# Conclusions of the European Council meeting (28-29 October 2010) and economic governance

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The Council was informed by the presidency of its intentions concerning the follow-up to be given to the European Council meeting on 28 and 29 October 2010 as regards: (i) economic governance; (ii) levies and taxes in the financial sector.

It held an exchange of views.

**Economic governance**: the European Council in October endorsed the final report from a task force established in March to devise proposals for **better budgetary discipline** in the member states and an **improved crisis resolution framework** at EU level. It called on the Council and the European Parliament to reach agreement on the ensuing legislation by the summer of 2011, on the basis of proposals from the Commission, so as to enable a rapid and effective implementation of the group's recommendations.

The European Council also considered that work on how the **impact of pension reforms should be accounted for in the implementation of the EU's stability and growth pact** should be speeded up, and asked the Council to report back on the issue in time for its meeting on 16 and 17 December.

Further to the work of the task force, the President of the European Council was asked to undertake consultations on a **limited change to the EU treaties** required in order to establish a permanent crisis mechanism to safeguard the financial stability of the euro area.

**Levies and taxes in the financial sector**: the European Council took note of a report from the Council highlighting the risk of competitive distortions arising from the uncoordinated introduction of levies by the member states, and assessing the potential for the possible introduction of a financial transactions tax or a financial activities tax. It asked the Council to report back on the issue of levies in December, and acknowledged that different options regarding taxation of the financial sector should be examined, as well as practices aimed at impeding tax havens and tax evasion.