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COUNCIL OF THE EUROPEAN UNION
(Economic and Financial Affairs)
22 June 2018

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1. **Adoption of the agenda**

The Council adopted the agenda set out in 10012/18.

2. **Approval of "A" items**

a) **Non-legislative list**

10013/18

The Council adopted the "A" items listed in 10013/18 including COR and REV versions presented for adoption, with the exception of items 1 and 2 which were withdrawn.

A statement related to these items is set out in the Annex.

b) **Legislative list (Public deliberation in accordance with Article 16(8) of the Treaty on European Union)**

10014/18

Economic and Financial Affairs

1. **VAT administrative cooperation**

SC

9820/18

General approach

FISC

approved by Coreper, Part 2, on 13.06.2018

The Council adopted a general approach on the text of the draft Regulation on the basis of the Presidency compromise text set out in 9820/18, with a view to adopting the Regulation at a later date, subject to receiving the opinion of the European Parliament and legal-linguistic revision. A statement by the Commission is set out in the Annex.

2. **Amendment to Directive 2006/112/EC as regards minimum standard VAT rate**

SC

9891/18

Adoption

7166/18

approved by Coreper, Part 2, on 08.05.2018

+ **COR 1 (el)**

FISC

The Council adopted the Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards the obligation to respect a minimum standard rate, as finalised by the legal/linguistic experts in 7166/18.

3. **Council position on draft amending budget No 3/2018**

SC

9712/2/18 REV 2

Adoption

FIN

approved by Coreper, Part 2, on 14.06.2018

The Council adopted its position on DAB No 3/2018 as set out in 9712/2/18 REV 2.

A statement by Italy is set out in the Annex.

Legislative deliberations

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

3. **VAT "quick-fix"** **SC** 10335/18
- a) **Directive as regards harmonising and simplifying certain rules in the VAT system and introducing the definitive system for the taxation of trade between Member States**
 - b) **Regulation as regards certain exemptions for intra-Community transactions**
 - c) **Regulation as regards the certified taxable person**
General approach

The Council exchanged views on the Presidency compromise text. The Commission and some Member States opposed including Article 137a and recital 7a into the draft Directive. The Council could not reach a general approach on this dossier, as two Member States insisted that these provisions are part of the compromise text.

4. **European Deposit Insurance Scheme** **IC** 10217/18
9819/1/18 REV 1
Progress report

The Council took note of a Presidency Progress report.

5. **Any other business**
- a) **Current financial services legislative proposals** 9841/18
Information from the Presidency

The Council took note of the state of play of implementation of financial services legislation.

- b) **Insolvency, restructuring and second-chance Directive**
Information from the Presidency

The Council took note of the ongoing work on a proposal for a directive on restructuring and insolvency.

Non-legislative activities

The Council addressed the following non-legislative discussion items (6-9)

6. Council Recommendations on the National Reform Programmes 2018 to each Member State and Council Opinions on the updated Stability or Convergence Programmes 9512/18 + COR 1
9454/18
10017/18
Approval
The Council approved 27 Country-specific recommendations listed in 9454/18. The Council also agreed to submit these documents to the General Affairs Council which in turn will submit them to the European Council on 22-23 June.
7. Council Decisions and Recommendations on the implementation of the Stability and Growth Pact 9758/18
9759/18
9760/18
9761/18
Adoption
The Council adopted a Council Decision abrogating the Decision 2009/414/EC on the existence of an excessive deficit in France, a Council Decision establishing that no effective action has been taken by Romania in response to the Council Recommendation of 5 December 2017 and Council Recommendations to Romania and Hungary to correct the observed significant deviation from the adjustment path towards the medium-term budgetary objective (MTO).
8. Convergence Reports from the Commission and the European Central Bank 9245/18 + ADD 1
9249/18
+ ADD 1-2
Exchange of views
The Council took note of the Convergence Reports from the Commission and the European Central Bank.
9. Any other business

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- I** First reading
S Special legislative procedure
C Item based on a Commission proposal
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STATEMENTS FOR THE COUNCIL MINUTES

Statements to the non-legislative "A" items set out in 10013/18

Ad "A" item 5: **EU-Norway agreement - Decision on conclusion on administrative cooperation in the field of VAT**
Adoption

STATEMENT BY THE COUNCIL

"The Council recognises that the European Union and the Kingdom of Norway are neighbours, dynamic trade partners and are also parties to the Agreement on the European Economic Area, which aims to promote a continuous and balanced strengthening of trade and economic relations between the Contracting Parties. Due to these close relations, the Agreement between the European Union and the Kingdom of Norway on administrative cooperation, combating fraud and recovery of claims in the field of value added tax must be regarded as specific and hence the Council declares that this Agreement will not constitute a precedent for future agreements in this area between the European Union and third countries. In particular, in any possible future agreement concerning exchange of targeted information through the Eurofisc network established under Chapter X of Council Regulation (EU) No. 904/2010 should be limited to what is strictly necessary and possible to combat cross-border fraud between the Union and the third country."

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Statements to the legislative "A" items set out in 10014/18

Ad "A" item 1: VAT administrative cooperation *General approach*

STATEMENT BY THE COMMISSION

"In a VAT system based on the principle of taxation in the Member State of destination of goods and services with Member States collecting VAT on behalf of the others in particular in e-commerce activities, in order to combat VAT fraud and evasion, it is crucial that Member States adapt their legislation to make possible and effective the presence and participation of officials from the Member States of taxation during the administrative enquiries. The Commission will closely monitor the effectiveness of the measure and will report to the Council."

Ad "A" item 3: Council position on draft amending budget No 3/2018 *Adoption*

STATEMENT BY ITALY

"Italy maintains its reservation on the decision to approve the draft amending budget No 3/2018 ("DAB 3/2018"), to the extent that a final agreement between Member States in COREPER on the overall financing modalities for the second tranche of the Facility for Refugees in Turkey ("Facility"), which requires unanimity, is still pending.

The decision to approve DAB 3/2018 attempts to create a de facto budgetary basis for the scheme of repartition between EU budget and Member States contributions related to the financing of the second tranche of the Facility.

Italy expresses concerns for a decision that could bypass, with an amendment to the annual budget of merely procedural nature, the general framework at the basis of the Facility."
