

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

7735/82 (Presse 84)

778th meeting of the Council  
- Economic and Financial Questions -  
Luxembourg, 14 June 1982

President: Mr Willy de CLERCQ,  
Minister for Finance of  
the Kingdom of Belgium



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

Belgium:

Mr Willy de CLERCQ  
Deputy Prime Minister,  
Minister for Finance

Denmark:

Mr Ivar NØRGAARD  
Minister for Economic Affairs

Germany:

Otto Graf LAMBSDORFF  
Federal Minister for Economic  
Affairs

Greece:

Mr Yanis POTTAKIS  
State Secretary,  
Ministry for Co-ordination

France:

Mr Jacques LEPRETTE  
Ambassador,  
Permanent Representative

Ireland:

Mr Ray McSHARRY  
Tánaiste (Deputy Prime Minister)  
Minister for Finance

Italy:

Mr Nino ANDREATTA  
Minister for the Treasury

Luxembourg:

Mr Jacques SANTER  
Minister for Finance

Mr Ernest MÜHLEN  
State Secretary,  
Ministry of Finance

Netherlands:

Mr A.P.J.M.M. van der STEE  
Minister for Finance

United Kingdom:

Sir Geoffrey HOWE  
Chancellor of the Exchequer

Commission:

Mr François-Xavier ORTOLI - Vice-President  
Mr Christopher TUGENDHAT - Vice-President  
Mr Karl-Heinz NARJES - Member

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PREPARATION FOR THE EUROPEAN COUNCIL

The Council prepared the items of an economic, financial and monetary nature likely to be raised at the next European Council meeting on 28 and 29 June 1982 in Brussels. These included the economic and social situation and investment in the Community.

The Council had a preliminary exchange of views on the Commission communication on the problem of investment in the Community and asked the Commission to take account of the views expressed when drawing up its report to the European Council. It agreed to continue examining this communication in the light of the European Council's discussions.

EXPORT CREDITS

The Council reached agreement on the Community position with regard to Mr WALLEN's proposal relating to the amendment of the Arrangement on Guidelines for export credits <sup>(1)</sup>.

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<sup>(1)</sup> One delegation signified its agreement only ad referendum.

INSURANCE

The Council resumed its proceedings on the proposal for a second Directive on the co-ordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and laying down provisions to facilitate the effective exercise of freedom to provide services and the tax aspects.

The Council considered the conditions of admission and operation peculiar to the freedom to provide services. First of all it examined the definition of large risks - for which the principle of some relaxation was accepted - and in particular the questions of the inclusion of classes, the principle of the introduction of thresholds and their possible level, the inclusion of the professions and the special arrangements to be applied to these large risks. Finally it reviewed the arrangements applicable to small risks.

The Council instructed the Permanent Representatives Committee to continue proceedings in this connection in the light of the day's discussions.

As regards the tax aspects, the Council reached agreement in principle - subject to agreement on the "insurance" question as a whole - that right of option be granted to the Member States with regard to the application of VAT to the insurance transactions in question, provided that the deduction of input taxes did not give rise to distortion of competition between insurers from the Member States or to significant budgetary losses.

It asked the Commission to submit a proposal to it along these lines.

It was understood that this agreement in principle did not prejudge the solution to be adopted in order to bring about the above two conditions (no distortion of competition, no significant budgetary losses).

HARMONIZATION OF COMPANY LAW: CONSOLIDATED ACCOUNTS

The Council took note of a statement by Mr NARJES, Commissioner, drawing its attention to the problems posed by the Commission proposal for a seventh Directive, based on Article 54(3)(g) of the EEC Treaty on consolidated accounts for undertakings.

This seventh Directive should be the follow-up to the fourth Directive on annual accounts which the Council adopted in 1978. In the programme for the harmonization of company law, the adoption of this Directive is a priority. The adoption of a common approach in this connection was essential moreover for current negotiations in this area topic both within the OECD and the UN.

The aim of the Directive is to require major groups to consolidate their accounts in accordance with the provisions which it lays down. The definition of the scope of the Directive or in other words the extent of the consolidation was therefore of primary importance.

The Council stressed the importance which it attached to this matter and agreed to assign top priority to proceedings in this connection and to continue them at its meeting on 12 July 1982.

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Bruxelles, le 11 juin 1982  
NOTE BIO (82)254 aux bureaux nationaux  
c.c. aux membres du groupe du porte parole

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Objet : PREPARATION DU CONSEIL ECO/FIN DU LUNDI 14/6 (C.Boon)  
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Le Conseil commence lundi a Luxembourg a midi, apres que les ministres se soient reunis a 11 h en leur qualite de gouverneurs de la BEI. Il y a quatre points a l'ordre du jour :

1. assurance directe autre que l'assurance sur la vie  
(R.Elphick)

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Les ministres vont proceder a un reexamen des problemes de la libre prestation des services dans le domaine de l'assurance autre que sur la vie. Il y a deja eu nombre de discussions sur la proposition de 2eme directive de la Commission. Lors des discussions de lundi, les ministres se concentreront plus particulierement sur la definition des risques de masse et l'application de la directive a ces derniers et sur le probleme de l'application de la TVA aux contrats en question.

2. Harmonisation des comptes consolides

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Otto von Schwerin vous fera parvenir lundi une BIO d'explication a ce sujet.

3. Credits a l'exportation

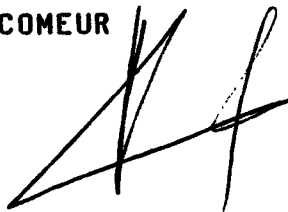
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A l'issue du dernier Conseil, la Commission avait recu mandat d'une part de faire des sondages quant au contenu du compromis Wallen et, d'autre part, de demander aux partenaires du consensus de reporter toute decision au 15 juin ce qui avait ete accepte.

La Commission estime que c'est sur base de sa derniere proposition que doit reprendre la discussion des ministres lundi.

4. Preparation des points de caractere economique financier et monetaire susceptibles d'etre evoques lors du prochain Conseil europeen

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Sous ce point aura lieu d'une part une communication orale du vice-president Ortoli sur la situation economique et sociale dans la Communaute et, d'autre part, un tour de table sur la communication de la Commission au Conseil sur le probleme de l'investissement (voir COM(82)365 final) du 8 juin dernier qui vous a ete envoye.

amities  
M. SANTARELLI COMEUR







DE : RESEAU COMMUTE - COMEUR  
A : GPP46 - IMP. DIF. G.P.P.  
REF: 14:18 14-06-82 6746 - 7316

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MM. HOULISTON    BRENNER    -    SOUBESTRE

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NOTE BIO (82) 254 (SUITE 1)  
C.C. AUX MEMBRES DU GROUPE DU PORTE-PAROLE

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CONSEIL ECO-FIN (B. ELPHICK)

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ECOFIN

POINT ASSURANCE: AFTER MEETING IN RESTRICTED SESSION UNDER THEIR EUROPEAN INVESTMENT BANK HATS; THE MINISTERS OF FINANCE STARTED THE ECOFIN COUNCIL PROPER AT HALF PAST TWELVE BY EXAMINING THE STATE OF THE DOSSIER ON INSURANCE AND THE PROBLEMS ASSOCIATED WITH FULFILLING TREATY OBLIGATIONS TO PERMIT FREEDOM OF SERVICES. SOME PROGRESS HAS BEEN MADE IN RECONCILING DIFFERING POINTS OF VIEW BETWEEN THOSE MEMBER STATES FAVOURING STRICT SUPERVISION AND THOSE LIKE THE BRITISH AND THE DUTCH FAVOURING THE FREEEST POSSIBLE REGIME. HOWEVER THERE IS A LONG WAY STILL TO GO.

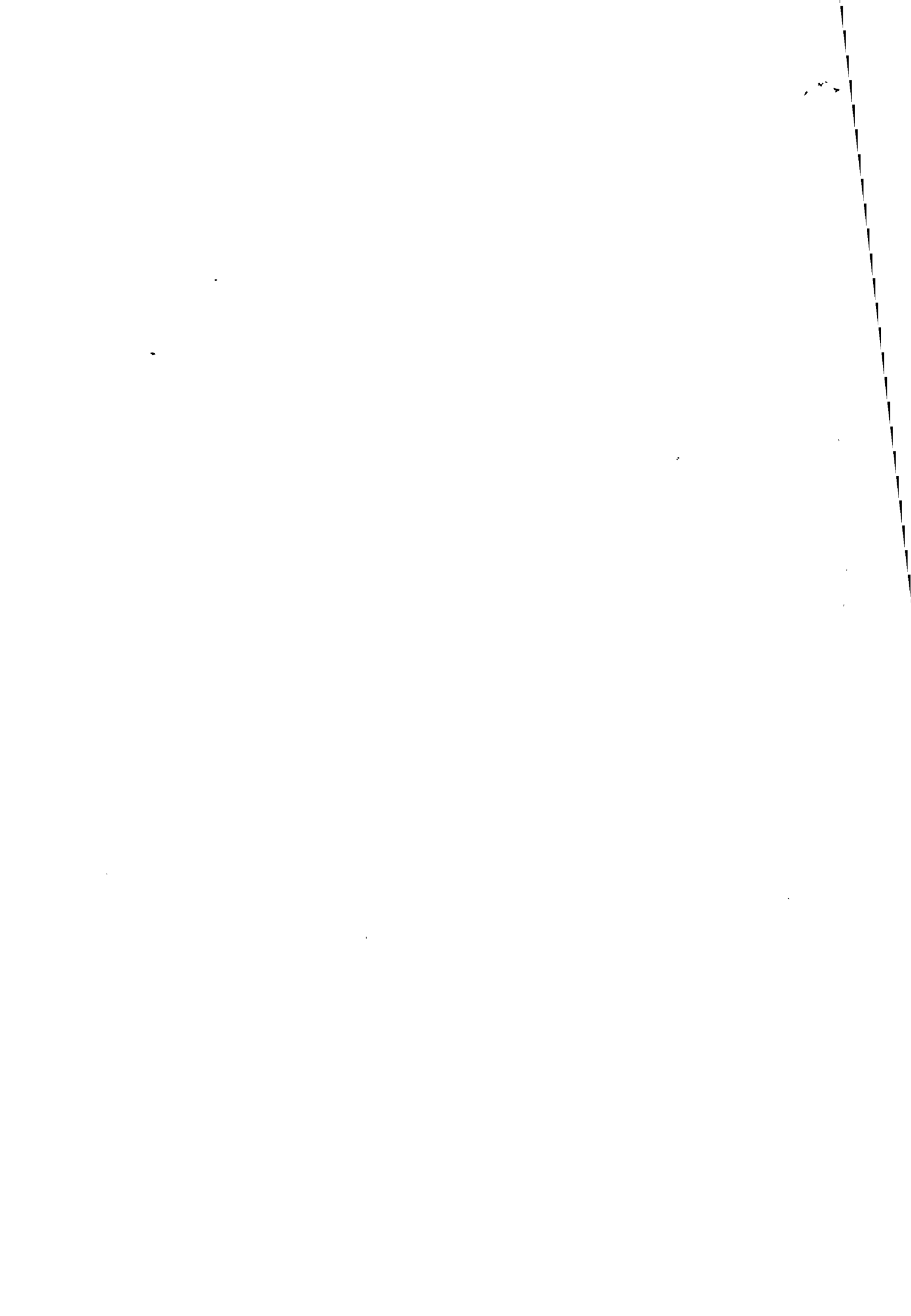
IN HIS OPENING REMARKS VICE PRESIDENT CHRISTOPHER TUGENDHAT REMINDED THE MINISTERS THAT IT IS SIX MONTHS SINCE THE SUBJECT WAS LAST TREATED. IN GENERAL THE COMMISSION COULD ALIGN ITSELF WITH THE EFFORTS MADE BY THE PRESIDENCY TO REACH A COMPROMISE; ALTHOUGH HE SAID THAT THE PROPOSED DIRECTIVE MUST DO NOTHING TO CALL IN QUESTION THE FREEDOMS TO PROVIDE SERVICES ENSHRINED IN ARTICLES 59 AND 60 OF THE ROME TREATY. MINISTERS THEN BEGAN DISCUSSING THE COMPROMISE PROPOSALS.

MORE LATER

AMITIES

B. ELPHICK

14.6.1982g



E : RESEAU COMMUTE - COMEUR  
R : GPP46 - IMP. DIF. G.P.P.  
EF: 15:12 14-06-82 7963 - 8464

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P BRFNNER BER 8/103  
P WAIN ISON BER 3/59  
P SCHRFSTRE BER 2/63

TELEX NO. 0047

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LUXEMBOURG; LE 14 JUIN 1982

O T E B I O (82) 254 (SUITE 2) AUX BUREAUX NATIONAUX  
.C. AUX MEMBRES DU GROUPE DU PORTE-PAROLE  
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C O N S E I L E C O - F I N (B. E L P H I C K )  
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THE DISCUSSIONS HOWEVER RAN INTO CONSIDERABLE DIFFICULTIES AND  
VERY LITTLE PROGRESS COULD BE DISCERNED. MR. TUGENDHAT FREQUENTLY  
EMPHASIZED MINISTERS THAT THE AIM OF THE PROPOSED DIRECTIVE WAS TO  
FACILITATE THE FREEDOM TO PROVIDE SERVICES IN INSURANCE THROUGHOUT  
THE COMMUNITY; NOT THE REVERSE. THE COMMISSION HAD GONE ALONG WITH  
EFFORTS TO FIND A BASIS FOR AGREEMENT ABOUT AS FAR AS IT COULD.  
THERE WOULD BE NO POINT IN HAVING A DIRECTIVE WHOSE EFFECT WOULD  
BE ACTUALLY TO RESTRICT THAT FREEDOM.

HEREAFTER HE EXPRESSED CONSIDERABLE DISAPPOINTMENT WITH THE  
EVIDENT LACK OF WILL TO REACH AGREEMENT ON A REASONABLE BASIS.

MORE LATER.

ACTIVITIES

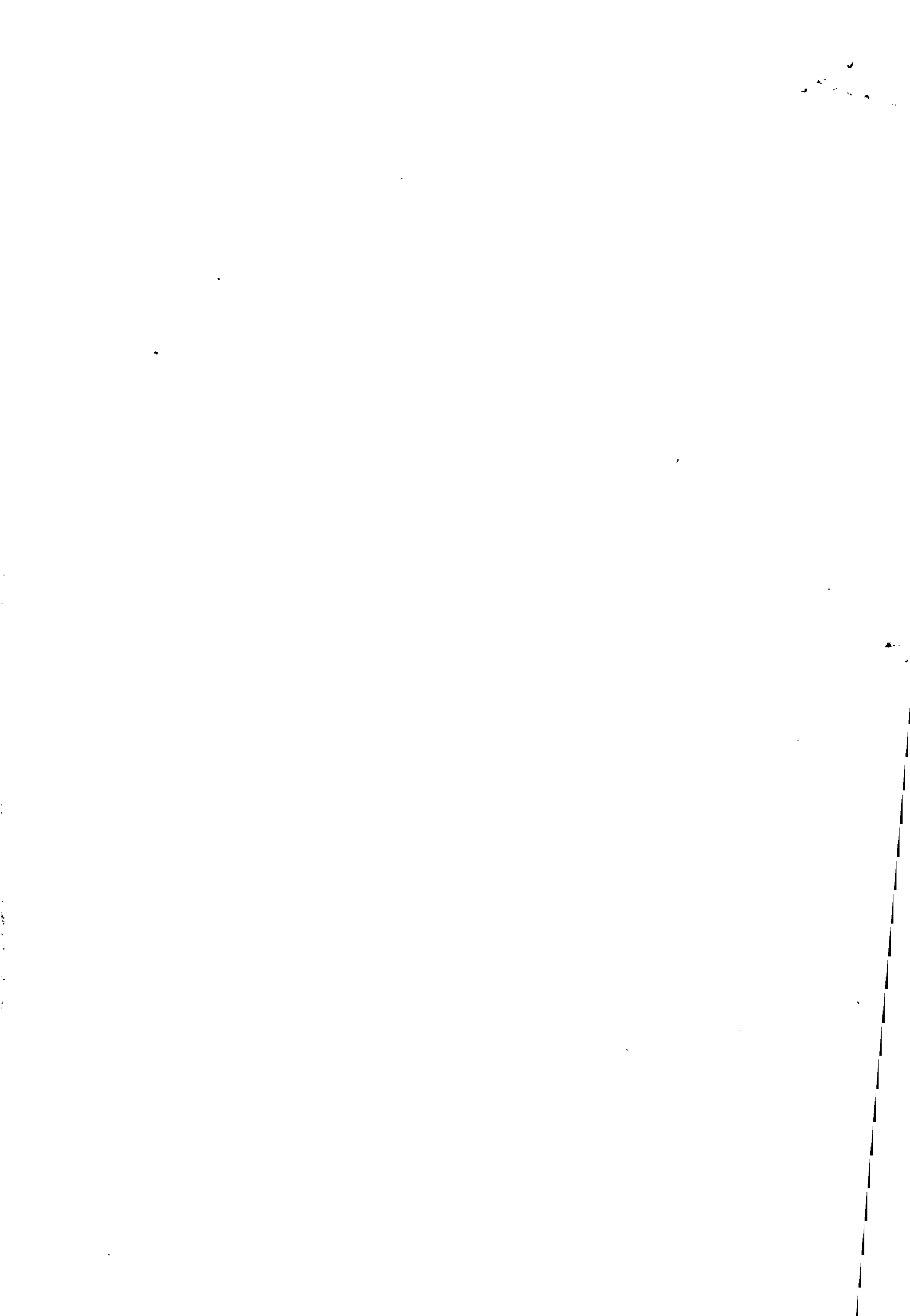
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TLX N. 107602-BIO-BERL. 1/6

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NOTE BIO " STRASBOURG " CONSEIL LUXEMBOURG

NOTE BIO (82) 254 (SUITE 2 ET FIN) AUX BUREAUX NATIONAUX  
C.C. AUX MEMBRES DU GROUPE DU PORTE-PAROLE

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CONSEIL ECO/FIN DU 14/6 (C. BOON)

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LE CONSEIL A REPRIS A 16H45 APRES UN DEJEUNER DE TRAVAIL PAR  
CONSEQUENT FORT LONG. LES MINISTRES Y ONT EN EFFET DECIDE D'UNE  
POSITION COMMUNE EN CE QUI CONCERNE LE CONSENSUS SUR LES CREDITS  
A L'EXPORTATION. CETTE POSITION A ETE FORMELLEMENT ADOPTEE EN  
SESSION RESTREINTE DU CONSEIL APRES UNE NOUVELLE HEURE DE  
DISCUSSIONS. LORS DE SA CONFERENCE DE PRESSE LA PRESIDENCE  
BELGE, SUIVANT DECISION DU CONSEIL, S'EST REFUSEE A REVELER LE  
CONTENU DU MANDAT DE NEGOCIATION DE LA COMMISSION. REPONDANT A  
DES QUESTIONS ELLE A SEULEMENT PRECISE QU'EFFECTIVEMENT L'ON  
AVAIT RECU UNE LETTRE DES AMERICAINS LAQUELLE LETTRE AVAIT POUR  
BUT E PRECISER LEUR POSITION QUANT AUX CONDITIONS DE  
RENOUVELLEMENT DU CONSENSUS MAIS QUE CELA N'AVAIT PLUS QU'UNE  
VALEUR "ANECDOTIQUE" PUISQUE LES DIX AVAIENT ADOPTE UNE POSITION  
COMMUNE. CETTE POSITION, A LAISSE ENTENDRE M. DE CLERQ, EST  
SENSIBLEMENT DIFFERENTE DE LA PROPOSITION DE LA COMMISSION DU  
MOIS DERNIER.

PREPARATION DES POINTS ECONOMIQUE, MONETAIRE ET FINANCIER  
SUSCEPTIBLES D'ETRE EVOQUES LORS DU PROCHAIN CONSEIL  
EUROPEEN

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LE VICE-PRESIDENT ORTOLI A INFORME LE CONSEIL DE CE QUE LA  
COMMUNICATION TRADITIONNELLE DE LA COMMISSION SUR LA SITUATION  
ECONOMIQUE ET SOCIALE DE LA COMMUNAUTE SERAIT FACTUELLE MAIS NE  
POURRAIT FAUTE DE TEMPS TENIR COMPTE DES EVENTUELLES  
MODIFICATIONS CONJONCTURELLES DUES AU REALIGNEMENT MONETAIRE DU  
12 JUIN.

IL A PAR AILLEURS BRIEVEMENT ET DANS SES GRANDES LIGNES  
PRESENTE LE DOCUMENT DE LA COMMISSION SUR LES INVESTISSEMENTS  
LEQUEL A RECU UN BON ACCUEIL DES MEMBRES DU CONSEIL. EN  
CONCLUSION CELUI-CI A INVITE LA COMMISSION A TENIR COMPTE DES  
AVIS EXPRIMES PAR LUI DANS LA COMMUNICATION QU'ELLE PRESENTERA  
AU CONSEIL EUROPEEN.

HARMONISATION DES COMPTES CONSOLIDES

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M. NARJES A FAIT UNE DECLARATION SOUS CE POINT EN ATTIRANT  
L'ATTENTION DU CONSEIL SUR L'IMPORTANCE DE LA PROPOSITION DE LA  
7E DIRECTIVE RELATIVE A L'HARMONISATION DU DROIT DES SOCIETES ET  
PLUS PRECISEMENT AUX COMPTES CONSOLIDES DES BILANS. IL A ENSUITE  
DRESSE UN BREF INVENTAIRE DES POINTS QUI RESTAIENT OBJET DE  
DIVERGENCE ENTRE ETATS MEMBRES.

LA PRESIDENCE L'A VIVEMENT REMERCIE POUR SON EXPOSE.  
M. NOERGAARD, AU NOM DE LA FUTURE PRESIDENCE DANOISE, A D'ORES ET  
DEJA ANNONCE QUE LE POINT SERAIT INSCRIT POUR DISCUSSION DES  
MINISTRES A L'ORDRE DU JOUR DU 13 JUILLET.

AMITIES,  
M. SANTARELLI COMEUR 11.30///"

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