

**PRESS RELEASE**

10870/90 (Presse 231)

1462nd meeting of the Council

- Economic and Financial Affairs -

Brussels, 17 December 1990

Presidents: Mr Guido CARLI  
Minister for the Treasury

Mr Rino FORMICA  
Minister for Finance  
of the Italian Republic

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

Mr Jens THOMSEN State Secretary, Ministry for Finance

Germany:

Mr Horst KÖHLER State Secretary, Federal Ministry of Economic Affairs

Greece:

Mr Eythymios CHRISTODOULOU Deputy Minister for Economic Affairs

Spain:

Mr Pedro PEREZ State Secretary for Economic Affairs

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

Mr Emilio RUBBI State Secretary for the Treasury

Mr Stefano DE LUCA State Secretary for Finance

Luxembourg:

Mr Robert GOEBBELS

Minister for Economic Affairs

Mr Jean-Claude JUNCKER

Minister for Finance

Netherlands:

Mr Marius van AMELSVOORT

State Secretary for Finance

Portugal:

Mr Carlos TAVARES

State Secretary for the Treasury

United Kingdom:

Mr Francis MAUDE

Financial Secretary to the Treasury

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Commission:

Mr Jacques DELORS

President

Sir Leon BRITTAN

Vice-President

Mr Henning CHRISTOPHERSEN

Vice-President

Ms Christiane SCRIVENER

Member

ABOLITION OF FISCAL FRONTIERS

Conclusions of the Council on the new excise duty arrangements:

Further to the instructions it received from the European Council in Dublin <sup>(1)</sup>, the ECOFIN Council considers that the arrangements to be implemented on 1 January 1993 regarding the main rules governing the movement and control of products subject to excise duty which are the subject of intra-Community transactions between professional operators are now approved. The proceedings of the ad hoc Working Party on the Abolition of Fiscal Frontiers result, on the basis of the Commission's proposals, in the following solutions as the concrete expression of the ECOFIN Council's conclusions of 13 November 1989 on this matter.

I. Movement between authorized warehousekeepers under duty-suspension arrangements

1. Authorized warehousekeepers are entitled, subject to certain conditions, to receive, hold and despatch under duty-suspension arrangements, products subject to excise duty.

Such warehousekeepers are required to comply with certain obligations imposed by each Member State. A minimum level of Community harmonization is necessary.

These obligations must comply with the principle of non-discrimination between national and intra-Community transactions.

2. Movement will take place on the basis of an accompanying administrative or commercial document.

The content of the documents and the form of the administrative document must be harmonized.

Appropriate provisions will be made for the discharge of the accompanying document.

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(1) At its meeting on 3 December the Council also adopted conclusions on the transitional VAT arrangements (see Press Release, ECOFIN Council of 3.XIII.90 - 10468/90 Presse 211); these two texts must now be transposed into law.

3. The tax authorities in each Member State must be notified by warehousekeepers of deliveries sent and received. Appropriate arrangements will be made to determine the notification procedures.
4. There will be appropriate provisions to enable information to be exchanged between all Member States involved in the movement of products subject to excise duty in order to effectively reduce the risk of fraud.

II. Receipt of products subject to excise duty by professional operators who do not have the status of authorized warehousekeepers

1. Such operators may receive products subject to excise duty under duty suspension arrangements from authorized warehousekeepers of other Member States. Such operators may not hold or despatch such products under duty suspension arrangements.
2. Such operators may request registration with the competent authorities of their Member State. Registration shall be subject to compliance with certain obligations. A minimum level of Community harmonization is necessary.
3. If such operators are registered, excise duties become chargeable on receipt of the goods.

The provisions set out in paragraph 3 of point I shall apply.

4. If they are not registered, they must make a declaration to the tax authority of the country of receipt prior to the receipt of the goods.

Excise duties are payable by the consignee in the country of destination. There will be appropriate provisions in order to guarantee collection of the duty in the country of destination.

5. Excise duty payable in the State of destination may be charged to a fiscal representative established in that State and designated by the consignor. The declaration prior to receipt referred to in paragraph 4 may be made by the fiscal representative. The fiscal representative must comply with certain obligations. A minimum level of Community harmonization of these obligations is necessary.
6. Where products subject to excise duty are covered by specific national regulations which are compatible with Community provisions, Member States may provide that deliveries of such products are made in accordance with appropriate procedures for the purposes of applying such regulations.
7. Movement of such goods will take place on the basis of an accompanying document, and, where the consignee is not registered, by a document certifying payment of the duties in the State of destination or compliance with any other arrangement guaranteeing payment of excise duties.

When the operator is not registered, the authorities of the Member State of destination, previously informed of the despatch of the goods, shall have the right to check that the goods were actually received.

8. Appropriate steps will be taken to enable information to be exchanged between all Member States involved in the movement of products subject to excise duty in order to effectively reduce the risk of fraud.
- III. In appropriate cases, special arrangements will be laid down for avoiding the maintenance of double taxation where a product for which excise duty has been paid in a Member State is subject to excise duties in another Member State.

It will be necessary to introduce special provisions forming an integral part of a general Community control mechanism, in order to ensure that payment of tax in that other Member State is not evaded.

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The Council asks the ad hoc Working Party, on the basis of the guidelines resulting from these conclusions, to expedite its proceedings on the Commission proposal on the movement and control of products subject to excise duty so that it can adopt the relevant Community legislation as soon as possible.

Duty-free arrangements for travellers - conclusions of the Council

The Council noted the agreement on the one-year derogations for Ireland and Denmark, subject to general agreement on the Netherlands compromise on the increase in duty-free travellers' allowances.

In the light of the ECOFIN Council's conclusions of November and December 1989 and the conclusions of the European Council in Rome in December 1990, and of the timetable for the next six months, to be fixed at the beginning of 1991, with particular reference to the proceedings on the completion of the internal market, including the approximation of rates, the Council undertook to adopt an overall decision on the Netherlands compromise before 31 March 1991.

That decision will enable the derogations for Ireland and Denmark to enter into force with retroactive effect as from 1 January 1991.

FOLLOW-UP TO THE EUROPEAN COUNCIL IN ROME

Relations with the Soviet Union

Regarding the food aid for the USSR in the form of gifts totalling ECU 250 million under the 1990 agricultural budget, the Council noted that the conclusions of the European Council signified acceptance of the Commission proposal on the subject submitted at the last meeting of the ECOFIN Council on 10 December.

Regarding finance for the rest of the proposed measures, the Ministers were in agreement that the medium-term guarantees would take the form of loan guarantees, under the Community budget, granted to exporters for a period of three years.

As to the amount, the Ministers agreed that the Community could provide up to ECU 500 million, on the understanding that deliveries would depend on the USSR's fulfilling the conditions laid down by the European Council as a guarantee that the aid would actually reach those for whom it was intended and did not jeopardize normality of supplies, etc. To that end, provision will be made for the aid to be released in tranches or for other appropriate arrangements to be included in the measures.

On that basis, the Commission will shortly be submitting a proposal for a Regulation for examination by the Council.

As regards technical assistance, the Ministers noted the Commission's intention to submit proposals for a framework Regulation and the necessary budgetary proposals without delay; the latter will include a proposal for an additional ECU 400 million in 1991 and ECU 600 million in 1992, increasing the total for category 4 of the financial perspective.



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The Ministers held an initial discussion on that subject which touched on, among other things, the question of the revision of the financial perspective.

Extension of EIB loans to Czechoslovakia, Bulgaria and Romania

Having examined the question of the extension of EIB loans to Czechoslovakia, Bulgaria and Romania, the Council agreed to take a decision on the matter, if possible at its meeting in January, after receipt of the European Parliament's Opinion.

Financial support for Czechoslovakia

The Council confirmed the Community's willingness to participate within the G-24 in a measure of financial support to be granted to Czechoslovakia for the stabilization and modernization of its economy, in particular to enable Czechoslovakia to render its currency convertible.

The Community, with the United States, will also contact certain Arab oil-producing states with a view to their making a substantial contribution to this support measure.

Prevention of money laundering

With a view to establishing a common position on the amended proposal for a Directive on prevention of use of the financial system for the purpose of money laundering, the Council reached agreement in principle on a series of outstanding problems concerning the proposal.

The Council thus responded to the requests from the European Councils in Dublin and more recently in Rome, which had underlined the need to conclude the proceedings on this matter as soon as possible.

It instructed the Permanent Representatives Committee to proceed, on the basis of the agreement reached, with the finalization of the texts in the official languages of the Communities in order to enable the Council to approve the common position formally at a forthcoming meeting and then forward it to the European Parliament for its second reading.

The aim of the Directive is to prevent the use of the financial system - set up by earlier directives - for the laundering of money obtained from criminal activities. It therefore concerns credit institutions and financial institutions, including life insurance companies. It falls within the framework of international initiatives, in particular the UN Convention (Vienna, December 1988), the recommendations of February 1990 of the Financial Action Task Force set up by the G-7 Summit (Paris, July 1989), and the Council of Europe Convention (Strasbourg, November 1990) which are all aimed at, inter alia, preventing the laundering of money acquired from illegal activities such as drug trafficking, terrorism and organized crime.

The Directive will constitute the Community's contribution to the international efforts being made in the field. The Member States must introduce into their legislation a series of measures including the identification of customers and beneficial owners, the co-operation of credit and financial institutions with the authorities responsible for preventing money laundering, introduction of the legal framework for such co-operation and the obligation for such institutions to establish internal control procedures.

A contact Committee is to be set up, which will have the tasks of contributing to the harmonized implementation of the Directive, through regular consultation between those responsible for the prudential supervision of financial institutions, and also examining whether to include professions other than those at present covered, whose activities may be used in money laundering.

The agreement in principle reached by the Council covers the following points in particular:

- the definitions of money laundering and of criminal activity, accompanied by an undertaking to adapt those definitions as the concepts evolved: the definition of laundering is drawn from that given in the Vienna Convention on narcotic drugs; however, since money laundering involves not only the proceeds of drug related offences but also the proceeds of other criminal activities - such as organized crime and terrorism - it is envisaged that the Member States should extend, within the meaning of their legislation, the effects of the Directive to include the proceeds of such activities since they are likely to result in laundering operations justifying their prevention on that basis;

- the prohibition of laundering and appropriate measures to be taken by each Member State to ensure full application of all the provisions of the Directive and, in particular, the penalties applicable in the event of infringement of the provisions adopted pursuant to the Directive. These provisions are accompanied by an undertaking by the representatives of the Governments of the Member States to introduce the requisite measures of national criminal law;
- the identification of customers which enter into business relationships with the institutions in question; and
- the identification of occasional customers who carry out transactions above a threshold of ECU 15 000;
- a provision in the Directive enabling the Member States to adopt or maintain stricter provisions to prevent money laundering, for example the choice of a threshold below ECU 15 000;
- the obligation to inform the authorities responsible for efforts to eliminate money laundering of any facts which might be an indication of money laundering;
- entry into force on 1 January 1993.

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The Council agreed to postpone discussion of the other items on the agenda

- investment services

- credit reinsurance pool for exports to the countries of Eastern Europe

until a future meeting.

MISCELLANEOUS DECISIONS

Trade policy

The Council adopted the Regulation temporarily suspending until 30 June 1991 the autonomous Common Customs Tariff duties on a number of agricultural products (certain fish roes, certain peas in pods and white beans, certain mushrooms and fresh and dried dates).

Tourism

The Council adopted the Decision on the implementation of a two-year programme (1991-1992) for developing Community tourism statistics.

The aim of the programme is the development of a Community frame of reference for the compilation of Community statistics on tourism which will provide reliable, rapid and comparable statistics. (See Press Release - Tourism Council - 29.XI.90 10162/90 Presse 201).

Appointment

On a proposal from the Belgian Government, the Council appointed Mr François WILLEKENS a member of the Economic and Social Committee for the period until 20 September 1994.

Bruxelles, le 14 décembre 1990.

NOTE BIO (90) 405 AUX BUREAUX NATIONAUX  
cc. aux Membres du Service du Porte-Parole

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Préparation du Conseil ECOFIN du 17 décembre 1990 (I. Le Moal-Ollive)

Le Conseil débutera ses travaux à 10h00' en traitant en premier lieu les points de fiscalité.

Deux dossiers de fiscalité indirecte figurent à l'ordre du jour du Conseil, le régime général des accises après 1992 et la question des franchises voyageurs. En effet le dossier du régime général de la TVA après la suppression des contrôles aux frontières a été réglé lors du dernier Conseil Ecofin du 3 décembre.

A titre de rappel les grandes lignes de cet accord concernent :

- la définition du nouveau régime de taxation après la suppression dans le marché intérieur des notions d'importation et d'exportation,
- la définition des obligations déclaratives des entreprises et des règles de contrôle dans le cadre d'une coopération administrative poussée entre Etats membres et avec la Commission.

Ainsi, le Conseil a d'ores et déjà rempli une large part du mandat fixé par le Conseil européen de Dublin tendant à ce que les modalités du régime de la fiscalité indirecte qui entrera en vigueur après 1992 soient décidées avant la fin de l'année 1990.

#### 1. Régime général des droits d'accise après 1992

Le Conseil recherchera un accord sur le régime des accises (et non pas les taux, ce sujet étant programmé pour 1991) sur la base des propositions de la Commission du 19 septembre dernier (cf note P-63) présentées à l'initiative de Madame Scrivener.

Ces propositions portent sur les règles de circulation à l'intérieur de la Communauté des produits soumis à accises (carburants, tabacs, alcools) entre opérateurs professionnels et sur les règles de contrôle de ces échanges en l'absence de frontières.

Il s'agit en fait de savoir où l'on taxe le produit et comment s'assurer de ce que la recette fiscale revienne aux caisses de l'Etat de consommation.

En pratique cela recouvre ce que l'on appelle le système des entrepôts interconnectés, entre lesquels les produits pourront circuler en suspension des droits d'accises sans s'arrêter aux frontières ; les accises seront acquittées par le destinataire final. Ces entrepôts appartiennent en fait à des grossistes, ou négociants par exemple, qui se feront agréés auprès de leur administration nationale.

Ce système est similaire à celui qui est pratiqué à l'intérieur des Etats membres à l'heure actuelle mais à l'échelle de toute la Communauté.

En ce qui concerne les particuliers, ils pourront bénéficier de la même liberté d'achat dans la Communauté qu'en matière de TVA. A partir du 1er janvier 1993 ils auront la possibilité d'acheter le produit de leur choix





dans le lieu de leur choix, toutes taxes comprises, pour leur usage personnel.

Le régime général des accises a un caractère définitif contrairement au régime de TVA qui prévoit une période de transition.

Au stade actuel des négociations il est vraisemblable qu'un accord sur les principales modalités de ce régime pourra être conclu lundi, ce qui permettra de maintenir le parallélisme dans le paquet fiscalité indirecte entre l'adoption du régime général de la TVA et le régime des droits d'accises.

## 2. Les franchises voyageurs

Dans le domaine des franchises-voyageurs, deux dossiers doivent être bien distingués :

- Le premier porte sur l'abolition du régime des franchises-voyageurs dans le grand marché à partir du 1er janvier 1993. Les voyageurs pourront acheter librement toutes taxes comprises où ils voudront dans la Communauté et rapporter ces marchandises dans leur pays de résidence pour leur consommation personnelle.

C'est naturellement le dossier essentiel.

La décision est acquise depuis le Conseil Ecofin du 13 novembre 1989 qui a décidé la suppression le 1er janvier 1993 des "limitations quantitatives et ad valorem aux achats des voyageurs". Le Conseil a ajouté que "la situation particulière du Danemark, de l'Irlande et de la Grèce pourra faire l'objet d'arrangements spécifiques, sur proposition de la Commission dans le cadre général de l'harmonisation des taux".

Toutefois, le Danemark maintient depuis lors une réserve qui prive l'accord de l'unanimité nécessaire.

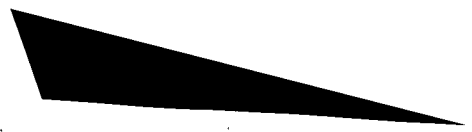
- Le second dossier porte sur la proposition faite par la Commission en juillet 1989 tendant à relever d'ici le début de 1993 les limites d'achat résultant des franchises actuelles. La Commission a également proposé de reconduire temporairement et de façon dégressive la dérogation autorisant le Danemark à restreindre les achats des voyageurs quittant le pays moins de 48 heures.

Il s'agirait ainsi de préparer par étape la suppression le 1er janvier 1993 de toute limitation aux achats des voyageurs.

Soutenue par le Parlement européen et une majorité de délégations, cette proposition s'est heurtée à l'opposition de plusieurs délégations qui estiment qu'un relèvement des franchises-voyageurs n'est acceptable qu'en liaison avec des progrès, non constatés jusqu'à présent, en ce qui concerne les décisions sur le rapprochement des taux de TVA et d'accises.

En outre, le Danemark et l'Irlande lient leur accord sur le relèvement général des franchises à la prorogation ou à l'instauration de dérogations temporaires leur permettant de restreindre les achats des voyageurs quittant le Danemark ou l'Irlande moins de 48 heures.

Les discussions intervenues au Conseil ont abouti au printemps dernier



à un projet de compromis présenté par les Pays-Bas et repris par la Présidence, avec l'appui de la Commission.

Ce texte prévoit notamment :

- un relèvement de 50% des franchises-voyageurs le 1er janvier 1991,
- des dérogations d'une durée d'un an (Jusqu'aux décisions concernant le rapprochement des taux de la fiscalité indirecte) fixant des limites spéciales pour les achats des voyageurs ayant quitté le Danemark et l'Irlande moins de 48 heures.

Il est probable que sur ce dossier les discussions seront assez difficiles dans la mesure où les deux aspects du dossier sont liés et compte tenu du fait que certaines délégations continuent à considérer comme indissociables le règlement de la question des franchises et l'avancement des discussions sur les taux de TVA (programmes pour 1991).

Enfin le Conseil fera le point sur la poursuite des travaux en 1991 sur le paquet fiscalité indirecte. La future Présidence luxembourgeoise donnera certainement des indications sur le calendrier du premier semestre.



Amitiés,  
W. Hélin



Bruxelles, le 17 décembre 1990

**NOTE BIO(90) 405 (suite 1) AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE**

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**CONSEIL ECOFIN DU 17 DECEMBRE 1990 - FISCALITE (I. Le Moal-Ollive)**

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Le Conseil ECOFIN a débattu de deux dossiers relatifs à la fiscalité indirecte, le régime général des accises après 1992 et la question des franchises voyageurs.

#### **1. Accord politique sur le régime général des accises**

Madame Scrivener s'est félicitée de ce nouveau progrès dans le cadre du volet fiscal du Marché Interieur, "un progrès substantiel puisqu'il nous permet de disposer dès à présent des principales modalités du régime de circulation et de contrôle des produits soumis à accise applicable au 1er janvier 1993 en l'absence de frontières.

N'oublions pas que cet accord repose sur la proposition de la Commission du 19 septembre dernier seulement" a précisé Madame Scrivener, "et qu'il porte sur le régime général définitif des accises après 1992, contrairement à l'accord sur la TVA qui prévoit une période de transition".

Cet accord politique permet de maintenir le parallélisme dans le paquet fiscalité indirecte entre l'adoption du régime général de la TVA et le régime des droits d'accise.

Enfin le Conseil ECOFIN a été ainsi en mesure de remplir l'essentiel du mandat fixé par le Conseil européen de Dublin tendant à ce que les modalités du régime de la fiscalité indirecte qui entrera en vigueur après 1992 soient décidées avant la fin de l'année 1990.

Le contenu de cet accord porte sur les règles de circulation à l'intérieur de la Communauté des produits soumis à accises (carburants, tabacs, alcools) entre opérateurs professionnels et sur les règles de contrôle de ces échanges en l'absence de frontières.

Il s'agit en fait de savoir où l'on taxe le produit et comment s'assurer de ce que la recette fiscale revienne aux caisses de l'Etat de consommation.

En pratique cela recouvre ce que l'on appelle le système des entrepôts interconnectés, entre lesquels les produits pourront circuler en suspension des droits d'accises sans s'arrêter aux frontières; les accises seront acquittées par le destinataire final. Ces entrepôts appartiennent en fait à des grossistes, ou négociants par exemple, qui se feront agréés auprès de leur administration nationale.

Ce système est similaire à celui qui est pratiqué à l'intérieur des Etats membres à l'heure actuelle mais à l'échelle de toute la Communauté.

En ce qui concerne les particuliers, ils pourront bénéficier de la même liberté d'achat dans la Communauté qu'en matière de TVA. A partir du 1er janvier 1993 ils auront la possibilité d'acheter le produit de leur choix dans le lieu de leur choix, toutes taxes comprises, pour leur usage personnel.

## 2. Les franchises-voyageurs

En ce qui concerne le relèvement des franchises-voyageurs et les deux dérogations demandées par le Danemark et l'Irlande (voir note BIO(90) 405) aucune décision n'a été prise par le Conseil mais il a été convenu d'un engagement précis :

le Conseil prendra d'ici le 31 mars 1991 une décision globale sur le compromis néerlandais c'est-à-dire sur un relèvement de 50% des franchises-voyageurs actuelles et sur les dérogations demandées par le Danemark et l'Irlande à la lumière notamment des progrès sur le rapprochement des taux de fiscalité indirecte d'ici là.

Le contenu détaillé des deux éventuelles dérogations, d'une durée maximale d'un an, sera fixé dans les meilleurs délais sur la base du compromis néerlandais, du débat au Conseil ECOFIN d'aujourd'hui et des contacts de ces délégations avec la Commission.

Une fois adopté, le relèvement des franchises prévu par le compromis néerlandais devrait pouvoir entrer en vigueur à la fin du deuxième trimestre de 1991. Le conseil a convenu que, conformément à certains précédents, les dérogations danoise et irlandaise auront, elles, un effet rétroactif au 1er janvier 1991.

Amitiés,

Bruno DETHOMAS



Brussels, 18 December 1990

NOTE BIO (90) 405 suite 2 AUX BUREAUX NATIONAUX  
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

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ECO/FIN COUNCIL - 17 December 1990

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Money laundering (Michael Berendt)

The Council of Ministers adopted the basic text of the Community directive on money laundering, which was proposed by the Commission earlier this year. After textual refinements it will go to the European Parliament for second reading. The directive should come into effect in member states from the beginning of 1993.

The directive will make it an obligation on banks and other financial institutions to report cases of suspected money laundering which they think may be associated with drug trafficking. Each member state will declare its intention of dealing with the offence under the penal code, so resolving the problem of those member states which could not accept any Community competence in this field.

Member states will be free to extend their own legislation to money laundering associated with terrorism and organised crime, but with a view to developing a more consistent approach between member states a working group will examine the definitions of such offences and produce a report before the directive enters into force.

A threshold is written into the directive concerning the identification of fly-by-night or occasional clients wishing to deal with the institutions - for instance by opening a new bank account. A threshold of 15 000 ecu was agreed (Germany and Greece wanting higher figures). Anyone depositing a sum above that would have to give identification.

Sir Leon Brittan stressed the importance of the agreement. He said that the money laundering directive showed that the internal market in financial services will be liberal but will not be open to abuse. "The directive, like insider dealing adopted last year, actually toughens the regulatory structure in the member states. The honesty and integrity of the Community's internal market are not negotiable - standards must be of the highest.

"The money laundering directive draws on the G7 Task Force recommendations but goes further in important respects. It shows the Community fully accepts its international responsibilities which is a positive sign for other negotiations. The Commission has, moreover, agreed to liaise with East European states over extension of money laundering rules to their new markets."

The investment services directive was not discussed in the Council and will be taken in January.

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Follow-up of the European Council (T. Kroyer)

USSR

With regard to the 250 MECU in the form of gifts under the 1990 FEOGA budget, the Ministers took note that the European Council conclusions meant that the Commission's proposal with regard to this amount was accepted.

With regard to the rest of the financing up to 500 MECU the Ministers agreed that the medium term guarantee would take the form of credit guarantees granted to exporters backed by the Community budget. The actual deliveries would depend on the USSR fulfilling the conditions laid down by the European Council conclusions with regard to guarantees for the aid reaching those whom it is intended, not jeopardising advance towards normal supply etc. The Commission on this basis puts forward a draft regulation to be considered by the Council.

Vice-President Andriessen sends a mission to Moscow to prepare the first deliveries, which are expected to arrive before New Year's Eve.

As to technical assistance, Ministers took note of the intention of the Commission to rapidly put forward proposals for a basic regulation and for the necessary budget provision. The Commission informed Ministers that its budget proposal would include a proposal for an addition of 400 MECU in 1991 and 600 MECU in 1992 in category four of the financial perspectives.

Chzechoslovakia

The Ministers confirmed the willingness of the Community to provide a \$ 500 million guarantee out of the EC budget to back up a \$ 1,000 million medium term loan in support to Chzechoslovakia in order to stabilise and modernise its economy and secure currency convertibility. Ministers emphasized the need for burden sharing among industrialized countries. This will be the Community's position in the G 24 and in bilateral discussions with third countries. The Community together with the US will take contact with certain Arab oil producing states with a view to seeking a substantial contribution to this support action.

Regards,



Bruno Dethomas