



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2019) 2280 final

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

Strasbourg, 12 February 2019

TEXTE EN

MINUTES

of the 2280th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 23 January 2019

(morning)

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PV(2019) 2280 final

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

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Single sitting: Wednesday 23 January 2019 (morning)

The sitting opened at 10.11 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President
Ms MOGHERINI	High Representative / Vice-President
Mr ANSIP	Vice-President
Mr ŠEFČOVIČ	Vice-President
Mr DOMBROVSKIS	Vice-President
Mr MIMICA	Member
Mr ARIAS CAÑETE	Member
Mr VELLA	Member
Mr ANDRIUKAITIS	Member
Mr AVRAMOPOULOS	Member
Ms THYSSEN	Member
Mr STYLIANIDES	Member
Mr HOGAN	Member
Ms BULC	Member
Ms BIENKOWSKA	Member
Ms JOUROVÁ	Member
Mr NAVRACSICS	Member
Ms CREȚU	Member
Ms VESTAGER	Member
Sir Julian KING	Member
Ms GABRIEL	Member

Absent:

Mr TIMMERMANS	First Vice-President
Mr KATAINEN	Vice-President
Mr OETTINGER	Member
Mr HAHN	Member
Ms MALMSTRÖM	Member
Mr MOSCOVICI	Member
Mr MOEDAS	Member

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

Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS
Mr ARTJOKI	Chef de cabinet to Mr KATAINEN
Mr KLEINER	Deputy Chef de cabinet to Mr OETTINGER
Ms UDWIN	Deputy Chef de cabinet to Mr HAHN
Ms ÅSENIUS	Chef de cabinet to Ms MALMSTRÖM
Mr FELKE	Deputy Chef de cabinet to Mr MOSCOVICI
Ms DEL BRENNIA	Deputy Chef de cabinet to Mr MOEDAS

The following also sat in:

Ms MARTÍNEZ ALBEROLA	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	
Mr MOTOC	European Political Strategy Centre	
Ms AHRENKILDE HANSEN	Deputy Secretary-General	
Mr SZOSTAK	Deputy Chef de cabinet to the PRESIDENT	
Ms HILI	A member of the PRESIDENT's staff	
Ms ARKI	PRESIDENT's Office	
Mr MUELLER	Chef de cabinet to Mr VELLA	Items 11 and 12
Ms NIKOLAY	Chef de cabinet to Ms JOUROVÁ	Items 8 to 10
Mr SNELS	Secretariat-General	
Ms ANDREEVA	Commission Spokesperson's Service	

Secretary: Mr SELMAYR, Secretary-General, assisted by Ms ALLOUIS-LE LOSTEC, Head of Unit in the Secretariat-General.

1. AGENDAS

(OJ(2019) 2280/FINAL; SEC(2019) 2280/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(2019) 2280)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 21 January 2019.

3. APPROVAL OF THE MINUTES OF THE 2277TH, 2278TH AND 2279TH MEETINGS OF THE COMMISSION (19 DECEMBER 2018, 9 AND 15 JANUARY 2019)

(PV(2018) 2277; PV(2018) 2277, 2ND PART; PV(2019) 2278)

The Commission approved the minutes of its 2277th and 2278th meetings and decided to hold over approval of the minutes of its 2279th meeting for a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2019) 3)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 18 January 2019 (RCC(2019) 3).

It paid particular attention to the following points.

4.1. HORIZONTAL MATTERS

i) 2021-2027 Multiannual Financial Framework – Trilogues

(point 1.1.1 of the IRG record)

- Establishment of Horizon Europe – the Framework Programme for Research and Innovation, and laying down of its rules for participation and dissemination (Regulation) – NICA report – 2018/0224 (COD)

The Commission approved the line set out in SI(2019) 32/2.

- Connecting Europe Facility and repeal of Regulations (EU) 1316/2013 and (EU) 283/2014 (Regulation) – MARINESCU & VIRKKUNEN & TELIČKA report – 2018/0228 (COD)

The Commission approved the line set out in SI(2019) 33/3.

ii) 2021-2027 Multiannual Financial Framework – Council

(point 1.1.3 of the IRG record)

- InvestEU Programme (Regulation) – FERNANDES & GUALTIERI report – 2018/0229 (COD)

The Commission approved the line set out in SI(2019) 44 and /2.

4.2. LEGISLATIVE MATTERS

iii) Trilogues

(point 3.1 of the IRG record)

- Rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences and repeal of Council Decision 2000/642/JHA (Directive) – RADEV report – 2018/0105 (COD)

The Commission approved the line set out in SI(2019) 34.

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- Aspects concerning contracts for the supply of digital content (Directive) – VOSS & GEBHARDT report – 2015/0287 (COD) / Certain aspects concerning contracts for the sale of goods, amendment of Regulation (EC) 2006/2004 of the European Parliament and of the Council and Directive 2009/22/EC of the European Parliament and of the Council and repeal of Directive 1999/44/EC of the European Parliament and of the Council (Directive) – ARIMONT report – 2015/0288 (COD)

The Commission approved the line set out in SI(2019) 45/2.

- Amendment of Regulation (EU) 575/2013 as regards exposures in the form of covered bonds (Regulation) – LUCKE report – 2018/0042 (COD) / Issue of covered bonds and covered bond public supervision and amendment of Directive 2009/65/EC and Directive 2014/59/EU (Directive) – LUCKE report – 2018/0043 (COD)

The Commission approved the line set out in SI(2019) 35.

- Approximation of the laws, regulations and administrative provisions of the Member States as regards the accessibility requirements for products and services (Directive) – LØKKEGAARD report – 2015/0278 (COD)

The Commission took note of the information in SI(2019) 36/2.

- CO₂ emission performance standards for new heavy-duty vehicles (Regulation) – EICKHOUT report – 2018/0143 (COD)

The Commission approved the line set out in SI(2019) 42/2.

- Re-use of public sector information (Directive – recast) – SYLIKOTIS report – 2018/0111 (COD)

The Commission approved the line set out in SI(2019) 43.

- Reduction of the impact of certain plastic products on the environment (Directive) – RIES report – 2018/0172 (COD)

The Commission approved the line set out in SI(2019) 49.

iv) Council dossiers

(point 3.3 of the IRG record)

- European Union Agency for Asylum and repeal of Regulation (EU) 439/2010 (Regulation) – NIEDERMÜLLER report – 2016/0131 (COD)

The Commission approved the line set out in SI(2019) 37.

- Preparation for the United Kingdom's withdrawal from the Union – Amendment of Council Regulation (EC) 539/2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement, as regards the withdrawal of the United Kingdom from the Union (Regulation) – MORAES report – 2018/0390 (COD)

The Commission approved the line set out in SI(2019) 38.

- Preparation for the United Kingdom's withdrawal from the Union – amendment of Regulation (EU) 1316/2013 with regard to the withdrawal of the United Kingdom from the Union (Regulation) – DELLI report – 2018/0299 (COD)

The Commission approved the line set out in SI(2019) 40.

- Preparation for the United Kingdom's withdrawal from the Union – certain aspects of aviation safety with regard to the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the Union (Regulation) – ZŁOTOWSKI report – 2018/0434 (COD)

The Commission approved the line set out in SI(2019) 51/2.

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- Amendment of Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions (Directive) – REGNER report – 2018/0114 (COD)

The Commission approved the line set out in SI(2019) 39/2.

- Computerising the movement and surveillance of excise goods (Decision – recast) – SWINBURNE report – 2018/0187 (COD)

The Commission took note of the information in SI(2019) 50.

4.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

v) Programming of Council business

(SI(2019) 52)

The Commission took note of the information in SI(2019) 52 on the Council meetings between 24 January and 6 February 2019.

4.4. RELATIONS WITH PARLIAMENT

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

(SP(2019) 28)

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(2019) 28, drawn up following Parliament's January I 2019 part-session, the contents of which were noted.

vii) Action taken on the non-legislative resolutions adopted by Parliament at its November I 2018 part-session

(point 5.6.1 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2019) 43 on the action taken on the non-legislative resolutions adopted by Parliament at its November I 2018 part-session.

viii) Action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its December 2018 part-session

(point 5.6.2 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2019) 44/3 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its December 2018 part-session.

ix) Results of the January 2019 part-session of Parliament

(SP(2019) 36)

The Commission took note of the information on the proceedings of the part-session of Parliament held in Strasbourg from 14 to 17 January 2019, as set out in SP(2019) 36.

4.5. OTHER MATTERS

x) The Global Alliance for Torture-Free Trade – State of play

(point 7 of the IRG record)

The Commission took note of the information in SI(2019) 41.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2019) 47 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 18 January 2019.

5.2. EMPOWERMENT

(SEC(2019) 48 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 14 and 18 January 2019.

5.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2019) 49 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 January 2019, as archived in Decide.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2019) 50 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 21 and 25 January 2019 and of the finalisation written procedure initiated following the weekly meeting of Chefs de cabinet on Monday 21 January 2019.

6. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2019) 51/2)

ADMINISTRATIVE MATTERS
(PERS(2019) 2/2)

6.1. DG ENERGY – APPOINTMENT OF AD15 DIRECTOR

The Commission, on a proposal from Mr OETTINGER, in agreement with the PRESIDENT, and after consulting Mr ARIAS CAÑETE, and also Mr ŠEFČOVIČ and Mr KATAINEN, decided to fill the post of Director of the ‘Euratom Supply Agency’ Directorate in DG Energy, by transfer in the interest of the service, under Article 7 of the Staff Regulations, of Ms Agnieszka KAŻMIERCZAK, an AD15 official currently Director of the ‘Shared Resource Directorate MOVE/ENER’ in DG Mobility and Transport.

This decision would take effect on 1 April 2019.

6.2. DG EUROPEAN CIVIL PROTECTION AND HUMANITARIAN AID OPERATIONS – AMENDMENT OF THE ORGANISATION CHART AND INTERNAL PUBLICATION OF THE VACANCY NOTICE FOR THE POST OF AD14/15 DIRECTOR
(SEC(2019) 16; PERS(2019) 3)

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT and after consulting Mr STYLIANIDES and Ms MOGHERINI, the Commission decided:

- to create a new Directorate and four new units;
- to abolish a unit;
- to adopt the new organisation chart set out in SEC(2019) 16;
- to authorise the internal publication, under Article 29(1)(a)(i) and (iii) of the Staff Regulations, of the vacancy notice in PERS(2019) 3 for the post

of Director of the ‘Disaster Prevention and Preparedness’ Directorate ECHO.B in DG European Civil Protection and Humanitarian Aid Operations (ECHO); this decision would take effect immediately.

Unless indicated otherwise, these decisions would take effect on 16 February 2019.

Following the reorganisation, the total number of units in DG European Civil Protection and Humanitarian Aid Operations (ECHO) would increase from 17 to 20.

6.3. DG MOBILITY AND TRANSPORT – TEMPORARY APPOINTMENT OF DIRECTOR OF THE PERMANENT SECRETARIAT OF THE TRANSPORT COMMUNITY

The Commission, on a proposal from Mr OETTINGER, in agreement with the PRESIDENT, and after consulting Ms BULC, and also Mr ŠEFČOVIČ and Mr KATAINEN, decided to appoint Mr Alain BARON, an AD13 official in DG Mobility and Transport, to perform temporarily the duties of Director of the Permanent Secretariat of the Transport Community, in addition to his current duties, until the Director of the Permanent Secretariat took office.

This decision would take effect immediately, subject to the availability of the necessary budget resources.

6.4. DG MIGRATION AND HOME AFFAIRS – LIST OF CANDIDATES FOR THE POST OF AD14 EXECUTIVE DIRECTOR OF THE EUROPEAN ASYLUM SUPPORT OFFICE (EASO) (PERS(2018) 53 TO /3)

The Commission took note of the information in point 4 of PERS(2019) 2/2 and, on a proposal from Mr OETTINGER, in agreement with

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the PRESIDENT, and having consulted Mr AVRAMOPOULOS, and also Mr TIMMERMANS, decided:

- to approve the list of two candidates, presented in alphabetical order, set out in point 4 of PERS(2019) 2/2, for the post of Executive Director of the European Asylum Support Office (EASO), and to consider this list as the Commission proposal;
- to ask Mr AVRAMOPOULOS to communicate this list to the Management Board of the European Asylum Support Office (EASO).

These decisions would take effect immediately.

**6.5. DG MIGRATION AND HOME AFFAIRS – APPOINTMENT OF AN AD14/15 DIRECTOR
(PERS(2018) 80 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 ‘Migration and Protection’ Directorate in DG Migration and Home Affairs (PERS(2018) 80).

It took note of the opinions of the Consultative Committee on Appointments of 10 and 13 December 2018 (PERS(2018) 80/2 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 Mr OETTINGER, in agreement with the PRESIDENT and after consulting Mr AVRAMOPOULOS and also Mr TIMMERMANS, it decided to appoint Mr Michael SHOTTER to the post.

This decision would take effect on 1 February 2019.

**6.6. DG HUMAN RESOURCES AND SECURITY – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2018) 79 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 ‘Health and Wellbeing – Working Conditions’ Directorate in DG Human Resources and Security (PERS(2018) 79).

It took note of the opinions of the Consultative Committee on Appointments of 28 November and 6 December 2018 (PERS(2018) 79/2 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 Mr OETTINGER, in agreement with the PRESIDENT, it then decided to appoint Mr Christian ROQUES to the post.

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

6.7. DG HUMAN RESOURCES AND SECURITY/DG INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP AND SMES – ENGAGEMENT OF TEMPORARY AGENTS FOR THE EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME (EDIDP)

The Commission took note of the information in point 7 of PERS(2019) 2/2 and, on a proposal from Mr OETTINGER, in agreement with the PRESIDENT, and having consulted Ms BIENKOWSKA, and also Mr ANSIP, Mr ŠEFČOVIČ, Mr DOMBROVSKIS and Mr KATAINEN, decided to authorise the Member of the Commission responsible for the Budget and Human Resources to derogate, where required, from Articles 2 and 3 of Commission Decision C(2013) 9049 on policies for the engagement and use of temporary agents, in particular as regards publication, selection and grading, in order to ensure the quick set-up and efficient management of the European Defence Industrial Development Programme (EDIDP).

This decision would take effect immediately.

6.8. DG HUMAN RESOURCES AND SECURITY – DEPUTISING FOR THE DIRECTOR-GENERAL

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, the Commission decided to repeal Decision C(2013) 1250 of 8 March 2013 on deputising for the Director-General of DG Human Resources and Security, and to apply the order of deputies set out in Article 27 of its Rules of Procedure.

These decisions would take effect immediately.

6.9. OFFICE FOR INFRASTRUCTURE AND LOGISTICS – BRUSSELS – EXTENSION OF THE DIRECTOR'S TERM OF OFFICE

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, the Commission decided to amend the Commission Decision of 16 May 2018 (PV(2018) 2254) and, by derogation from the decision setting up the Office for Infrastructure and Logistics in Brussels (C(2002) 4368), to set the date of the end of Mr Marc MOULIGNEAU's term of office as Director of the Office at 30 September 2019.

This decision would take effect immediately.

7. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

***INFRINGEMENTS – MONTHLY DECISION-TAKING CYCLE – M12/2018
(SEC(2019) 12; SEC(2019) 90)***

2014/4235 – CROATIA – Croatian law on the privatisation of Industrija Naftne d.d. (INA)

Decision: extension of the suspension of the decision to refer Croatia to the Court of Justice of the European Union under Article 258 of the Treaty on the Functioning of the European Union

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At the request of the PRESIDENT, Mr DOMBROVSKIS reported on the progress of the infringement proceedings brought by the Commission against Croatia in November 2014 on the grounds that the Croatian law concerning the privatisation of the energy company *INA-Industrija Nafta d.d.* was not compliant with EU law.

He pointed out that the College had suspended its decision of 13 July 2017 to refer the matter to the Court of Justice of the European Union in order to be able to take account of the successive commitments made by the Croatian governments to bring the law in question into line with EU law. Given the continued non-conformity, he briefly set out the different options available to the Commission.

While highlighting the patience the College had shown Croatia in this matter, the PRESIDENT reported that the Croatian Prime Minister, Mr Andrej Plenković, had that day made a written commitment to submit a draft law to the Croatian parliament to ensure that the law in question complied with EU law. This would be done using an emergency procedure that should make it possible to adopt the law by the end of February 2019.

Under these circumstances, the College decided to extend slightly the suspension of the decision to refer Croatia to the Court of Justice of the European Union until the end of February 2019.

Mr DOMBROVSKIS noted that at the end of this additional extension period, he would verify that the law in question had indeed been brought into line with EU law, failing which the College would take the appropriate measures.

The other decisions of the monthly cycle M12/2018, set out in SEC(2019) 90, would be adopted by finalisation written procedure, the deadline for which was set at 10.00 on Thursday 24 January 2019 (PE/2019/347).

**8. COMMISSION IMPLEMENTING DECISION PURSUANT TO REGULATION (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE ADEQUATE PROTECTION OF PERSONAL DATA BY JAPAN UNDER THE ACT ON THE PROTECTION OF PERSONAL INFORMATION
(C(2019) 304 AND /2; RCC(2019) 5)**

Ms JOUROVÁ presented the draft implementing decision she was submitting to the College for adoption. In this Decision, the Commission noted the adequate level of protection of personal information by Japan under the General Data Protection Regulation.

She explained that the adequacy decision would open the way to the free movement of personal data between the European and Japanese economies based on solid guarantees of protection. She pointed out that adopting the decision was the last step in a procedure that had followed the Commission's political endorsement in September 2018 and which consisted of obtaining an opinion from the European Data Protection Board and the agreement of a committee composed of representatives of the Member States of the Union, as well as a Resolution of the European Parliament. She specified that the adequacy decision would enter into force that day, as would the equivalent decision adopted by the Japanese authorities, to be announced by the Japanese Prime Minister, Mr Shinzo Abe, at the World Economic Forum in Davos.

She added that this adequacy decision completed the Economic Partnership Agreement between the Union and Japan that would enter into force on 1 February, would create the world's largest area of safe data flows and would enable European citizens to benefit from high privacy standards if their data was transferred to Japan. She also underlined the fact that the Union's businesses would thereby benefit from privileged access to a market of 127 million consumers. She pointed out that 74 000 European companies already exported their products to Japan, 78% of which were small and medium-sized enterprises, and that they would benefit immediately from the mutual adequacy decisions in terms of trade facilitation and reduced costs. She

indicated that a first joint review of the adequacy framework would be carried out in two years' time.

To conclude, Ms JOUROVÁ stressed the geopolitical significance of data exchange and argued that the progress achieved by the Union in this area would enable it to play a key role in the next G20 meeting to be held in Japan that year, at which one of the main themes would be data exchange within a secure framework.

The PRESIDENT wound up the presentation by recalling that this adequacy decision fulfilled the commitment he had made together with the Japanese Prime Minister, Mr Shinzo Abe, in July 2017 to secure its adoption, in view of the common desire of the Union and of Japan to encourage high standards of data protection on the international stage. He congratulated Ms JOUROVÁ on this success which would serve to strengthen trade links between the Union and Japan as well as their strategic partnership.

The Commission adopted the implementing decision set out in C(2019) 304/2 and decided to notify it to the Member States.

**9. DRAFT COMMISSION DELEGATED REGULATION SUPPLEMENTING DIRECTIVE (EU) 2015/849 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL BY IDENTIFYING HIGH-RISK THIRD COUNTRIES WITH STRATEGIC DEFICIENCIES
(C(2019) 330 DRAFT AND /2; RCC(2019) 5)**

The PRESIDENT asked Ms JOUROVÁ to present to the College the draft Delegated Regulation she was submitting to it for approval in principle in order to supplement Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, by identifying high-risk third countries with strategic deficiencies in the area of money laundering and combating the financing of terrorism.

Ms JOUROVÁ began by informing the meeting that the Directive in question, the fourth in the field of combating money laundering, which had entered into force in June 2015, created a legal obligation for the Commission to identify high-risk third countries whose legislation in this area had fundamental shortcomings. She explained that until now the Commission had used the list drawn up by the Financial Action Task Force established in 1989 at the initiative of the G7. She now intended to add her own independent evaluation methodology, as provided for in the Directive. After the Panama Papers scandal and the adoption of the fifth Directive on the fight against money laundering and terrorist financing (Directive 2018/843), which came into force in July 2018, the EU was applying more stringent standards than the Financial Action Task Force in terms of transparency rules regarding the effective beneficiaries of funds.

The Commission, together with the experts from the Member States, had therefore identified 47 priority third countries, 23 of which it proposed to include on the list of high-risk third countries. 12 of these third countries were already listed by the Financial Action Task Force; 11 other jurisdictions were chosen on the basis of its independent assessment. These 11 jurisdictions were divided into two main groups. The first group included 6 financial centres, primarily offshore, with opaque ownership structures and posing severe money-laundering risks, without sufficiently effective legislative measures to address these. Most of them were also included on the EU's list of non-cooperative tax jurisdictions. The second group comprised 5 third countries which, despite their efforts to strengthen their legislation, continued to exhibit serious weaknesses either because of their general security situation or because they faced particular challenges in the field of financing of terrorism.

Ms JOUROVÁ acknowledged the political sensitivity of the exercise. However, she noted that the countries concerned had been warned that they would be subject to an analysis, and that they would be informed of their inclusion on the EU's list of high-risk third countries once the Commission had endorsed it. She also specified that the list would be made public after its final adoption by the Commission at the

beginning of February 2019.

She added that the Commission departments responsible were prepared to work with the third countries on the list to help them remedy the shortcomings identified and she thanked Ms MOGHERINI's and Mr MIMICA's teams for their excellent cooperation on this matter.

Ms JOUROVÁ ended by specifying that the establishment of the list was not a one-off exercise, but that the Commission would constantly monitor the list in order to update it regularly and remove from it third countries that had taken specific measures to overcome their deficiencies.

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

- a reminder of the confidential nature of the list until its final adoption by the Commission at the beginning of February 2019, following its transmission to the expert group of the Member States for examination;
- the sensitivity of the exercise for governments included on the list of high-risk countries, in particular for those who had embarked on reforms;
- the risk of political exploitation, by opponents of these reforms, of inclusion on the list;
- the desire to use the period prior to the final adoption of the list to make the necessary contacts with the Member States, on the one hand, and, on the other, to prepare for its reception, with the help of the Union delegations on the ground, so as to avoid negative diplomatic reactions in the countries covered by the list;
- a recommendation about the need to be able to explain clearly, with the support of sound arguments, the choice of including certain third countries on the list of

high-risk countries when they were not included on the list drawn up by the Financial Action Task Force.

The PRESIDENT confirmed that drawing up this list was a delicate task for the third countries in question, but also for the EU Member States. Therefore, he considered it necessary for the Commission Members concerned to make useful contacts before the final adoption of the list in order to explain why a particular country was included on the list. He referred to the case of a third country on the list which had nevertheless implemented an action plan to remedy its strategic shortcomings in the area of money laundering and combating the financing of terrorism, which was no longer included on the EU's list of non-cooperative tax jurisdictions and which, for all those reasons, hoped to be removed from the list in question.

Ms JOUROVÁ stressed that the Commission had carried out an in-depth analysis before deciding on the inclusion of third countries on the list of high-risk countries. Inclusion on this list would be reversible if real progress has been made. Moreover, the Commission was fully prepared in this case to update its list by removing third countries that had embarked on substantive reforms that were likely to bear fruit.

The PRESIDENT wound up the discussion by thanking Ms JOUROVÁ for these explanations. He highlighted once again the confidentiality of the list of high-risk countries with strategic deficiencies until its final adoption by the Commission at the beginning of February 2019.

The Commission approved in principle the draft Delegated Regulation in C(2019) 330 DRAFT /2, and authorised the Director-General of the Directorate-General for Justice and Consumers to transmit this draft to the Expert Group on Money Laundering and Terrorist Financing for consultation before its final adoption.

10. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, AND THE COMMITTEE OF THE REGIONS – INVESTOR CITIZENSHIP AND RESIDENCE SCHEMES IN THE EUROPEAN UNION (COM(2019) 12 AND /2; SWD(2019) 5; RCC(2019) 5)

At the PRESIDENT's invitation, Ms JOUROVÁ also presented the first report on the schemes granting investors citizenship or residence rights in the Union, in accordance with the undertaking made by the Commission in its 2017 EU Citizenship Report.

Ms JOUROVÁ began by explaining that the investor citizenship ('golden passport') schemes enabled a third-country national to obtain a new nationality solely on the basis of an investment, while the investor residence ('golden visa') schemes enabled a third-country national, subject to certain conditions, to obtain a residence permit to stay in an EU country in which he or she made an investment.

She went on to point out that while the conditions for obtaining the nationality of an EU Member State fell within the competence of that Member State, they also had a European dimension, since nationality of an EU Member State automatically led to the acquisition of European citizenship with all its rights under the Treaties, in particular the right to free movement in the Union. In practice, these schemes were often presented as a means of acquiring EU citizenship.

As regards the granting of residence permits to investors, this was not regulated at EU level and was still governed by national law. However, EU law regulated the entry conditions for certain categories of third-country nationals. The fact that residence permits were obtained by investment without the investor being required to have any physical presence in the Member State in question might have consequences for applications for EU long-term residence status and might even offer fast-track access to citizenship of a Member State and, consequently, of the European Union.

Ms JOUROVÁ presented the content of the report, which was based on an objective study. The report detailed current practices in these two types of scheme: the investor citizenship scheme set up by three Member States (Bulgaria, Cyprus and Malta), and the investor residence scheme set up by 20 Member States (Bulgaria, Czechia, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia and the United Kingdom). The report also highlighted the risks that these schemes posed for the Union, particularly with regard to security, money laundering, tax evasion and corruption. It addressed issues of concern linked to the governance and lack of transparency of the schemes analysed and proposed a framework for improvement.

With regard to the causes for concern raised by the investor citizenship schemes, she referred to the insufficient stringency of the checks carried out on applicants and the non-systematic use of the EU's own centralised information systems, such as the Schengen information system. She added that enhanced due diligence measures were therefore needed to ensure that anti-money laundering rules were not circumvented. Checks were also needed to ensure that people did not make use of these schemes in order to obtain tax benefits. Lastly, she emphasised the lack of clear information on the way in which these schemes were managed and the lack of information exchanges between Member States on the applicants for these schemes.

In the case of the investor residence schemes, she highlighted the lack of information available on the practical implementation of the checks and on the degree of discretion which the Member States allowed themselves in addressing security concerns, the consequences of these schemes on the application of EU long-term residence status with all its rights, in particular the possibility of offering fast-track access to citizenship of a Member State and, consequently, of the Union, and, finally, the lack of transparency and monitoring of these schemes.

She referred to another cause for concern, which was also addressed in the report and should be raised during the negotiations with candidate or potential candidate countries for EU membership. This was the tendency of these countries to set up

arrangements enabling investors to purchase their nationality in order to benefit from the opportunities provided to citizens of those countries, under the accession process, to enter the Schengen area visa-free for short stays.

As regards monitoring of the process, Ms JOUROVÁ said that since the Union did not have legislative powers in the areas concerned, the Commission would monitor the measures taken by the Member States and would, by the end of 2019, set up an expert group to draw up a set of common rules applicable to security checks and cooperation between the Member States in this area. Since this group would also examine the good governance and transparency of the investor citizenship and residence schemes, she welcomed the fact that in this way the Member States would be fully involved in this work.

In conclusion, she stressed that the Commission would monitor the broader issues of compliance with EU law raised by these schemes and, where applicable, take any necessary measures. In any case, she emphasised that the aim of the report presented that day was not to stigmatise any particular Member States but to highlight new risks and invite the Member States to cooperate in order to address them.

Mr AVRAMOPOULOS said that the schemes in question had appeared at the height of the financial crisis, when certain Member States in serious difficulties had sought to attract investments. He felt that it was the Commission's duty to send a clear message to these Member States drawing their attention to the risks of these arrangements for the Union and proposing that this issue, which fell within the powers of the Member States, be followed up by a group of experts from the Member States to ensure that the investor schemes they had chosen to introduce were compliant with EU law.

The PRESIDENT thanked Ms JOUROVÁ and Mr AVRAMOPOULOS for their presentations.

The Commission approved the report in COM(2019) 12/2 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and, for information, to the national parliaments.

**11. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 508/2014 AS REGARDS CERTAIN RULES RELATING TO THE EUROPEAN MARITIME AND FISHERIES FUND BY REASON OF THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE UNION
(COM(2019) 48 AND /2; RCC(2019) 6)**

**12. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 2017/2403 AS REGARDS FISHING AUTHORISATIONS FOR UNION FISHING VESSELS IN UNITED KINGDOM WATERS AND FISHING OPERATIONS OF UNITED KINGDOM FISHING VESSELS IN UNION WATERS
(COM(2019) 49 AND /2; RCC(2019) 6)**

At the PRESIDENT's invitation, Mr VELLA presented the main points of the contingency measures, set out in two regulations, that were being proposed for adoption by the College in the fisheries sector as part of the Union's preparations for the possible withdrawal of the United Kingdom from the Union without an agreement.

He explained that in a no-deal scenario, the EU's fishing vessels would lose access to UK waters and vice versa, which would have a significant detrimental economic impact on certain European operators who were highly dependent on that access.

In order to alleviate this impact, Mr VELLA said that the aim of the first proposal for a regulation was to add the loss of access by EU vessels to UK waters as a result of a disorderly withdrawal of the UK from the Union to the list of cases of temporary cessation of fishing activities giving entitlement to financial

compensation under the European Maritime and Fisheries Fund. He stressed that this contingency measure would be limited to a duration of nine months per fishing vessel and would come under the existing national allocations, without any budgetary increase.

As regards the second proposal for a regulation, Mr VELLA stressed that its aim, in the event of a disorderly withdrawal of the UK from the Union, was, in particular, to create the appropriate legal framework to enable the UK and the EU to decide to allow continued reciprocal access by their fishing vessels to each other's waters until the end of 2019. To this end, the proposal set out targeted amendments to the provisions currently governing fishing operations carried out by Union vessels in the waters of a third country and by third-country fishing vessels in Union waters, in order to enable this reciprocal access to be effectively continued within a specified time period.

However, he stressed that the implementation of these measures was subject to reciprocity of access.

In conclusion, Mr VELLA underlined the speed with which the Commission had acted, given that negotiation of the two proposals for regulations with the Council and Parliament must be held within the very short period left in view of the scheduled date of the UK's withdrawal from the Union.

The Commission adopted the proposals for regulations in COM(2019) 48/2 and COM(2019) 49/2 for transmission to Parliament, the Council, the European Economic and Social Committee and the national parliaments.

13. OTHER BUSINESS

EUNAVFOR MED OPERATION SOPHIA

The PRESIDENT invited Ms MOGHERINI to report to the College on the future of Operation Sophia, launched in June 2015, whose mandate had been extended to

31 March 2019.

Ms MOGHERINI said that before that date, the Member States had to decide on the follow-up to Operation Sophia. This EU military operation, which came under the responsibility of the Council, guaranteed a naval presence of the Union in the Southern Central Mediterranean, where it contributed to the fight against migrant smuggling as part of the Common Security and Defence Policy.

However, she pointed out that Operation Sophia was the subject of debate in certain Member States. She therefore proposed raising this issue at the informal meeting of Defence and Foreign Affairs Ministers (Gymnich) to be held in Bucharest on 31 January and 1 February 2019. For her part, she would warn the Member States of the serious consequences that could result from the end of Operation Sophia.

Mr AVRAMOPOULOS agreed with this analysis and underlined the significant success of the operation, which had been launched in 2015 at the height of the migration crisis.

The PRESIDENT thanked Ms MOGHERINI and Mr AVRAMOPOULOS for these explanations.

The Commission took note of this information.

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The meeting closed at 11.13.