



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2016) 2190 final

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

Brussels, 7 December 2016

TEXTE EN

MINUTES

of the 2190th meeting of the Commission

held in Strasbourg

(Winston Churchill building)

on Tuesday 22 November 2016

(afternoon)

PV(2016) 2190 final

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

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TABLE OF CONTENTS

Attendance list 8-10

1. AGENDAS (OJ(2016) 2190/FINAL; SEC(2016) 468)	11
2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2016) 2190).....	11
3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2188 TH MEETING OF THE COMMISSION (9 NOVEMBER) AND THE MINUTES OF THE 2189 TH MEETING (16 NOVEMBER) (PV(2016) 2188; PV(2016) 2188, 2 ND PART).....	11
4. INTERINSTITUTIONAL RELATIONS (RCC(2016) 135)	11
4.1. HORIZONTAL ITEM.....	12
4.2. LEGISLATIVE MATTERS	12
4.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL	13
4.4. RELATIONS WITH PARLIAMENT	13
5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	15
5.1. WRITTEN PROCEDURES APPROVED (SEC(2016) 469 ET SEQ.).....	15
5.2. EMPOWERMENT (SEC(2016) 471 ET SEQ.)	15
5.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2016) 472 ET SEQ.).....	15
5.4. SENSITIVE WRITTEN PROCEDURES (SEC(2016) 473 AND /2)	15
5.5. GENERAL EMPOWERMENT FOR THE ADOPTION OF DECISIONS UPDATING CERTAIN DATA USED TO CALCULATE LUMP SUM AND PENALTY PAYMENTS ACCORDING TO THE COMMISSION'S POLICY REGARDING THE APPLICATION OF ARTICLE 260 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION (C(2016) 7580).....	16

6. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – NEXT STEPS FOR A SUSTAINABLE EUROPEAN FUTURE – EUROPEAN ACTION FOR SUSTAINABILITY (COM(2016) 739 TO /3; SWD(2016) 390 TO /3; RCC(2016) 142).....16

7. JOINT COMMUNICATION FROM THE COMMISSION AND THE HIGH REPRESENTATIVE OF THE EUROPEAN UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – A RENEWED PARTNERSHIP WITH THE COUNTRIES OF AFRICA, THE CARIBBEAN AND THE PACIFIC (JOIN(2016) 52 AND /2; SWD(2016) 380; SWD(2016) 381; SEC(2016) 479; RCC(2016) 143).....17

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – PROPOSAL FOR A NEW EUROPEAN CONSENSUS ON DEVELOPMENT – OUR WORLD, OUR DIGNITY, OUR FUTURE (COM(2016) 740 AND /2; SWD(2016) 387; SWD(2016) 388; SWD(2016) 389; RCC(2016) 143)17

9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – EUROPE'S NEXT LEADERS – THE START-UP AND SCALE-UP INITIATIVE (COM(2016) 733 TO /3 ; SWD(2016) 373; RCC(2016) 139)18

10. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2016) 474 AND /2).....18

10.1. DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY – APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2015) 122 TO /3).....	18
10.2. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2016) 10 TO /4).....	19
10.3. DG MIGRATION AND HOME AFFAIRS – APPOINTMENT OF AN AD15/16 DEPUTY DIRECTOR-GENERAL (PERS(2016) 90 TO /4).....	20
10.4. DG TAXATION AND CUSTOMS UNION – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2016) 67 TO /3)	20
10.5. DG RESEARCH AND INNOVATION – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2016) 63 TO /3).....	21
10.6. SECRETARIAT-GENERAL – APPOINTMENT OF CHIEF ECONOMIC ANALYST OF THE COMMISSION	21
10.7. DG RESEARCH AND INNOVATION – EXTERNAL PUBLICATION OF VACANCY NOTICE FOR AN AD14 (EU-1) DIRECTOR POST (PERS(2016) 120).....	22
11. OTHER BUSINESS.....	22
11.1. LATEST DEVELOPMENTS IN CYPRUS.....	22
11.2. STATE OF RELATIONS BETWEEN THE EUROPEAN UNION AND TURKEY	23
11.3. PROPOSAL FOR AMENDMENTS TO THE FRAMEWORK AGREEMENT OF 20 NOVEMBER 2010 ON RELATIONS BETWEEN THE EUROPEAN PARLIAMENT AND THE COMMISSION.....	24
12. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON A FRAMEWORK FOR THE RECOVERY AND RESOLUTION OF CENTRAL COUNTERPARTIES AND AMENDING REGULATIONS (EU) 1095/2010, 648/2012 AND 2015/2365 (COM(2016) 856 AND /2; SWD(2016) 368; SWD(2016) 369; SEC(2016) 481; RCC(2016) 141).....	28

13. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – CALL FOR CONTRIBUTIONS – EU REGULATORY FRAMEWORK FOR FINANCIAL SERVICES (COM(2016) 855 AND /2; SWD(2016) 359; RCC(2016) 141)28
14. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL UNDER ARTICLE 85(1) OF REGULATION (EU) 648/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 JULY 2012 ON OTC DERIVATIVES, CENTRAL COUNTERPARTIES AND TRADE REPOSITORIES (COM(2016) 857; RCC(2016) 141).....28
15. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2013/36/EU AS REGARDS EXEMPTED ENTITIES, FINANCIAL HOLDING COMPANIES, MIXED FINANCIAL HOLDING COMPANIES, REMUNERATION, SUPERVISORY MEASURES AND POWERS AND CAPITAL CONSERVATION MEASURES (COM(2016) 854 AND /2; SWD(2016) 377; SWD(2016) 378; RCC(2016) 141).....28
16. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 575/2013 AS REGARDS THE LEVERAGE RATIO, THE NET STABLE FUNDING RATIO, REQUIREMENTS FOR OWN FUNDS AND ELIGIBLE LIABILITIES, COUNTERPARTY CREDIT RISK, MARKET RISK, EXPOSURES TO CENTRAL COUNTERPARTIES, EXPOSURES TO COLLECTIVE INVESTMENT UNDERTAKINGS, LARGE EXPOSURES, REPORTING AND DISCLOSURE

REQUIREMENTS AND AMENDING REGULATION (EU) 648/2012 (COM(2016) 850 TO /3; SWD(2016) 377; SWD(2016) 378; SEC(2016) 491; RCC(2016) 141).....	29
17. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2014/59/EU ON LOSS-ABSORBING AND RECAPITALISATION CAPACITY OF CREDIT INSTITUTIONS AND INVESTMENT FIRMS AND AMENDING DIRECTIVES 98/26/EC, 2002/47/EC, 2012/30/EU, 2011/35/EU, 2005/56/EC, 2004/25/EC AND 2007/36/EC (COM(2016) 852 TO /3; SWD(2016) 377; SWD(2016) 378; RCC(2016) 141).....	29
18. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON AMENDING DIRECTIVE 2014/59/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS THE RANKING OF UNSECURED DEBT INSTRUMENTS IN INSOLVENCY HIERARCHY (COM(2016) 853 AND /2; SWD(2016) 377; SWD(2016) 378; RCC(2016) 141).....	29
19. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 806/2014 AS REGARDS LOSS-ABSORBING AND RECAPITALISATION CAPACITY FOR CREDIT INSTITUTIONS AND INVESTMENT FIRMS (COM(2016) 851 TO /3; SWD(2016) 377; SWD(2016) 378; RCC(2016) 141)	29
20. OTHER BUSINESS (CONTINUED).....	33
20.1. OPERATIONALISATION OF THE EUROPEAN BORDER AND COAST GUARD.....	33
20.2. TRADE NEGOTIATIONS.....	34

21. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON PREVENTIVE RESTRUCTURING FRAMEWORKS, SECOND CHANCE AND MEASURES TO INCREASE THE EFFICIENCY OF RESTRUCTURING, INSOLVENCY AND DISCHARGE PROCEDURES AND AMENDING DIRECTIVE 2012/30/EU (COM(2016) 723 AND /2; SWD(2016) 357; SWD(2016) 358; SEC(2016) 480; RCC(2016) 140)	35
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Single sitting: Tuesday 22 November 2016 (afternoon)

The sitting opened at 13.18 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	Items 1 to 12/19 (in part)
Ms MOGHERINI	High Representative / Vice-President	Items 1 to 12/19 (in part)
Ms GEORGIEVA	Vice-President	
Mr ANSIP	Vice-president	
Mr ŠEFČOVIČ	Vice-president	
Mr DOMBROVSKIS	Vice-president	
Mr KATAINEN	Vice-president	
Mr HAHN	Member	
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	Items 1 to 12/19 (in part)
Mr ARIAS CAÑETE	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	Items 1 to 21 (in part)
Ms THYSEN	Member	
Mr MOSCOVICI	Member	Items 11 to 21
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Ms CREȚU	Member	
Ms VESTAGER	Member	
Mr MOEDAS	Member	
Sir Julian KING	Member	

Absent:

Mr OETTINGER

Member

Mr VELLA

Member

Mr NAVRACSICS

Member

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

Mr NEALE	Expert in Mr VELLA's cabinet
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Ms HERBOWSKA	Deputy Chef de cabinet to Mr NAVRACSICS
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The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT
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Mr ROMERO REQUENA	Director-General, Legal Service
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Mr PESONEN	Director-General, DG Communication
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Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission
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Ms METTLER	Head of the European Political Strategy Centre
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Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT
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Ms DEJMEK-HACK	Adviser in the PRESIDENT's Office	Items 12 to 19
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Ms SILLAVEE	PRESIDENT's Office
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Ms SUTTON	Deputy Chef de cabinet to Mr TIMMERMANS
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Mr WYNANDS	Chef de cabinet to Mr DOMBROVSKIS	Items 12 to 19
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Ms ANDREEVA	Commission Spokesperson's Service
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Secretary: Mr ITALIANER, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. AGENDAS

(OJ(2016) 2190/FINAL; SEC(2016) 468)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2016) 2190)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 21 November.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2188TH MEETING OF THE COMMISSION (9 NOVEMBER) AND THE MINUTES OF THE 2189TH MEETING (16 NOVEMBER)

(PV(2016) 2188; PV(2016) 2188, 2ND PART)

The Commission approved the minutes of its 2188th meeting, and decided to hold over for one week approval of the minutes of its 2189th meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2016) 135)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 18 November (RCC(2016) 135).

It paid particular attention to the following points.

4.1. HORIZONTAL ITEM

i) General budget of the European Union for 2017 – Results of the budget conciliation meeting

The Commission took note of the information in SI(2016) 453 and /2.

4.2. LEGISLATIVE MATTERS

ii) Trilogues

(point 3.1 of the IRG record)

- Setting up of a 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) 446.

- Amendment of Regulation (EU) 258/2014 establishing a Union Programme to support specific activities in the field of financial reporting and auditing for the period of 2014-2020 (Regulation) – STOLOJAN report – 2016/0110 (COD)

The Commission approved the line set out in SI(2016) 449.

iii) Council Dossiers

(point 3.3 of the IRG record)

- Amendment to Council Regulation (EC) 539/2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders of Member States and those whose nationals are

exempt from that requirement (Ukraine) (Regulation) – GABRIEL report
– 2016/0125 (COD)

The Commission approved the line set out in SI(2016) 452.

- European Fund for Sustainable Development (EFSD) and establishment of the EFSD Guarantee and the EFSD Guarantee Fund (Regulation) – 2016/0281 (COD)

The Commission approved the line set out in SI(2016) 454.

4.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2016) 447)

The Commission took note of the information in SI(2016) 447 on the Council meetings between 24 November and 7 December.

v) Non-legislative dossier

(point 4.1 of the IRG record)

- *Common proposals for implementation of the Warsaw European Union - North Atlantic Treaty Organization Joint Declaration*

The Commission took note of document SI(2016) 435.

4.4. RELATIONS WITH PARLIAMENT

vi) Non-legislative dossiers

(point 5.1 of the IRG record)

- Committee of inquiry into Emission Measurements in the Automotive Sector (EMIS) – Preparation of the hearing of Mr ŠUCHA,

Director-General of the Joint Research Centre, on 1 December –
Preparation of written answers

The Commission approved the line set out in SP(2016) 766, and took note of the answers to the written questions in the annex thereto.

- Committee of inquiry into Emission Measurements in the Automotive Sector (EMIS) – Preparation of the hearing of Mr DE SANTI, Director in the Joint Research Centre, on 1 December – Preparation of written answers

The Commission approved the line set out in SP(2016) 767, and took note of the answers to the written questions in the annex thereto.

vii) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its September 2016 part-session
(point 5.6.1 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2016) 737 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its September part-session.

viii) Participation by Members of Parliament in international conferences
(point 5.7.1 of the IRG record)

- Thirteenth regular session of the Western and Central Pacific Fishing Commission (WCPFC) (Nadi, Fiji, 5 to 9 December)

The Commission agreed to the request to the PRESIDENT from Mr Martin Schulz, the President of the European Parliament, concerning the attendance of three Members of the European Parliament at the above-mentioned

meeting, from 5 to 9 December, as observers in the EU delegation, with a reminder about the procedure to be followed as set out in SP(2016) 759.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2016) 469 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 18 November.

5.2. EMPOWERMENT

(SEC(2016) 471 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 18 November.

5.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2016) 472 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 14 and 18 November, as archived in Decide.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2016) 473 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 21 and 25 November.

**5.5. GENERAL EMPOWERMENT FOR THE ADOPTION OF DECISIONS
UPDATING CERTAIN DATA USED TO CALCULATE LUMP SUM AND
PENALTY PAYMENTS ACCORDING TO THE COMMISSION'S
POLICY REGARDING THE APPLICATION OF ARTICLE 260 OF THE
TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION
(C(2016) 7580)**

The Commission adopted the decision set out in document C(2016) 7580 and, in accordance with Article 13 of the Rules of Procedure, decided to empower the PRESIDENT, in agreement with the Member of the Commission with responsibility for the statistical authority of the European Union (Eurostat), on behalf of the Commission and under its responsibility, to take the decisions referred to in Article 1 of C(2016) 7580, in accordance with the terms and conditions set out in that document.

**6. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND
SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS –
NEXT STEPS FOR A SUSTAINABLE EUROPEAN FUTURE – EUROPEAN
ACTION FOR SUSTAINABILITY
(COM(2016) 739 TO /3; SWD(2016) 390 TO /3; RCC(2016) 142)**

The Commission approved the Communication in COM(2016) 739/3 for transmission to Parliament, the European Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working document distributed as SWD(2016) 390/3, the contents of which were noted.

7. JOINT COMMUNICATION FROM THE COMMISSION AND THE HIGH REPRESENTATIVE OF THE EUROPEAN UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – A RENEWED PARTNERSHIP WITH THE COUNTRIES OF AFRICA, THE CARIBBEAN AND THE PACIFIC (JOIN(2016) 52 AND /2; SWD(2016) 380; SWD(2016) 381; SEC(2016) 479; RCC(2016) 143)

The Commission adopted the joint communication in JOIN(2016) 52/2, for transmission to the European Parliament, the Council and, for information, the national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2016) 380 and SWD(2016) 381, the contents of which were noted.

It also took note of the opinion of the Regulatory Scrutiny Board in SEC(2016) 479.

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – PROPOSAL FOR A NEW EUROPEAN CONSENSUS ON DEVELOPMENT – OUR WORLD, OUR DIGNITY, OUR FUTURE (COM(2016) 740 AND /2; SWD(2016) 387; SWD(2016) 388; SWD(2016) 389; RCC(2016) 143)

The Commission approved the Communication in COM(2016) 740/2, for transmission to Parliament, the European Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working documents distributed as SWD(2016) 387, SWD(2016) 388 and SWD(2016) 389, the contents of which were noted.

9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – EUROPE'S NEXT LEADERS – THE START-UP AND SCALE-UP INITIATIVE

(COM(2016) 733 TO /3 ; SWD(2016) 373; RCC(2016) 139)

The Commission approved the Communication in COM(2016) 733/3 for transmission to Parliament, the European Council, the Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments, together with the staff working document distributed as SWD(2016) 373, the contents of which were noted.

10. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2016) 474 AND /2)

ADMINISTRATIVE MATTERS

(PERS(2016) 116 AND /2)

Ms GEORGIEVA presented the proposals for appointments set out under items 6.1 to 6.4 below.

**10.1. DG COMMUNICATION NETWORKS, CONTENT AND TECHNOLOGY
– APPOINTMENT OF AD15/16 DEPUTY DIRECTOR-GENERAL**

(PERS(2015) 122 TO /3)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General with

responsibility for Directorates A, C, E and H in DG Communication Networks, Content and Technology (PERS(2015) 122).

It took note of the opinions of the Consultative Committee on Appointments of 17 October and 18 November (PERS(2015) 122/2 and /3).

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 Ms GEORGIEVA, in agreement with the PRESIDENT and after consulting Mr OETTINGER and also Mr ANSIP and Mr KATAINEN, it decided to appoint Mr Khalil ROUHANA to the post.

This decision would take effect on a date to be determined.

**10.2. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF
AD15/16 DEPUTY DIRECTOR-GENERAL
(PERS(2016) 10 TO /4)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii), 29(1)(b) and 29(2) of the Staff Regulations for the post of Deputy Director-General with responsibility for directorates B, E and L in DG Economic and Financial Affairs (PERS(2016) 10 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 7 July and 30 September (PERS(2016) 10/3 and /4).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT and after consulting Mr MOSCOVICI and also Mr DOMBROVSKIS and Mr KATAINEN, the Commission decided to appoint Ms Kerstin JORNA to the post.

This decision would take effect on a date to be determined.

**10.3. DG MIGRATION AND HOME AFFAIRS – APPOINTMENT OF AN
AD15/16 DEPUTY DIRECTOR-GENERAL
(PERS(2016) 90 TO /4)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Deputy Director-General in charge of Migration and Asylum in DG Migration and Home Affairs (PERS(2016) 90 and /2).

The Commission took note of the opinions of the Consultative Committee on Appointments of 8 and 18 November (PERS(2016) 90/3 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 Ms GEORGIEVA, in agreement with the PRESIDENT and after consulting Mr AVRAMOPOULOS and also Mr TIMMERMANS, it decided to appoint Mr Simon MORDUE to the post.

This decision would take effect on 1 December 2016.

**10.4. DG TAXATION AND CUSTOMS UNION – APPOINTMENT OF AD14/15
DIRECTOR
(PERS(2016) 67 TO / 3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the 'Resources' Directorate in DG Taxation and Customs Union (PERS(2016) 67).

The Commission took note of the opinions of the Consultative Committee on Appointments of 4 and 20 October (PERS(2016) 67/2 and /3).

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 Ms GEORGIEVA, in agreement with the PRESIDENT and after consulting Mr MOSCOVICI and also Mr DOMBROVSKIS and Mr KATAINEN, it decided to appoint Ms Sabine HENZLER to the post.

This decision would take effect on 1 December 2016.

**10.5. DG RESEARCH AND INNOVATION – APPOINTMENT OF AD14/15
DIRECTOR
(PERS(2016) 63 TO /3)**

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Resources’ Directorate in DG Research and Innovation (PERS(2016) 63).

It took note of the opinions of the Consultative Committee on Appointments of 27 September and 20 October (PERS(2016) 63/2 and /3).

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 Ms GEORGIEVA, in agreement with the PRESIDENT and after consulting Mr MOEDAS and also Mr ANSIP, Mr ŠEFČOVIČ, Mr DOMBROVSKIS and Mr KATAINEN, it decided to appoint Ms Priscila FERNÁNDEZ CAÑADAS to the post.

This decision would take effect on 1 December 2016.

**10.6. SECRETARIAT-GENERAL – APPOINTMENT OF CHIEF ECONOMIC
ANALYST OF THE COMMISSION**

The Commission took note of the information in point 2 of document PERS(2016) 116 and, on a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT, and after consulting Mr DOMBROVSKIS, decided to transfer, under Article 7 of the Staff Regulations and in the interest of the

service, Ms Karolina LEIB to the post of Chief Economic Analyst of the Commission, at her current grade.

This decision would take effect on 1 December 2016.

10.7. DG RESEARCH AND INNOVATION – EXTERNAL PUBLICATION OF VACANCY NOTICE FOR AN AD14 (EU-1) DIRECTOR POST (PERS(2016) 120)

On a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT and after consulting Mr MOEDAS and also Mr ANSIP, Mr ŠEFČOVIČ, Mr DOMBROVSKIS and Mr KATAINEN, the Commission decided to authorise the publication, under Article 29(2) of the Staff Regulations, of the vacancy notice in PERS(2016) 120 for the post of Director of the ‘Health’ Directorate in DG Research and Innovation, a post reserved for nationals of the Republic of Croatia (EU-1).

This decision would take effect immediately.

11. OTHER BUSINESS

11.1. LATEST DEVELOPMENTS IN CYPRUS

The PRESIDENT stressed the importance that he personally attributed to the reunification of Cyprus and asked Ms MOGHERINI to provide an update on the latest developments in the ongoing negotiations on reunification within the framework of the United Nations, bearing in mind that they had been interrupted the previous day.

Ms MOGHERINI noted that a breakdown in the talks between the Greek Cypriot President, Mr Nicos Anastasiades, and the Turkish Cypriot leader,

Mr Mustafa Akinci, had indeed been reported on the evening of 21 November, just as they were approaching the final stages. Many of the issues to be addressed had been agreed, thanks to the constructive attitude of both parties, but in the talks on the previous Sunday there had been no convergence on the criteria for territorial adjustment, which would have paved the way to the final phase of the negotiations. The two parties had not set a date for the talks to resume.

Under the circumstances, Ms MOGHERINI thought that the Union should send a message of encouragement, through the PRESIDENT, and manifest its willingness to support the reunification process through a positive attitude combining openness and balance. At the same time, she advocated maintaining close contacts with the United Nations and the parties involved.

The PRESIDENT said that he had already made plans to talk to the Greek Cypriot and Turkish Cypriot leaders in the next few hours.

Mr STYLIANIDES stressed the need to maintain the momentum achieved by the reunification negotiations since they had resumed in 2015, and was in favour of seizing all the opportunities to arrive at a final agreement. Like Ms MOGHERINI, he argued that a signal from the Union to encourage all the actors involved in the process and convince Greek Cypriot and Turkish Cypriot public opinion would prove useful. For that reason, he also held that an initiative by the PRESIDENT would be welcome.

11.2. STATE OF RELATIONS BETWEEN THE EUROPEAN UNION AND TURKEY

With a view to the debate that was to take place in the afternoon in the European Parliament, Mr TIMMERMANS expressed his full support for maintaining a dialogue with Turkey, while calling for very precise communication on this sensitive issue.

Ms MOGHERINI indicated that she was to take part in the debate in the European Parliament accompanied by Mr HAHN. They both intended to express the Union's concern over the violations of freedoms being carried out in Turkey, while keeping the door open for accession negotiations, so long as the Turkish government put an end to those violations and so long as Turkey also clarified its intentions with respect to Europe. It was important not to relate these underlying factors with the EU-Turkey statement on managing refugees, which was a separate issue. To conclude, she drew attention to the divergences existing between the Union's institutions over the issue of relations with Turkey.

Mr HAHN argued that there was reason to sustain a dialogue with all the parties who could help to bring a satisfactory outcome. Discussions with the Turkish authorities should be continued, despite the current difficulties in the relations between the European Union and Ankara. However, he referred to the continued worsening of the human rights situation in the country, which the Commission had already noted clearly in its recent annual report. He also referred to the major economic issues which the Turkish authorities considered to be of importance in their ties with the Union.

The PRESIDENT returned to the divergences between Union institutions over the issue of relations with Turkey, which tended to confuse the perceptions of both European and Turkish public opinion on the issue. He referred in particular to the positions of the European Parliament and the Foreign Affairs Council. He therefore urged the Commission to stick to its approach and to explain it very carefully.

The Commission took note of this information.

**11.3. PROPOSAL FOR AMENDMENTS TO THE FRAMEWORK
AGREEMENT OF 20 NOVEMBER 2010 ON RELATIONS BETWEEN
THE EUROPEAN PARLIAMENT AND THE COMMISSION**

The PRESIDENT told the meeting that he had announced his intention to review the framework agreement with the European Parliament in his State of the Union speech last September so as to allow Members of the Commission to be candidates in and campaign in European elections without having to take a leave of absence. He pointed out that the implementation of this democratic principle was enshrined in Article 17(7) of the Treaty on European Union, which provided for the election of the President of the Commission by the European Parliament and established the procedure for the European political parties to appoint a lead candidate. He felt this move was necessary to enable the Commission to reach out to the citizens of Europe and be politically accountable to them. He also pointed out that these provisions reflected practices in the Member States, where members of the government could participate in an election whilst continuing to carry out their ministerial duties. At the same time, he accepted the need to draw up provisions aimed at preventing any abusive use of the Commission's means and resources for the purposes of an electoral campaign.

The PRESIDENT also said that the recent controversies around the professional activities of former members of the Commission were evidence that the time was ripe for an amendment to the Code of Conduct. He considered that the Code of Conduct must set the highest possible ethical standards in cases of conflicts of interest. To this end, he suggested extending the cooling-off period, currently 18 months, to two years after leaving office for Commissioners and three years for Commission Presidents. He stressed the fact that during this period, former Members of the Commission and Commission Presidents were not banned from carrying out a professional activity but were obliged to provide information on this activity to the Commission, which must then assess whether the proposed activity was in line with the Treaties and the Code of Conduct. Even if strict rules could not always guarantee perfectly ethical behaviour by everybody, he believed they

were an essential starting point.

The PRESIDENT said that he would write a letter to the President of the European Parliament in order to initiate a discussion with Parliament on the amendment of the Framework Agreement and enable Parliament to give its opinion on the proposed amendment to the Code of Conduct, in accordance with the provisions of the Framework Agreement.

Mr TIMMERMANS then highlighted the need to amend to the Code of Conduct applicable to Members of the Commission in order to better take account of the political nature of the institution and the criticism aroused by the activities of former Commissioners. He saw these changes as necessary to meet citizens' expectations and enable the current Members of the Commission to assume their political role whilst applying the highest ethical standards to their behaviour during and after their time in office.

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

- the Commission's support for the PRESIDENT's proposals for amendments both with regard to participation in elections and to the cooling-off period;
- the possibility that the European Parliament would recommend additional amendments to the Code of Conduct when adopting its opinion on the matter;
- the need to establish a dialogue as soon as possible with the European Parliament in order to ensure consensus on the amendments to be made;
- a call not to demonise the private sector, as conflicts of interest could also arise when former Members of the Commission took on public positions;

- in this context, the importance of the future interpretation of the provisions of the Code of Conduct;
- the reminder that a cooling-off period also applied to former Commission officials;
- the desirability of defining appropriate safeguards in order to prevent the use of the Commission's staff or resources for electoral campaigns and the importance of applying these safeguards transparently so they are understood by the public;
- the difficulty of always clearly defining situations of conflicts of interest during an electoral campaign;
- the basic right of a Member of the Commission to stand for election, a right which must be protected and regulated in order to take account of the political nature of the Commission;
- the desirability of considering a Code of Conduct applicable to all the Union's institutions, in particular in view of the fact that the general public did not always distinguish between them.

The PRESIDENT closed the discussion by noting the support from the Members of the Commission for his proposals. He stressed how important it was for each Member of the Commission to show the highest possible personal and moral integrity both during and after their time in office. He felt that it was up to the Commission to set the example for these matters and said he would submit these proposals to Parliament the next day.

The Commission took note of this information.

- 12. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON A FRAMEWORK FOR THE RECOVERY AND RESOLUTION OF CENTRAL COUNTERPARTIES AND AMENDING REGULATIONS (EU) 1095/2010, 648/2012 AND 2015/2365
(COM(2016) 856 AND /2; SWD(2016) 368; SWD(2016) 369; SEC(2016) 481; RCC(2016) 141)**
- 13. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – CALL FOR CONTRIBUTIONS – EU REGULATORY FRAMEWORK FOR FINANCIAL SERVICES
(COM(2016) 855 AND /2; SWD(2016) 359; RCC(2016) 141)**
- 14. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL UNDER ARTICLE 85(1) OF REGULATION (EU) 648/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 JULY 2012 ON OTC DERIVATIVES, CENTRAL COUNTERPARTIES AND TRADE REPOSITORIES
(COM(2016) 857; RCC(2016) 141)**
- 15. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2013/36/EU AS REGARDS EXEMPTED ENTITIES, FINANCIAL HOLDING COMPANIES, MIXED FINANCIAL HOLDING COMPANIES, REMUNERATION, SUPERVISORY MEASURES AND POWERS AND CAPITAL CONSERVATION MEASURES
(COM(2016) 854 AND /2; SWD(2016) 377; SWD(2016) 378; RCC(2016) 141)**

16. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 575/2013 AS REGARDS THE LEVERAGE RATIO, THE NET STABLE FUNDING RATIO, REQUIREMENTS FOR OWN FUNDS AND ELIGIBLE LIABILITIES, COUNTERPARTY CREDIT RISK, MARKET RISK, EXPOSURES TO CENTRAL COUNTERPARTIES, EXPOSURES TO COLLECTIVE INVESTMENT UNDERTAKINGS, LARGE EXPOSURES, REPORTING AND DISCLOSURE REQUIREMENTS AND AMENDING REGULATION (EU) 648/2012

(COM(2016) 850 TO /3; SWD(2016) 377; SWD(2016) 378; SEC(2016) 491; RCC(2016) 141)

17. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2014/59/EU ON LOSS-ABSORBING AND RECAPITALISATION CAPACITY OF CREDIT INSTITUTIONS AND INVESTMENT FIRMS AND AMENDING DIRECTIVES 98/26/EC, 2002/47/EC, 2012/30/EU, 2011/35/EU, 2005/56/EC, 2004/25/EC AND 2007/36/EC

(COM(2016) 852 TO /3; SWD(2016) 377; SWD(2016) 378; RCC(2016) 141)

18. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON AMENDING DIRECTIVE 2014/59/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS THE RANKING OF UNSECURED DEBT INSTRUMENTS IN INSOLVENCY HIERARCHY

(COM(2016) 853 AND /2; SWD(2016) 377; SWD(2016) 378; RCC(2016) 141)

19. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 806/2014 AS REGARDS LOSS-ABSORBING AND RECAPITALISATION CAPACITY

FOR CREDIT INSTITUTIONS AND INVESTMENT FIRMS**(COM(2016) 851 TO /3; SWD(2016) 377; SWD(2016) 378; RCC(2016) 141)**

Mr DOMBROVSKIS presented to the College the set of proposals designed to amend or supplement a whole series of legal provisions on the banking sector and financial services, and relating more specifically to requirements for own funds, recovery and resolution of failing banks, the single resolution mechanism and the harmonisation of the ranking of debtors in insolvency.

He argued that the EU's sound economic health required that banks grant loans to companies, enabling the latter to invest, remain competitive and sell their products on bigger markets under conditions that would also enable households to make provisions for the future. The main objective of the proposed set of measures was therefore to set out a regulatory framework that would foster the development of a more resilient, stable, viable and integrated banking sector.

He reminded the Members of the difficulties encountered by a part of the banking sector that was burdened by a high number of unproductive loans that restricted the banks' ability to provide loans to the real economy. He also pointed out that weak growth and inflation, together with technological developments, was undermining the business model of some banks, which was why the EU's priority had to be to strengthen the sector's stability and enable it to regain the trust of the public and of markets by implementing a new regulatory framework in order to reduce risks and complete the banking union.

Mr DOMBROVSKIS explained that the purpose of the set of measures presented that day was to implement the international standards recently agreed at the Basel Committee on Banking Supervision and the Financial Stability Board, which were necessary to remedy the last faults in the banking system. To be more specific, he indicated that the biggest banks would have to set up additional buffers in order to deal with crisis situations and apply bail-in measures to prevent any challenge to financial stability. He added that a binding limit would be set on banks'

indebtedness and that their dependence on the markets' short-term liquidity – which experience had demonstrated could quickly dry up – would be reduced.

He stressed that the package was also designed to adjust the regulatory framework according to the size of the institutions in question and to make it better at fostering growth by increasing, in particular, the incentives to provide loans to small and medium-sized enterprises, while alleviating the administrative burden and encouraging a more appropriate and lighter application of certain rules to banks with a structure that was not too complex and was of a small size.

With this in mind, he stressed the need to promote a more integrated banking sector that would be able to operate across the single market and the Economic and Monetary Union. He considered that, thanks to the measures proposed that day by the Commission, banking groups would be able to implement cross-border management of capital and liquidity as part of the banking union, and to accompany this development with sound guarantees for financial stability.

Finally, he drew the Members' attention to the latest amendments made to the text of the proposal for a Directive as regards the ranking of unsecured debt instruments in insolvency hierarchy (see COM(2016) 853/2), which consisted in adding the deadline of 31 December 2016 to the thirteenth recital of the preamble and to Article 1(4), as stated in the text tabled during the meeting.

Mr DOMBROVSKIS concluded his presentation by thanking the Members and departments of the Commission who worked on preparing this package of complex measures, all of which now made up a balanced whole.

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

- the exemplary way in which the package set out to adapt to the EU context the banking rules that had been adopted at international level in the Basel Committee on Banking Supervision;

- similarly, the exemplary method used to constitute the package, based on a call for contributions to the EU regulatory framework applicable to financial services;
- the key item of the package that was the reduction of regulatory requirements for own funds for banks that provided loans to small and medium-sized firms and invested in infrastructure;
- the importance of encouraging the European Investment Bank to take greater risks in its loan and investment support activities;
- in this context, the expected impact of the measures adopted on strengthening competition in terms of loans in countries that were subject to an economic adjustment programme;
- the need to reduce the notification requirements applicable to smaller banks.

Mr DOMBROVSKIS reminded the Members that this last point had been duly taken into account when the package of proposals was being drawn up. Furthermore, he noted that, notwithstanding the measures intended to foster loans to small and medium-sized firms and investment in infrastructure, the objective of the overall package was to reduce financial risks.

The PRESIDENT congratulated Mr DOMBROVSKIS for his excellent work.

Following Mr DOMBROVSKIS's presentation, the Commission, on a proposal from the PRESIDENT, agreed to formally adopt:

- the decision in COM(2016) 856/2 by finalisation written procedure, the deadline for which was set at 10.00 on Monday 28 November 2016 (PE/2016/8073);
- the decisions in COM(2016) 855/2, COM(2016) 857, COM(2016) 854/2, COM(2016) 850/3, COM(2016) 852/3, COM(2016) 853/2 and COM(2016) 851/3 by finalisation written procedure, the deadline for which was

set at 10.00 on Wednesday 23 November 2016 (respectively PE/2016/8066, PE/2016/8087, PE/2016/8048, PE/2016/8054, PE/2016/8059, PE/2016/8057 and PE/2016/8056).

20. OTHER BUSINESS (CONTINUED)

20.1. OPERATIONALISATION OF THE EUROPEAN BORDER AND COAST GUARD

Mr AVRAMOPOULOS reported on the latest developments in relation to the European Border and Coast Guard, which would also be examined at that body's Management Board meeting on 23 and 24 November.

He noted (i) the excellent progress made in discussions on the rapid reaction pools of border guards and equipment, which would be put in place at the beginning of December, (ii) the forthcoming adoption of the decision on the profiles and size of the return-related pools, which should be in place by the beginning of January 2017, (iii) the decision of the budgetary authority authorising the early allocation of 50 posts in 2016, (iv) the assignment of some of these posts to the teams responsible for the vulnerability assessments to be carried out during 2017 for all Member States in the south and east of the EU with an external land or sea border, and finally (v) the adoption that day of the model Status Agreement on the basis of which the Union would negotiate cooperation agreements with third countries.

On the matter of vulnerability assessments, the Commission hoped that the list of Member States would cover all states with an external border. As regards the negotiation of cooperation agreements with third countries, he would shortly be asking the Council for a mandate to launch this process with Serbia and the Former Yugoslav Republic of Macedonia.

Mr AVRAMOPOULOS concluded by saying that, at a future meeting of the Justice and Home Affairs Council, he intended to raise again the point that the Ministries were failing to communicate the political urgency of the issue to the national border-management authorities, when in fact it was a matter of implementing a political priority which the European Border and Coast Guard should be monitoring on a daily basis.

The Commission took note of this information.

20.2. TRADE NEGOTIATIONS

The PRESIDENT asked Ms MALMSTRÖM about the possible effect on the EU's trade relations with Japan of the announcement by the President-elect of the United States, Donald Trump, that he wished to withdraw his country from the Trans-Pacific Partnership as soon as he took office.

Ms MALMSTRÖM felt that the EU could take advantage of this decision by the future US President in the trade negotiations it had entered into with the partners of the US that the Trans-Pacific Partnership aimed to bring together, in particular Singapore, Vietnam, Mexico and even Chile. She added that this possibility was even more realistic in the case of Japan, since the conclusion of a free trade agreement was now within reach.

She took the opportunity to say that she would be going to the US at the end of the week in order to discuss, among other things, the future of the Transatlantic Trade and Investment Partnership (TTIP).

In the course of the discussion that followed, the Commission raised in particular the political and commercial advantage the EU could derive from the announcement that the US would be withdrawing from the Trans-Pacific Partnership and the hint of a rapprochement with Europe on the part of certain partners of the US since the election of the new American President, as witnessed at the 22nd Conference of the Parties to the United Nations

Framework Convention on Climate Change (COP22) held in Marrakech between 7 and 18 November.

The PRESIDENT closed the discussion by asking Ms MALMSTRÖM to ensure that the future free trade agreements that the EU would soon be concluding were well prepared in advance with the social partners and civil society, but also with the European Parliament.

The Commission took note of this information.

21. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON PREVENTIVE RESTRUCTURING FRAMEWORKS, SECOND CHANCE AND MEASURES TO INCREASE THE EFFICIENCY OF RESTRUCTURING, INSOLVENCY AND DISCHARGE PROCEDURES AND AMENDING DIRECTIVE 2012/30/EU (COM(2016) 723 AND /2; SWD(2016) 357; SWD(2016) 358; SEC(2016) 480; RCC(2016) 140)

Ms JOUROVÁ presented the proposal for a European Directive on company restructuring and insolvency procedures, which was to be adopted by the Commission that day. This was a key initiative for creating the Capital Markets Union and for the Single Market. These rules would give greater legal certainty for struggling businesses in Europe and would act as a stimulus to investment.

She began by pointing out that 200 000 firms went bankrupt each year (an average of 600 a day), resulting in 1.7 million job losses. Moreover, insolvency procedures varied widely from one Member State to the next and did not all provide for early restructuring of firms in difficulty. There were also significant differences in the debt discharge period.

She explained that the Commission's proposal had been the subject of extensive consultations and was based on common principles of minimum harmonisation that respected existing national systems and the reforms undertaken by the Member States.

She summarised the three main objectives which were (i) to provide preventive restructuring procedures for firms in financial difficulty in order to avoid bankruptcies and redundancies, (ii) to give honest entrepreneurs a second chance to go into business by offering full discharge of their debts within a maximum of three years, and (iii) to shorten and simplify insolvency and restructuring procedures and make them less expensive.

According to Ms JOUROVÁ, this balanced proposal was good news for entrepreneurs, investors and banks, but also for workers, whose rights had been taken into account. This meant, for example, that their salaries would be guaranteed during the restructuring process and the proposal did not affect current European and national legislation on workers' rights to collective bargaining, consultation and information. Moreover, workers would, where appropriate, have the right to vote on their company's restructuring plan.

Following this presentation, the Commission adopted the proposal for a Directive in COM(2016) 723/2 for transmission to Parliament, the European Council, the European Economic and Social Committee, the Committee of the Regions and national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2016) 357 and SWD(2016) 358 respectively, the contents of which were noted.

It also took note of the opinion of the Regulatory Scrutiny Board in SEC(2016) 480.

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The meeting closed at 14.52.