



MINISTRY OF FINANCE  
REPUBLIC OF CYPRUS

**Summary Note <sup>1</sup>**  
**ECOFIN Council, 24 January 2012**

The **ECOFIN Council** meeting will take place on Tuesday, 24 January 2012 in Brussels. A meeting of the **Euro Group**, as well as the ministerial meetings on amendments to the treaty on the European Stability Mechanism and on the draft fiscal compact treaty, will take place on Monday 23 January. Cyprus will be represented by Minister of Finance Mr. Kikis Kazamias.

### **1. Derivatives - Clearing and reporting requirements**

The Council will discuss a draft regulation aimed at increasing transparency and reducing risk in the over-the-counter (OTC) derivatives market. The objective will be to update the Council's position in negotiations with the European Parliament.

The draft regulation calls for:

- the clearing of standardised OTC derivative contracts through central counterparties (CCPs) in order to reduce counterparty risk;
- reporting of all derivative contracts to trade repositories (i.e. central data centres), which would have to publish aggregate positions by class of derivatives, thereby offering market participants a clearer view of the OTC derivatives market.

### **2. Economic governance - Second package**

The Council will discuss two draft regulations on economic governance:

- a regulation for enhanced monitoring and assessment of draft budgetary plans of euro area member states, especially those subject of an excessive deficit procedure;
- a regulation on enhanced surveillance of euro area member states that are experiencing severe financial disturbance or request financial assistance

The two regulations would introduce provisions for enhanced monitoring of countries' budgetary policies. Member states would be required to submit annually to the Council and the Commission their draft budgetary plans for the next year by 15 October. Closer monitoring would apply to member states in excessive deficit procedure in order to enable the Commission to better assess whether a risk of non-compliance with the deadline to correct the excessive deficit exists. Member states experiencing severe difficulties with regard to their financial stability or receiving financial assistance on a precautionary basis would be subject to even tighter monitoring than member states in excessive deficit procedure.

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<sup>1</sup> Information from <http://www.consilium.europa.eu/press/council-meetings.aspx?lang=en>

### **3. Presidency work programme**

The Danish presidency will present a work programme on economic and financial matters for the duration of its term of office, which runs from January to July 2012.

### **4. European Semester - Annual growth survey**

Ministers will discuss ways at the current juncture to promote growth and employment in the short and medium term without compromising the fiscal consolidation necessary for restoring sustainability and confidence. They will be invited to share national experiences in this regard, and to suggest initiatives that could be implemented at EU level. The debate will provide input for the preparation of conclusions to be adopted by the Council on 21 February.

### **5. Follow-up to G-20 meeting of finance deputies**

The Council will discuss the follow-up to be given to a meeting of G-20 finance ministers' and central bank governors' deputies in Mexico City on 19-20 January.

### **6. Excessive deficit procedure**

**- Hungary: draft Council decision under article 126(8)**

**- Belgium, Cyprus, Malta and Poland: follow-up to Council recommendations**

The Council is expected to adopt a decision, under article 126(8) of the treaty, establishing that Hungary has failed to comply with the Council's recommendations on measures to be taken in order to bring its government budget deficit below the EU's reference value of 3% of GDP.

As regards Belgium, Cyprus, Malta and Poland, the Council is expected to concur with the Commission's assessment whereby no further steps under the EU's excessive deficit procedure are required at present. The Commission finds that, on the basis of current information, all four countries have taken action representing adequate progress towards correcting their deficits within the time limits set by the Council.

*Ministry of Finance  
23 January 2012*

Please note that information on ECOFIN Council meetings' results can be found at the following link:

<http://www.consilium.europa.eu/App/newsroom/loadbook.aspx?BID=93&LANG=1&cmsid=350>