



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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

Brussels, 22 November 2017

TEXTE EN

MINUTES

of the 2228th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 11 October 2017

(morning)

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

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Single sitting: Wednesday 11 October 2017 (morning)

The sitting opened at 10.12 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President
Mr TIMMERMANS	First Vice-President
Ms MOGHERINI	High Representative / Vice-President
Mr ŠEFČOVIČ	Vice-President
Mr DOMBROVSKIS	Vice-President
Mr KATAINEN	Vice-President
Mr OETTINGER	Member
Mr HAHN	Member
Ms MALMSTRÖM	Member
Mr MIMICA	Member
Mr ARIAS CAÑETE	Member
Mr VELLA	Member
Mr ANDRIUKAITIS	Member
Mr AVRAMOPOULOS	Member
Mr STYLIANIDES	Member
Mr HOGAN	Member
Ms BULC	Member
Ms JOUROVÁ	Member
Mr NAVRACSICS	Member
Ms CREȚU	Member
Ms VESTAGER	Member
Mr MOEDAS	Member
Sir Julian KING	Member
Ms GABRIEL	Member

Items 6 (in part) to 11

Absent:

Mr ANSIP	Vice-President
Ms THYSSEN	Member
Mr MOSCOVICI	Member
Ms BIENKOWSKA	Member

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

Ms KLOC	Deputy Chef de cabinet to Mr ANSIP
Ms BERNAERTS	Chef de cabinet to Ms THYSSEN
Mr BAILLY	Chef de cabinet to Mr MOSCOVICI
Mr HEDBERG	Deputy Chef de cabinet to Ms BIENKOWSKA

The following also sat in:

Mr SELMAYR	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 METTLER	Head of the European Political Strategy Centre	
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Ms DEJMEK-HACK	Adviser in the PRESIDENT's Office	Items 8 to 10
Ms SILLAVEE	PRESIDENT's Office	Items 1 to 11 (in part)
Mr WYNANDS	Chef de cabinet to Mr DOMBROVSKIS	Items 1 to 10
Mr HAGER	Chef de cabinet to Mr OETTINGER	Items 1 to 6
Ms COUSIN	A member of Ms VESTAGER's staff	Item 10
Ms ANDREEVA	Commission Spokesperson's Service	

Secretary: Mr ITALIANER, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General (with the exception of item 7) and by Ms ALLOUIS-LE LOSTEC, Head of Unit in the Secretariat-General (for item 7).

1. AGENDAS

(OJ(2017) 2228/FINAL; SEC(2017) 426/FINAL)

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(2017) 2228)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 9 October.

3. APPROVAL OF THE MINUTES OF THE 2222ND, 2223RD, 2225TH, 2226TH AND 2227TH MEETINGS OF THE COMMISSION (26 JULY, 6, 20, 27 SEPTEMBER AND 3 OCTOBER)

The Commission held over approval of the minutes of its 2222nd, 2223rd, 2225th, 2226th and 2227th meetings for a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2017) 127)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 6 October (RCC(2017) 127).

It paid particular attention to the following points.

4.1. HORIZONTAL ITEM

- i) Negotiations on an agreement with the United Kingdom setting out the arrangements for its withdrawal from the European Union pursuant to Article 50 of the Treaty on European Union – EU-UK Joint Letter to the World Trade Organisation (WTO) membership**

The Commission noted that the revised version of the joint letter in SI(2017) 446/2 had been transmitted to the Member States at the start of the Coreper meeting on Friday 6 October.

4.2. LEGISLATIVE MATTERS

ii) Trilogues

(point 3.1 of the IRG record)

- Financial rules applicable to the general budget of the European Union and amendment of Regulation (EC) 2012/2002, Regulations (EU) 1296/2013, (EU) 1301/2013, (EU) 1303/2013, (EU) 1304/2013, (EU) 1305/2013, (EU) 1306/2013, (EU) 1307/2013, (EU) 1308/2013, (EU) 1309/2013, (EU) 1316/2013, (EU) 223/2014, (EU) 283/2014 and (EU) 652/2014 of the European Parliament and of the Council, and Decision 541/2014/EU of the European Parliament and of the Council (Regulation) – GRÄSSLE / ASHWORTH report – 2016/0282 (COD)

The Commission approved the line set out in SI(2017) 459 and /2.

- Amendment of Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments (Directive) – GIRLING report – 2015/0148 (COD)

The Commission approved the line set out in SI(2017) 448.

- Amendment of Directive 2003/87/EC to continue current limitations of scope for aviation activities and to prepare to implement a global market-based measure from 2021 (Regulation) – GIRLING report – 2017/0017 (COD)

The Commission approved the line set out in SI(2017) 455.

- Amendment of Regulation (EU) 2016/1036 on protection against dumped imports from countries not members of the European Union and Regulation (EU) 2016/1037 on protection against subsidised imports from countries not members of the European Union (Regulation) – CICU report – 2016/0351 (COD)

The Commission approved the line set out in SI(2017) 458.

iii) Council dossiers

(point 3.3 of the IRG record)

- Amendment of Regulation (EC) 883/2004 on the coordination of social security systems and Regulation (EC) 987/2009 laying down the procedure for implementing Regulation (EC) 883/2004 (Regulation) – BALAS report – 2016/0397 (COD)

The Commission approved the line set out in SI(2017) 450 and /3.

- Amendment of Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (Directive) – MORIN-CHARTIER & JONGERIUS report – 2016/0070 (COD)

The Commission approved the line set out in SI(2017) 451/3.

- Contracts for the online and other distance sales of goods (Directive) – ARIMONT report – 2015/0288 (COD)

The Commission approved the line set out in SI(2017) 454.

4.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2017) 457)

The Commission took note of the information in SI(2017) 457 on the Council meetings between 12 and 25 October.

v) Non-legislative dossier

(point 4.1 of the IRG record)

- European Union Advisory Mission in support of Security Sector Reform in Iraq (EUAM IRAQ) (Council Decision (CFSP)) – Commission's position – HR(2017) 117

The Commission approved the line set out in SI(2017) 453.

4.4. RELATIONS WITH PARLIAMENT

vi) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its September part-session

(point 5.6.1 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2017) 633 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its September part-session.

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

(SP(2017) 615)

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(2017) 615, drawn up following the October I part-session of Parliament, the contents of which were noted.

viii) Results of Parliament's October I part-session

(SP(2017) 602; SP(2017) 603)

The Commission took note of the information in SP(2017) 602 and SP(2017) 603 on the proceedings of the part-session of Parliament held in Strasbourg from 2 to 5 October.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2017) 427 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 October

5.2. EMPOWERMENT

(SEC(2017) 428 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 2 and 6 October.

5.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2017) 429 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 2 and 6 October, as archived in Decide.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2017) 430 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 9 and 13 October 2017.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2017) 431)

ADMINISTRATIVE MATTERS

(PERS(2017) 109)

DG BUDGET – AMENDMENT OF ORGANISATION CHART – TRANSFER AND SECONDMENT OF AD16 OFFICIAL

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, the Commission:

- discussed the request addressed to it by the Italian authorities concerning the secondment of Mr Giovanni KESSLER as director, for a period of three years, to the Italian Customs and Monopolies Agency;
- noted the request addressed by Mr Giovanni KESSLER on 15 September 2017 to be seconded in the interest of the service, under Article 37(a) of the Staff Regulations, for a period of three years, to the Italian Customs and Monopolies Agency;
- examined the interest for the Commission and for the Italian authorities of being able to benefit from the recognised experience of a high-level European official

in order to assist a national agency which collects customs duties on behalf of the EU budget and which has to operate effectively and cooperate with the European Anti-Fraud Office (OLAF);

- decided to agree to Mr Giovanni KESSLER's request and to:
 - i) create a temporary post of adviser hors classe in DG Budget;
 - ii) transfer in the interest of the service, under Article 7 of the Staff Regulations, Mr Giovanni KESSLER to this new temporary post of adviser hors classe, which would be abolished after his departure;
 - iii) second Mr Giovanni KESSLER, in the interest of the service, under Article 37(a) of the Staff Regulations, for a period of three years, to the Italian Customs and Monopolies Agency.

During the period of the secondment, Article 38(d) of the Staff Regulations would apply. The Italian Customs and Monopolies Agency had agreed to pay the salary for the post to be filled by Mr Giovanni KESSLER at the Agency for the duration of the secondment.

These decisions would take effect on 16 October 2017.

7. OTHER BUSINESS

LATEST POLITICAL DEVELOPMENTS IN SPAIN

The Commission discussed the latest political developments in Spain.

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN CENTRAL BANK, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS ON COMPLETING THE BANKING UNION

(COM(2017) 592 TO /3; RCC(2017) 128)

9. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON THE SINGLE SUPERVISORY MECHANISM ESTABLISHED PURSUANT TO REGULATION (EU) 1024/2013

(COM(2017) 591 AND /2; SWD(2017) 336; RCC(2017) 128)

Mr DOMBROVSKIS presented the Communication on completing the Banking Union and the report on the Single Supervisory Mechanism, which were submitted for the Commission's approval that day.

As an introduction he explained that there was broad agreement that a stable Economic and Monetary Union needed a complete Banking Union. However, the co-legislators had not made any real progress with the proposals presented by the Commission over the last two years. For that reason he felt it was the Commission's responsibility, given the institutional timetable, to launch a political appeal to the European Parliament and to the Council inviting them to speed up the process, otherwise the Banking Union could remain incomplete for several years.

The documents presented that day introduced significant new elements that would help the Commission to achieve its objective of completing the Banking Union before the end of its mandate. He pointed out that two pillars of the Banking Union were already operational and were working well, the Single Supervisory Mechanism and the Single Resolution Mechanism, thanks to which the EU's banking sector was now safer and more resilient.

Among the new elements in the Communication, Mr DOMBROVSKIS mentioned in particular its call for a common backstop for the Single Resolution Fund, which

could act as a final safety net once private debtors had borne the losses. He highlighted the broad consensus that had been established on this point at the Eurogroup meeting on 9 October and indicated that the set of proposals the Commission would present in December on the Economic and Monetary Union would give details of this mechanism.

He also mentioned the proposal concerning the European Deposit Insurance Scheme – EDIS – that the Commission had presented in November 2015 with the aim of protecting deposits regardless of the location of the banks. He noted that progress since then had been very slow. He explained that this legislative proposal remained on the table and that its objective remained unchanged, but that the Commission had considered it appropriate to make suggestions to the co-legislators in order to facilitate the adoption of this scheme by the European Parliament and the Council before the end of the current mandate. To this end, he placed particular emphasis on the proposal presented to the College for a progressive approach to both the reinsurance phase and the coinsurance phase as well as the introduction of an asset quality review to be carried out between these two phases in order to avoid the risks incurred at the banks concerned prior to the coinsurance phase.

Mr DOMBROVSKIS also mentioned the work currently being carried out in the framework of the Action Plan on retail financial services presented by the Commission in March, with the aim of enabling consumers and businesses in the European Union to benefit fully from a genuine single market for financial services. He added that the Commission was currently working on a proposal to reduce charges on cross-border banking transactions in accordance with the action plan for non-performing loans introduced by the Council in July. Lastly he pointed out the need to effectively communicate the tangible advantages of financial integration to citizens.

He closed by highlighting the positive assessment in the report on the Single Supervisory Mechanism.

During the brief exchange of views which ensued, the Commission raised the following main points:

- the importance of finding the right balance between reducing and sharing the risks in order to achieve a broad consensus among the Member States;
- at the same time, the belief that the discussion points presented by the Commission that day, which introduced a more progressive approach, particularly as regards the European Deposit Insurance Scheme, while at the same time strengthening the clarity and effectiveness of the future instruments of the Banking Union, would bring with them a positive dynamic that could speed up the process of adoption of legislative proposals by the co-legislators;
- the desirability of addressing the question of sovereign bonds and their risk level in order to help reduce the dependence between States and banks.

The PRESIDENT thanked Mr DOMBROVSKIS for his excellent work and closed the discussion by highlighting the importance of finalising the Banking Union in order to achieve a deeper and fairer Economic and Monetary Union. He noted the agreement of the Members of the Commission on the documents presented at the meeting.

Following this presentation and the discussion that ensued, the Commission:

- approved the Communication in COM(2017) 592/3 for transmission to Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments;
- approved the report in COM(2017) 591/2 for transmission to Parliament and the Council and, for information, to the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the staff working document distributed as SWD(2017) 336, the contents of which were noted.

10. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

10.1. STATE AID – URGENT INDIVIDUAL CASE

(C(2017) 6896 TO /3)

State Aid SA.49275 (2017/N) – PORTUGAL – Sale of Novo Banco with additional aid in the context of the 2014 resolution of Banco Espírito Santo, SA

Decision: not to raise objections

Following the presentation of the case by Ms VESTAGER, the Commission adopted in the authentic language version (English) the decision in C(2017) 6896/3 and decided to notify it to the Portuguese authorities.

10.2. STATE AID AND OTHER COMPETITION RULES

The Commission's decisions on this item is recorded in the special minutes.

11. OTHER BUSINESS (CONTINUED)

IMPLEMENTATION AT 30 SEPTEMBER OF THE 2017 GENERAL BUDGET (INFO(2017) 83 TO /3)

Mr OETTINGER presented to the College the implementation at 30 September of the 2017 budget, half-way through the Commission's term and in the fourth of the seven years of the EU's 2014-2020 multiannual financial framework. He reminded the College that the Commission published a report on the Active Monitoring and Forecast of Budget Implementation (AMFBI) in March, July and October. The main features of the October report concerned the level of implementation of payments at 30 September 2017, the deviations from the forecasts and a comparison with the

budget implementation for the same period in 2016.

The Commission took note of this information and of the information note distributed in INFO(2017) 83/3.

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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 11.00.