



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

10429/85 (Presse 173)

1042nd Council meeting
- Economic and Financial affairs -
Brussels, 18 November 1985

President: Mr Jacques SANTER
Minister for Finance
of the Grand Duchy of Luxembourg

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

Belgium:

Mr Louis WALTNIEL
State Secretary
Ministry of Finance

Denmark:

Mr Anders ANDERSEN
Minister for Economic Affairs

Germany:

Mr Gerhard STOLTENBERG
Federal Minister for Finance
Mr Hans TIETMEYER
State Secretary,
Federal Ministry of Finance
Mr Otto SCHLECHT
State Secretary,
Ministry of Economic Affairs

Greece:

Mr Constantin SIMITIS
Minister for Economic Affairs and
Finance

France:

Mr Pierre BEREGOVOY
Minister for Economic Affairs,
Finance and the Budget

Ireland:

Mr Alan DUKES
Minister for Finance

Italy:

Mr Domenico SUSI
State Secretary,
Ministry of Finance

Luxembourg:

Mr Jacques SANTER
Minister for Finance
Mr Jacques F. POOS
Minister for Economic Affairs
Mr Jean-Claude JUNCKER
Minister responsible to the
Minister for Finance

Netherlands:

Mr H. RUDING

Minister for Finance

United Kingdom:

Mr Nigel LAWSON

Chancellor of the Exchequer

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Commission:

Mr Jacques DELORS

President

Lord COCKFIELD

Vice-President

Mr Alois PFEIFFER

Member

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The following were also present as observers:

Spain:

Mr Miguel Angel FERNANDEZ ORDONEZ

State-Secretary,
Ministry of Economic Affairs

Portugal:

Mr Luis Octavio ROMA de
ALBUQUERQUE

Deputy Head of Mission

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The following also took part in the meeting:

Mr W.F. DUISENBERG

Chairman of the Committee of
Central Bank Governors

Mr R. WEIDES

Chairman of the Co-ordinating Group
for Economic and Financial Policies

Mr Hans TIETMEYER

Chairman of the Monetary Committee

Mr I. BYATT

Chairman of the Economic Policy
Committee

PREPARATIONS FOR THE EUROPEAN COUNCIL

The Council proceeded with preparations for the economic and monetary items likely to be raised at the forthcoming European Council meeting (Luxembourg, 2 and 3 December 1985), i.e. in particular the question of the inclusion of a monetary dimension in the EEC Treaty.

EURATOM LOANS

The Council reached a common approach on raising from 2 000 MECU to 3 000 MECU the total amount of EURATOM loans which the Commission is empowered to contract for the purpose of contributing to the financing of nuclear power stations.

The Council will act finally on this proposal for a Decision after consulting the Spanish and Portuguese delegations.

REMOVAL OF FISCAL BARRIERS

As instructed by the European Council at Milan, the Council on Economic and Financial Affairs discussed in detail, on the basis of the Commission white paper, the fiscal measures needed if the objective of the single Market is to be achieved and the possible timetable for the implementation of the measures.

Following this discussion, the President noted that the Commission had sufficient information to be able to channel the course of its own discussions. The future Presidency (NL) will, together with the Commission, propose an appropriate work programme. The Council agreed to return to certain aspects of the preparations for these discussions at its meeting on 9 December.

COMMUNITY LOAN TO GREECE

The Council agreed to the granting of a Community loan of 1 750 MECU to the Hellenic Republic under Regulation 682/81 on the Community loan mechanism to support the balance of payments of Member States.

The loan is available to the Hellenic Republic in two equal and consecutive instalments:

- the first instalment, on conclusion of the loan transactions;
- the second instalment, within a year of payment of the first instalment and, in any case, not before 1 January 1987, the second instalment being released in the light of the examination of developments in the economic situation of the beneficiary Member State and of the results obtained in implementing the economic recovery programme.

The loan is granted on the basis of the Greek decision to implement an economic recovery programme.

The Commission, in collaboration with the Monetary Committee, will examine at regular intervals developments in the economic situation of Greece and progress in implementing the economic recovery programme.

The formal adoption of the Decision on the granting of this loan will take place as soon as possible after finalization of the text.

UNDERTAKINGS FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES
(UCITS)

The Council approved (*) two Directives

- on the co-ordination of laws, regulations and administrative provisions relating to UCITS;
- on the liberalization of transactions in units issued by UCITS.

The adoption of these two Directives is an important step towards completing the internal market, in particular the European capital market, and thus meets the wishes of those concerned.

The co-ordination involved is intended to establish minimum common rules concerning the authorization, supervision, structure and investment policy of UCITS which fall within the scope of the Directive and concerning the information which they must publish.

This co-ordination will ensure, firstly, the same degree of protection for investors throughout the Community; secondly, it will harmonize the conditions of competition between the UCITS concerned.

These two aspects are intended to ensure that once a UCIT has been authorized by the authorities of the Member State of origin, it may freely market its units throughout the Community without having to request the authorization of the authority in the country of marketing.

(*) subject to consultation of the Spanish and Portuguese delegations.

Thus, this Directive is an example of applying the principle of supervision by the country of origin.

The Directive concerns undertakings which, by issuing units bring together the capital of a number of investors and place this collected capital in accordance with precise criteria of risk-spreading. These investments are made exclusively in shares, debt securities or other instruments admitted to official listing on a stock exchange or dealt in on any other market which operates regularly and is recognized and open to the public. These securities must be transferable and their prices must be determined with precision either at all times or at agreed intervals. In principle, these undertakings ensure that no matter how small savers' investments might be, they will be diversified and the aim will be to select and update more strictly than could be achieved by the individual saver.

The technique used, which enables small and inexperienced savers to be approached, implies that a greater degree of protection is needed for them. Economic circles will have an effective instrument on a European scale for promoting risk capital which will give a significant boost to investment and innovation.

However, the scope of the Directive does not cover all UCITS, and a number of them will continue to exist and operate as before, subject only to non-harmonized national rules, as they follow an investment policy which is at variance with the rules laid down by the Directive. If it proves necessary, they will be co-ordinated at a later stage.

The Directive liberalizing transactions in units issued by these undertakings will make it possible to abolish existing restrictions on the free movement of UCITS units, once laws and structures have been harmonized.

ANNUAL ECONOMIC REPORT 1985/1986

The Council agreed to continue examining the Annual Economic Report 1985/1986 at its meeting on 9 December in the light of the Opinions of the European Parliament and the Economic and Social Committee with a view to adopting it following that examination.

Bruxelles, le 19 novembre 1985.
Note Bio (85)372 suite 1 et fin
cc. aux membres du Service du Porte-Parole

No preparatory Sio available

433

CONSEIL ECO/FIN du 18 NOVEMBRE 1985 (F. COLASANTI)

Les travaux du Conseil ECO/FIN ont debute a 11h. sous la
presidence de M. Santer, Ministre des Finances du Grand-Duche du
Luxembourg.

1. Propositions en matiere economique et monetaire a la

Conference intergouvernementale

Le Conseil a procede a une discussion des points
economiques et monetaires susceptibles d'etre evoques lors de la
prochaine reunion du Conseil europeen (2 - 3 decembre 1985) sur
la base des propositions que President Delors avait avancees le
28 octobre dernier (voir note Bio (85)347 du 20.10). La
discussion sur ce point a dure environ deux heures et s'est
deroulee dans un cadre tres retreint. M. Santer dans sa
conference de presse finale a admis que des divergences
profondes etaient apparues, mais que la presidence
luxembourgeoise comptait neanmoins soumettre le point a
l'attention de la Conference intergouvernementale; elle estime
en effet, qu'une conference qui doit travailler dans les lignes
tracees par le Comite Dooqe et Adonnino ne peut pas faire
abstraction du volet monetaire.

2. Mesures grecques

Le Conseil a examine le plan de redressement mis en
oeuvre par le Gouvernement grec sur la base d'une proposition
avancee par la Commission. Le Conseil a en particulier marque
son accord sur l'octroi d'un pret communautaire (pret balance de
paiement) de 1.750 millions d'ECUS en faveur de la Republique
hellenique.

Le pret est mis a la disposition de la Republique
hellenique en deux tranches egales successives :

- la premiere tranche des la conclusion des operations
d'emprunts;
- la seconde tranche dans le delai d'un an apres le
versement de la premiere tranche et, en tout cas,
pas avant le 1er janvier 1987, la liberation de la
seconde tranche etant effectuee, au vu de l'examen
de l'evolution de la situation economique de l'Etat
membre beneficiaire et des resultats obtenus dans la
realisation du programme de redressement economique
mis en oeuvre.

Le pret est accorde en fonction de la decision prise par
la Grece d'appliquer un programme de redressement
economique qui s'articule autour de cinq priorites :

- ralentissement de l'inflation et de la hausse des couts salariaux;
- reduction du solde net a financer du secteur public;
- reduction de l'expansion du credit interne;
- redressement de la balance des paiements courants;
- renforcement des structures productives.

La Commission, en collaboration avec le Comite monetaire, examine a intervalles reguliers l'evolution de la situation economique de la Grece et la realisation du programme de redressement mis en oeuvre.

En ce qui concerne les mesures de sauvegarde deja mises en oeuvre par le Gouvernement grec - et que la Commission doit autoriser ou non - et pour les demandes grecques de proroger certaines dispositions de la periode transitoire, un accord de principe sur l'ensemble du dossier a pu etre degage au terme d'une longue discussion restreinte qui a dure jusqu'a 18h. La Commission finalisera dans les prochains jours sa decision sur les mesures de sauvegarde au sens de l'article 108.3 et fera une proposition au Conseil pour une prorogation de la date d'application de la TVA en Grece.

3. Abolition des frontieres fiscales

Conformement au mandat du Conseil europeen de Milan, le Conseil a procede, sur la base du Livre Blanc de la Commission, a un echange de vues approfondi sur les mesures fiscales necessaires afin d'atteindre l'objectif du marche unique et le calendrier possible pour l'application de ces mesures. A l'issue du debat, le President a constate que la Commission disposait d'indications suffisantes pour pouvoir orienter ses propres travaux. La Presidence future (NL), en contact avec la Commission proposera un programme de travail en la matiere. Le Conseil est convenu de revenir sur certains aspects de la preparation de ces travaux lors de sa session du 9 decembre.

4. Rapport Economique Annuel 1985-1986

Le Conseil a decide de poursuivre l'examen du rapport economique annuel 1985/1986 lors de sa session du 9 decembre a la lumiere des avis du Parlement et du Comite economique et social, pour l'adopter a l'issue de cet examen.

5. Emprunts EURATOM

Le Conseil a approuve le principe du relevement de 2 a 3 milliards d'ECUS du montant total des emprunts que la Commission est habilitee a contracter en vue d'une contribution aux financements des centrales nucleaires. La delegatin allemande a rappele son opposition au principe d'une extension de l'activite d'emprunt-pret de la Communaute et s'est abstenue lors du vote.

Le Conseil approuvera definitivement cette proposition apres consultation des delegations espagnoles et portugaises.

6. O.P.C.V.M.

La delegation danoise ayant pu lever sa reserve, le Conseil a approuve definitivement les deux directives relatives aux Organismes de Placement Collectif en Valeurs Mobilieres (voir note bio (85)345 du 29 octobre).

Le Conseil a termine ses travaux vers 20.00.

Amities

H. PAEMEN

COMEUR////

M.O. 