

# GERMAN PRESIDENCY OF THE EU

# THE FINANCE AGENDA



## THE CONTEXT

With EU leaders focusing on repairing the economy, the German Presidency will be advancing the development **of the Banking Union** to increase the stability of the financial system. The most controversial issue is the creation of a European deposit insurance scheme. A big emphasis over the next 6 months will also be on **developing deeper and more efficient capital markets**.

COVID-19 will accelerate the move towards digitalisation across the financial services sector. **Digitalisation and sustainability will therefore play a big role in the recovery**. Furthermore, Germany is expected to help steer the process for **establishing an EU taxonomy** as one of the pillars of the EU's plans for **sustainable finance**. First elements of the taxonomy for climate change mitigation and adaptation are scheduled to be established by the end of 2020.

## PRIORITIES AND NON-LEGISLATIVE INITIATIVES

- **With a final agreement on the Recovery Fund secured** the Presidency will assist in concluding necessary work so that funds are available by the start of 2021.
- **Revive final steps on strengthening the banking union** and the long-stalled effort to create a European deposit insurance scheme. The Presidency may also advance discussions on the finalization of Basel III banking standards.
- **Revamp the Capital Markets Union (CMU) agenda** to promote capital market-based financing and to further integrate the European Capital Market.
- **Deepen cooperation on EU level on tax issues** and advocating for the Financial Transaction Tax (FTT). Germany will also aim to revise the Directive on Administrative Cooperation (DAC) in the field of taxation, as well as tackling tax evasion.
- **Promoting a digital financial markets union:** The Presidency will support the work in the context of the European Commission's digital finance strategy as well as the regulatory proposals on areas such as crypto assets.
- **Preventing money laundering:** The Presidency will step up on efforts to fight money laundering and terrorist financing.

## CONTACT

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## THE AGENDA-SETTER

### Olaf Scholz

- Born in 1958
- Vice Chancellor of Germany and Federal Minister of Finance
- Member of the Social Democratic Party of Germany (SPD)
- Having long been committed to sound fiscal policy, the COVID-19 crisis has pushed the Finance Minister to shift away from Germany's traditional balanced budget policy and take on a signaling commitment to more steeper payments to the EU budget.
- Scholz has seen his popularity surge in Germany over his backing of an unprecedented €130 billion stimulus package. He is likely going to be the chancellor candidate for the SPD in the 2021 federal elections when Chancellor Merkel's term ends.



## KEY LEGISLATIVE FILES

- Targeted amendments to financial regulations to facilitate the economic recovery post-COVID-19 crisis, which includes:
  - Markets in Financial Instruments Directive (MiFID II) review
  - Prospectus Regulation
  - Benchmark Regulation review
- Proposals implementing the final Basel III reforms
- Revision of the Directive on Administrative cooperation (DAC) in the field of taxation

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# AGENDA: TIMELINE



JULY 2020

**Revision of the Benchmark Regulation**  
22 July 2020

**Targeted amendments to financial regulations to facilitate the economic recovery post-COVID-19 crisis**  
22 July 2020

**Informal Meeting of the Financial Services Attachés**  
7-8 September 2020

*September: European Commission Capital Markets Union (CMU) Action Plan*

**European Sustainable Finance Summit**  
28 September 2020

**European Securities and Markets Authority (ESMA) board of supervisors meeting**  
23 September 2020

**Informal meeting of Economic and Financial Affairs Ministers (ECOFIN)**  
11-12 September 2020

OCTOBER 2020

**ECOFIN Council Meeting**  
6 October 2020

**Solvency II review consultation deadline**  
21 October 2020

**ECOFIN Council Meeting**  
13 November 2020

SEPTEMBER 2020

NOVEMBER 2020

DECEMBER 2020

**EIOPA advice to the European Commission on Solvency II Review**  
December 2020

**ECOFIN Council Meeting**  
1 December 2020

**Tax Administration EU Summit (TADEUS) Plenary Meeting**  
25-26 November 2020

2021