COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

7844/90 (Presse 120)

1421st Council meeting

- Economic and Financial Affairs -

Brussels, 23 July 1990

President: Mr Guido CARLI

Minister for the Treasury
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 Eonomic Affairs

Germany:

Mr Theo WAIGEL	Federal Minister for Finance
Mr Otto SCHLECHT	State Secretary, Federal Ministry of Economic Affairs

Greece:

Mr Ioannis PALAIOKRASSAS	Minister for Finance
Mr Eythymios CHRISTODOULOU	Deputy Minister for Foreign Affairs

Spain:

Mr Carlos SOLCHAGA CATALAN	Minister for Economic Affairs and Finance
Mr Pedro PEREZ	State Secretary for the Economy

France:

Mr Pierre BEREGOVOY	Ministre d'Etat, Minister for Economic and Financial Affairs and the Budget

Ireland:

Mr Albert REYNOLDS	Minister for Finance

23.VII.90
che/AM/kr

Italy:

Mr Guido CARLI	Minister for the Treasury
Mr Emilio RUBBI	State Secretary for the Treasury
Mr Stefano DE LUCA	State Secretary for Finance

Luxembourg:

Mr Jean-Claude JUNKER	Minister for Finance
Mr Robert GOEBBELS	Minister for Economic Affairs

Netherlands:

Mr P.C. NIEMAN	Ambassador, Permanent Representative

Portugal:

Mr Miguel BELEZA	Minister for Finance
Mr Carlos TAVARES	State Secrtary for the Treasury
Mr José de OLIVEIRA COSTA	State Secretary for Fiscal Affairs

United Kingdom:

Mr John MAJOR	Chancellor of the Exchequer

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Commission:

Mr Jacques DELORS	President
Mr Henning CHRISOPHERSEN	Vice-President
Mrs Christiane SCRIVENER	Member

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also present:

Mr Mario SARCINELLI	Chairman of the Monetary Committee
Mr Bernhard MOLITOR	Chairman of the Economic Policy Committee

23.VII.90
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ECONOMIC AND MONETARY UNION

The Monetary Committee's global report on Economic and Monetary Union was referred to the Council, which heard a statement by the Committee's Chairman, Mr SARCINELLI, outlining the report's main features.

On this basis, the Council held a wide-ranging discussion on the various aspects of the subject along the lines of the conclusions of the Dublin European Council on 25 and 26 June.

The discussions ended with the Council instructing the Monetary Committee to examine the new United Kingdom idea of the introduction of a hard ecu and the Economic Policy Committee to establish the essential basis for ensuring parallelism between Economic Union and Monetary Union. The Council called on both Committees to report back to it by its informal meeting in Rome on 8 September.

The Council agreed to continue its discussions in this area at that meeting with a view to concluding its preparatory work on the intergovernmental conference on EMU, scheduled to begin in Rome on 13 December, with a high degree of convergence.

GERMAN UNIFICATION

The Council heard a communication from Mr WAIGEL informing it of the outcome of the recent meeting between Chancellor KOHL and President GORBACHEV, outlining the fundamental conditions and background against which economic, monetary and social union between the two Germanys had been taking place since 1 July and analysing the economic and financial prospects which were emerging from this both internally and externally.

ABOLITION OF FISCAL FRONTIERS

Transitional VAT arrangements

The Council held a policy discussion on the new Commission proposals on transitional VAT arrangements and administrative co-operation in fiscal matters.

The discussion confirmed the great store which the delegations set by commencing forthwith a detailed examination of the details of these transitional arrangements. The Council accordingly gave instructions for discussions on this matter to be expedited with the focus on

- the formalities to be completed by undertakings and checking arrangments, and

- co-operation between Member States' tax authorities.

Experts will also, in the course of the next few days, commence examination of the new definition of the chargeable event in respect of VAT on intra-Community transactions, i.e. replacement of the word "importation" by the word "purchase".

Approximation of excise duty rates

Following a statement by Mrs SCRIVENER, Member of the Commission, emphasizing the urgent need for decisions in this area, the Council directed the competent Council Working Parties to

- continue examining the new Commission proposals on excise duty rates and

- commence examination as soon as possible of the new proposals on excise duty structures and movement rules for products subject to excise duty which the Commission is planning to submit by the end of September.

Travellers' allowances

Following a further appeal from Mrs SCRIVENER for progress to be achieved on this matter, the Council noted that the Presidency would remain in close contact with the Commission in the search for a solution.

DIRECT TAXATION OF UNDERTAKINGS OF DIFFERENT MEMBER STATES

Further to the political agreement reached at its meeting on 11 June, the Council formally adopted two Directives regarding fiscal measures to encourage co-operation between undertakings of different Member States, viz:

- the Directive on the common system of taxation applicable to mergers, divisions, transfers of assets and exchanges of shares concerning companies of different Member States
- the Directive on the common system of taxation arrangements applicable in the case of parent companies and subsidiaries of different Member States.

At the same time, the Representatives of the Governments of the Member States decided to proceed with the signing of the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises and the Final Act thereof.

This Convention was signed by the Ministers in the margin of the Council meeting.

See Press Release on the ECOFIN Council meeting on 11 June 1990 - 7003/90 Presse 89 - for the content of these two Directives and of the Convention.

MISCELLANEOUS DECISIONS

Anti-dumping

The Council adopted the Regulation imposing a definitive anti-dumping duty on imports of certain types of electronic micro-circuits known as DRAMS (Dynamic Random Access Memories) originating in Japan and definitively collecting the providional duty. This duty is set at 60% of the net free-at-Community frontier price before duty.

Companies which have offered undertakings accepted by the Commission under Article 2 of Regulation No 165/90 will not, however, be charged duty on products exported to the Community. These companies include, in particular:
Fujitsu Limited, Hitachi Ltd., Matsushita Electronics Corporation, Mitsubishi Electric Corporation, NEC Corporation, NMB Semiconductor Co. Ltd., Oki Electric Industry Co. Ltd., Sanyo Electric Co. Ltd., Sharp Corporation, Texas Instruments (Japan) Ltd; and Toshiba Corporation, together with these companies' subsidiaries.

The Council also adopted Regulations extending the provisional anti-dumping duty for a period of not more than two months on imports of

- tungstic oxide and tungstic acid
- tungsten carbide and fused tungsten carbide
- tungsten ores and concentrates

originating in the People's Republic of China.

Customs Union

The Council adopted the Regulations opening and providing for the administration of autonomous Community tariff quotas for

- 3 150 tonnes of certain vanadium oxides and hydroxides
- 60 500 parts of certain colour cathode-ray tubes
- 20 tonnes of 2,2-methylene-bis
- 10 tonnes of terfenadin.

EEC-Malta relations

The Council adopted Community implementing Regulations on two Decisions adopted in the field of "originating products" by the EEC-Malta Association Council.

GATT

The Council authorized the Commission to open tariff negotiations under Article XXVIII of the GATT with a view to suspension of the concessions granted in respect of processed sisal products.