

Bucharest, 16 April 2019
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To the members of the Eurogroup

Subject: Eurogroup in inclusive format of 5 April 2019

Dear colleagues,

I would like to share with you the main content and course of our discussions at the Eurogroup meeting in inclusive format of 5 April in Bucharest.

The Commission was represented by Vice-President Valdis Dombrovskis, Commissioner Pierre Moscovici and Commissioner Günther Oettinger. ECB Vice-President Luis de Guindos and Executive Board Member Benoit Coeuré and ESM Managing Director Klaus Regling attended our meeting.

1. Features of the budgetary instrument for convergence and competitiveness – focus on governance aspects

We continued our in-depth exchange of views on key features of the budgetary instrument for convergence and competitiveness (BICC) focusing on governance aspects. We recognised that Member States and other participating countries should provide strategic guidance, set priorities and the criteria to allow the instrument to address the specific challenges of competitiveness and convergence. There is broad agreement that a guidance role for the euro area Member States would benefit from synergies with the European Semester process, in particular with the euro area recommendations. There is also broad support for codifying this strategic guidance role, but further discussion is needed on the form and content of legal arrangements. Since the discussion about the need for an IGA is closely linked to discussions about the sources of financing, we will come back to this issue at our next meeting. Building on all our discussions so far, we confirmed our aim to agree on the main features of the new instrument and to report to the Leaders in June.

2. Roadmap for beginning political discussions on EDIS –Interim reporting from the High Level Working Group

We were updated by the Chair of the High Level Working Group on EDIS on the state of play of the discussions. The approach taken to define the steady state and to work on what is needed in the transition towards the steady state seems constructive and is broadly supported. Broadening the scope has allowed to move away from red lines and progress so far is encouraging. We agreed that by June the HLWG need to deliver a credible way forward towards a steady state and possible steps beyond June.

3. Miscellaneous

a. Brexit preparedness in the financial sector

Based on an assessment from the institutions, we took stock of the level of preparedness for all possible scenarios, including a “no-deal” Brexit. The Union and its Members States have duly prepared for the possibility of a “no-deal” Brexit, insisting on preparedness by market participants and by taking the necessary contingency measures.

b. Financial Transactions Tax – state of play

At his request, the Austrian minister informed other ministers about the state of play of discussions on the Financial Transactions Tax and possible next steps.

Yours sincerely,

Mario Centeno