and Herzegovina, and for the Horn of Africa until 28 February 2017.

See press release

### **Monitoring mission in Georgia: Budget**

The Council adopted a decision setting a financial reference amount of €17 640 000 to cover the expenditure related to the EU monitoring mission in Georgia between 15 December 2015 and 14 December 2016.

In December 2014, the Council had decided to extend the mission by two years until 14 December 2016. It provided a financial reference amount until 14 December 2015.

### **International Labour Organisation : Forced labour convention**

The Council adopted decisions authorising member states to ratify the 2014 protocol to the ILO forced labour convention ([6731/15](#) + [6732/15](#)).

The protocol is aimed at stepping up the fight against contemporary forms of forced labour, and at making progress in assistance to victims and in international cooperation.



On preventing forced labour, the protocol covers social policy aspects, especially minimum rules on working conditions.

On protection of victims and access to remedies, it deals with judicial cooperation in criminal matters, especially minimum standards on anti-trafficking and victims' rights.

## **JUSTICE AND HOME AFFAIRS**

### **Dactyloscopic data - Poland, Sweden and Belgium**

The Council adopted decisions concerning the launch of automated data exchange with regard to dactyloscopic data in Poland ([9989/15](#)), Sweden ([10027/15](#)) and Belgium ([10029/15](#)).

The three member states have fully implemented the general provisions on data protection and are entitled to receive and supply personal data.

## **DEVELOPMENT POLICY**

### **Contributions of member states to the European Development Fund**

The Council adopted a decision on the financial contributions to be paid by the member states to finance the European Development Fund (EDF) covering the third instalment for 2015.

## **ENVIRONMENT**

### **Emissions from medium combustion plants**

The Council adopted a new directive to limit the emissions from medium combustion plants. The new directive sets emission limit values for certain pollutants to be applied to new and existing combustion plants of medium size (between 1 and 50 MW).

See [press release](#)

[Directive on emissions of certain pollutants from medium combustion plants](#)

## **Real driving emissions tests**

The Council gave the go-ahead to the adoption of the first package of rules on real driving emission (RDE) tests to measure emissions of pollutants from light vehicles.

This Commission regulation is subject to the regulatory procedure with scrutiny. This means that after this Council decision, the Commission may adopt the regulation, unless the European Parliament objects.

See [press release](#)

[Draft Commission regulation on real driving emissions tests](#)

## **INTELLECTUAL PROPERTY**

### **Trade marks**

The Council adopted its position at first reading on the reform of the European trade mark system.

The reform of the current system will improve the conditions for businesses to innovate and to benefit from more effective trade mark protection against counterfeits, including fake goods in transit through the EU's territory.

The new legal framework is also aimed at making trade mark registration systems throughout the European Union more accessible and efficient for businesses in terms of lower costs and complexity, increased speed, greater predictability and legal certainty.

The Netherlands delegation abstained from voting and the UK delegation voted against the adoption of the draft regulation. The Commission issued a statement. ([13511/15 ADD 1 REV 1](#)).

The European Parliament is expected to vote at second reading at a plenary session before the end of the year, thus approving the Council's position at first reading without amendments and ending the legislative process.

Afterwards, the legal texts will be published in the Official Journal of the EU.

See [press release](#)

[Draft regulation amending regulation 207/2009 on the Community trade mark](#)

[Draft directive to approximate the laws of the member states relating to trade marks](#)

## **FOOD LAW**

### **Caseins intended for human consumption**

The Council adopted a directive approximating the member states' laws relating to caseins and caseinates intended for human consumption ([PE-CONS 37/15](#)).

The directive is aimed at

- aligning the provisions conferring implementing powers on the Commission with the rules introduced by the Lisbon Treaty;
- aligning the compositional requirements of caseins and caseinates with the relevant Codex Alimentarius standard;
- updating the provisions applicable to caseins and caseinates taking into account EU legislation adopted in the meantime.

## **ENERGY**

### **Guidelines for Euratom cooperation**

The Council took note of the revised guidelines on cooperation in the framework of international conventions to which the European Atomic Energy Community (EURATOM) and its member states are parties ([12807/15](#)).

The guidelines are non-binding and are aimed at facilitating cooperation and coordination between Euratom and its member states at international meetings called for under the conventions to which they are parties<sup>1</sup>.

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<sup>1</sup> The Convention on Nuclear Safety, the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, the Convention on Early Notification of a Nuclear Accident, the Convention on Assistance in the case of a Nuclear Accident or Radiological Emergency, the Convention on the Physical Protection of Nuclear Material.

## **Nuclear Weapons - Latin America and the Caribbean**

- The Council adopted a decision approving the conclusion, by the European Commission, of the amendments to Protocols 1 and 2 to the Agreement between the United Kingdom, the European Atomic Energy Community and the International Atomic Energy Agency for the Application of Safeguards in connection with the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean ([12963/15](#))
- The Council adopted a decision approving the conclusion, by the European Commission, of the amendments to Protocols 1 and 2 to the Agreement between the French Republic, the European Atomic Energy Community and the International Atomic Energy Agency for the Application of Safeguards in connection with the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean ([12964/15](#))

## **INDUSTRY**

### **Motor vehicles**

The Council adopted a decision aimed at supporting certain amendments to the agreement of the United Nations economic commission for Europe (UNECE) concerning the adoption of uniform technical prescriptions for wheeled vehicles, equipment and parts used on wheeled vehicles.

The decision includes support for a new UN Regulation on frontal impact, the proposals for amendments to the Consolidated Resolution on the Construction of Vehicles (R.E.3), and the proposal for a new Mutual Resolution No. 2 (M.R.2) on vehicle powertrain definitions.

The UNECE develops harmonised requirements intended to remove technical barriers to the trade in motor vehicles between the contracting parties of the agreement. The EU is a contracting party to this agreement and votes on behalf of the member states.

Directive [2007/46/EC](#) replaced the approval systems of the member states with a Union approval procedure and established a harmonised framework containing administrative provisions and general technical requirements for all new vehicles, systems, components and separate technical units. That directive incorporated UN regulations in the EU type-approval system. Since the adoption of the directive, UN regulations have increasingly been incorporated into Union legislation in the framework of the EU type-approval.

## **FISHERIES**

### **EU-Mauritania partnership agreement**

The Council adopted a decision on the signing, on behalf of the EU, and provisional application of the protocol setting out the fishing opportunities and financial contribution provided for in the fisheries partnership agreement (FPA) between the EU and the Islamic Republic of Mauritania ([12771/15](#)).

The FPA between the EU and Mauritania entered into force in 2006. The main objective of the protocol to this FPA is to define the fishing opportunities offered to EU vessels. Following the negotiations, a new protocol was initialled on 10 July 2015 with the previous protocol expired on 16 December 2014. In order to allow EU vessels to resume fishing activities as quickly as possible, the new protocol should be applied from the date of its signature on a provisional basis, pending the completion of the procedures for its formal conclusion.

In addition to the signing and the provisional application of this protocol, the Council also adopted a regulation concerning the allocation of fishing opportunities between member states ([12772/15](#)).

## **TRANSPORT**

### **Tachographs - adaptation to technical progress**

The Council decided not to oppose adoption by the Commission of a regulation adapting to technical progress Council regulation [3821/85](#) on recording equipment in road transport ([11733/15](#)).

The Commission regulation is subject to the regulatory procedure with scrutiny. The Commission may adopt it, unless the European Parliament objects.

### **Maritime safety and pollution prevention**

The Council decided not to oppose adoption by the Commission of a regulation amending regulation [2099/2002](#) establishing a committee on safe seas and the prevention of pollution from ships ([12467/15](#)).

The Commission regulation is subject to the regulatory procedure with scrutiny. The Commission may now adopt it, unless the European Parliament objects.

## **Galileo**

The Council decided not to object to a Commission decision supplementing decision 1104/2011/EU as regards the common minimum standards to be complied with by the competent public regulated service (PRS) authorities.

The decision is a delegated act pursuant to article 290 of the Treaty on the Functioning of the EU. It can now enter into force, unless the European Parliament objects.

Statement by the Council ([13173/15 ADD 1](#))

Statement by Austria ([13173/15 ADD 2](#))

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