



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

7018/87 (Presse 103)

1177th Council meeting
- Economic and Financial Affairs -

Luxembourg, 15 June 1987

President: Mr Mark EYSKENS
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 Mark EYSKENS Minister for Finance

Denmark:

Mr Anders ANDERSEN Minister for Economic Affairs

Mr Pallo SIMONSEN Minister for Finance

Germany:

Mr Gerhard STOLTENBERG Minister for Finance

Mr Hans TIETMAYER State Secretary, Federal Ministry of Finance

Greece:

Mr Constantin SIMITIS Minister for Economic Affairs

Spain:

Mr Guillermo de la DEHESA ROMERO State Secretary for Economy and Planning

France:

Mr Edouard BALLADUR State Secretary with responsibility for Economic Affairs, Finance and Privatization

Ireland:

Mrs Maire GEOGHEGAN-QUINN Minister of State for European Affairs

Italy:

Mr Pietro CALAMIA

Ambassador,
Permanent Representative

Luxembourg:

Mr Jacques POOS

Minister for Economic Affairs and
for the Self Employed

Netherlands:

Mr O.C.R. RUDING

Minister for Finance

Portugal:

Mr Miguel CADILHE

Minister for Finance

Mr Rui ALVAREZ CARP

State Secretary for the Budget

United Kingdom:

Mr Nigel LAWSON

Chancellor of the Exchequer

o

o

o

Commission:

Mr Jacques DELORS

President

Mr Henning CHRISTOPHERSEN

Vice-President

Lord COCKFIELD

Vice-President

STRENGTHENING OF THE EUROPEAN MONETARY SYSTEM

The Council heard interim reports from the Chairman of the Monetary Committee and the Chairman of the Committee of Governors of the Central Banks on the progress made by these two Committees in discussing the strengthening of the European Monetary System.

At the close of an exchange of views, the Council requested the two Committees to continue their discussions on the subject, so that final reports could be submitted to it in September.

DIRECTIVE ON THE MUTUAL RECOGNITION OF LISTING PARTICULARS FOR
ADMISSION TO STOCK EXCHANGE LISTING

The Council reached a majority position on a draft Directive, based on Article 54(2) of the EEC Treaty, to obtain mutual recognition of the listing particulars which are to be used for the admission of securities to official stock-exchange listing. Once listing particulars have been drawn up in accordance with the provisions of Directive 80/390/EEC of 17 March 1980 and approved by a competent authority in one Member State, they may be used for admission to other stock exchanges in other Member States, without having to be approved again by the host authorities.

In this way the issuer will only have to draw up one set of listing particulars, provided that he makes applications for admission to several stock exchanges simultaneously or within short intervals of one another.

Mutual recognition will apply both to full listing particulars and to those subject to certain partial exemptions from the information requirements.

However, the host authorities may require, in addition to a translation of the listing particulars, the inclusion of information specific to the host market.

In order that the Council can adopt the Directive formally, this item will be on the agenda for the General Affairs Council on 22 June 1987.

AMENDMENT OF THE REGULATION ON OWN RESOURCES

The Council held a conciliation meeting with a delegation from the European Parliament on the draft Regulation amending Regulation (EEC, EURATOM, ECSC) No 2891/77 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources.

The European Parliament delegation was led by Mr BARON CRESPO, Vice-President of the European Parliament; its members were Messrs COT, SCOTT HOPKINS and CORNELISSEN, Chairman, second Vice-Chairman and third Vice-Chairman of the Committee on Budgets and rapporteur respectively, and Mr AIGNER, Mrs LENTZ-CORNETTE and Mr COLOM Y NAVAL, Chairman, member and deputy member respectively of the Committee on Budgetary Control.

As a result of the discussions, the points of view of the two institutions were brought considerably closer.

At the close of the conciliation meeting, the President of the Council noted that some questions which had been dealt with during conciliation were still being examined in the Council.

The Head of the European Parliament delegation stated that he thought the points of view were close enough for the European Parliament to be able to deliver a new Opinion.

FINANCIAL IMPLICATIONS FOR SPAIN AND PORTUGAL OF THE PROGRAMME FOR DISPOSAL OF BUTTER STOCKS

The Council noted that the Commission had recently referred to it a report on the financial implications for Spain and Portugal of the programme for disposal of butter stocks decided on by the Council. The Council instructed the Permanent Representatives Committee to examine the report and to report back to the Council at its meeting on 13 July 1987.

CREDIT INSURANCE AND SURETYSHIP INSURANCE

Working on the basis of an overall compromise proposal from the Presidency, the Council held an in-depth discussion on the amendment, as regards credit insurance and suretyship insurance, of Directive 72/239/EEC on the co-ordination of rules on the taking-up and pursuit of the business of direct insurance other than life assurance.

At the close of the discussion, the President noted that positions had moved much closer together, although some delegations were unable to agree to the compromise at this stage. This being the case, the President stated his intention of bringing the matter to the attention of the General Affairs Council on 22 June 1987 in order that in the intervening period the delegations concerned could reassess the component parts of the compromise resulting from discussion.

DIRECTIVE ON LEGAL EXPENSES INSURANCE

The Council agreed in principle on a Council Directive on the co-ordination of the laws, regulations and administrative provisions relating to legal expenses insurance.

The 1st co-ordinating Directive allowed the Federal Republic of Germany to retain a specialization requirement on its territory, viz., to prohibit undertakings which transact legal expenses insurance from transacting in other classes of insurance. This requirement was a barrier to the free establishment in the Federal Republic of Germany of undertakings originating in other Member States, where there was no such requirement.

The Directive which has just been approved does not confine itself to abolishing the specialization requirement in the Federal Republic of Germany; to achieve the same objective as the German legislation was seeking through specialization, viz., to avoid any conflict of interest between the person insured against legal expenses and his insurer, the Directive lays down a series of measures regarding the organization and management of insurance undertakings and the terms of insurance contracts.

To cater for a situation in which a conflict of interests arises despite all these precautions, provision will have to be made for an arbitration or equivalent procedure.

Contracts of legal expenses insurance will have to provide expressly that the insured person is free to choose a lawyer. However, a Member State may make contracts limited to cases arising from the use of road vehicles on its territory exempt from this obligation if other restrictive conditions are fulfilled. This option refers particularly to the automobile clubs in certain Member States.

The Directive should achieve two objectives: to help complete the internal market in insurance, and to protect policy holders.

Reference framework for the financial year 1988

The Council adopted in the official languages of the Communities a Decision laying down the reference framework for the financial year 1988 as follows:

IN MECU

1. Maximum amount of net expenditure on agricultural markets

C/A	P/A
22 757	22 757

The Council notes that the agricultural guidelines for the reference framework for the 1988 budget must be seen against the background for an exceptionally difficult budgetary situation and that it may become necessary at a later stage to take into consideration the exceptional circumstances provided for in the second paragraph of Article 2 of the Council's conclusions of 4 December 1984.

2. Non-compulsory expenditure

C/A	P/A
11 035,0	9 910,3

3. Other compulsory expenditure

C/A	P/A
4 029,8	3 972,8

4. Total

C/A	P/A
37 821,8	36 640,1

Bruxelles, le 12 Juin 1987

433

NOTE BIO(87) 159 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

PREPARATION CONSEIL ECO/FIN DU 15.06.87 (E. REUTER)

Poursuivant son effort en vue d'activer l'adoption de mesures concernant l'achèvement du marché intérieur, la Présidence belge tentera de faire aboutir les points suivants :

Prospectus pour l'admission des valeurs mobilières à la cotation en bourse

Il s'agit de coordonner les conditions d'établissement, de contrôle et de diffusion de prospectus à publier pour l'admission de valeurs mobilières à la cote officielle d'une bourse de valeur. La proposition de la Commission consacre le principe de la reconnaissance mutuelle du prospectus. Le prospectus doit être établi dans l'Etat membre où l'émetteur a son siège et conformément à sa législation. Il faut noter que cette proposition est différente de notre proposition concernant les prospectus en cas d'offre publique de valeurs mobilières ayant fait l'objet récemment d'une campagne de presse hostile aux Royaume-Uni. La proposition de la Commission est un élément important pour la libération des mouvements de capitaux dans la Communauté. Une des difficultés que le Conseil doit résoudre à ce propos est l'application du principe de la reconnaissance mutuelle à des prospectus concernant des émetteurs de pays tiers dont les valeurs sont cotées dans la Communauté.

Assurance de la protection juridique.

La proposition de la Commission, qui date de 1979, doit faciliter le libre établissement en évitant les conflits d'intérêts entre assureurs et assurés susceptibles de naître du fait qu'un même assureur assure à la fois la protection juridique du défendeur et la revendication contre lui dans un même procès. Le Conseil devra examiner un certain nombre de réserves techniques y compris la difficulté créée par le fait que les clubs automobiles offrent en général cette forme d'assurance.

Assurance crédit et assurance caution

La Commission entend supprimer l'entrave au libre établissement qui découle du fait qu'en République Fédérale il est interdit aux assureurs de cumuler ces deux formes d'assurance. La solution est recherchée en améliorant les garanties pour les assurés notamment en augmentant la marge de solvabilité et le fond de garantie des compagnies concernées.

Amitiés,

C. STATHOPOULOS



Frière de faire la transmission habituelle à partir de Bruxelles

NOTE BIO (87) 159 (suite 1) AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU SERVICE DU PORTE-PAROLE

Suite à la réunion des Ministres de l'Agriculture et des Finances, le Président Delors a indiqué qu'il était satisfait d'avoir provoqué cette réunion - qui, d'ailleurs, est prévue dans le mécanisme de la discipline budgétaire et n'est donc pas un Conseil "Jumbo".

Il estime que la discussion a été franche et utile, permettant de préparer le terrain pour des décisions des Ministres concernés sur les points à résoudre : ~~budget~~ financement du budget 1987, montants compensatoires monétaires, système de stabilisation du marché communautaire des matières grasses.

Amitiés,

G. ANQUIL

Brussels, 16 June 1987

Note BIO(87) 159 (suite 2 et fin) aux bureaux nationaux
cc. aux Membres du Service du Porte-Parole

Conseil ECO/FIN du 15.6.1987 à Luxembourg (E. REUTER)

After lunch the Ministers continued the discussion of plans for strengthening the EMS, which they had started over lunch. Reports by the chairman of the Monetary Committee and the chairman of the Central Bankers stressed the necessity for a closer coordination of policies pursued by national monetary authorities while at the same time one had to retain great flexibility. Sallient points were the greater recourse to short and very short term financing for propping up currencies in the system against movements of the currencies of the US and Japan and the fuller use of intra-band fluctuations - up and down - so as to dishearten speculation against EMS currencies. Some ministers expressed concern over the delay in this work as it now is clear that no proposals will be ready before September. The necessity of parallel progress between the development of the system and the liberation of capital movements was emphasized by Mr Balladour, but questioned by Mr Ruding.

Among the internal market items only the directive concerning insurance of legal expenses was adopted formally, as Coreper had been able to reduce it to an "A" point. The German position proved quite a stumbling block during the discussion on credit insurance. The concern motivating the German position relates to their traditional worry about over-exposure and lack of guaranteeing funds by insurers. Eventually in a spirit of making a positive contribution to the internal market, Germany agreed to abstain making it possible to adopt the directive as amended by the Belgian presidency. That would mean that the guarantee threshold will amount to 2,000,000 ECU + 4% of all the premiums collected (the guarantee being 1,400,000 ECU). But then the UK opposed this solution, their bottomline being 3,000,000 ECU + 4% for the threshold. "A wonderful example of our impotence", said the chairman proposing to settle on 2,500,000 ECU. Lord Cockfield recalled that the UK operators were expected to be great beneficiaries of a common market for insurance. To the Germans he offered a review clause for the threshold after three years. To no avail. Lord Cockfield urged the Presidency to include the item as a false "A" point in the agenda of the Foreign Affairs Council. This was then adopted as the Council's conclusion.

A similar conclusion was reached on the mutual recognition of listing particulars for stock to be quoted on stock exchanges in the EEC. The main difficulty here was France's request that prospectuses issued by third country corporations should not be eligible for mutual recognition in the Community. The chairman held the view that the directive was to be based on Article 54(2) of the Treaty and could therefore be adopted by qualified majority. He put to the vote an orientation on the substance of the Commission's proposal and recorded that 10 Member States were in favour, France and the United Kingdom opposing. Lord Cockfield had indicated that the Commission was ready to respond to the Council's wish to seek an early mandate for negotiating the terms

of third country issues' admission to the Community's market. This matter will figure as a false "A" point on the agenda of the next Foreign Affairs' Council.

The matter of Spain's and Portugal's contribution to the financing of the disposal of butter stocks was referred back to Coreper.

The Council also held a concertation with a delegation of the European Parliament on own resources. This ended on a positive note as the MEPs felt that they could now prepare a report enabling Parliament to give his opinion. Two concerns of the Commission, i.e. how to prevent situations where we experience acute liquidity problems and how to strengthen our investigation prerogatives in fraud situations did not receive an encouraging response from the Council.

The Council rose at 9.00 p.m.

Amitiés,

C. STATHOPOULOS - comeur

