Council of the European Union

PRESS

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BACKGROUND BRIEF[1]
Brussels, 7 March 2025

Economic and Financial Affairs Council
Brussels, 11 March 2025

Chair: **Andrzej Domanski**, minister of Finance of Poland.

European Commission's representatives: Commissioner **Valdis Dombrovskis,** Commissioner **Wopke Hoekstra**.
Starting time: 10:30

Media opportunities:

- doorstep by Pascal Donohoe, President of Eurogroup, (Monday 10 March at +/- 14.45)
- doorstep by Andrzej Domanski (Monday 10 March at +/- 15.00)
- press conference after the Eurogroup (Monday 10 March at +/- 19.00)
- doorstep by Andrzej Domanski (Tuesday 11 March at +/- 08.45)
- press conference after the Economic and Financial Affairs Council (Tuesday 11 March at +/- 14.45)

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The Commission will be invited to present its first two '**Omnibus' packages** that aim to simplify various pieces of legislation. Ministers will have the opportunity to continue their exchange views on **competitiveness**, simplification and improving the business environment in Europe.

The Council will aim to reach a political agreement on a proposal for a directive on administrative cooperation in the field of **taxation (DAC9).**

Ministers will exchange views on the state of play of the **economic and financial impact** of Russia's aggression against Ukraine, based on an update by the Commission, including on the implementation of sanctions with a particular focus on their practical application in the customs area.

The presidency and the Commission will debrief the Council on the main outcomes of the G20 Finance Ministers and Central Bank Governors meeting held on 26-27 February 2025.

The Council will adopt implementing decisions approving amended **recovery and resilience plans**.

The Presidency and the Commission will present the state of play of legislative proposals in the field of **financial services**, and the Commission will inform the Council about the implementation of legislation in the field of financial services as part of its biannual exercise.

Under the A-items, the Council will be invited to approve conclusions on **decluttering and simplification in the tax field** and a decision to amend the EIB's Statute to give the Bank greater efficiency in managing its investment capacity, as well as to formally adopt the **VAT in the Digital Age (ViDA) package**, that was agreed last November. It will also endorse a letter **appointing the European Fiscal Board (EFB).**

[1] This note was drawn up under the responsibility of the press office.

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The **Eurogroup** will meet on Monday 10 March at 15:00 to discuss:

In regular format

- Macroeconomic developments in the euro area
- Fiscal policy coordination: stocktaking and challenges going forward
- Miscellaneous

In inclusive format

- Follow-up from the February G7 meeting of Finance Ministers and Central Bank Governors
- Developments in crypto-asset activities and markets and their implications for the euro area and the European economy
- Preparation of the March Euro Summit (incl. capital markets union stocktake)

The ECOFIN Council will be preceded by an **informal dinner of finance and economy ministers** on 10 March at 20:00. The ministers will continue their informal debate on defence financing.

Defence would be also the topic of the **ECOFIN breakfast** were ministers will discuss the treatment of defence spending in the new fiscal framework (SGP).

Macroeconomic dialogue at political level (MEDPOL)

On Monday 10 March, at 11:00 the current and two incoming presidencies (Poland, Denmark and Cyprus) will bring together the social partners, the European Central Bank, the President of the Eurogroup and the Commission for a macro-economic dialogue at political level.

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Eurogroup - meeting page

Economic and Financial Affairs Council - meeting page

Eurogroup - video coverage in broadcast quality (MPEG4) and photo gallery

Economic and Financial Affairs Council - video coverage in broadcast quality (MPEG4) and photo gallery

Press conferences and public events by video streaming

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Competitiveness, simplification and improving business environment

The Commission will be invited to present the two first '**Omnibus packages'**, adopted on 26 February 2025, on sustainability and investment simplification.

According to the Commission, the first two Omnibus packages focus the sustainability reporting obligations on the largest companies which are more likely to have the biggest impacts on people and the environment, and make sure they do not burden smaller companies.

With the aim of simplifying EU legislation horizontally in these policy areas, the proposed packages contain amendments to five major pieces of EU legislation.

1. Omnibus on sustainability reporting:

- A proposal for a Directive amending the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD)
- A proposal which postpones the application of all reporting requirements in the CSRD for companies that are due to report in 2026 and 2027 (so-called wave 2 and 3 companies) and which postpones the transposition deadline and the first wave of application of the CSDDD by one year to 2028.
- A draft delegated act amending the Taxonomy Disclosures and the Taxonomy Climate and Environmental Delegated Acts, subject to public consultation.
- A proposal for a Regulation amending the Carbon Border Adjustment Mechanism Regulation (CBAM)

2. Omnibus on investment simplification:

- A proposal for a Regulation amending the InvestEU Regulation to increase the efficiency of the EU guarantee and to simplify reporting requirements
- Mirroring amendments to the European Fund for Strategic Investments (EFSI) Regulation, Connecting Europe Facility Regulation and Horizon Europe Regulation

Ministers will have the opportunity to continue their exchange views on competitiveness, simplification and improving the business environment in Europe.

The Commission's proposals for the two first omnibus packages (external link)

Competitiveness (background information)

Administrative cooperation in the field of taxation (DAC 9)

The Council aims to reach a political agreement on amending the directive on administrative cooperation in taxation (DAC9). This proposal is closely tied to the 2022 'pillar two directive,' which ensures multinational groups with a turnover of at least €750 million are taxed at a **minimum effective rate of 15%.**

DAC9 seeks to incorporate into EU law the standard form agreed in the **OECD framework** to operationalise filing obligations for the purposes of the Pillar Two directive. Under the Pillar Two directive, in-scope groups must calculate their effective tax rate per jurisdiction and pay a top-up tax if their rate falls below 15%.

Article 44 of the Pillar Two directive requires filing a **top-up tax information return (TTIR),** providing tax authorities with the data needed for risk assessment and accurate tax liability evaluation. It allows centralised TTIR filing by the ultimate parent or designated entity, rather than each company filing separately, provided information exchange arrangements exist between relevant jurisdictions.

DAC9 also extends the framework for automatic exchange between member states to cover TTIR. Furthermore, DAC9 contains a set of rules that enable central filing for the groups of companies concerned, instead of so-called local filing.

The first top-up tax reporting is due by **30 June 2026**.

The European Parliament adopted its opinion on the directive on the 12 of February 2025, under the consultation procedure.

[Digital taxation]

[DAC 9 proposal (Background information)]

Russia's aggression against Ukraine

Ministers will exchange views on the state of play of the **economic and financial impact** of Russia's aggression against Ukraine, including on the implementation of sanctions with a particular focus on their practical application in the customs area.

[EU solidarity with Ukraine (background information)]

[EU response to Russia's invasion of Ukraine (background information)]

[The Ukraine Facility]

Recovery and Resilience Facility

The Council is expected to adopt implementing decisions approving targeted amendments submitted by Belgium and Ireland to their recovery and resilience plans.

The RRF is the EU's large-scale financial support programme in response to the challenges the COVID-19 pandemic has posed to the European economy. It is the centrepiece of NextGenerationEU, a temporary recovery instrument that allows the Commission to raise funds to help repair the immediate economic and social damage caused by the pandemic.

To benefit from the facility, member states must submit recovery and resilience plans (RRPs) to the Commission, setting out the reforms and investments they intend to implement by the end of August 2026.

The REPowerEU regulation, in force since 1 March 2023, aims to end the EU's dependence on Russian fossil fuels by saving energy, diversifying energy supplies and accelerating the clean energy transition.

Under the REPowerEU regulation, EU countries have added specific chapters to their national RRPs in order to finance key investments and reforms which will help achieve the REPowerEU objectives. REPowerEU increases the RRF financial envelope by €20 billion in new grants.

To date, all RRPs have been approved, 86 payment requests have been received and more than €306 billion have been disbursed.

[A recovery plan for Europe (background information)]

[REPowerEU: energy policy in EU countries' recovery and resilience plans (background information)]

International meetings - G20

The President of the Council and the Commission will debrief the Council on the main outcomes of the G20 Finance Ministers and Central Bank Governors meeting on 26-27 February 2025.

The Council will also mandate the Economic and Financial Committee to prepare the G20 EU terms of reference and the statement to the IMFC in view of the G20 Finance Ministers and Central Bank Governors meeting on 23-24 April and the IMF Spring meetings.

[G20]

Financial services

The Presidency and the Commission will present the state of play of legislative proposals in the field of financial services, and the Commission will inform the Council about the implementation of financial services legislation as part of its biannual exercise.

Current legislative files in the field of financial services

Digital finance (background information)

Capital markets union (background information)

Other items

Under items adopted without discussion, the Council is expected to approve conclusions on a tax decluttering and simplification agenda which contributes to the competitiveness of the EU.

The conclusions will focus on **simplifying the regulatory framework** in the field of taxation to the benefit of companies and tax administrations, including by easing reporting burdens and eliminating overlapping provisions.

They will give orientation to the Commission on possible upcoming initiatives in the context of improving the EU's competitiveness and reducing administrative, regulatory and reporting burdens.

The Council is also expected to formally adopt the **VAT in the Digital Age (ViDA)** package. With new rules on electronic invoices and real-time data reporting, as well as business carried out through digital platforms, this package of legislation will fight tax fraud, support businesses and promote digitalisation.

The Council intends to approve a decision providing the **European Investment Bank (EIB)** with enhanced flexibility in managing its investment capacity, as well as to endorse a letter **appointing the European Fiscal Board** (EFB).

Taxation (background information)

Competitiveness (background information)

Digital taxation

Taxation: Council agrees on VAT in the digital age package (press release, 5 November 2024)

Macroeconomic dialogue at political level (MEDPOL)

A macroeconomic dialogue at political level (MEDPOL) will be held on 10 March, in the margins of the meeting.

The social partners will exchange views with the presidency and the two forthcoming presidencies, the Commission, the European Central Bank and the president of the Eurogroup.

The meeting will focus on:

- Current economic situation, outlook and appropriate policy responses
- Key regulatory barriers that contribute to the fragmentation of the single market for services

A press release will be issued after the meeting with participants' quotes.