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(OR. en)

PRESSE 17
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OUTCOME OF THE COUNCIL MEETING

3803rd Council meeting

Economic and Financial Affairs

Luxembourg, 18 June 2021

President **João Leão**
Portuguese Minister for Finance

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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

ECONOMIC AND FINANCIAL AFFAIRS

Implementation of the Recovery and Resilience Facility

Ministers took stock of the implementation of the Recovery and Resilience Facility.

The Commission presented the state of play as regards the assessment of the recovery and resilience plans (RRPs) submitted so far. By 15 June, 23 national plans had been submitted to the Commission. By 18 June, the Commission had approved five national plans.

[Green light from all member states for EU recovery spending \(press release, 31 May 2021\)](#)

[A recovery plan for Europe \(background information\)](#)

Recommendation under the excessive deficit procedure (implementation of the Stability and Growth Pact)

The Council adopted a recommendation under the excessive deficit procedure for Romania.

On 3 April 2020 the Council adopted a recommendation with a view to bringing an end to the situation of an excessive deficit in Romania by 2022 at the latest.

That recommendation no longer provides a relevant basis for fiscal policy guidance and for the assessment of the action taken by the Romanian government to bring its excessive deficit to an end.

Consequently, the Council recommended that Romania put an end to the present excessive deficit situation by 2024 at the latest.

[Recommendation for a Council recommendation with a view to bringing an end to the situation of an excessive government deficit in Romania \(European Commission\)](#)

Recommendations on the updated stability or convergence programmes (SCPs)

The Council adopted the Council recommendations delivering a Council opinion on the 2021 SCPs.

They take into account the spring 2021 forecast and the continuation of the Stability and Growth Pact's general escape clause into 2022 and address the budgetary stance of member states in qualitative rather than quantitative terms.

Under the regulation on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies, the Council is expected to follow the Commission's recommendation or explain its position publicly. The explanation is referred to as a 'comply or explain' note.

The Council adopted the 27 recommendations and the 'comply or explain' note.

[National reform programmes and stability/convergence programmes \(European Commission\)](#)

[Annual sustainable growth strategy 2021 \(communication from the Commission\)](#)

Strengthening of the banking union

The Council took note of the presidency progress report on strengthening the banking union.

The progress report covers the latest developments regarding measures outlined in the June 2016 roadmap on the completion of the banking union.

This reporting is in line with the mandate of the Council Ad Hoc Working Party (AHWP) on the Strengthening of the Banking Union and presents the presidency's views on the progress made in the first half of 2021 regarding measures to strengthen the banking union.

[Further steps in the banking union: risk reduction and deposit protection \(background information\)](#)

[Council conclusions on a roadmap to complete the banking union](#)

VAT rates

Ministers exchanged views on the proposal for a Council directive on the common system of value added tax (VAT) as regards VAT rates.

The Commission submitted the proposal in 2018. It aims to create a level playing field and grant member states more flexibility in the application of reduced and zero VAT rates.

Ministers were invited to give further guidance on the way forward, on the basis of the presidency progress report.

[Proposal for a Council directive amending Directive 2006/112/EC as regards rates of value added tax \(European Commission\)](#)

[Proposal for a Council directive amending Directive 2006/112/EC as regards rates of value added tax \(policy debate\)](#)

VAT exemption for imports and other Union operations in the public interest

Ministers held a policy debate on the proposal for VAT exemption for imports and other Union operations in the public interest.

The aim of the proposal is to make it easier for the Commission and EU agencies to buy goods and services in order to distribute them free of charge to member states according to their emergency needs. Currently VAT is due in every member state where EU bodies donate goods.

Ministers were invited to give further guidance on the way forward.

[Proposal for a Council directive on exemptions on importations and on certain supplies, in respect of Union measures in the public interest \(European Commission\)](#)

[Proposal for a Council directive on exemptions on importations and on certain supplies, in respect of Union measures in the public interest \(policy debate\)](#)

Conclusions on the fiscal sustainability challenges arising from ageing

The Council approved conclusions on the 2021 ageing report.

The 2021 ageing report is the response to the mandate that the Economic and Financial Affairs Council gave to the Economic Policy Committee (EPC) in 2018 to update and further deepen its work on age-related expenditure projections, on the basis of a new population projection by Eurostat.

[The 2021 ageing report: economic and budgetary projections for the EU member states \(2019-2070\) \(European Commission\)](#)

[Population structure and ageing \(Eurostat\)](#)

Current financial services legislative proposals

The presidency presented the state of play regarding a number of financial services legislative proposals.

[Banking union \(background information\)](#)

[Capital markets union \(background information\)](#)

[Digital finance \(background information\)](#)

International meetings

The presidency informed ministers about preparations for the upcoming G20 finance meeting and progress on ongoing international issues.

[More information on Italy's 2021 G20 presidency](#)

OTHER BUSINESS

The Council discussed the following under 'any other business':

– ***Solvency II review***

The Commission provided an oral update on the preparation of its forthcoming package of legislative proposals to update the Solvency II directive.

[Risk management and supervision of insurance companies \(Solvency 2\) \(European Commission\)](#)

– ***Special report by the European Court of Auditors on gender mainstreaming in the EU budget***

The Swedish delegation drew attention to this special report.

[Special report 10/2021: Gender mainstreaming in the EU budget \(Court of Auditors\)](#)

OTHER ITEMS APPROVED

FOREIGN AFFAIRS

The Council decided to extend the mandate of the European Union Integrated Border Management Assistance Mission in Libya (EUBAM Libya) for a further two years, until **30 June 2023**.

[EUBAM Libya: Council extends mandate for a further two years](#)

ECONOMIC AND FINANCIAL AFFAIRS

Regulation on quotas for certain agricultural and industrial products

On 29 April 2021 the Commission submitted to the Council a proposal for a Council regulation amending Council Regulation (EU) No 1388/2013 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products. The Customs Union Working Party examined the proposal in an informal setting and agreed the text. Against this background, the Permanent Representatives Committee invited the Council to adopt the regulation as set out in document ST 8609/21 (text revised by legal/linguistic experts) as an item without discussion at one of its meetings.

Regulation on suspensions for certain agricultural and industrial products

On 29 April 2021 the Commission submitted to the Council a proposal for a Council regulation amending Council Regulation (EU) No 1387/2013 suspending the autonomous common customs tariff duties on certain agricultural and industrial products. The Customs Union Working Party examined the proposal in an informal setting and agreed the text. Against this background, the Permanent Representatives Committee invited the Council to adopt the regulation as set out in document ST 8613/21 (text revised by legal/linguistic experts) as an item without discussion at one of its meetings.

Reforming the World Customs Organization

The Council approved its position on reforming the World Customs Organization set out in document ST 9203/2021 + COR 1.

The draft EU submission 'Towards WCO modernization: Reforming the World Customs Organization' was sent to the Customs Union Working Party on 20 May 2021. The draft was discussed at the informal meeting of the Customs Union Working Party on 27 May 2021.

Report to the European Council on tax issues

The Council approved the Ecofin report on tax issues.

The Council report provides an overview of the progress achieved in the Council during the Portuguese presidency, as well as an overview of the state of play in the most important negotiations in the area of taxation. It has been prepared on the basis of discussions in the High-Level Working Party (HLWP) on tax issues covering strategic tax policy issues.

Code of conduct (business taxation): report to the Council and conclusions

The Council approved the report on the code of conduct for business taxation. In 2015 the Council expressed its wish to improve the visibility of the work of the Code of Conduct Group (COCG) and agreed that its results, in particular its six-monthly reports, systematically be made available to the public. This report from the COCG covers the work of the group in the first half of 2021, during the Portuguese presidency of the Council.

The Council also approved conclusions on the progress achieved by the COCG during the Portuguese presidency, which were examined within the Working Party on Tax Questions.

GENERAL AFFAIRS

Regulation on the statute of the European Ombudsman

In accordance with Article 228(4) TFEU, the Council has given its consent to the draft regulation of the European Parliament laying down the regulations and general conditions governing the performance of the Ombudsman's duties (statute of the European Ombudsman).

EU-Bosnia and Herzegovina Stabilisation and Association Council

The Council approved the EU position for the EU-Bosnia Herzegovina Stabilisation and Association Council meeting which will take place on 13 July 2021 in Brussels. This is the fourth meeting of the EU-Bosnia and Herzegovina Stabilisation and Association Council.

Council decision related to the new list of preparatory bodies

The Council adopted a decision ([9422/21](#)) amending Council Decision 2009/908/EU, laying down measures for the implementation of the European Council Decision on the exercise of the presidency of the Council, and on the chairmanship of preparatory bodies of the Council.

In February 2021 the Permanent Representatives Committee approved a new list of preparatory bodies that should apply from 1 July 2021 and tasked the Antici and Mertens groups with coordinating the establishment of mandates for 23 new working parties, including the Working Party on e-Justice.

The approval of the mandate of the Working Party on e-Justice required a substantial amendment to Council Decision 2009/908/EU.

On 4 June 2021 the Permanent Representatives Committee approved the above-mentioned 23 mandates. It also agreed on the transmission to the Council of the text of the Council decision amending Decision 2009/908/EU, subject to its revision by lawyer-linguists.

Now the Council has adopted the Council decision amending Decision 2009/908/EU and has decided to publish the text of the decision in the Official Journal once it is adopted.

JUSTICE AND HOME AFFAIRS

Travel restrictions

Following a review under the recommendation on the gradual lifting of the temporary restrictions on non-essential travel into the EU, the Council updated the list of countries, special administrative regions and other entities and territorial authorities for which travel restrictions should be lifted. As stipulated in the Council recommendation, this list will continue to be reviewed every two weeks and, as the case may be, updated.

[Council updates the list of countries, special administrative regions and other entities and territorial authorities for which travel restrictions should be lifted](#)

INTERNAL MARKET AND INDUSTRY

Intellectual property policy

On 16 June 2021 the Council approved, through a written procedure, Council conclusions on intellectual property (IP) policy.

The conclusions address the role of IP in helping to tackle the COVID-19 pandemic. They outline the importance of IP for SMEs and their economic recovery, as well as for the green and digital transitions [[9381/21](#)].

Provisions for machinery in order to address the impact of the COVID-19 crisis

The Council adopted its first-reading position on a draft regulation regarding transitional provisions for certain machinery fitted with engines in the power ranges greater than or equal to 56 kW and less than 130 kW, and greater than or equal to 300 kW, in order to address the impact of the COVID-19 crisis.

The regulation relates to the extension of the 2021 deadlines as set out in Regulation (EU) 2016/1628 [[9703/21](#); PE-CONS 39/21].

TRANSPORT

Aviation – wet lease

The Council adopted a decision on the conclusion of the wet lease agreement between the United States, the EU, Iceland and Norway ([9260/21](#); [11645/1/20 REV 1](#); [10584/19](#); [11100/19](#)).

AGRICULTURE

AU-EU agriculture ministerial conference

The Council approved the EU guidelines for the fourth AU-EU agriculture ministerial conference [9496/21].
