



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Brussels, 10 February 2016

TEXTE EN

MINUTES

of the 2153rd meeting of the Commission

held in Brussels

(Berlaymont)

on 27 January 2016

(morning)

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TABLE OF CONTENTS

Attendance list 6-10

1. AGENDAS (OJ(2016) 2153/FINAL; SEC(2016) 58/FINAL)	11
2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2016) 2153).....	11
3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2151 ST AND 2152 ND MEETINGS OF THE COMMISSION (13 AND 19 JANUARY) (PV(2016) 2151; PV(2016) 2151, PART II; PV(2016) 2152; PV(2016) 2152, PART II)	11
4. INTERINSTITUTIONAL RELATIONS (RCC(2016) 7)	11
4.1. LEGISLATIVE MATTERS	12
4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL	12
4.3. RELATIONS WITH PARLIAMENT	13
5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	14
5.1. WRITTEN PROCEDURES APPROVED (SEC(2016) 59 ET SEQ.).....	14
5.2. EMPOWERMENT (SEC(2016) 60 ET SEQ.)	14
5.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2016) 61 ET SEQ.).....	14
5.4. SENSITIVE WRITTEN PROCEDURES (SEC(2016) 62)	14
6. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON PROGRESS IN BULGARIA UNDER THE CO-OPERATION AND VERIFICATION MECHANISM (COM(2016) 40 TO /3; SWD(2016) 15 AND /2).....	15

7.	REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON PROGRESS IN ROMANIA UNDER THE CO-OPERATION AND VERIFICATION MECHANISM (COM(2016) 41 AND /2; SWD(2016) 16)	15
8.	COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 53 OF THE AGREEMENT ON THE EUROPEAN ECONOMIC AREA (CASE AT.40028 – ALTERNATORS AND STARTERS) (C(2016) 223 TO /8; RCC(2016) 13)	15
9.	ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2016) 63 AND /2)	16
9.1.	<i>DG HUMAN RESOURCES AND SECURITY – ADMINISTRATIVE ARRANGEMENT BETWEEN THE EUROPEAN COMMISSION AND THE AFRICAN UNION COMMISSION SETTING UP A PROGRAMME FOR STAFF EXCHANGES AND ADMINISTRATIVE COOPERATION (SEC(2016) 75)</i>	<i>17</i>
9.2.	<i>DG HUMAN RESOURCES AND SECURITY – FORMALISATION OF THE COMPREHENSIVE AGREEMENT BETWEEN THE EUROPEAN COMMISSION AND THE LUXEMBOURG AUTHORITIES ON THE REMOVAL OF COMMISSION DEPARTMENTS FROM THE JEAN MONNET I BUILDING AND THE PRESENCE OF COMMISSION DEPARTMENTS IN LUXEMBOURG</i>	<i>17</i>
9.3.	<i>DG HUMAN RESOURCES AND SECURITY / SECRETARIAT-GENERAL – AMENDMENT OF THE RULES GOVERNING THE COMPOSITION OF THE CABINETS OF THE MEMBERS OF THE COMMISSION AND OF THE SPOKESPERSON'S SERVICE (C(2016) 440)</i>	<i>18</i>
9.4.	<i>SECRETARIAT-GENERAL / REGULATORY SCRUTINY BOARD – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2015) 62 TO /4)</i>	<i>18</i>
9.5.	<i>SECRETARIAT-GENERAL / REGULATORY SCRUTINY BOARD – APPOINTMENT OF AD14/15 PRINCIPAL ADVISER (PERS(2015) 63 TO /4)</i>	<i>19</i>

10. DRAFT COMMISSION IMPLEMENTING DECISION ESTABLISHING THE REPORT OF THE 2015 EVALUATION OF THE IMPLEMENTATION OF THE SCHENGEN <i>ACQUIS</i> IN THE FIELD OF MANAGEMENT OF THE EXTERNAL BORDER BY GREECE (C(2016) 450 AND /2; RCC(2016) 11)	19
11. OTHER BUSINESS.....	26
11.1. LATEST DEVELOPMENTS CONCERNING PORTUGAL'S DRAFT BUDGETARY PLAN FOR 2016.....	26
11.2. AGREEMENT NEGOTIATED WITH THE ITALIAN AUTHORITIES ON THE ESTABLISHMENT OF A GUARANTEE SCHEME TO HELP ITALIAN BANKS TO MANAGE THEIR NON-PERFORMING LOANS	27
12. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – ANTI-TAX AVOIDANCE PACKAGE – NEXT STEPS TOWARDS DELIVERING EFFECTIVE TAXATION AND GREATER TAX TRANSPARENCY IN THE EU (COM(2016) 23 AND /2; SWD(2016) 6 AND /2; RCC(2016) 8).....	27
13. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON AN EXTERNAL STRATEGY FOR EFFECTIVE TAXATION (COM(2016) 24 AND /2; SWD(2016) 6 AND /2; RCC(2016) 8).....	27
14. PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING DIRECTIVE 2011/16/EU AS REGARDS MANDATORY AUTOMATIC EXCHANGE OF INFORMATION IN THE FIELD OF TAXATION (COM(2016) 25 AND /2; SWD(2016) 6 AND /2; RCC(2016) 8).....	27
15. PROPOSAL FOR A COUNCIL DIRECTIVE LAYING DOWN RULES AGAINST TAX AVOIDANCE PRACTICES THAT DIRECTLY	

AFFECT THE FUNCTIONING OF THE INTERNAL MARKET	
(COM(2016) 26; SWD(2016) 6 AND /2; RCC(2016) 8)	28
16. COMMISSION RECOMMENDATION ON THE IMPLEMENTATION	
OF MEASURES AGAINST TAX TREATY ABUSE (C(2016) 271;	
SWD(2016) 6 AND /2; RCC(2016) 8).....	28
17. PROPOSAL FOR A REGULATION OF THE EUROPEAN	
PARLIAMENT AND OF THE COUNCIL ON THE APPROVAL AND	
MARKET SURVEILLANCE OF MOTOR VEHICLES AND THEIR	
TRAILERS, AND OF SYSTEMS, COMPONENTS AND SEPARATE	
TECHNICAL UNITS INTENDED FOR SUCH VEHICLES	
(COM(2016) 31 AND /2; SWD(2016) 9 AND /2; SWD(2016) 10 ;	
SEC(2016) 64 AND /2; RCC(2016) 9)	30
18. POLICY DEBATE ON THE EUROPEAN PILLAR OF SOCIAL	
RIGHTS (SEC(2016) 74; RCC(2016) 10)	32

Single sitting: Wednesday 27 January 2016 (morning)

The sitting opened at 10.10 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative / Vice-President	Items 1 to 11
Ms GEORGIEVA	Vice-President	Items 1 to 17
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	Items 10 (in part) to 18
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	Items 1 to 18 (in part)
Mr OETTINGER	Member	Items 1 to 11
Mr HAHN	Member	Items 1 to 11
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	Items 1 to 11
Lord HILL	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	

Ms CREȚU

Member

Ms VESTAGER

Member

Absent:

Mr MOEDAS

Member

The following sat in to represent absent Members of the Commission:

Ms DEL BRENNA	Deputy Chef de cabinet to Mr MOEDAS
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The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	Items 1 to 18 (in part)
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PESONEN	Director-General, DG Communication	
Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms BENÍTEZ SALAS	European Political Strategy Centre	Items 1 to 11 (in part)
Mr SWIEBODA	European Political Strategy Centre	Items 11 (in part) to 18
Mr THOLONIAT	Adviser in the PRESIDENT's Office	
Ms DEJMEK-HACK	Adviser in the PRESIDENT's Office	Items 11 (in part) to 17
Mr KASEL	Adviser in the PRESIDENT's Office	Items 12 to 16
Mr SZOSTAK	Adviser in the PRESIDENT's Office	Item 10
Mr SHOTTER	Adviser in the PRESIDENT's Office	Item 10
Ms BALTA	A member of Mr TIMMERMANS's staff	Item 10 (in part)
Mr MANSERVISI	Chef de cabinet to Ms MOGHERINI	Items 1 to 10 (in part)
Ms GROS-TCHORBADJIYSKA	A member of Ms GEORGIEVA's staff	Item 18 (in part)
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Items 1 to 10 (in part)
Ms LUCAS	A member of Mr DOMBROVSKIS's staff	Item 18
Mr RADZIEJEWSKI	A member of Mr KATAINEN's staff	Item 17
Ms SCHMITT	Chef de cabinet to Mr AVRAMOPOULOS	Items 1 to 10
Mr HERMANS	Chef de cabinet to Ms THYSSEN	Item 18

(27 January 2016)

- English language version of the French text which is authentic -

Ms JUUL-JØRGENSEN	Chef de cabinet to Ms VESTAGER	Item 11 (in part)
Ms ANDREEVA	Commission Spokesperson's Service	
Mr SERVOZ	Director-General, DG Employment, Social Affairs and Inclusion	Item 18

Secretary: Mr ITALIANER, Secretary-General, assisted by Mr AYET PUIGARNAU,
Director in the Secretariat-General.

1. AGENDAS

(OJ(2016) 2153/FINAL; SEC(2016) 58/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings. It also took note of the addition of items 9.4 and 9.5 (on administrative decisions) to that day's agenda.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2016) 2153)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 25 January.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2151ST AND 2152ND MEETINGS OF THE COMMISSION (13 AND 19 JANUARY)
(PV(2016) 2151; PV(2016) 2151, PART II; PV(2016) 2152; PV(2016) 2152, PART II)

The Commission approved the minutes of its 2151st meeting, and decided to hold over for one week approval of the minutes of its 2152nd meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2016) 7)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 22 January (RCC(2016) 7).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Trilogue meetings

(point 3.1 of the IRG record)

- Fourth Railway Package (market pillar) – Amendment of Regulation (EC) 1370/2007 concerning the opening of the market for domestic passenger transport services by rail (Regulation) – VAN DE CAMP report – 2013/0028 (COD) / Amendment of Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area, as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure (Directive) – SASSOLI report – 2013/0029 (COD)

The Commission approved the line set out in SI(2016) 10 and /2.

- Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected and high-risk areas (Regulation) – WINKLER report – 2014/0059 (COD)

The Commission approved the line set out in SI(2016) 11 and /2.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

ii) Programming of Council business

(SI(2016) 16)

The Commission took note of the information in SI(2016) 16 on the Council meetings between 28 January and 10 February.

iii) Non-legislative dossiers

(point 4.1 of the IRG record)

- International United Nations Conference on ‘Supporting Syria and the Region’ (London, 4 February 2016)

The Commission approved the line set out in SI(2016) 12/2.

- China Market Economy Status in EU Anti-dumping investigations

The Commission approved the line set out in SI(2016) 13.

- Pakistan country fiche on migration

The Commission approved the line set out in SI(2016) 17/2.

4.3. RELATIONS WITH PARLIAMENT

iv) Non-legislative dossiers

(point 5.1 of the IRG record)

- Law of Administrative Procedure of the European Union – Statement by Ms MICHOU, Deputy Secretary-General, at the hearing of the ‘Legal Affairs’ Committee of Parliament (Brussels, 28 January)

The Commission approved the line set out in SP(2016) 43.

v) Action to be taken on Parliament’s legislative resolutions and other resolutions of a legal nature

(SP(2016) 47)

The Commission decided to empower the Members of the Commission responsible for the sectors in question, in agreement with the PRESIDENT and Mr TIMMERMANS and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2016) 47, drawn up following the January part-session of Parliament, the contents of which were noted.

vi) Results of the January part-session of Parliament

(SP(2016) 27; SP(2016) 28)

The Commission took note of the information in SP(2016) 27 and SP(2016) 28 on the proceedings of the part-session of Parliament held in Strasbourg from 18 to 21 January.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2016) 59 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 18 and 22 January.

5.2. EMPOWERMENT

(SEC(2016) 60 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 18 and 22 January.

5.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2016) 61 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 18 and 22 January, as archived in Decide.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2016) 62)

The Commission took note of the sensitive written procedures for which the time limit expired between 25 and 29 January and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on Monday 25 January (see also items 12 to 16 of these minutes).

**6. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON PROGRESS IN BULGARIA UNDER THE CO-OPERATION AND VERIFICATION MECHANISM
(COM(2016) 40 TO /3; SWD(2016) 15 AND /2)**

**7. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON PROGRESS IN ROMANIA UNDER THE CO-OPERATION AND VERIFICATION MECHANISM
(COM(2016) 41 AND /2; SWD(2016) 16)**

The Commission approved the reports on Bulgaria and Romania in COM(2016) 40/3 and COM(2016) 41/2, for transmission to Parliament and the Council, and, for information, to the national parliaments, together with the technical reports in SWD(2016) 15/2 and SWD(2016) 16, the contents of which were noted.

**8. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 53 OF THE AGREEMENT ON THE EUROPEAN ECONOMIC AREA (CASE AT.40028 – ALTERNATORS AND STARTERS)
(C(2016) 223 TO /8; RCC(2016) 13)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 25 January in C(2016) 223/4;
- took note of the final report of the Hearing Officer of 25 January in C(2016) 223/3;
- adopted in the authentic language (English) the decision in C(2016) 223/5 to /8 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the European Union and Article 53 of the Agreement on the European Economic Area, requiring the parties to put an end to the infringements immediately and imposing on some of these companies fines totalling €137 789 000;
- decided to notify each of the companies to which the decision was addressed of the decision relating to it in C(2016) 223/6 to /8, together with the final report from the Hearing Officer;
- decided that the key parts of the decision, together with the Advisory Committee’s opinion and the Hearing Officer’s final report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);
- decided to make the decision (with business secrets and other confidential information removed) accessible on the internet.

9. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2016) 63 AND /2)

ADMINISTRATIVE MATTERS

(PERS(2016) 6 AND /2)

9.1. DG HUMAN RESOURCES AND SECURITY – ADMINISTRATIVE ARRANGEMENT BETWEEN THE EUROPEAN COMMISSION AND THE AFRICAN UNION COMMISSION SETTING UP A PROGRAMME FOR STAFF EXCHANGES AND ADMINISTRATIVE COOPERATION (SEC(2016) 75)

The Commission took note of the information in point 1 of PERS(2016) 6 and, on a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT, decided:

- to approve the draft administrative arrangement between the European Commission and the African Union Commission setting up a programme for staff exchanges and administrative cooperation set out in SEC(2016) 75;
- to authorise Ms GEORGIEVA to sign the administrative arrangement on behalf of the European Commission.

These decisions would take effect immediately.

9.2. DG HUMAN RESOURCES AND SECURITY – FORMALISATION OF THE COMPREHENSIVE AGREEMENT BETWEEN THE EUROPEAN COMMISSION AND THE LUXEMBOURG AUTHORITIES ON THE REMOVAL OF COMMISSION DEPARTMENTS FROM THE JEAN MONNET I BUILDING AND THE PRESENCE OF COMMISSION DEPARTMENTS IN LUXEMBOURG

Ms GEORGIEVA informed the Members of the formalisation by exchange of letters of the agreement with the Luxembourg authorities regarding the removal of Commission departments from the Jean Monnet I building. She added that 1 000 people had already moved to other buildings and that the remaining 500 people would move in May-June.

The Commission took note of this information and the information set out in point 2 of PERS(2016) 6.

**9.3. DG HUMAN RESOURCES AND SECURITY / SECRETARIAT-GENERAL – AMENDMENT OF THE RULES GOVERNING THE COMPOSITION OF THE CABINETS OF THE MEMBERS OF THE COMMISSION AND OF THE SPOKESPERSON'S SERVICE
(C(2016) 440)**

The Commission took note of the decision of the PRESIDENT in C(2016) 440.

**9.4. SECRETARIAT-GENERAL / REGULATORY SCRUTINY BOARD – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2015) 62 TO /4)**

The Commission had before it the list of applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the Regulatory Scrutiny Board in the Secretariat-General (PERS(2015) 62 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 12 and 19 November (PERS(2015) 62/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from the PRESIDENT, in agreement with Mr TIMMERMANS and Ms GEORGIEVA, it then decided:

- to appoint Mr Didier HERBERT to the post;
- to provide that from 1 February 2016 and until a new appointment was made, the function of Chair of the Regulatory Scrutiny Board, which had become vacant, would be exercised by Mr Didier HERBERT, pursuant to

Article 27 of the Rules of Procedure of the Commission on deputising for hierarchical superiors.

This decision would take effect on 1 February.

**9.5. SECRETARIAT-GENERAL / REGULATORY SCRUTINY BOARD –
APPOINTMENT OF AD14/15 PRINCIPAL ADVISER
(PERS(2015) 63 TO /4)**

The Commission had before it the list of applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Principal Adviser in the Regulatory Scrutiny Board in the Secretariat-General (PERS(2015) 63 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 12 and 19 November (PERS(2015) 63/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from the PRESIDENT, in agreement with Mr TIMMERMANS and Ms GEORGIEVA, it then decided to appoint Mr Vassili LELAKIS to the post.

This decision would take effect on 1 February 2016.

**10. DRAFT COMMISSION IMPLEMENTING DECISION ESTABLISHING
THE REPORT OF THE 2015 EVALUATION OF THE IMPLEMENTATION
OF THE SCHENGEN ACQUIS IN THE FIELD OF MANAGEMENT OF THE
EXTERNAL BORDER BY GREECE
(C(2016) 450 AND /2; RCC(2016) 11)**

Mr AVRAMOPOULOS presented the draft evaluation report being tabled that day

for information and discussion before being submitted to a committee procedure and being formally adopted by the Commission the following week.

The draft report set out the findings of the inspections under the Schengen area evaluation mechanism that had been conducted by experts at various locations on Greece's land and sea borders in November 2015. The inspections had revealed a number of deficiencies in the management of the external borders by the Greek authorities. As things stood, the draft report concluded that Greece was seriously neglecting its obligations, although it also acknowledged the enormous migratory pressure still affecting the country.

He stressed that Greece must now urgently do everything in its power to remedy these practical failings as soon as possible and to ensure that it met its obligations regarding the external borders of the Schengen area. At the same time the Commission was committed to maintaining its close cooperation with the Greek authorities. He noted that some encouraging progress had been made in the last few days and weeks.

As regards the scope of the recommendations to Greece which might be proposed in the weeks ahead, Mr AVRAMOPOULOS said that any measures envisaged by the Commission would be aimed solely at restoring normal operation of the Schengen area. Accordingly, the Commission could, under the Schengen Borders Code, draw up a proposal for very specific recommendations concerning certain steps that were needed to remedy the failings that had been detected.

As regards the possibility of subsequently applying Article 26 of the Schengen Borders Code, he noted that the Article in question allowed the Commission, in certain exceptional circumstances, to recommend the reintroduction of controls at certain internal borders of the Union. He stressed that the ultimate purpose of such a measure, which would be of limited duration, would also be to protect the integrity of the Schengen area as a whole. The aim was certainly not to exclude a particular

country from the Schengen area, but to ensure the effective application of the Schengen regulations in order to safeguard its long-term future.

He ended by noting that these issues had dominated the informal meeting of Justice and Home Affairs Ministers held in Amsterdam on 25 January, at which a broad consensus had emerged on the need to come up with solutions at EU level and to preserve the integrity of the Schengen area, the urgency of stepping up external border controls, particularly in Greece, and – regarding the key role to be played by Turkey – the need to redouble efforts to return refugees and obtain tangible results, as well as on the importance of effective implementation by all Member States of all the measures already agreed.

Mr TIMMERMANS hoped that the recent signs of progress on the ground, such as the increase in reception capacity, would continue and would mark a real change of direction by the Greek authorities. Such progress was urgently needed given the worrying developments observed elsewhere in the Union and in the Balkans.

In this context, he called for firm support for the approach outlined by Mr AVRAMOPOULOS, which should enable the Commission to respond promptly to the scenarios that might present themselves and to preserve the Schengen area.

Mr TIMMERMANS raised another aspect of the implementation of the European Agenda on Migration that was no less urgent – effective application of the measures relating to the return of persons who did not qualify for international protection and for better coordination between Member States in their dealings with certain non-EU countries in this field. He pointed out that there were now large numbers of persons unlawfully present in European territory who were not entitled to international protection. This had the effect of diverting aid from those who really needed it, while at the same time causing consternation among European public opinion. He hoped that the negotiation of bilateral agreements on return and readmission would gradually be replaced by a common approach at EU level.

Ms MOGHERINI stressed the importance of putting European instruments at the heart of the response to the refugee crisis, as national approaches had clearly demonstrated their limits. Above all, she called on all EU Member States to fully implement all of the measures that had already been approved. She warned that if action were not coordinated, there was a risk of destabilisation or even a real humanitarian crisis on the EU's doorstep.

As regards the situation in Greece, she agreed that remedying the failings identified in its management of the external borders was an urgent priority, but at the same time stressed the need to take account of the country's fragile economy and the impact of two major crises coinciding with one another.

She also felt that the Union should draw lessons from the refugee crisis in order to give itself the tools to respond to the current challenges of migration. She warned in particular against the risks of falling for the simplistic and populist argument that solutions from the past, essentially at national level, could still provide a response to the enormous challenges Europe was facing today.

On the question of returns, she reported on the high-level negotiations under way between the EU and various non-member countries on stepping up implementation of readmission of their nationals who were in an irregular situation in EU territory.

Finally, she reported on her recent visit to Turkey together with Mr HAHN and Mr STYLIANIDES, during which they had seen a number of improvements on the ground, for example in the conditions for receiving Syrian refugees, and more commitment and resolve on the part of their Turkish counterparts, although there were still a number of concerns regarding the internal situation there.

A discussion was then held, during which the Commission raised the following main points:

- unanimity among the Members of the Commission on the need to ensure that the necessary measures were taken forthwith to remedy the deficiencies in the

management of the EU's external borders in Greece and to restore application of the provisions of the Schengen Borders Code in the regions concerned as soon as possible;

- a reminder of the considerable efforts made by the Union to support Greece in its management of the external borders; regret that most of these efforts had not led to more noticeable improvements in the situation on the ground; the need also to take due account of the economic crisis in Greece, the exceptional efforts demanded of the Greek people and the combined effect of the two crises that had hit the country hard;
- the need also to recognise the unprecedented nature of the flow of migrants arriving in Greece and the particular geography of the country; the Commission's constant determination to do everything in its power to support Greece; in the political response to the serious shortcomings recorded in the draft evaluation report, the need to strike a balance between insisting on a major effort by the Greek authorities, as a matter of urgency, and reiterating European solidarity to deal with the scale of these challenges;
- the vital importance, for all Member States, of actually implementing the commitments made at the highest level of the Union as quickly as possible, particularly as regards the relocation scheme, which was a true token of the solidarity of the other Member States with those on the front line; the need at the same time to implement the agreements reached on the return and readmission of those who did not qualify for international protection;
- the importance of the forthcoming European Councils in February and March, when a review would be carried out of the situation on the ground; the hope that it would be possible to present a number of positive developments on that occasion; confirmation of the central role that would have to be given to the European approach, given the manifest failure of purely national responses to the refugee crisis;

- a warning of the risk of Europe allowing itself to be swept away by populism based on a retreat into national self-interest; the parallel that should be drawn with the ambitious European approach which the Union adopted in the wake of the economic and financial crisis which was also an unprecedented challenge;
- the need for the Union to equip itself quickly with new tools enabling it to rise to this challenge; the case for speeding up the preparation of the reform of the Dublin Regulation, which was an essential step towards a genuine European asylum policy; at the same time, the fact that an essential precondition was the successful implementation of both the relocation scheme and the returns policy;
- the fact that the important proposal to establish a European Border Guard was running into opposition during its examination by the co-legislators; the need for mobile capability allowing for a rapid response in the event of migration routes and flows moving to other coasts of the European Union; for the longer term, reference to a number of ideas being voiced about the possibility of joint funding for the management of the Union's external frontiers;
- an emphasis on the need to continue the efforts by the Union and its Member States in the third countries most directly concerned in the Middle East and beyond; the need for as rapid a mobilisation as possible of the funds to be deployed under the facility for refugees in Turkey; a reminder that these funds would be used exclusively to finance emergency infrastructure and services for refugees in Turkey and that responsibility for administering the funds provided would rest with the European Union; the importance, but also the complexity, of the political cooperation with certain third countries on migration policy matters and on the issue of returns;
- the importance of ensuring appropriate communication on all these issues and a reminder of the role of the Commission, as guardian of the Treaties, in ensuring the application of the Schengen Borders Code, including the responsibility to protect the integrity of the Schengen area in the event of manifest failings or

exceptional circumstances; confirmation that the draft report and the recommendations to which it might give rise in regard to Greece were intended precisely to ensure the proper application of the rules of the Schengen area and to protect its integrity;

- the role the Members of the Commission could play as important channels of communication on this issue in all the EU Member States; the very great value which European citizens and businesses attached to the practical advantages which the Schengen area gave them in their daily life and activities, and the importance of explaining very clearly how the proposed measures aimed to safeguard these achievements.

Replying to some of these comments, Mr TIMMERMANS referred to the facility for refugees in Turkey, reiterating the call for Member States to implement the decisions to which they had committed themselves in the European Council.

On the subject of returns, he felt it was important to establish closer ties between migration policy and all of the areas of cooperation with the third countries concerned, including trade policy.

Ms MOGHERINI elaborated on this point by referring again to the negotiations being conducted in this context with several countries in Africa and Asia, in conjunction with Mr AVRAMOPOULOS and Mr MIMICA. She mentioned in particular the recent conclusion of an important agreement with Ethiopia and the negotiations with Afghanistan and Morocco. She stressed the importance of following up the agreements reached at political level with consistent and coordinated implementation at national level.

As regards the need for effective implementation by the Member States of the measures agreed under the European Agenda on Migration, she insisted that, even while allowing for national sensitivities, priority should be given to efforts to harness the dynamic of political solidarity in order to make the relocation scheme a

practical reality on the ground.

Mr AVRAMOPOULOS thanked the Members of the Commission for their support and active cooperation on all of these issues, which arose from what was now both a humanitarian emergency and a complex political and geopolitical crisis.

On the subject of Turkey he noted encouraging signs of cooperation, as observed by the Members of the Commission who had been there earlier in the week, and stressed the importance of maintaining the Union's commitment to support this strategic country in its efforts.

The PRESIDENT wound up the discussion by reminding Members that the priority of developing a new migration policy for the Union, set out in the Commission's political guidelines, was intended to provide relief for the countries most directly affected, by moving towards a system based on greater solidarity. He deeply regretted the fact that the current – admittedly complex – situation was being exploited by some in order to block the common solutions proposed by the Commission, based on political will and solidarity, that alone could enable the European Union to tackle the multiple challenges presented by the current refugee crisis.

The Commission took note of the draft implementing decision and the draft report annexed to it in C(2016) 450/2 and authorised the Director-General of DG Migration and Home Affairs to continue the procedure laid down for the subsequent adoption of the implementing decision by the Commission.

11. OTHER BUSINESS

11.1. LATEST DEVELOPMENTS CONCERNING PORTUGAL'S DRAFT BUDGETARY PLAN FOR 2016

Mr DOMBROVSKIS and Mr MOSCOVICI set out the latest developments in relation to Portugal's draft budgetary plan for 2016 and presented to the meeting the letter they were sending to the Portuguese authorities that day.

The Commission took note of this information.

11.2. AGREEMENT NEGOTIATED WITH THE ITALIAN AUTHORITIES ON THE ESTABLISHMENT OF A GUARANTEE SCHEME TO HELP ITALIAN BANKS TO MANAGE THEIR NON-PERFORMING LOANS

Ms VESTAGER briefed the Commission on the agreement she had just concluded, after lengthy negotiations, with the Italian Minister for Economic Affairs and Finance, Mr Pier Carlo Padoan, on the establishment of a guarantee scheme to assist Italian banks in the management of their non-performing loans.

The Commission took note of this information.

12. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – ANTI-TAX AVOIDANCE PACKAGE – NEXT STEPS TOWARDS DELIVERING EFFECTIVE TAXATION AND GREATER TAX TRANSPARENCY IN THE EU

(COM(2016) 23 AND /2; SWD(2016) 6 AND /2; RCC(2016) 8)

13. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON AN EXTERNAL STRATEGY FOR EFFECTIVE TAXATION

(COM(2016) 24 AND /2; SWD(2016) 6 AND /2; RCC(2016) 8)

14. PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING DIRECTIVE 2011/16/EU AS REGARDS MANDATORY AUTOMATIC EXCHANGE OF

INFORMATION IN THE FIELD OF TAXATION

(COM(2016) 25 AND /2; SWD(2016) 6 AND /2; RCC(2016) 8)

15. PROPOSAL FOR A COUNCIL DIRECTIVE LAYING DOWN RULES AGAINST TAX AVOIDANCE PRACTICES THAT DIRECTLY AFFECT THE FUNCTIONING OF THE INTERNAL MARKET

(COM(2016) 26; SWD(2016) 6 AND /2; RCC(2016) 8)

16. COMMISSION RECOMMENDATION ON THE IMPLEMENTATION OF MEASURES AGAINST TAX TREATY ABUSE

(C(2016) 271; SWD(2016) 6 AND /2; RCC(2016) 8)

Mr DOMBROVSKIS outlined this important package, to be adopted on Thursday 28 January by written procedure, to implement one of the present Commission's political priorities, namely to provide the means to combat tax avoidance and fraud effectively, improve corporate taxation and generally increase the transparency and fairness of taxation in the EU.

He noted that the original impetus had come from the Organisation for Economic Cooperation and Development (OECD) and its Base Erosion and Profit Shifting (BEPS) project, of which a number of international bodies, such as the G20, had taken ownership. He explained that the package of proposals, which was to be adopted the following day, represented the translation of the project into European law in order to remedy a situation which, according to some studies, was costing between €50 billion and €70 billion a year in lost company taxation revenue. He stressed the urgent need to adopt ambitious measures at a time when Member States' finances were under pressure.

Without going into the details of the package, Mr DOMBROVSKIS stressed its main aim, which was to develop the necessary instruments and tools to address the principal weaknesses of the system for collecting corporate tax, in particular the transfer pricing system.

He pointed out generally that in the tax transparency package presented in March 2015, the Commission had already included an important proposal to introduce mandatory automatic exchange of information on tax rulings between Member States. He went on to say that the following spring the Commission would be presenting a new initiative, under the leadership of Lord HILL, to encourage transparency of information provided to the public on the situation in each Member State with regard to company tax. Finally, he said that, to continue to build on the array of measures developed by the EU, a new proposal would be tabled later in the year on a common consolidated corporate tax base (CCCTB) together with an action plan on VAT.

Mr MOSCOVICI also stressed that the present Commission had made the fight against tax avoidance and tax fraud and the improvement of corporate taxation in the EU one of its flagship battles, in line with the wishes of public opinion and of the companies that played by the rules on fair taxation. It was vital to prevent other companies from exploiting differences in legislation between the 28 EU Member States in order to circumvent the rules and pay less tax.

He explained that, to put an end to tax avoidance and circumvention strategies, the Commission was proposing essentially (i) a legally binding European framework establishing the principle of effective taxation whereby a company, large or small, was liable to pay tax at the place where it made its profit, a principle which was simple for the companies themselves, clear for the tax authorities and transparent for the public, (ii) better coordination between Member States, particularly as regards the uniform adoption of the international recommendations into their national law, and (iii) ways of promoting fair taxation at international level, in particular by encouraging the G20 and OECD countries to be as ambitious as the EU by means of a common procedure in the 28 Member States for drawing up a list of third countries that did not play by the rules and did not cooperate on tax matters.

He concluded his presentation by asking the Members of the Commission to explain

the significant progress proposed by the Commission in this field, in order to guide considerable amounts back into the Member States' coffers and to steer these resources towards investment in growth.

A brief discussion ensued, during which the Commission referred in particular to the favourable environment and major expectations as regards initiatives to prevent tax avoidance, and the shared determination of the Member States to put an end to the circumvention of national tax rules and to curb the use of tax havens, as reflected in the recent adoption by the Finance Ministers of the new G20 rules drawn up by the OECD.

The PRESIDENT wound up the discussion by emphasising the major political importance of the adoption of this package of measures to combat tax avoidance, which he considered to be essential to ensure the fairness of taxation policies and a fundamental part of the Commission's overall strategy on taxation.

The Commission took note of these presentations.

It also confirmed that the two Communications, the two proposals for a Directive and the Recommendation, currently set out in COM(2016) 23/2, COM(2016) 24/2, COM(2016) 25/2, COM(2016) 26 and C(2016) 271, would be formally adopted by finalisation written procedure, the deadline for which was set at 10.00 on Thursday 28 January 2016 (PE/2016/291, PE/2016/292, PE/2016/294, PE/2016/290 and PE/2016/293).

**17. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL ON THE APPROVAL AND MARKET
SURVEILLANCE OF MOTOR VEHICLES AND THEIR TRAILERS, AND
OF SYSTEMS, COMPONENTS AND SEPARATE TECHNICAL UNITS
INTENDED FOR SUCH VEHICLES**

(COM(2016) 31 AND /2; SWD(2016) 9 AND /2; SWD(2016) 10 ; SEC(2016) 64 AND /2; RCC(2016) 9)

Ms BIENKOWSKA submitted the proposal for a regulation on the approval and market surveillance of motor vehicles, which aimed to enhance the quality and independence of vehicle testing and improve the oversight of vehicles already in circulation. She also announced her intention to address, in the near future, the issue of compensation that should be available to EU consumers affected by the manipulation of the emission performance of their vehicles

She noted that the discovery of the fraud committed by a German car manufacturer over many years had ultimately accelerated the Commission's adoption of this proposal, and should also bring forward the measures already presented relating to real driving emissions.

Ms BIENKOWSKA explained that the proposal for a regulation submitted to the College for adoption would help achieve the following three objectives: (i) enhance the independence and quality of the testing that allowed a car to be placed on the market; to do so, the Commission proposed modifying the remuneration system to eliminate financial links between technical services and manufacturers, which could lead to conflicts of interest and compromise the independence of testing; (ii) introduce an effective market surveillance system to monitor the compliance of cars already in circulation; while the current rules dealt mainly with ex ante controls, in the future spot-checks would also be carried out on vehicles already on the market; and (iii) reinforce the type-approval system through greater European oversight; to this end, the Commission would have the power to suspend, restrict or withdraw the designation of technical services that were underperforming and too lax in applying the rules.

Mr KATAINEN emphasised the positive impact this proposal should have on the ongoing proceedings relating to the second package of measures on real driving emissions, which the Parliament would vote on at its plenary session in February.

He also referred to the ongoing discussions with Parliament concerning the next series of measures on real driving emissions and the state of play of the trilogues relating to the Euro 5 and 6 emission standards.

The PRESIDENT congratulated Ms BIENKOWSKA and the Commission services involved for the speed with which the proposal had been developed and the quality of its content.

Following this presentation, the Commission adopted the proposal for a Regulation in COM(2016) 31/2 for transmission to Parliament, the Council, the European Economic and Social Committee and the national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2016) 9/2 and SWD(2016) 10, the contents of which were noted.

It also took note of the opinion of the Regulatory Scrutiny Board in SEC(2016) 64/2.

18. POLICY DEBATE ON THE EUROPEAN PILLAR OF SOCIAL RIGHTS (SEC(2016) 74; RCC(2016) 10)

Ms THYSSEN opened the policy debate on the European Pillar of Social Rights by explaining that this key issue would be the subject of a communication submitted to the Commission at its meeting on 8 March, in line with the intentions declared by the PRESIDENT in his State of the Union address. She noted that this communication would allow a broad consultation to be launched with all the stakeholders who contributed, at national and EU level, to defining and implementing the policies that reflected shared European social values.

She stressed how crucial it was to strike the right tone and clearly identify the scope of the initiative in order to meet the expectations raised by the European Pillar of Social Rights. She specifically underscored the importance of a clear approach so as

to avoid speculation regarding possible interference by the Commission in areas that did not fall within the EU's remit. She added that the clarity of this approach should also encourage the stakeholders to engage and play an active role in defining the framework that the Pillar of Social Rights was intended to be, whilst involving them in the process of considering their own role in applying its different components.

Ms THYSSEN pointed out that the initiative would involve countries in the euro area to begin with while remaining open to all EU Member States who wished to take part, and explained that the broad consultation to be launched on 8 March would be aimed at all 28 Member States.

She stressed that the development of the Pillar of Social Rights did not affect the implementation of the Commission Work Programme, which would continue, in particular as regards the strategy on working conditions and health, the strategy on new skills, the follow-up to the proposed Directive on maternity leave and the implementation of a package of measures supporting occupational mobility.

She explained that the key element of the communication to be presented on 8 March would be a draft pillar of social rights, envisaged as a self-standing legal reference document. She also emphasised that this document would serve as a framework for analysing the economic and social performance of each Member State and would guide the process of convergence within the euro area.

She pointed out that the policy guidelines for this initiative were clearly defined in the Five Presidents' Report and that they set the course for contributing to the deepening of the Economic and Monetary Union (EMU) and to strengthening the euro area.

Ms THYSSEN spoke of the considerable efforts made and the actions decided on, which had had to be implemented quickly in recent years in order to address the financial and economic challenges. However, she felt that it was now time to further integrate the social element in the Union's overall measures. Although the EMU

seemed to be one of the main political projects of the current generation, she pointed out that it could not just be seen from the financial and budgetary point of view but should also be viewed as a common project with the objective of economic and social progress and should aim to introduce effective solidarity between citizens. She also noted that realising this ambitious project would involve specific choices and political compromises.

With regard to the form the European Pillar of Social Rights could take, she indicated that it could be the subject of an annex to the Communication that would set out the reasoning behind it, while at the same time acting as a framework for the consultation process. She added that the Communication should be accompanied by a working document presenting the new forms of employment and the behavioural and societal developments and trends that would need to be taken into account from a social policy perspective. Taking the example of employer-employee relations, Ms THYSSEN explained that the persistent segmentation of the labour market, the emergence of new forms of employment and the new sharing economy trends had made the concepts of entrepreneur, employer and employee much more fluid. In this context she highlighted the need to reaffirm the fundamental rights of individuals on the labour market regardless of their status.

She also confirmed that the scope of the Pillar of Social Rights should go well beyond the labour market to cover other dimensions such as access to healthcare.

With regard to the legal aspects, she asked the Members of the Commission not to make assumptions about the final decision concerning the precise legal nature of the Pillar of Social Rights, although there was no plan for a directive or a regulation at this stage; it was more likely to be a recommendation. On this matter she felt that it was advisable to await the outcome of the consultation and to avoid ruling out either option until then.

Ms THYSSEN emphasised generally that competitiveness and social justice were not mutually exclusive and that they were both at the heart of the concept of the

social market economy, the aim of which was to promote entrepreneurship in all its forms, fair competition and inclusive social policies.

Finally, she stressed that the Pillar of Social Rights should make it possible on the one hand to ensure the preservation of the values and social principles of the European Union in the modern world of work and, on the other, to bring together the economic and social policies that supported economic growth, job creation and productivity.

In the course of the discussion that followed, the Commission raised the following key points:

- the importance of adopting an ambitious and balanced approach regardless of the choice of instrument and its legal nature in order to modernise social rights and adapt them to the realities of the modern world whilst at the same time perpetuating the Union's values and principles in the area of social justice;
- the scope of the European Pillar of Social Rights, which would go well beyond the labour market and would also cover matters such as energy poverty, access to healthcare, environmental protection, sustainable growth and social innovation;
- the desirability of fully integrating the social dimension in the Union's economic governance and of using the country-specific recommendations to address the social problems facing Europe in general and some Member States in particular in order for the Pillar of Social Rights to complete the EUM effectively;
- the advantage of preventing the development of a two-speed social Europe and thereby ensuring that the application of the Pillar of Social Rights would concern not only the Member States in the euro area but would remain open to all Member States of the Union wishing to participate;
- the need to respect the principle of subsidiarity and the competences of the

Member States in the area of social policy in order to avoid creating false expectations among the citizens of the Union;

- in this context, the importance of a clear consultation process that was as broad as possible, brought together all stakeholders, and, given its length, could be subject to a mid-term review that could be used as a basis for the next recommendation concerning the euro area in November.

Ms THYSSEN felt that it was advisable to take a balanced approach, in particular in the choice of instruments to be used, whether these were of a legal nature or were non-binding provisions. She also highlighted the importance of identifying the specific needs of citizens with regard to social rights in order to better respond to their expectations, and pointed out that achieving a European Pillar of Social Rights would be one of the most significant legacies of the current Commission's mandate.

Mr DOMBROVSKIS stressed the importance of the Pillar of Social Rights in the process of deepening the EMU and the significant role the social partners would be encouraged to play in the process, in particular through the vast consultation that would be launched in March and would go well beyond the scope of the formal consultations planned with the social partners in accordance with Articles 154 and 155 of the Treaty on the Functioning of the European Union.

The PRESIDENT thanked the Members of the Commission for their contributions to this in-depth debate and closed by saying that the Commission would return to this important dossier during its meeting of 8 March.

The Commission took note of the results and conclusions of the policy debate and of the background note SEC(2016) 74.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 13.12.