Council of the European Union

Background brief
9 July 2026

Economic and Financial Affairs Council

10 July 2026, Brussels

PRESS

EN

Chair:

Simon Harris, Tánaiste and Minister for Finance of Ireland

Commission representatives:

Valdis Dombrovskis, European Commissioner for economy and productivity, implementation and simplification

Maria Luís Albuquerque, European Commissioner for financial services and the savings and investments union

Starting time: 10:00

Media opportunities:

- Doorstep by Kyriakos Pierrakakis, President of the Eurogroup: Thursday 9 July at +/- 14:45
- Press conference following the Eurogroup: Thursday 9 July at +/- 18:30
- Doorstep by Simon Harris, Tánaiste and Minister for Finance of Ireland: Friday 10 July at +/- 08:30
- Press conference after the Economic and Financial Affairs Council: Friday 10 July at +/- 14:00

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Main agenda topics:

In public session, ministers will discuss the **market integration and supervision package** - part of the EU's savings and investments union agenda.

In the context of the European semester 2026, the Council is expected to adopt **integrated country-specific recommendations** and approve **conclusions on the in-depth reviews under the macroeconomic imbalance procedure**.

Ministers are expected to launch an **excessive deficit procedure (EDP)** concerning **Bulgaria** and to **recommend a fiscal path** for the country to bring an end to the excessive deficit.

Ministers are also expected to approve a **new national recovery and resilience plan for Hungary** and targeted amendments to the plans of eight other member states.

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Related events:

The **Eurogroup** will meet at 15:00 on Thursday 9 July in Brussels to discuss:

In regular format:

- Fiscal policy coordination
- International role of the euro
- Eurogroup work programme
- Miscellaneous

In inclusive format:

- The economic impact of emerging technologies: artificial intelligence and cybersecurity - implications for the financial sector
- Digital finance

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An **informal ministerial breakfast** will take place on 10 July at 09:00 ahead of the ECOFIN meeting where EU ministers are expected, as usual, to discuss the economic situation and to receive a debrief of the Eurogroup meeting the day before.

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In the margins of the ECOFIN, the European investment bank (EIB) group will hold an event on 10 July at 08:40 in the Europa building press room to mark the expanded European Tech Champions Initiative. The event will include a brief statement by EIB group president Nadia Calviño and a family photo with finance ministers of participating member states and institutional investors. For further details contact: n.chrysoloras@eib.org.

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Eurogroup meeting page on the Council website

Economic and financial affairs Council meeting page on the Council website

Eurogroup – High quality photo and video material

Economic and financial affairs Council – High quality photo and video material

Press conferences, doorsteps and other public events in video streaming

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Market integration and supervision package (in public session)

Ministers will hold a policy debate on the market integration and supervision package, **comprising a draft directive, a and a draft regulation regarding the further development of capital markets integration and supervision within the Union, as well as a proposed new settlement finality regulation.** The policy debate will take place on the basis of a presidency steering note setting out the main political issues, with a view to achieving an agreement on the Council's position on the file by October.

Launched as a central pillar of the **savings and investments union** (SIU) strategy in December 2025, this legislative package aims to deepen the integration and efficiency of EU capital markets by removing barriers to cross-border investment activity, strengthening supervisory convergence and efficiency and improving market functioning. This will thereby support mobilisation of savings and their channelling towards productive investment across the Union in line with the objectives of the SIU **and the broader goal of strengthening EU competitiveness**.

The legislative package consists of **three proposals** that amend a wide range of existing acts to fundamentally restructure the single market for capital. Concretely these take the form of a **master regulation**, a **master directive,** and a new **settlement finality regulation** which together aim to create the conditions for market-led consolidation by removing obstacles that prevent firms from scaling up across the single market. In particular, the package includes measures aimed at strengthening the role of the European securities and markets authority, including by enhancing its tools to promote supervisory convergence and by reinforcing its role in EU-level supervision, in certain areas.

More broadly, the proposals seek to improve the functioning of EU capital markets across trading, post-trading, asset management and emerging technologies. The overarching goal is to help EU market participants gain the scale and efficiency required to compete globally, prioritising innovation and market integration.

Presidency steering note (3 July 2026)

Cyprus presidency progress report

Savings and investments union (background information)

How the EU supervises the banking sector (background information)

Commission launches major package to fully integrate EU financial markets (European Commission)

Priorities of the Irish presidency

The Irish presidency will present its **work programme** in the area of economic and financial affairs for the second half of the year.

The presidency has announced that its work will be guided by three overarching priorities: **competitiveness, values and security**, in line with the EU Strategic Agenda 2024–2029. In the economic and financial field, Ireland will place particular emphasis on strengthening the EU's competitiveness, resilience and capacity to respond to an increasingly challenging geopolitical and economic environment.

In that vein, and reflecting commitments in the **One Europe, One Market roadmap**, priority will be given to achieving the targets on the **savings and investments union** and the **digital euro**. The Irish presidency will also focus both on deepening European capital markets and strengthening the competitiveness of Europe's banking sector, helping to mobilise resources for longer-term economic growth and competitiveness. The presidency will also progress work in the area of **taxation**, and in particular will prioritise work on the **tax simplification** agenda. Finally, the Irish Presidency will take forward economic coordination through the European semester cycle, supporting sound fiscal policies that contribute to debt sustainability and investment.

Programme of the Irish presidency

Savings and investments union (background information)

Modernising the EU customs union (background information)

Russian aggression against Ukraine

Ministers will share their views on the **state of play of the economic and financial impact of Russia's aggression against Ukraine,** based on an update from the Commission. This is a recurring item on the ECOFIN agenda.

Russia's war against Ukraine (background information)

EU solidarity with Ukraine (background information)

Economic recovery in Europe

The Council will exchange views on the implementation of the **recovery and resilience Facility** and adopt related implementing decisions.

First, ministers will be invited to approve a **new national plan for Hungary**. On 10 June, Hungary submitted a new plan, deeming its current plan no longer achievable due to cost increases stemming from energy price volatility, unexpected shifts in geopolitical circumstances, unforeseen implementation challenges, delays resulting from time constraints or scheduling pressures, and other developments. The reasoned request was followed on 19 June by a Commission proposal to approve Hungary's new plan.

Second, the Council is expected to approve targeted amendments to the recovery and resilience plans submitted by **Cyprus**, **Finland**, **Germany**, **Latvia**, **Lithuania**, **Luxembourg**, **Netherlands** and **Slovenia**.

The RRF is the **EU's large-scale financial support programme** in response to the challenges posed by the COVID-19 pandemic to the European economy. It is the centrepiece of NextGenerationEU, a temporary recovery instrument that allows the Commission to raise funds to help repair the immediate economic and social damage caused by the pandemic.

To fully benefit from the facility, member states must fulfil all milestones and targets contained in their recovery and resilience plans **by the end of August 2026**.

To date, around €429 billion has been disbursed.

Recovery and resilience facility (background information)

A recovery plan for Europe (background information)

European semester 2026

In the context of the European Semester 2026, the Council will adopt **integrated country-specific recommendations (CSRs)** for each member state and approve **conclusions on the in-depth reviews** under the macroeconomic imbalance procedure. Member states are invited to take these recommendations into account when defining their budgets and when taking policy decisions, particularly in the fields of economic, employment and education policy.

This year the CSRs place particular emphasis on competitiveness, energy security, economic security, defence readiness and social fairness. Member states are encouraged to implement the priorities of the Competitiveness compass, ensure the swift implementation of cohesion policy funds and maintain continuity of reforms and investments supported under the recovery and resilience facility. Fiscal recommendations continue to focus on compliance with net expenditure paths endorsed by the Council and prudent implementation of energy-related measures within the limits of the stability and growth pact.

Established in 2011, the European semester enables EU member states to coordinate their economic, fiscal and employment policies throughout the year and address any economic challenges facing the EU. Since 2024, the European semester cycle is aligned with the provisions of the newly adopted economic governance review.

The European semester explained (background information)

European semester in 2026 (timeline)

Stability and growth pact

Ministers will take a decision on the launch of an **excessive deficit procedure (EDP)** concerning **Bulgaria** and to **recommend a fiscal path** for the country to bring an end to the excessive deficit.

The EDP is a mechanism designed to ensure that EU member states maintain fiscal sustainability in their governments' budgets. Deficit-based EDPs are launched when member states run a government deficit exceeding the Treaty reference value of 3% in accordance with Article 126 of the Treaty on the Functioning of the European Union.

The Council's expected decision to open an EDP is warranted given Bulgaria's projected 2026 government deficit of 4.1% of GDP and given that this is projected to continue exceeding 3% of GDP in 2027. Bulgaria's use of the national escape clause for defence spending under the stability and growth pact, which allows flexibility from the net expenditure path endorsed by the Council up to a cap of 1.5%, does not fully explain the projected deficit.

Currently, nine other member states are under an excessive deficit procedure – Austria, Belgium, Finland, France, Italy, Hungary, Poland, Slovakia and Romania.

Council decision to launch an excessive deficit procedure for Bulgaria

Council recommendation with a view to bringing an end to the situation of an excessive deficit in Bulgaria

Excessive deficit procedure (background information)

Economic governance

The Council will be invited to recommend **a maximum net expenditure path for the Netherlands** – a key element of its medium-term fiscal-structural plan. Under the EU's economic governance framework, in force since the end of April 2024, member states are asked to submit national medium-term fiscal-structural plans covering four to five years (depending on their electoral cycle). As a new government, the Netherlands has taken up the option under the framework to submit a revised medium-term plan, including a revised net expenditure path.

Based on a Commission assessment, the Council adopts a recommendation in which it sets the net expenditure path of the member state concerned and, where applicable, endorses the set of reform and investment commitments underpinning an extension of the fiscal adjustment period.

The medium-term fiscal-structural plans are a cornerstone of the EU's new economic governance framework. The plans contain member states' fiscal trajectory, together with envisaged reforms and investments. They contribute to strengthening member states' debt sustainability and promoting sustainable and inclusive growth.

The net expenditure paths as set by the Council constitute the most important operational indicator for fiscal surveillance at EU level. This budgetary constraint will frame the Netherlands' national fiscal policies until 2030 and help determine whether it is maintaining healthy finances.

Council recommendation endorsing the national medium-term fiscal-structural plan of the Netherlands

Economic governance framework (background information)

The euro

The European Commission and the European Central Bank (ECB) will present their **recent convergence reports for non-euro area countries**, followed by an exchange of views by Ministers.

All non-euro area member states, except Denmark, have legally committed to join the euro area. In order to join, a country must meet certain conditions, known as the '**Maastricht convergence criteria**'. These economic and legal requirements include low inflation, sustainable public finances, stable exchange rates and a sustainable interest rate. They were established by the Maastricht Treaty in 1992 to ensure that member states are prepared to adopt the euro and function smoothly in the euro area. The Council ultimately decides whether a country can introduce the euro.

At least every two years, the European Central Bank (ECB) and the European Commission examine whether the non-euro area member states (the so-called 'member states with a derogation') fulfil the convergence criteria and therefore are **ready to introduce the euro**. They each issue a **convergence report** presenting their findings. The reports are submitted to the Council for examination and to inform possible subsequent decisions.

This year, the Commission and ECB reports provide an assessment of the progress made by five non-euro area member states – Czech Republic, Hungary, Poland, Romania and Sweden - towards adopting the euro. Denmark, which has an opt-out clause regarding the euro under the Maastricht Treaty, is not included.

Convergence report of the European Commission

Convergence report of the European Central Bank

The euro (background information)

Joining the euro area (background information)

G20

The Council will be invited to approve the EU terms of reference in view of the meeting of G20 finance ministers and central bank governors on 31 August and 1 September. It is also expected to mandate the EU's Economic and Financial Committee to amend the text at a later stage if warranted, ahead of the meeting itself.

The G20 meeting of finance ministers and central bank governors provides a forum for key countries in the international financial system to discuss major international economic issues and to coordinate the global economy's stable and sustainable growth.

Other items

- Current financial services legislative proposals *(information from the presidency)*