

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

10790/81 (Presse 148)

740th meeting of the Council

- Economic Affairs/Finance -

Brussels, 17 November 1981

President: Sir Geoffrey HOWE,
Chancellor of the Exchequer
of the United Kingdom

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

Belgium:

Mr Marc LEPOIVRE
Deputy Permanent Representative

Denmark:

Mr Fleming HEDEGAARD
Deputy Permanent Representative

Germany:

Mr Horst SCHULMANN
State Secretary
Federal Ministry of Finance

Greece:

Mr Antoine EXARCHOS
Deputy Permanent Representative

France:

Mr Jacques DELORS
Minister for the Economy
and Finance

Ireland:

Mr John SWIFT
Deputy Permanent Representative

Italy:

Mr Giovanni MARCORA
Minister for Industry

Luxembourg:

Mr Ernest MUHLEN
State Secretary for Finance

Netherlands:

Mr R.A. van SWINDEREN
Deputy Permanent Representative

United Kingdom:

Sir Geoffrey HOWE
Chancellor of the Exchequer
Mr Nicholas RIDLEY
Financial Secretary to the
Treasury

Commission:

Mr Christopher TUGENDHAT
Vice-President

INSURANCE OTHER THAN LIFE ASSURANCE

The Council held a detailed discussion on the problems faced with regard to the treatment of major risks, checking and supervision procedures, the role of agencies and branches, the confusion which might arise where an undertaking provided services in a Member State in which an establishment of the same undertaking was located (the so-called "aggregation" problem), and the question of the tax arrangements to be applied to insurance contracts.

During the discussion the Council was able to arrive at a number of positive guidelines. Consequently, it has instructed the Permanent Representatives Committee to continue its work on the subject for the Council's next meeting on economic and financial questions, planned for 14 December.

MISCELLANEOUS DECISIONS

Travel-allowances

The Council has adopted two Directives and a Regulation which will increase from January next year the tax and duty reliefs for travellers and for small consignments of goods sent to private individuals in the Member States.

As a result of these increases, which should contribute to a further simplification of formalities at the Community's frontiers, the new allowances from 1 January 1982 will be:

- for travellers entering the Community from third countries:
45 Ecus;
 - for consignments of goods sent from third countries:
35 Ecus and
 - for goods sent within the Community: 70 Ecus.
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Bruxelles, le 16 novembre 1981
NOTE BIO (81) 451 AUX BUREAUX NATIONAUX
c.c. aux membres du groupe du porte parole

OBJET : PREPARATION DU CONSEIL ECO/FIN DU MARDI 17
NOVEMBRE 1981 (C.Boon)

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Le conseil ECO/FIN a lieu demain mardi a Bruxelles a 10h30. La discussion portera exclusivement sur la proposition de 2eme directive du conseil concernant la libre prestation de services d'assurance autre que sur la vie. Vous vous rappellerez que ce point figure a l'ordre du jour de plusieurs conseils successifs depuis le printemps dernier.

Afin de tenter de concilier les divergences de vues telles qu'exprimees encore au conseil du 19 octobre dernier, la presidence a eu des contacts bilateraux avec les capitales lors des semaines ecoulees et l'on espere parvenir demain a un accord.

1. procedures de controle par le pays hote

la procedure normale de verification de la prestation par le pays hote (art.9) est admise; par contre, la question de la notification prealable reste objet de discussions entre les delegations qui desirent y soumettre et les risques de masse et les risques professionnels et celles qui desirent en exclure les risques professionnels.

La Commission estime tout d'abord qu'une notification doit permettre a l'Etat hote de disposer d'informations sur l'operation prestees et non de donner une autorisation ou une approbation. Si l'argument de la protection des consommateurs rend admissible l'exigence d'une notification (information), pour l'assurance des risques de masse, tel n'est pas le cas pour les risques professionnels, industriels ou commerciaux.

2. Arrangements fiscaux

Deux points en discussion ici :

- possibilite de demander qu'un "representant fiscal" soit charge dans le pays hote du paiement des taxes a ce dernier. La Commission n'accepterait pas que ceci represente une obligation aussi lourde qu'un etablissement.

- possibilite d'appliquer de facon optionnelle la TVA aux prestations fournies dans le pays hote (demande francaise) la 6eme directive TVA excluant l'application de la TVA aux prestations d'assurance, la Commission exposera ses reserves quant a une telle modification de cette 6e directive.

3. Question des agences et succursales

La discussion portera sur le point de savoir si l'on ne donnerait pas un certain delai aux agences et succursales pour profiter des memes avantages que les maisons-meres. Pour la Commission, il est en tout cas exclu de ne pas les admettre dans le champ de la directive , ce qui serait contraire au Traite, mais cette admission pourrait se faire apres un certain delai justifie par des raisons administratives.

Amities

M. Santarelli Comeur////



Bruxelles, le 17 novembre 1981.

Note BIO (81) 451 (suite 1 et fin) aux Bureaux Nationaux
cc. aux Membres du Groupe du Porte-Parole

ECO-FIN COUNCIL (B. Elphick)

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The Council spent the day including a working session over lunch discussing the Presidency compromise and a new version of the articles on establishment, notification and supervision submitted by the Federal Republic. This also attempts to reconcile differences over whether special treatment should be accorded to industrial, commercial and professional risks (see Note BIO (81) 451).

The afternoon was devoted entirely to the problem of applying tax to insurance policies which France alone has asked to be covered. One stumbling block is that this would risk reopening the sixth Directive on VAT to provide a derogation and which would require a new Commission proposal together with Parliamentary consultation.

Summing up after the Council, the President of the Council, Sir Geoffrey Howe (UK), commented at the concluding press conference, that on notification, opinion was still divided between those delegations who wanted some safeguard and others like the United Kingdom and Holland who wished to see as liberal a regime as possible. The problem for the Council and Coreper will be to ensure that a directive which emerges from the further study that would now be put in hand would represent genuine liberalisation. He believed there was in the Council, a real disposition to try to find an answer. On the taxation point, the President reported that a fresh article was being drafted which would enable any state which wished to levy taxes on insurance policies to do so. This would apparently satisfy France but others and the Commission had referred to the problems that would arise, and bring with them the risks of distortion of competition. He believed there as a genuine anxiety to reach conclusions in an area which would help bring about a common market not only in goods but also in services.

For the Commission, vice-President Christopher Tugendhat said the Council delegates has been seeking to reconcile differing views. Progress had not been dramatic, but useful. Answering questions, he said the Commission was not risking a sellout of the Treaty provision on freedom to offer services. He had drawn attention to the various difficulties in the way. He had no interest in seeing some phoney Directive emerging. The situation now was one of real hope of getting a meaningful Directive.

Amities,
M. SANTARELLI.

