



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2020) 2346 final

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

Brussels, 9 September 2020

TEXTE EN

MINUTES

of the 2346th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 15 July 2020

(morning)

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PV(2020) 2346 final

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

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Single sitting: Wednesday 15 July 2020 (morning)

The sitting opened at 9.07 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President	
Mr TIMMERMANS	Executive Vice-President	Items 1 to 13 (in part)
Ms VESTAGER	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	
Mr BORRELL i FONTELLES	High Representative / Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Mr HAHN	Member	
Mr HOGAN	Member	
Ms GABRIEL	Member	
Mr SCHMIT	Member	
Mr GENTILONI	Member	
Mr WOJCIECHOWSKI	Member	
Mr BRETON	Member	
Ms FERREIRA	Member	
Ms KYRIAKIDES	Member	
Mr REYNDERS	Member	
Ms JOHANSSON	Member	
Mr LENARČIČ	Member	
Ms VÁLEAN	Member	
Mr VÁRHELYI	Member	
Ms URPILAINEN	Member	
Ms SIMSON	Member	
Mr SINKEVIČIUS	Member	

Absent:

Ms DALLI

Member

The following sat in to represent an absent Member of the Commission:

Mr KERR

Chef de cabinet to Ms DALLI

The following also sat in:

Mr SEIBERT

Chef de cabinet to the PRESIDENT

Mr CALLEJA CRESPO

Director-General, Legal Service

Ms AHRENKILDE HANSEN

Director-General, DG Communication

Mr MAMER

Head of the Spokesperson's Service and Chief
Spokesperson of the CommissionItems 9 (in part) and
10/11/12 (in part)

Ms SPINANT

Commission Spokesperson's Service

Mr LEARDINI

Deputy Secretary-General

Ms RISO

Deputy Chef de cabinet to the PRESIDENT

Item 13 (in part)

Ms PETKOVA

Director of Coordination and Administration in
the PRESIDENT's Office

Mr VANDENBERGHE

Adviser in the PRESIDENT's Office

Items 1 to 9

Ms TOVSAK-PLETERSKI

Adviser in the PRESIDENT's Office

Items 10/11/12 (in
part)

Ms SPANOU

Chef de cabinet to Mr SCHINAS

Item 9

Ms ALLOUIS-LE LOSTEC

Secretariat-General

Mr HEMMELGARN

Secretariat-General

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

1. AGENDAS

(OJ(2020) 2346/FINAL; SEC(2020) 2346/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings. It also took note of the addition of items 8.1 to 8.3 (on administrative decisions) to that day's agenda.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2020) 2346)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 13 July 2020.

3. APPROVAL OF THE MINUTES OF THE 2343RD, 2344TH AND 2345TH MEETINGS OF THE COMMISSION (24 JUNE, 1 AND 8 JULY 2020)
(PV(2020) 2343)

The Commission approved the minutes of its 2343rd meeting, and decided to hold over approval of the minutes of its 2344th and 2345th meetings until a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2020) 125)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held by videoconference on Friday 10 July 2020 (RCC(2020) 125).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Trilogues

(point 3.1 of the IRG record)

- European Institute of Innovation and Technology (Regulation – recast) – MATIAS report – 2019/0151 (COD) / Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: boosting the innovation talent and capacity of Europe (Decision) – CARVALHO report – 2019/0152 (COD)

The Commission approved the line set out in SI(2020) 224.

- Amendment of Regulation (EU) No 654/2014 of the European Parliament and of the Council concerning the exercise of the Union's rights for the application and enforcement of international trade rules (Regulation) – VEDRENNE report – 2019/0273 (COD)

The Commission approved the line set out in SI(2020) 228.

- Amendment of Regulation (EU, Euratom) No 883/2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) as regards cooperation with the European Public Prosecutor's Office and the effectiveness of OLAF investigations (Regulation) – MARINESCU report – 2018/0170 (COD)

The Commission approved the line set out in SI(2020) 227/2.

4.2. RELATIONS WITH PARLIAMENT

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

(SP(2020) 313)

The Commission decided to empower the Members of the Commission responsible for the sectors in question, in agreement with the PRESIDENT

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(2020) 313, drawn up following the part-session of Parliament of 8 to 10 July 2020, the contents of which were noted.

iii) Action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its June 2020 part-session
(point 5.6.1 of the IRG record)

The Commission approved document SP(2020) 326 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its June 2020 part-session, for transmission to Parliament.

5. COORDINATION OF EXTERNAL ACTION
(RCC(2020) 98/2)

The Commission took note of the operational conclusions in RCC(2020) 98 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 8 July 2020.

6. MONITORING THE APPLICATION OF EUROPEAN UNION LAW
STATE AID AND OTHER COMPETITION RULES

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

7. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

7.1. WRITTEN PROCEDURES APPROVED
(SEC(2020) 240 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 6 and 10 July 2020.

7.2. EMPOWERMENT
(SEC(2020) 241 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 6 and 10 July 2020.

7.3. DELEGATION / SUBDELEGATION OF POWERS
(SEC(2020) 242 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 6 and 10 July 2020 archived in Decide.

7.4. SIGNIFICANT WRITTEN PROCEDURES
(SEC(2020) 243 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 13 and 17 July 2020.

8. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2020) 244 AND /2)

ADMINISTRATIVE MATTERS
(PERS(2020) 55 AND /2)

At the PRESIDENT's invitation, Mr HAHN presented three additional proposals for administrative decisions which were tabled directly to the College for approval.

Mr HAHN explained that it was proposed that Mr Michael SCANNELL be appointed to the post of Deputy Director-General in DG Agriculture and Rural Development.

(15 July 2020)

He highlighted the great skills, outstanding career across various Commission departments and recognised expertise of Mr SCANNELL, which would be valuable assets in his new post.

There was also a proposal to transfer in the interest of the service, under Article 7 of the Staff Regulations, Mr Christian DANIELSSON, currently Director-General of DG Neighbourhood and Enlargement Negotiations, to the post of Head of the Commission Representation in Stockholm, Sweden. He noted that, by derogation from the Commission Decision on middle management staff, the post of Head of the Commission Representation in Stockholm would be upgraded to the level of senior management for the duration of Mr DANIELSSON's posting.

Lastly, Mr HAHN proposed that the College authorise the internal publication at grade AD15/16 of the vacancy notice for the post of Director-General of DG Health and Food Safety, which would fall vacant on the retirement of Ms Anne BUCHER in the autumn.

**8.1. DG AGRICULTURE AND RURAL DEVELOPMENT – APPOINTMENT
OF AD 15/16 DEPUTY DIRECTOR-GENERAL
(PERS(2019) 77 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 of DG Agriculture and Rural Development (PERS(2019) 77).

It took note of the opinions of the Consultative Committee on Appointments of 17 July 2019 and 20 May 2020 (PERS(2019) 77/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Mr WOJCIECHOWSKI, it then decided to appoint Mr Michael SCANNELL to the post.

This decision would take effect on 16 July 2020.

8.2. DG HEALTH AND FOOD SAFETY – INTERNAL PUBLICATION OF THE VACANCY NOTICE FOR AN AD15/16 DIRECTOR-GENERAL (PERS(2020) 60)

On a proposal from Mr HAHN, in agreement with the PRESIDENT, and after consulting Ms KYRIAKIDES, the Commission decided to authorise the publication, under Article 29(1)(a)(i) of the Staff Regulations, of the vacancy notice in PERS(2020) 60 for the post of Director-General of DG Health and Food Safety.

This decision would take effect immediately.

8.3. DG COMMUNICATION – AMENDMENT OF ORGANISATION CHART AND APPOINTMENT OF AD16 HEAD OF THE EUROPEAN COMMISSION REPRESENTATION IN STOCKHOLM

On a proposal from Mr HAHN, in agreement with the PRESIDENT, the Commission decided to transfer in the interest of the service, under Article 7 of the Staff Regulations, Mr Christian DANIELSSON, an AD16 official and currently Director-General of DG Neighbourhood and Enlargement Negotiations, to the post of Head of the Commission's Representation in Stockholm.

By derogation from the Commission Decision on middle management staff (C(2016) 3288), the post of Head of the Commission Representation in Stockholm would be upgraded to the level of senior management for the duration of Mr DANIELSSON's posting.

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

**8.4. DG BUDGET – APPOINTMENT OF AD 14/15 DIRECTOR
(PERS(2020) 56 TO /3)**

The Commission had before it an application under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Asset and Financial Risk Management’ Directorate in DG Budget (PERS(2020) 56).

It took note of the opinions of the Consultative Committee on Appointments of 23 June and 2 July 2020 (PERS(2020) 56/2 and /3).

The Commission proceeded to consider the applicant’s qualifications for the post. It also considered his ability, efficiency and conduct in the service. On a proposal from Mr HAHN, in agreement with the PRESIDENT, it then decided to appoint Mr Niall BOHAN to the post.

This decision would take effect on 16 July 2020.

**8.5. DG COMPETITION – APPOINTMENT OF AD 14/15 DIRECTOR
(PERS(2020) 57 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 ‘Policy and Strategy’ Directorate in DG Competition (PERS(2020) 57).

It took note of the opinions of the Consultative Committee on Appointments of 22 June and 2 July 2020 (PERS(2020) 57/2 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 HAHN, in agreement with the PRESIDENT, and after consulting Ms VESTAGER, it then decided to appoint Ms Inge BERNAERTS to the post.

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

8.6. DG HUMAN RESOURCES AND SECURITY – SUSPENSION OF THE APPLICATION OF ARTICLE 3(1) OF COMMISSION DECISION C(2013) 9049 ON POLICIES FOR THE ENGAGEMENT AND USE OF TEMPORARY AGENTS, AND AUTHORISATION TO DEPART FROM THE RULES ON CLASSIFICATION IN GRADE

Having taken note of the information in point 3 of PERS(2020) 55 and, in order to allow its departments sufficient room for manoeuvre to cover staffing needs in the context of the additional allocation of resources and, in particular, to attract quickly specialists in the fields needed to combat the effects of the COVID-19 pandemic on the economic, social and health environment, and to implement the future multiannual financial framework and the new recovery instrument, Next Generation EU, the Commission, acting on a proposal from Mr HAHN, in agreement with the PRESIDENT, decided:

- to extend until 30 June 2021 the suspension of the application of Article 3(1) of Commission Decision C(2013) 9049 on policies for the engagement and use of temporary agents, that suspension having been initially introduced by its Decision of 30 October 2019 (see also the Minutes of the 2313th meeting of the Commission);
- to authorise DG Human Resources and Security, during that period and in exceptional circumstances, to depart from the rules on classification in grade for the ‘Administrators’ function group laid down in Article 3(2)(a) of Commission Decision C(2013) 9049, where the interest of the service requires certain skills and specific professional experience that are particularly relevant for a given job.

These decisions would take effect immediately.

**9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – SHORT-TERM EU HEALTH PREPAREDNESS FOR COVID-19 OUTBREAKS
(COM(2020) 318 TO /3; RCC(2020) 127)**

At the invitation of the PRESIDENT, Mr SCHINAS presented to the College, for approval, the Communication on short-term EU health preparedness for COVID-19 outbreaks. He pointed out that, while the virus was now better known, the EU must, however, remain vigilant and cautious, which was why the Commission was presenting a set of measures to respond to a potential second wave of COVID-19. Drawing on the lessons of the past few months, the Union could now plan ahead to avoid having to improvise, reinforcing its response capability on all fronts, preserving the single market and its main freedoms, and facilitating the path towards economic and social recovery across the EU.

The action plan presented in the Communication was a tool to be used when necessary, which would also help alleviate the impact of seasonal influenza.

In particular, referring to the restrictions imposed by certain Member States at the EU's internal borders, he stressed the importance of a systemic approach to make such restrictions subject to a set of criteria, thereby providing a better framework for Member States' decisions in this area. He also reminded the meeting of the need for close coordination at EU level of action taken by Member States in the management of the external borders.

Mr SCHINAS went on to stress that the Communication did not in any way constitute a review of the procedures put in place to deal with the pandemic, but rather aimed to propose measures needed to improve response capability, including testing and contact tracing, public health surveillance and better access to personal protective equipment, medicines and medical devices. Some of these measures would help the health sector to cope with a sharp rise in demand for health care,

while others covered non-pharmaceutical countermeasures, support for minorities and vulnerable people, and ways of mitigating the impact of seasonal influenza.

Ms KYRIAKIDES viewed this Communication as an investment not only in public health but also in the recovery of the EU economy. While the Union was no longer the epicentre of the pandemic, the virus was still present and was spreading, with an increase in the number of new cases in several Member States and neighbouring countries. Global figures were still very worrying.

She therefore considered that, with good preparation, the European Union could avoid the risk of another general lockdown by limiting local outbreaks, provided that the Member States followed the recommendations set out in the Communication. If the epidemic was not contained, governments would simply have no choice but to reinstate lockdown measures to protect lives rather than maintain livelihoods, which would have devastating effects on an already ailing economy, and would annihilate the recovery plans.

The Communication thus set out the main lessons, both positive and negative, drawn from this experience in order to identify key measures that the national authorities, the Commission and the EU agencies would have to take over the coming months. The measures aimed to (i) strengthen testing, contact tracing and public health surveillance by health organisations in order to map clusters and contain the spread of outbreaks; (ii) ensure a smooth supply of personal protective equipment, medicines and medical devices through mechanisms such as urgent joint procurement procedures and the establishment of EU strategic stockpiles; (iii) ensure rapid access to increased public health system capacities without neglecting other areas of health care, in particular by financing the transfer of medical staff and patients between Member States and by coordinating the deployment of emergency medical teams and equipment in the countries that request it under the Union Civil Protection Mechanism; (iv) ensure targeted and localised non-pharmaceutical measures informed by research and evidence and the timely exchange of information on the effectiveness of re-introduced measures; (v) help vulnerable groups such as the elderly, people with underlying health

conditions and the socially marginalised by sharing best practice in screening, health care and treatment, such as, for instance, providing them with mental health assistance and psychosocial support, and (vi) alleviate the burden of seasonal influenza to avoid further pressure on health systems that were already under severe strain by increasing vaccine coverage and ensuring, among other things, additional procurement of influenza vaccines.

Ms KYRIAKIDES underlined in particular the usefulness of testing and contact tracing applications in the fight against the pandemic.

Although the supply of medicinal products, personal protective equipment and medical devices had improved, there were nevertheless considerable gaps in terms of assessing Member States' needs in the event of an upsurge in new clusters. Despite the ongoing work to provide vaccines, the risk of further outbreaks of COVID-19 up to the end of 2020 could not be ruled out.

It was therefore essential to continuously strengthen health care systems, in particular in the event that the EU was faced with a deadly combination of COVID-19 and seasonal influenza.

Ms KYRIAKIDES said that she would be sending a letter that very day to the Member States' Health Ministers to inform them of the measures taken by the Commission. She asked the Commission Members to pass on the messages she had just presented in their respective policy areas and to the governments of the Member States.

Mr BRETON emphasised how important it was for the Commission to inform Health Ministers on a regular basis ahead of initiatives taken at European Union level, especially with the prospect of a second outbreak in the autumn. He pointed out that the European Union and Member States had made considerable progress on preparedness since the first wave of COVID-19. In particular, he noted the greater use being made of contact tracing applications in some ten Member States, making effective tracing of new infections possible. He argued in favour of active

communication to promote these apps in those Member States where insufficient acceptance of such tools had prevented a rollout at national level to date. He also highlighted the central role that the Commission had to play in providing a platform capable of ensuring the interoperability of these apps.

He further felt that it was vital to avoid the fragmentation of the single market seen during the first wave of the disease when Member States acted without coordination. For this reason, the Commission was to set up a ‘Single Market Enforcement Task Force’ (SMET), tasked with assessing the compliance of Member States’ legislation with single market rules, prioritising the most urgent barriers, addressing unwarranted overregulation, discussing horizontal enforcement issues and monitoring implementation of the proposed action plan.

Mr BRETON ended by noting that the Commission had set up a clearing house for medical equipment which facilitated the identification of available supplies, including testing kits, and checked whether they corresponded to demand in the Member States.

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

- the application of different criteria depending on the Member State in terms of testing methods and quarantine and hospitalisation procedures for people that tested positive, which inevitably gave rise to a certain degree of confusion and would benefit from a rethink based on common criteria and guidelines;
- the vital need to prevent unilateral restrictions on travel from being imposed at the internal borders of the European Union (which often had more to do with internal political considerations than any scientific evidence), by strengthening coordination between Member States to ensure a coherent approach;
- the advisability of maintaining the network of national contact points in charge of coordinating the management of the reserved lanes established in the transport field during the first wave of COVID-19.

Mr SCHINAS noted that the key to combating the virus effectively lay in close and ongoing coordination of the action of Member States. From this standpoint, he argued that the Commission should above all propose common guidelines and criteria for coherent collective action, with the European Union acting as a framework for coordinating the implementation of a common response to the pandemic.

Ms KYRIAKIDES commented that when the Commission had adopted guidelines on testing in March, the European Union did not have at that point a sufficient number of testing kits to carry out widespread testing. This was no longer the case. She also emphasised the importance of using contact tracing applications every time a new COVID-19 case was detected in order to identify all the people that might have caught the virus. She added that she would pursue her contacts with European Union Health Ministers to encourage them to align their methods and procedures to counter the pandemic.

She noted that the number of COVID-19 hospital admissions was undoubtedly the most reliable method of tracking the spread of the pandemic rather than the number of cases detected, which depended in part on the extent of testing undertaken.

The PRESIDENT commented that the economic upturn following the first wave of the COVID-19 virus was proving more sluggish than expected making it harder to obtain an accurate overview of the situation within the European Union. On travel restrictions at internal borders, she noted that Member States continued to apply different arrangements, which only added to the continued confusion on the subject. Nonetheless, she pointed out that the European Union was now better prepared for another outbreak of the pandemic, with the virus likely to remain active for a long time, which called for heightened vigilance over the coming months, despite the weariness of a part of the population at having to take so many preventive measures.

She saw a link between travel restrictions at borders and testing, irrespective of the methods used. She emphasised, moreover, the importance of systematically using contact tracing applications. She also mentioned the possibility of calling on the

European Centre for Disease Prevention and Control (ECDC) to come up with common rules for monitoring the spread of the disease at European Union level. She therefore asked the Commissioners responsible to report to the College subsequently on the work undertaken to develop a clear and functional monitoring system and a communication plan capable of convincing the population of the merits of closely monitoring the spread of the virus with its assistance.

The PRESIDENT noted that the European Union alone had an overall view of the state of the pandemic and it should therefore ensure that Member States followed the Commission's guidelines.

To conclude, she emphasised communication to the public, which should not only be based on scientific evidence, but also influence behaviour.

Following this presentation, the Commission approved the Communication in COM(2020) 318/3 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments.

10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – AN ACTION PLAN FOR FAIR AND SIMPLE TAXATION SUPPORTING THE RECOVERY STRATEGY

(COM(2020) 312 AND /2; RCC(2020) 126)

11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON TAX GOOD GOVERNANCE IN THE EU AND BEYOND

(COM(2020) 313 AND /2; RCC(2020) 126)

**12. PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING
DIRECTIVE 2011/16/EU ON ADMINISTRATIVE COOPERATION IN THE
FIELD OF TAXATION**

**(COM(2020) 314 AND /2; SWD(2020) 131; SWD(2020) 130; SWD(2020) 129;
SEC(2020) 271; RCC(2020) 126)**

The PRESIDENT asked Mr DOMBROVSKIS and Mr GENTILONI to present to the College the package of measures for fairer and simpler taxation, submitted for its approval that day.

Mr DOMBROVSKIS referred to the aims of this ambitious package, explaining that the goal was to strengthen fair taxation by ramping up the fight against tax abuse, ending unfair tax competition and improving fiscal transparency. Further goals were to remove tax obstacles, simplify and modernise tax rules and procedures, and thus avoid unintentional fraud and mistakes that could be caused by the complexity of 27 taxation systems.

He presented the three initiatives in this package of measures.

The first was an action plan setting out 25 measures, the goal of which was to make taxation simpler, fairer and better suited to the modern economy in the coming years. These measures would make life easier for honest taxpayers by removing obstacles at each stage of the taxpayers' journey, and help Member States exploit the potential of new technology to combat tax fraud more effectively, improve compliance with rules and reduce administrative burdens.

As regards the communication on tax good governance, the second initiative in the package presented that day, Mr DOMBROVSKIS explained that it focused on promoting fair taxation and combating unfair tax competition both in the EU and internationally.

In this context, the Commission invited the Member States to consider reforming the Union's Code of Conduct on business taxation. It also proposed that improvements be made to the EU list of non-cooperative jurisdictions for tax

purposes, with a view to encouraging third countries to adopt tax good governance standards. Moreover, on 14 July 2020, the Commission had adopted a recommendation inviting Member States to make the granting of State support for EU undertakings conditional on the absence of links with jurisdictions which featured on the list (PE/2020/4882; C(2020) 4885).

Lastly, Mr DOMBROVSKIS turned to the third initiative: a legislative proposal to amend the Directive on administrative cooperation by extending the EU rules on tax transparency to cover digital platforms, to ensure that all operators benefiting from them also paid their fair share of tax. This proposal thus aimed to ensure that Member States automatically exchanged information on the revenues generated by sellers through online platforms.

Mr GENTILONI touched briefly on each of the three initiatives forming the current Commission's first notable contribution to achieving the ambitious tax programme it intended to implement in the next few years. He noted that tax matters were subject to the 'small-steps' approach and asked the College not to underestimate the importance of the step forward proposed by that day's package of measures.

He stressed in particular the importance of the action plan for fair and simple taxation, which would assure Member States of the reliable tax revenues they needed, now more than ever, for the socio-economic recovery of the Union following the COVID-19 pandemic.

He also emphasised the crucial, if discrete, role played by the Council's Code of Conduct Group (Business Taxation) in tax coordination on the international stage. He stressed that the proposals set out in the communication on tax good governance were a solid foundation for making this group function more efficiently, for example by introducing qualified majority voting in its decision-making procedures.

Lastly, he pointed out that the automatic exchange of data on profits made through digital platforms, as envisaged in the legislative proposal mentioned, was a tool with

which to combat tax fraud in today's digital world, and not a measure for the taxation of digital services.

Mr GENTILONI also gave a brief overview of the state of play on the talks on the taxation of digital services and minimum effective taxation, to which the Union was actively contributing in international fora. The Commission intended to take these matters forward in 2021.

As regards the talks taking place within the OECD, he regretted a certain disengagement on the part of the US, and expressed concern about the possible consequences of the investigation launched by that country into the effects of the tax that France planned to impose on the digital giants.

He also referred to the US proposal to pursue negotiations on minimum effective taxation in the G20 while postponing talks on the taxation of digital services to a later date. He set out the reasons why the Commission and the Member States considered that these two sets of talks needed to be held in parallel, recalling in particular the non-binding nature of any agreement on minimum effective taxation in the G20.

In conclusion, Mr GENTILONI placed these overall talks in the context of the forthcoming decisive debate on the Union's new system of own resources proposed by the Commission, which included a new Carbon Border Adjustment Mechanism, a digital tax and the enlargement of the greenhouse gas emission quota trading system.

On the latter point, the PRESIDENT welcomed the fact that the negotiating box presented on 10 July by the European Council President, Charles MICHEL, ahead of the extraordinary European Council meeting on the 2021-2027 multiannual financial framework and the Next Generation EU emergency temporary recovery instrument, upheld the principle of reforming the own resources system. She reiterated her determination to defend this reform.

In this regard, Charles MICHEL had suggested beginning repayments in 2026 – and not 2028 as proposed by the Commission – of the loans that the Commission would be empowered to raise on the markets as part of Next Generation EU. She felt that this commitment would mobilise the Member States to rapidly create new own resources, which would help to finance these repayments.

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

- the right direction taken with this package of measures, the aim of which was to make taxation fairer, simpler and better suited to the digital world;
- the highly appropriate timing of these three initiatives given that the Member States and third countries needed to have all of their tax revenue available in order to cushion the huge socio-economic consequences of the COVID-19 pandemic and to support the recovery;
- the importance of promoting fairer taxation and of combating tax fraud and tax evasion, which resulted in significant tax revenue losses for the State and often benefited entities that were already wealthy and well equipped to avoid paying their fair share of tax;
- the ever-more pressing need to actively work towards establishing a digital services tax, minimum effective taxation and a common consolidated corporate tax base;
- the clear added value of the Union’s Code of Conduct on Business Taxation and of tax good governance;
- support for the proposal to revisit the process used to compile the Union’s list of non-cooperative jurisdictions for tax purposes, and in particular to review the criteria for inclusion on that list;

- concern regarding the announcement made in measure 24 of the Action Plan that the Commission would review the *de facto* VAT exemptions that currently existed in the passenger transport sector, particularly for international air and maritime transport;
- the observation that the package of measures presented that day to promote fair taxation was obviously important for businesses and citizens, as they were all subject to tax, and a call to seize the opportunity this gave the Commission to communicate with taxpayers in a positive way;
- encouragement to accelerate the pace of the small steps taken in the area of taxation.

At the end of this discussion, the Commission:

- approved the Communications in COM(2020) 312/2 and COM(2020) 313/2 for transmission to Parliament and the Council and, for information, to the European Economic and Social Committee, and to the national parliaments;
- adopted the proposal for a Council Directive in COM(2020) 314/2, for transmission to Parliament, the Council, the European Economic and Social Committee, and the national parliaments, together with the impact assessment and the summary thereof, the subsidiarity grid and the opinion of the Regulatory Scrutiny Board in SWD(2020) 131, SWD(2020) 130, SWD(2020) 129 and SEC(2020) 271, the contents of which were noted.

13. OTHER BUSINESS

13.1. PREPARATIONS FOR THE EXTRAORDINARY EUROPEAN COUNCIL MEETING ON THE 2021-2027 MULTIANNUAL FINANCIAL FRAMEWORK AND THE ‘NEXT GENERATION EU’ TEMPORARY EMERGENCY INSTRUMENT TO SUPPORT THE RECOVERY (BRUSSELS, 17 AND 18 JULY 2020)

The Commission referred to the latest discussions taking place ahead of the extraordinary meeting of the European Council, which would be dedicated to the 2021-2027 multiannual financial framework and the ‘Next Generation EU’ European recovery plan, and would be held in Brussels on 17 and 18 July.

13.2. LATEST DEVELOPMENTS IN EXTERNAL RELATIONS

The Commission took stock of the latest developments in external action policy, in particular it referred to the situations in Azerbaijan and Armenia, Libya, Venezuela, Serbia and Kosovo*, and the advance of COVID-19 pandemic across Latin America and the Caribbean

13.3. JUDGMENT OF THE GENERAL COURT OF THE EUROPEAN UNION IN ‘IRELAND v COMMISSION’ (T-778/16) AND ‘APPLE SALES INTERNATIONAL AND APPLE OPERATIONS EUROPE v COMMISSION’ (T-892/16)

Ms VESTAGER asked to take the floor at the end of the meeting to inform the College that the General Court of the European Union had just handed down its judgment in *Ireland v Commission* (T-778/16) and *Apple Sales International and Apple Operations Europe v Commission* (T-892/16).

* This designation is without prejudice to positions on status, and is in line with UN Security Council Resolution 1244/99 and the International Court of Justice Opinion on the Kosovo declaration of independence.

(15 July 2020)

She regretted to announce that the Court had decided to annul the Commission decision of 30 August 2016 in which the Commission had found that the tax rulings adopted by the Irish tax authorities in 1991 and 2007 to determine the taxable profits of Apple Sales International and Apple Operations Europe in Ireland constituted State aid that was incompatible with the internal market.

The Court's reasoning would need to be examined in detail without delay.

She explained that the Commission could decide to lodge an appeal against the judgment before the Court of Justice of the European Union within two months of the judgment being notified.

The PRESIDENT confirmed that the Court's arguments needed to be analysed very carefully.

She reiterated the importance of the current Commission's firm commitment to promoting fair taxation, which was one of the cornerstones of the European social market economy. She reminded the College that, when profits were generated, fair amounts of taxes and levies must be paid to contribute to social security systems, education systems and infrastructure.

The Commission took note of this information.

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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 11.54.