



**COUNCIL OF
THE EUROPEAN UNION**



5400/10 (Presse 6)

PRESS RELEASE

2990th Council meeting

Economic and Financial Affairs

Brussels, 19 January 2010

President

Ms Elena SALGADO

Second Vice-President of the Government and Minister for
Economic Affairs and Finance of Spain

P R E S S

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Main results of the Council

*The Council adopted conclusions on government deficit and debt **statistics in Greece**, following a report from Eurostat on issues to be addressed.*

It urged the Greek government to ensure that outstanding problems are tackled properly and as a matter of priority. And it called on the Commission to propose measures that will bring the Greek statistical system into line with EU requirements and to develop by February an action plan to tackle statistical, institutional and governance deficiencies.

*The Council also approved a draft directive aimed at strengthening mutual assistance between member states in the **recovery of taxes**.*

The text provides an overhaul of existing provisions aimed at clamping down on tax evasion.

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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.

PARTICIPANTS

The governments of the Member States and the European Commission were represented as follows:

Belgium:

Mr Didier REYNDERS

Deputy Prime Minister and Minister for Finance and Institutional Reforms

Bulgaria:

Mr Simeon DJANKOV

Deputy Prime Minister and Minister for Finance

Czech Republic:

Mr Eduard JANOTA

Mr Tomáš ZÍDEK

Minister for Finance

Deputy Minister for Finance, International Relations and Financial Policy Section

Denmark:

Mr Poul Skytte CHRISTOFFERSEN

Permanent Representative

Germany:

Mr Jörg ASMUSSEN

State Secretary, Ministry of Finance

Estonia:

Mr Jürgen LIGI

Minister for Finance

Ireland:

Mr Rory MONTGOMERY

Permanent Representative

Greece:

Mr George PAPACONSTANTINOU

Minister for Finance

Spain:

Ms Elena SALGADO

Second Vice-President of the Government and Minister for Economic Affairs and Finance

Mr José Manuel CAMPA

Mr Carlos OCAÑA

State Secretary for Economy

State Secretary of Finance and Budget

France:

Ms Christine LAGARDE

Minister for Economic Affairs, Industry and Employment

Italy:

Mr Giulio TREMONTI

Minister for Economic Affairs and Finance

Cyprus:

Mr Charilaos STAVRAKIS

Minister for Finance

Latvia:

Mr Normunds POPENS

Permanent Representative

Lithuania:

Ms Ingrida ŠIMONYTĖ

Minister for Finance

Luxembourg:

Mr Luc FRIEDEN

Minister for Finance

Hungary:

Mr Tamás KATOMA

State Secretary, Ministry of Finance

Malta:

Mr Tonio FENECH

Minister of Finance, Economy and Investment

Netherlands:

Mr Jan Kees de JAGER

State Secretary for Finance

Austria:

Mr Josef PRÖLL

Vice Chancellor and Federal Minister for Finance

Poland:

Mr Jan VINCENT-ROSTOWSKI

Minister for Finance

Portugal:

Mr Fernando TEIXEIRA DOS SANTOS

Ministro de Estado, Minister for Finance

Romania:

Mr Sebastian VLADESCU

Minister for Finance

Slovenia:

Mr Franc KRIŽANIČ

Minister for Finance

Slovakia:

Mr Peter KAŽIMÍR

State Secretary at the Ministry of Finance

Finland:

Mr Jyrki KATAINEN

Deputy Prime Minister, Minister for Finance

Sweden:

Mr Anders BORG

Minister for Finance

United Kingdom:

Mr Stephen TIMMS

Financial Secretary to the Treasury

Commission:

Mr Joaquín ALMUNIA

Member

Mr László KOVÁCS

Member

Mr Charlie McCREEVY

Member

Other participants:

Mr Lucas PAPADEMOS

Vice-President of the European Central Bank

Mr Philippe MAYSTADT

President of the European Investment Bank

Mr Thomas WIESER

Chairman of the Economic and Financial Committee

Mr Lorenzo CODOGNO

Chairman of the Economic Policy Committee

ITEMS DEBATED

PRESIDENCY WORK PROGRAMME

The Council took note of the presentation by the Spanish presidency of a work programme for economic and financial affairs for the duration of its term in office, from January to June 2010 (*doc. [5036/10](#)*). It held a brief exchange of views.

The economic crisis from which Europe is gradually beginning to emerge has been one of the deepest and most widespread in history. The resolute and coordinated action of the economic authorities in various countries has prevented both the collapse of financial markets and an even more pronounced economic depression, as well as the subsequent cost of increased unemployment and poverty.

Signs of stabilisation and recovery are beginning to appear, and the greatest challenge in the coming months will be to outline an ambitious exit strategy, in both the short and long term, that takes into account two dimensions. The first relates to overcoming the dependence on extraordinary public financial and budgetary measures. In this respect, the design of financial support withdrawal will consider the specific circumstances of EU member states as well as the need to preserve financial stability. The second concerns the promotion of measures that favour sustainable, stable and balanced growth. This will be ensured by the adoption of sound structural reforms, which means an ambitious and in-depth review of the Lisbon strategy for jobs and growth, with a view to shaping the future of the European economy in 2020.

The Spanish presidency intends to work on these two dimensions, both internally and externally, so as to lay the foundations for a solid recovery and to prevent a recurrence of a crisis of such magnitude.

Other priorities include:

- EU 2020 strategy: coordination of long-term policies for economic growth;
- Strengthening the external dimension of the EU as regards the G-20 and climate change;
- Taxation: combating tax fraud;
- Establishing a more efficient taxation system.

SAVINGS TAXATION AND OTHER TAX GOVERNANCE MEASURES

The Council examined a package of measures aimed at improving tax governance and clamping down on tax evasion in Europe.

It reached agreement on a general approach, pending the opinion of the European Parliament, on one of the measures, namely a draft directive aimed at strengthening mutual assistance between member states in the recovery of taxes.

The directive will be adopted at a forthcoming Council meeting, once the Parliament's opinion is available.

The other measures in the package comprise:

- a draft directive aimed at enlarging the scope of directive 2003/48/EC on the taxation of savings interest;
- a draft directive aimed at strengthening cooperation between the member states in the field of direct taxation;
- a draft agreement with Liechtenstein on measures to combat tax fraud;
- a draft decision authorising the Commission to negotiate anti-fraud agreements with Andorra, Monaco and San Marino, as well as a new anti-fraud agreement with Switzerland.

Mutual assistance in the recovery of taxes

The draft directive is aimed at better meeting the member states' needs with regard to the recovery of taxes, providing an overhaul of directive 76/308/EEC (codified by directive 2008/55/EC), on the basis of which the member states have engaged in mutual assistance since 1976 aimed at clamping down on tax evasion.

National provisions on tax recovery are limited in scope to national territories, and fraudsters have taken advantage of this to organise insolvencies in member states where they have debts. Member states therefore increasingly request the assistance of other member states to recover taxes, but existing provisions have only allowed a small proportion of debts to be recovered.

The draft directive is intended to provide for an improved assistance system, with rules that are easier to apply, including as regards information held by banks and other financial institutions; it is intended to provide for more flexible conditions for requesting assistance, requiring the spontaneous exchange of information.

DEFICIT AND DEBT STATISTICS: REPORT ON GREECE - *Council conclusions*

The Council adopted the following conclusions:

"The Council WELCOMES the Commission's examination of the issues regarding the Greek government deficit and debt statistics, in line with the request of the ECOFIN Council in November 2009; the Council STRESSES that the outstanding issues identified in the Report of the Commission must be addressed as a matter of priority, as they are fundamental for the economic policy surveillance process of the EU and EMU.

In the light of its concerns, the Council strongly URGES the Greek government to ensure that the outstanding methodological issues and technical procedures in the Greek national services, as well as the improvements to the governance and institutional structures as identified in the report, are properly addressed.

The Council WELCOMES the fact that the Greek government has initiated a number of actions on reforming the National Statistical System, granting independence to the Statistical Authority and more generally improving the institutional setting for the generation and dissemination of national data. The Council CALLS ON the government to decisively address the shortcomings in administrative and operational capacity involved in the production of EDP statistics, by putting in place transparent working practices between the various institutions and granting them integrity and full accountability.

The Council INVITES the Commission to continue cooperating with the Greek authorities, taking into account their initiatives, with a view to supporting efforts to resolve the statistical problems and improve collection and processing of government statistics in order to restore confidence in Greek statistics, as well as to propose appropriate measures that will bring the Greek statistical system on the whole in line with the EU requirements and to develop, by February 2010, an action plan to tackle statistical, institutional and governance deficiencies.

The Council will monitor the progress at its forthcoming meetings, and it will return to the issue at its next meeting in February."

MEETINGS IN THE MARGINS OF THE COUNCIL

The following meetings were held in the margins of the Council:

- ***Euro Group***

Ministers of the euro area member states attended a meeting of the Euro Group on 18 January.

- ***Ministerial breakfast meeting***

Ministers held a breakfast meeting to discuss the economic situation.

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Over lunch, ministers held an exchange of views on EU 2020, a renewed European strategy for jobs and growth that is intended to replace the strategy launched at Lisbon in March 2000.

OTHER ITEMS APPROVED

ECONOMIC AND FINANCIAL AFFAIRS

Derogation from VAT directive for Portugal

The Council adopted a decision authorising Portugal to apply a measure derogating from directive 2006/112 on the common system of value-added tax (VAT) ([17442/1/09](#)).

Portugal is allowed to apply until 31 December 2012 a special scheme for the taxation of doorstep sales. Firms authorised to apply the scheme are entitled to deduct VAT payable or paid by their resellers for goods they have supplied to them, and will be liable for the VAT payable on the supply of these goods to the final consumers by their resellers.

TRADE POLICY

Anti-dumping measures - Ethanolamines from US - Ironing boards from China

The Council adopted regulations:

- imposing a definitive anti-dumping duty on imports of ethanolamines originating in the United States ([17800/09](#)); and
- amending regulation 452/2007 imposing a definitive anti-dumping duty on imports of ironing boards originating, inter alia, in China ([17777/09](#)).

AGRICULTURE

Maximum levels for aflatoxins in food - Regulatory procedure with scrutiny

The Council decided not to oppose the adoption of a Commission regulation amending certain maximum levels for aflatoxins in certain foodstuffs, taking into account developments at international level in Codex Alimentarius and new information contained in recent scientific advice.

Under the regulatory procedure with scrutiny, the Council can oppose an act which exceeds the implementing powers of the Commission, is not compatible with the aim or content of the basic instrument or does not respect subsidiarity or proportionality if the regulatory committee previously supported the envisaged measures.