

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

9850/89 (Presse 206)

1362nd Council meeting
- Economic and Financial Affairs -
Brussels, 13 and 14 November 1989

President: Mr Pierre BEREGOVY
Ministre d'Etat,
Minister for Economic and Financial Affairs
and the Budget
of the French Republic

9850/89 (Presse 206 - G)

erd/BS/mm EN

- 1 -

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

Belgium:

Mr Philippe MAYSTADT Minister for Finance

Denmark:

Mr Niels HELVEG PETERSEN Minister for Economic Affairs

Germany:

Mr Theo WAIGEL Federal Minister for Finance

Mr Hans TIETMEYER State Secretary, Federal Ministry of Finance

Mr Otto SCHLECHT State Secretary, Federal Ministry of Economic Affairs

Greece:

Mr George KONTOGEORGIS Minister for Economic Affairs

Spain:

Mr Carlos SOLCHAGA CATALAN Minister for Economic Affairs and Finance

Mr José BORRELL FONTELLES State Secretary, Ministry of Finance

France:

Mr Pierre BEREGOVOY Ministre d'Etat, Minister for Economic and Financial Affairs and the Budget

Ireland:

Mr Albert REYNOLDS Minister for Finance

Italy:

Mr Guido CARLI	Minister for the Treasury
Mr Rino FORMICA	Minister for Finance

Luxembourg:

Mr Jacques SANTER	Minstre d'Etat, Minister for the Treasury
-------------------	---

Netherlands:

Mr W. KOK	Minister for Finance
Mr M.J.J. VAN AMELSVOORT	State Secretary, Ministry of Finance

Portugal:

Mr Miguel CADILHE	Minister for Finance
-------------------	----------------------

United Kingdom:

Mr John MAJOR	Chancellor of the Exchequer
---------------	-----------------------------

°

°

°

Commission:

Jacques DELORS	President
Sir Leon BRITTAN	Vice-President
Mr Henning CHRISTOPHERSEN	Vice-President
Mrs Christiane SCRIVENER	Member

°

°

°

Also present:

Mr Mario SARCINELLI	Chairman of the Monetary Committee
Mr Dmetrios J. CHALIKIAS	Chairman of the Committee of Governors of the Central Banks
Mr Bernhard MOLITOR	Chairman of the Economic Policy Committee

SITUATION IN HUNGARY, POLAND AND THE GDR

The Council held an exchange of views on the economic and political situation in Hungary, Poland and the GDR.

Regarding the latter country, Mr WAIGEL briefed the Council about events in the last few days and the Council assured the German Minister of its solidarity as far as the development of the situation in the GDR was concerned.

The Council instructed the Monetary Committee to make an urgent examination of the economic and financial situation in these countries and to prepare a summary of action already undertaken at bilateral and Community level and in international fora such as the IMF.

Regarding Hungary and Poland, the Council took note of the Commission's views and the fact that the Commission would soon be submitting practical proposals for action to help those countries.

ECONOMIC AND MONETARY UNION

The Council took note of the report from the High-level Working Party which met at the instigation of the Presidency. That report summarizes the main problems to be resolved in drawing up an agreement on EMU and is therefore a useful working tool in preparations for the European Council in Strasbourg, which will have to decide on the convening of an Intergovernmental Conference.

The Council also took note of a United Kingdom contribution on an evolving approach to Economic and Monetary Union, the report from the Chairman of the Monetary Committee and the report from the Economic Policy Committee on budgetary co-ordination.

The Council held an exchange of views on this, following which the President stressed that Economic and Monetary Union should make it possible to achieve sustained non-inflationary growth in the Community together with a high level of employment. In accordance with the conclusions of the European Council in Madrid, EMU must be seen in the perspective of the completion of the Internal Market and in the context of the economic and social cohesion of the Community.

The following principles should therefore be applied: price stability, sound public financing and monetary conditions, generally healthy balances of payments and markets that were open and competitive. Finally, the President noted that there was already a consensus in favour of prohibiting any monetary financing of public deficits, a concept which had been clearly defined by the Monetary Committee. This principle could be applied gradually and constitute a first step towards better co-ordination of the budgetary policies of the Member States.

Referring more specifically to stage one of EMU, the Council examined the two Commission proposals concerning

- firstly, the attainment of progressive convergence of economic performance during stage one of Economic and Monetary Union, and
- secondly, increase co-operation between the Central Banks of the Member States of the European Economic Community;

on which it was expecting the Opinions of the European Parliament and the Economic and Social Committee and had already received the opinions of the Monetary Committee and the Committee of Governors of the Central Banks.

The Council noted that there was a consensus on these two texts, which should enable it to adopt them on 18 December 1989 when it had received the abovementioned Opinions.

Both texts are intended to implement the political decision of the European Council in Madrid that stage one of the realization of EMU will begin on 1 July 1990 and its realization will have to take account of the parallelism between economic and monetary aspects, respect the principle of "subsidiarity" and allow for the diversity of specific situations.

The first proposal provides that "in order to achieve sustained non-inflationary growth in the Community, together with a high level of employment and the degree of economic convergence necessary for the success of Stage One of Economic and Monetary Union, in the perspective of the completion of the Internal Market and in the context of economic and social cohesion, the Council shall undertake multilateral surveillance. In this context, it shall apply the following principles: stable prices, sound public financing and monetary conditions, generally healthy balances of payments and markets that are open and competitive. At least twice a year, it shall examine:

- the economic conditions, prospects and policies in the Community and its Member States;
- the compatibility of policies within Member States and in the Community at large;

- the external economic environment and its interaction with the economy of the Community.

Multilateral surveillance shall cover all aspects of economic policy in both the short-term and medium-term perspectives."

The second text has the aim of strengthening the process of co-operation on monetary policies by stepping up co-operation between Central Banks, whose task is to be defined as follows:

- "- to hold consultations concerning the general principles and the broad lines of policy of the Central Banks, in particular as regards credit, money and foreign exchange markets and including, within their competences, issues affecting the stability of financial institutions and markets;
- to exchange information regularly about the most important measures that fall within the competence of the Central Banks, and to examine those measures. The Committee shall normally be consulted in advance of national decisions on the course of monetary policy, such as the setting of annual domestic monetary and credit targets;
- to promote the co-ordination of the monetary policies of the Member States with the aim ensuring price stability which is a necessary condition for the proper functioning of the European Monetary System and the realization of its objective of monetary stability;
- to formulate opinions on the overall orientation of monetary and exchange rate policy as well as on the respective measures introduced in individual Member States;

- to express opinions to individual Governments and the Council of Ministers on policies which might affect the internal and external monetary situation in the Community and, in particular, the functioning of the European Monetary System.

In carrying out its tasks, the Committee shall keep under review the trend of the monetary situation both inside and outside the Community."

SAVINGS BY HOUSEHOLDS

The Council took note of a statement by Mr CADILHE introducing the Portuguese memorandum on the question of the unfavourable trend in the level of savings by households and concerning concerted action at Community level to promote such savings.

The Council requested the Commission to examine this topic and submit a communciation at a forthcoming Council meeting.

ABOLITION OF FISCAL FRONTIERS - CONCLUSIONS OF THE COUNCIL

Further to the mandate given it by the Madrid European Council, the ECOFIN Council holds the view that the fiscal arrangements to be introduced by 1 January 1993 are now approved. The initial approach adopted by the Council on 9 October and the overall conclusions of the ad hoc Working Party result in adoption of the following solutions, which will give tangible shape for undertakings and private individuals to the commitments entered into under the Single Act.

1. The proposed measures and arrangements will facilitate the subsequent transition to uniform tax arrangements in the country of origin, which remains the medium-term objective.

For a limited period, the smooth operation of VAT arrangements in the case of transactions between different Member States carried out by taxable persons must be ensured by taxing the recipient in the country of destination at the rate and under the conditions obtaining in that country.

Exempt or non-taxable bodies making purchases of a certain value in other Member States will be treated in the same way.

2. The burden borne at present by undertakings and administrations will be lightened by the abolition of formalities prior to the movement of goods or in connection with border crossing. Undertakings will have to keep at the disposal of the authorities, for fiscal purposes, all the information enabling all their intra-Community transactions to be identified; they will make as simple as possible a periodic declaration of these transactions for statistical and fiscal purposes; the content of the obligations imposed in this context will be specified on a proposal from the Commission, in particular in the light of requirements in respect of exchanges of information between authorities for the purposes of tax control and of statistical registration requirements.
3. Control arrangements must effectively prevent the risk of evasion and will be based primarily on the use by national administrations of business returns, regular exchanges of information and the provision of supporting documents, drawn up by the administration. Such standing co-operation at administrative level must not give rise to any obstacle on grounds of national legislation and will supplement existing mutual assistance procedures.

4. The differential treatment of certain classes of transaction will enable distortions of competition to be avoided without hampering freedom of movement. Purchases in another Member State of vehicles liable for registration will be subject to VAT in the country of destination at that country's rate. In the case of distance selling to an exempt or non-taxable private individual or body established in another Member State, the seller or his representative will pay the tax of the country of destination where the amount of his sales of this type exceeds certain thresholds to be laid down.
- 4a. The specific details of the implementation of the above principles (points 1 to 4) will have to be examined carefully in order to ensure that for each Member State:
 - the present burden on undertakings and administrations will be lightened;
 - distortions of competition are avoided without hampering the free movement of goods.
5. The Council agrees to make a fresh examination of the approximation of VAT rates at a forthcoming meeting.
6. Products subject to excise duty will move without tax being levied between warehousekeepers authorized by the authorities of the Member States. Appropriate provisions will allow purchasers who do not have the status of warehousekeepers to make their purchases from sellers of other Member States with payment of excise duty in the State of consumption.

The new Commission proposals concerning excise duty rates will be examined by the Council with a view to achieving the necessary degree of approximation by 1 January 1993 in order to avoid distortions of competition and risks of evasion.

7. Quantitative and ad valorem restrictions on travellers' purchases will be abolished on 1 January 1993 in conjunction with an adequate approximation of VAT and of excise duty rates.

These arrangements concern purchases intended solely for the personal use of travellers.

The special situation of Denmark, Ireland and Greece may, on a proposal from the Commission, be the subject of specific arrangements in the general context of the harmonization of rates ⁽¹⁾.

o

o o

The Council requests the Commission to submit appropriate proposals embodying in Community legislation the approach set out in these conclusions.

At the same time, the dynamic effects of the abolition of frontiers will in themselves create the most favourable conditions for such development. The removal of limits on purchases by private individuals will of necessity result in further alignment of rates. The budgetary consequences will be made more readily bearable through the increase in growth resulting from unification of the internal market, while the convergence of economies will eliminate the problem of compensation caused by allocating the tax yield to the country of consumption.

The Council and the Commission therefore agree that, no later than 31 December 1996, there will be an overall examination in order to determine the deadlines and procedures for achieving definitive unification of the common system of VAT following a transitional period.

(1) The Danish delegation did not agree to the text of point 7.

TAXATION OF SAVINGS

The Council held a detailed discussion on the basis of the draft conclusions submitted by the Presidency concerning a series of measures designed to

- improve mutual assistance between the Member States, while ensuring that the obligations incumbent upon the competent authorities and the persons concerned are in proportion to the seriousness of the presumed evasion and to the significance of the amounts in question;
- extend mutual judicial assistance,
- adjust certain national measures;
- step up co-operation with countries which are not members of the Community.

Following its discussions, the President recorded that a majority of the delegations could agree to the compromise solutions arrived at during the meeting, that three delegations were unable, however, to agree to paragraph 4 of the text of the conclusions concerning measures to be taken by the Member States enabling them to supply information in specific cases in which evidence of serious evasion is put forward by the authority making the request. Another delegation would have preferred a further discussion in order to guarantee effective administrative assistance on the matter between the Member States.

MISCELLANEOUS DECISIONSInsider dealing

Following completion of the procedure for co-operation with the European Parliament, the Council adopted the Directive co-ordinating regulations on insider dealing on which it had adopted its common position on 18 July 1989.

It will be remembered that, in order to contribute to the smooth operation of financial markets and ensure both that supply and demand are as broad as possible and that investors are placed on an equal footing, the purpose of the Directive is to prohibit insider dealing which enables persons having inside information to derive advantage from it to the detriment of other investors.

The stimulus to establish Community rules in this area arose from the observation that in several Member States there were no provisions prohibiting insider dealing, and that the rules or regulations that did exist differed considerably from one Member State to another.

The text adopted by the Council obliges Member States to prohibit "primary insiders" from taking advantage of inside information with full knowledge of the facts by buying or selling transferable securities.

For the purposes of the Directive, inside information is defined as being information which has not been made public of a precise nature relating to one or more issuers of transferable securities which, if it were made public, would be likely to have a significant effect on the price of the transferable security or securities in question.

Within the meaning of the text, a primary insider is any person who:

- by virtue of his membership of the administration, management or supervisory bodies of the issuer,
- by virtue of his holding in the capital of the issuer, or
- because he has access to such information by virtue of his employment, profession or duties,

possesses inside information.

The Directive prohibits a primary insider from disclosing inside information to any third party who would thereby become a secondary insider. Furthermore, a secondary insider is thereby prohibited from taking advantage of the inside information received.

The text also stipulates that Member States shall introduce penalties which have a deterrent effect sufficient to ensure compliance with the prohibitions. Finally, it is laid down that the competent authorities of the Member States shall co-operate with one another to identify and penalize insider dealing which, by its nature, often takes place across national borders.

The Member States also have the option to adopt provisions more stringent or extensive than those laid down by the Directive.

The Member States are to take the measures necessary to comply with the Directive by 1 June 1992.

Stock-exchange listing particulars

The Council adopted its common position with a view to amending Directive 80/390/EEC in respect of the mutual recognition of stock-exchange listing particulars.

With the aim of supplementing the provisions for mutual recognition already decided on, this amendment establishes recognition of the public-offer prospectus as listing particulars - if the application for admission is made within three months following submission of the public-offer prospectus - in the Member State or Member States in which the application for admission to official listing is made, without it being necessary to obtain the approval of the competent authorities of that Member State or those Member States and without their being able to require that additional information be included in the prospectus. The competent authorities may, however, require that the prospectus include information specific to the market of the country of admission concerning, in particular, the income-tax system, the financial organizations retained to act as paying agents for the issuer in the country of admission and the ways in which notices to investors are published.

Brussels, 10 November 1989

NOTE BIO(89) 332 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

433

PREPARATION OF ECO-FIN COUNCIL 13.11.89 (S. SONDERGAARD)

Two points on the EMU will be discussed by the ECO-FIN Council on Monday, starting at 10 a.m.

It is expected that the two proposals from the Commission for phase one of the EMU,

- the revision of the 1964-decision on closer co-operation between central banks and
- the revision of the 1974-decision on economic convergence.

It is the intention of the French Presidency to arrive at a consensus on these two proposals in order to have a final decision on the 18 December, after the opinion of the European Parliament has been submitted.

The discussion on the EMU will probably take place during the lunch, based on the Delors-report, the high-level group report (the Guigou-report) and the British paper "An Evolutionary approach to Economic and Monetary Union."

Regards,

C. D. Ehlermann →

C.D. EHLERMANN

Bruxelles, le 11 novembre 1989

NOTE BIO (89) 332 SUITE 1 AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

RAPPROCHEMENT DES FISCALITES INDIRECTES ET ACHEVEMENT DU MARCHÉ
INTERIEUR

Préparation du Conseil ECOFIN (13.11.89) - G. Guarneri

La Commission s'est à nouveau réunie ce vendredi soir en vue de prendre position par rapport aux travaux du groupe ad hoc du Conseil et en particulier par rapport aux réponses aux 4 questions posées lors du Conseil ECOFIN du 9 octobre, qui portaient sur:

- l'adéquation des mesures proposées à la lutte anti-fraude;
- l'adéquation des mesures proposées à l'allègement des charges et des coûts des entreprises;
- la crédibilité du système proposé par rapport aux impératifs du marché intérieur;
- la création d'une dynamique interne permettant le passage au régime de taxation généralisé des exportations.

A l'issue de la réunion de la Commission, Mme Scrivener, Commissaire en charge de la fiscalité et de l'union douanière, a brièvement présenté à la presse les grandes lignes de la position unanime de la Commission.

Au cours de son "briefing" le Commissaire a rappelé donc que la Commission avait posé des questions au Conseil au sujet des préoccupations qu'elle partage avec certains états membres sur plusieurs points de l'accord partiel auquel est parvenu le Conseil ECOFIN du 9 octobre dernier.

Mme Scrivener a ensuite ajouté "les réponses apportées par le Conseil, notamment dans le cadre des travaux du groupe ad hoc ne sont pas à ce stade pleinement satisfaisantes, notamment en ce qui concerne l'allègement des charges des entreprises au 1er janvier 1993. Mais il faut attendre le Conseil lui-même pour savoir ce qu'il en est exactement. En revanche, au sujet de la dynamique du système provisoire en vue du passage au système définitif tel que le propose la Commission, le Conseil insiste justement sur le rapprochement des taux et sur la pression qui s'exercera dans ce sens après la suppression des franchises voyageurs."

"Aussi ce dernier point est-il essentiel pour la Commission. Mais il faudrait mieux confirmer que la période transitoire sera effectivement transitoire."

"La Commission souhaite aboutir mais elle n'est pas prête à n'importe quel accord. Elle défendra ses positions, qui sont connues, pour améliorer au maximum le texte proposé par la Présidence. Mais l'accord sera difficile car il subsiste des divergences entre états, notamment sur le rapprochement des taux de TVA et l'abolition des franchises voyageurs au 31 décembre 1992. Sur ces points-là, la Commission et la présidence sont proches."

"S'agissant de la position finale de la Commission, cela dépendra du texte auquel on aboutira lundi. La Commission lèvera sa réserve si on aboutit à un texte satisfaisant."

"Un accord n'est pas impossible. La Commission fera le maximum pour obtenir un bon accord. Il faudra consulter le Parlement européen même s'il s'agit à ce stade, comme l'avait demandé le Conseil européen de Madrid, d'un accord politique et non juridique."

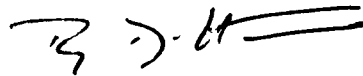
"Voilà, ce ne sera facile pour personne mais il n'y a aucun drame. Il faut continuer à travailler. Pour la Commission, ce qui compte, c'est la suppression des frontières au 31 décembre 1992. Il faut abolir les contrôles fiscaux aux frontières et supprimer les frontières fiscales. C'est un engagement politique de tous les Etats qui doit être respecté."

En répondant ensuite à des questions, Mme Scrivener a indiqué qu'il est essentiel de trouver un bon équilibre entre le contrôle de la fraude et les charges administratives imposées aux entreprises. Ce point doit être rediscuté avec le Conseil puisque la solution envisagée par ce dernier impose des tâches trop lourdes aux entreprises.

Le Commissaire a également évoqué le rôle fondamental de la suppression des franchises pour créer une dynamique aboutissant à un régime de taxation généralisée des exportations.

Repondant à d'autres questions, Mme Scrivener a souligné la nécessité de fixer une date permettant le passage au régime définitif. Elle a aussi évoqué le rôle crucial de la volonté politique des états membres pour parvenir à un accord dans les délais demandés par le sommet européen de Madrid.

Amitiés

P. C. 

C.D. Ehlermann

Bruxelles, le 14 novembre 1989

NOTE BIO(89) 332 SUITE 2 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

CONSEIL ECOFIN DU 13 NOVEMBRE 1989

FISCALITE DE L'EPARGNE (G. GUARNERI)

Le premier point à l'ordre du jour était la coopération entre administrations fiscales pour accompagner l'entrée en vigueur de la libération des mouvements de capitaux.

Prenant la parole au nom de la Commission, Mme Scrivener a rappelé qu'elle avait présenté au mois de juillet dernier un certain nombre de suggestions pour renforcer la coopération fiscale au sein de la Communauté et au plan international, en vue de la libération complète des mouvements de capitaux le premier juillet prochain.

Après la réunion informelle d'Antibes, en septembre dernier, la Commission a présenté, sur la base de son document informel de juillet, un projet de relevé de conclusions concrétisant ses suggestions.

Repris par la Présidence, ce texte a donné lieu à un travail intense dans le cadre du groupe ad hoc et au Coreper.

Le Commissaire en charge de la fiscalité a indiqué que le moment était venu pour le Conseil de se prononcer sur le texte en question éventuellement amélioré et complété. Mme Scrivener a insisté sur le fait que depuis le début, au sujet des propositions sur la fiscalité des revenus de l'épargne, la Commission n'a cessé d'avoir à l'esprit le souci de dégager une volonté politique unanime.

Le Commissaire a terminé son intervention par un appel solennel au Conseil pour qu'il surmonte ses difficultés dans l'intérêt de la Communauté pour trouver une solution au problème fiscal lié à la libre circulation des capitaux, qui est à son tour un élément important du grand marché intérieur.

Au cours d'un premier tour de table, la majorité des délégations s'est exprimé favorablement par rapport aux propositions présentées, qui par ailleurs appelaient à des réserves de la part d'un certain nombre d'autres délégations. En effet, certains Etats membres trouvaient que les propositions, malgré les précautions prises par la Commission allaient trop loin dans le sens de la levée du secret bancaire, ce qui aurait soit provoqué des difficultés au niveau de la compétitivité des places financières soit créé un contraste avec des principes de législation nationale.

D'autre part, quelques autres Etats membres trouvaient que les propositions n'allaient pas assez loin pour permettre un contrôle efficace de la fraude fiscale.

En tenant compte de ces prises de positions, la Présidence a présenté un projet de compromis qui, d'une part, prévoyait des procédures un peu plus contraignantes pour l'échange d'informations ainsi que la possibilité de réviser et améliorer l'application effective de l'assistance mutuelle, sur proposition de la Commission, tous les deux ans, et, d'autre part, préconisait sur une suggestion de la Commission l'extension de la coopération internationale avec les pays tiers et les centres financiers off-shore.

Ce projet de compromis n'a pu faire l'objet d'un accord unanime des Etats membres, malgré l'acceptation du texte par un certain nombre de délégations qui s'étaient opposées au premier projet de conclusion de la Présidence. Celle-ci a pris acte du maintien de réserves et confirmé l'urgence de parvenir à un compromis rapide et satisfaisant.

RAPPROCHEMENT DES FISCALITES INDIRECTES (G. GUARNERI)

Le second point fiscal à l'ordre du jour portait sur la suppression des frontières fiscales et le rapprochement des fiscalités indirectes. Dans son intervention, Mme Scrivener a rappelé que la Commission n'avait pas pu s'associer à l'accord partiel réalisé lors du Conseil Ecofin du 9 octobre et avait fait part de ses préoccupations posant au Conseil plusieurs questions, notamment en ce qui concerne la dynamique du système transitoire envisagé par le Conseil ainsi que les problèmes de fraude et d'allègement des charges des entreprises.

Le Commissaire en charge de la fiscalité a indiqué que les réponses obtenues par la Commission dans le cadre des travaux du groupe ad hoc et du Coreper et telles qu'elles résultaient du projet de conclusions du Conseil n'étaient pas pleinement satisfaisantes, notamment en raison du caractère insuffisamment limité dans le temps de la période transitoire envisagée par le Conseil et de l'allègement des charges des entreprises à compter du premier janvier 1993. Toutefois, Mme Scrivener a indiqué que la Commission serait prête à s'associer à un accord si un certain nombre d'amendements étaient apportés au texte préparé par la Présidence, si l'on parvenait à un accord global et équilibré et sous réserve que le Parlement Européen soit préalablement consulté.

Dans son intervention, le Commissaire a également souligné qu'il subsistait des divergences importantes entre les délégations sur des points fondamentaux tels que le rapprochement des taux de TVA et la suppression des franchises voyageurs et qu'un bon accord supposait des efforts et des concessions de tous.

La Commission a ensuite présenté une série de propositions de modification du texte soumis par la Présidence avec l'objectif, d'une part, de souligner que l'objectif à moyen terme demeure un régime unifié de taxation dans le pays d'origine et, d'autre part, de s'assurer que les charges administratives sur les entreprises soient allégées.

A la suite du débat point par point qui a suivi, la Commission a pu faire adopter par le Conseil l'essentiel de ses amendements :

- allègement substantiel des charges des entreprises tout en prévenant les risques de fraude;
- suppression des éléments techniques détaillés inutiles au stade d'un accord politique;
- renforcement du caractère transitoire du maintien de la détaxation des exportations après 1992;
- réaffirmation de l'objectif du passage au régime définitif à l'issue d'une période transitoire.

Toutefois, les désaccords entre Etats membres sur le point crucial du rapprochement des taux étaient très importants. Ils ont empêché tout accord sur ce point, et, partant, sur l'ensemble des conclusions proposées. Par ailleurs, le Danemark a maintenu une réserve sur le texte relatif à la suppression des franchises-voyageurs, élément dont Mme Scrivener a souligné l'importance primordiale pour un accord.

En l'absence d'un accord global, la Commission a maintenu finalement sa réserve par rapport à un texte qui représente un certain nombre d'acquis, mais qui n'intègre pas des éléments fondamentaux pour le fonctionnement du système tel que le rapprochement des taux et la suppression des franchises-voyageurs.

Le Conseil a convenu de procéder à un nouvel examen du rapprochement des taux de TVA lors d'une prochaine session.

Amitiés,


C.D. EHLERMANN

Brussels, 14 November 1989

NOTE BIO(89) 332 (SUITE 3) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

POLITICAL CONSENSUS ON PHASE 1 OF EMU (S. SØNDERGAARD)

The ECO-FIN Council yesterday chaired by Mr Beregovoy reached an agreement on the two proposals from the Commission on the implementation of phase 1 of the EMU, as set out in the Delors-report.

It concerns the decision on economic convergence and the decision on co-operation between central banks.

On behalf of the Commission, Vice-President Christophersen could accept 28 out of the 32 amendments to the proposals of the Commission, presented by the Monetary Committee but with compromise texts of the Presidency together with the declarations, a solution was found on the remaining 4 points.

After the agreement of yesterday, it is now up to the European Parliament to give its opinion on the two proposals before the final decision in the ECO-FIN Council on the 18 December.

Mr Christophersen expressed the satisfaction of the Commission with this important step towards the implementation of phase one of the EMU.

This means that Member States will have the necessary time next year to put into action the new rules for the co-ordination of economic policy making it certain that phase 1 can start on time, 1 July 1990.

On the preparation on phases 2 and 3 of the EMU, the Finance Ministers heard reports from the high level group, chaired by Mme Guigou, from the President of the Monetary Committee, Mr Sarcinelli and from Mr Molitor of the Economic Policy Committee.

After the presentation of the British paper by the new British finance minister Mr Major, the ministers embarked upon an in depth discussion on the EMU.

In summing up the debate, Mr Beregovoy said that he would report on the outcome of the meeting to the Presidency to make it possible for the summit in Strasbourg to reach a decision on the calling of Intergovernmental Conference on the EMU.

Regards,


C. D. EHLERMANN