

# ESMA Newsletter – N°7

02 September

## [ESMA STRENGTHENS LIQUIDITY STRESS TESTS FOR INVESTMENT FUNDS](#)

The European Securities and Markets Authority (ESMA) has published its final guidance regarding liquidity stress tests of investment funds – applicable to both Alternative Investment Funds (AIFs) and Undertakings for the Collective Investment in Transferable Securities (UCITS).

27 August

## [ESMA issues opinions on product intervention measures by Slovenia](#)

The European Securities and Markets Authority (ESMA) has issued two positive opinions on product intervention measures taken by the National Competent Authority (NCA) of Slovenia. ESMA's opinion finds that the proposed measures are justified and proportionate and that it is necessary for NCAs of other Member States to take product intervention measures that are at least as stringent as ESMA's measures.

07 August

## [MIFID II: ESMA ISSUES LATEST DOUBLE VOLUME CAP DATA](#)

The European Securities and Markets Authority (ESMA) has updated its public register with the latest set of double volume cap (DVC) data under the Markets in Financial Instruments Directive (MiFID II).

06 August

## [ESMA calls for data experts to join industry advisory group](#)

The European Securities and Markets Authority (ESMA) has issued a call for candidates for its newly-established Data Advisory Group (DAG).

01 August

## [MiFID II: ESMA makes new bond liquidity data available](#)

The European Securities and Markets Authority (ESMA) has started to make available new data for bonds subject to the pre- and post-trade requirements of the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR) through its data register.

01 August

## [MiFID II: ESMA publishes data for the systematic internaliser calculations for equity, equity-like instruments and bonds](#)

The European Securities and Markets Authority (ESMA) has published data for

the systematic internaliser calculations for equity, equity-like instruments and bonds under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).

31 July

[ESMA ceases renewal of product intervention measures relating to contracts for differences](#)

The European Securities and Markets Authority (ESMA), the EU securities markets' regulator, will not renew the temporary restriction on the marketing, distribution or sale of contracts for differences to retail clients in the European Union (EU).

31 July

[ESMA publishes responses to its EMIR 2.2 Consultations](#)

The European Securities and Markets Authority (ESMA) has published the responses received to its Consultations on tiering, comparable compliance and fees under EMIR 2.2

31 July

[ESMA publishes responses to its Consultation on reporting guidelines under SFTR](#)

ESMA publishes responses to its Consultation on Guidelines for reporting under Articles 4 and 12 SFTR.

31 July

[ESMA issues opinions on product intervention measures by Germany, Hungary, Malta and Poland](#)

The European Securities and Markets Authority (ESMA) has issued four opinions on product intervention measures taken by the following National Competent Authorities (NCAs) of Germany, Hungary, Malta and Poland.

29 July

[ESMA updates Q&As on MiFIR data reporting](#)

The European Securities and Markets Authority (ESMA) has updated its Questions and Answers(Q&As) on data reporting under the Market in Financial Instruments Regulation (MiFIR).

24 July

[ESMA issues opinions on product intervention measures by Bulgaria, Denmark and Croatia](#)

The European Securities and Markets Authority (ESMA) has issued four positive opinions on product intervention measures taken by the National Competent

Authorities (NCAs) of Bulgaria, Denmark and Croatia.

23 July

[ESMA updates register of derivatives to be traded on-venue under MiFIR](#)

The European Securities and Markets Authority (ESMA) has updated the public register of those derivative contracts that are subject to the trading obligation under the Markets in Financial Instruments Regulation (MiFIR).

22 July

[ESMA publishes its annual peer review report on EU CCPs supervision](#)

The European Securities and Markets Authority (ESMA) has published its annual peer review report on the overall supervision of EU Central Counterparties (CCPs) by National Competent Authorities (NCAs).

19 July

[ESMA readies stress testing requirements for money market funds](#)

The European Securities and Markets Authority (ESMA) has issued two sets of guidelines regarding the stress testing of money market funds and reporting on money market funds to national competent authorities (NCAs), aimed at ensuring a coherent application of the Money Market Fund (MMF) Regulation.

18 July

[ESMA advises on credit rating sustainability issues and sets disclosure requirements.](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has published its technical advice on sustainability considerations in the credit rating market and its final guidelines on disclosure requirements applicable to credit ratings.

17 July

[ESMA provides updated Q&As, XML schema and validation rules for securitisation reporting](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has published several additional resources to assist market participants in the implementation of ESMA's draft technical standards on disclosure requirements for the Securitisation Regulation (SR).

17 July

[ESMA launches call for evidence on certain investor protection topics in the context of the reports to be submitted by the EC under Article 90 of MiFID II](#)

The European Securities and Markets Authority (ESMA) has published a call for

evidence on certain investor protection topics included in the EC mandate to ESMA on the reports to be submitted by the EC under Article 90 of MiFID II.

17 July

#### [ESMA REPORTS ON NCAS' USE OF SANCTIONS UNDER MiFID II](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has published today its first report concerning sanctions and measures imposed under MiFID II by National Competent Authorities (NCAs).

17 July

#### [ESMA issues an opinion on product intervention measures by the Czech Republic](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has issued a positive opinion on product intervention measures taken by the National Competent Authority (NCA) of the Czech Republic.

16 July

#### [ESMA publishes the 23rd extract from the EECs database](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has published an extract from its confidential database of enforcement decisions on financial statements.

16 July

#### [ESMA consults on performance fee guidelines for retail funds, seeking greater harmonisation](#)

The European Securities and Markets Authority (ESMA) launched today a public consultation on draft guidelines on performance fees under the Undertakings for Collective Investments in Transferable Securities (UCITS) Directive.

15 July

#### [ESMA updates its EMIR Q&A](#)

The European Securities and Markets Authority (ESMA) has issued today an update of its Q&A on practical questions regarding the European Markets Infrastructure Regulation (EMIR).

**15 July**

#### [ESMA sets out expectations regarding application of IAS 12](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has published a Public Statement on IAS 12 Income Taxes, setting out its expectations regarding the application of the requirements

relating to the recognition, measurement and disclosure of deferred tax assets (DTAs) arising from unused tax losses in IFRS financial statements.

15 July

[ESMA amends enforcement decisions for Nordic banks following appeal](#)

The European Securities and Markets Authority (ESMA) has published amended enforcement decisions regarding Nordea Bank, Svenska Handelsbanken, SEB, and Swedbank following a decision by the Board of Appeal of the European Supervisory Authorities (BoA).

15 July

[ESMA fines Regis-TR S.A. €56,000 for data access failures](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has fined the trade repository Regis-TR S.A. €56,000, and issued a public notice, for negligently failing to provide to regulators direct and immediate access to details of derivative contracts.

15 July

[ESMA consults on MiFID II compliance function requirements](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has launched a consultation on draft guidelines on certain aspects of the compliance function requirements under MiFID II.

12 July

[ESMA addresses derivatives trading obligation concerns following entry into force of EMIR Refit](#)

The European Securities and Markets Authority (ESMA) has published a public statement addressing the misalignment between the scope of counterparties subject to the EMIR clearing obligation (CO) and those subject to the MiFIR derivatives trading obligation (DTO).

12 July

[ESMA publishes responses to its Consultation on indices and recognised exchanges under the CRR](#)

ESMA publishes responses to its Consultation on indices and recognised exchanges under the Capital Requirements Regulation.

**12 July**

[ESMA consults on disclosure guidelines under the Prospectus Regulation](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has launched a public consultation concerning its draft Guidelines on disclosure requirements under the Prospectus Regulation (PR).

12 July

[ESMA updates its Q&As relating to the Prospectus Regulation](#)

The European Securities and Markets Authority (ESMA) has today included twenty-five new Q&As relating to Regulation (EU) 2017/1129 (the 'Prospectus Regulation').

12 July

[ESMA launches consultation on cost of market data and consolidated tape](#)

The European Securities and Markets Authority (ESMA), the EU securities markets' regulator, has launched a public consultation on the development in prices for pre- and post-trade data and on the post-trade consolidated tape (CT) for equity instruments.

12 July

[ESMA updates the ESEF Reporting Manual](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has published an update of its European Single Electronic Format (ESEF) Reporting Manual (Manual).

12 July

[ESMA publishes responses to its Call for evidence on position limits in commodity derivatives](#)

The European Securities and Markets Authority (ESMA) has published the responses received to its Call for evidence on position limits in commodity derivatives.

12 July

[ESMA publishes report on the licencing of FinTech firms across Europe](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, publishes a report on the status of licencing regimes of FinTech firms across the European Union (EU). The report is based on two surveys conducted by ESMA since January 2018, which gathered evidence from national competent authorities (NCAs) on the licensing regimes of FinTech firms in their jurisdictions.

12 July

[ESMA updates its Q&As on MiFID II and MiFIR market structure and transparency topics](#)

The European Securities and Markets Authority (ESMA) has updated its Questions and Answers regarding market structures and transparency issues under the Market in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).

## **12 July**

### [ESMA warns CFDs providers on application of product intervention measures](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has published a statement addressed to providers marketing, distributing or selling contracts for differences (CFDs) to retail clients. The statement is in response to various practices and situations observed in the market, which raise concerns of non-compliance with the legal requirements applicable when providing services to retail clients.

## **11 July**

### [ESMA updates the CSDR Q&As](#)

The European Securities and Markets Authority (ESMA) has today updated its Questions and Answers (Q&As) regarding the implementation of the Central Securities Depository Regulation (CSDR).

## **11 July**

### [ESMA updates Q&As on MiFID II and MiFIR investor protection and intermediaries](#)

The European Securities and Markets Authority (ESMA) has updated its Questions and Answers on the implementation of investor protection topics under the Market in Financial Instruments Directive and Regulation (MiFID II/MiFIR).

## **11 July**

### [ESMA appoints a new member to its SMSG](#)

The European Securities and Markets Authority (ESMA) has appointed a new member to its Securities and Markets Stakeholder Group (SMSG).

## **11 July**

### [ESMA reappoints three members of its Management Board](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has reappointed three current members of its Management Board for a further 2½ year term that will begin on 1 October 2019. The members current terms will expire on 30 September 2019.

## **11 July**

### [ESMA reappoints three members of its Management Board](#)

The European Securities and Markets Authority (ESMA), the EU's securities markets' regulator, has reappointed three current members of its Management Board for a further 2½ year term that will begin on 1 October 2019. The members current terms will expire on 30 September 2019.

## 11 July

### [ESMA updates its Q&As regarding the Benchmark Regulation](#)

The European Securities and Markets Authority (ESMA) has issued an update of its Question and Answers (Q&As) on the European Benchmarks Regulation (BMR). The new Q&As provide clarification on the following issues:

- the commodity benchmark definition; and
- the contribution to the euro short-term rate (€STR).

## 7 July

### [Update of annual equity transparency calculations – application of the tick size regime for third-country shares](#)

On 21 June 2019 ESMA has published the updated results of the annual equity transparency calculations. The updated results are due to apply from 8 July 2019.

## 5 July

### [MIFID II: ESMA ISSUES LATEST DOUBLE VOLUME CAP DATA](#)

The European Securities and Markets Authority (ESMA) has updated its public register with the latest set of double volume cap (DVC) data under the Markets in Financial Instruments Directive (MiFID II).

## 5 July

### [Beyond Ratings SAS' CRA registration withdrawn](#)

The European Securities and Markets Authority (ESMA) has today withdrawn the credit rating agency (CRA) registration of the French Beyond Ratings S.A.S.

## 4 July

### [Authorisation of EURIBOR under the Benchmark Regulation](#)

The Financial Services and Markets Authority (FSMA) of Belgium, on 2 July 2019, has authorised EMMI as the administrator of EURIBOR under the Benchmark Regulation (BMR), following positive advice of the EURIBOR College of Supervisors.

## 2 July

### [ESMA publishes responses to its Consultation on draft RTS under the ELTIF Regulation](#)

The European Securities and Markets Authority (ESMA) has published the responses received to its Consultation on draft regulatory technical standards under Article 25 of the ELTIF Regulation.

## 2 July

## [ESMA broadens scrutiny of multiple withholding tax reclaim schemes](#)

The European Securities and Markets Authority (ESMA) has published a report on its preliminary findings on multiple withholding tax (WHT) reclaim schemes, following a European Parliament (EP) request, and has launched a formal inquiry to gather further evidence from national competent authorities (NCAs) on the supervisory practices regarding those schemes across the European Union (EU).

2 July

## [ESMA issues opinions on product intervention measures by Sweden, France and the United Kingdom](#)

The European Securities and Markets Authority (ESMA) has issued three opinions on product intervention measures taken by the National Competent Authorities (NCAs) of Sweden, France and the United Kingdom. ESMA's opinion finds that the proposed measures are justified and proportionate and that it is necessary for NCAs of other Member States to take product intervention measures that are at least as stringent as ESMA's measures.

2 July

## [ESMA withdraws the registration of Moody's Investors Service EMEA LTD](#)

The European Securities and Markets Authority (ESMA) has withdrawn the credit rating agency (CRA) registration of Moody's Investors Service EMEA Limited (MIS EMEA – UK).

1 July

## [ESMA ceases renewal of product intervention measure relating to binary options](#)

The European Securities and Markets Authority (ESMA), the EU securities markets' regulator, will not renew the temporary prohibition of the marketing, distribution or sale of binary options to retail clients in the European Union (EU).

1 July

## [ESMA updates the CSDR Q&As](#)

The European Securities and Markets Authority (ESMA) has updated its Questions and Answers(Q&As) regarding the implementation of the Central Securities Depository Regulation (CSDR).

1 July

## [ESMA issues opinions on product intervention measures by Cyprus, France, Malta and Sweden](#)

ESMA has issued four positive opinions on product intervention measures taken

by the National Competent Authorities (NCAs) of Cyprus, France, Malta and Sweden. ESMA's opinion finds that the proposed measures are justified and proportionate and that it is necessary for NCAs of other Member States to take product intervention measures that are at least as stringent as ESMA's measures.

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## [July 2019 compared with June 2019 – Volume of retail trade down by 0.6% in euro area – Down by 0.5% in EU28](#)

In July 2019 compared with June 2019, the seasonally adjusted volume of retail trade fell by 0.6% in the **euro area** (EA19) and by 0.5% in the **EU28**, according to estimates from **Eurostat, the statistical office of the European Union**. In June 2019, the retail trade volume increased by 1.2% in the **euro area** and by 1.3% in the **EU28**.

[Full text available on EUROSTAT website](#)

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## [Climate change threatens future of farming in Europe](#)

Adverse impacts of climate change are already being felt across Europe. Extreme weather, including recent heatwaves in many parts of the EU are already causing economic losses for farmers and for the EU's agriculture sector. Future climate change might also have some positive effects due to longer growing seasons and more suitable crop conditions, but these effects will be outweighed by the increase in extreme events negatively affecting the sector.

These adverse impacts are expected to increase, due to projected climate change, according to the EEA report '[Climate change adaptation in the agricultural sector in Europe](#).' The report looks at the key climate change problems facing agriculture in the EU and the outlook for the years ahead. It also gives an overview of how EU policies and programmes address climate change adaptation and includes examples of feasible and successful adaptation actions. The EEA assessment is consistent with the key messages from the [recent report](#) by the Intergovernmental Panel on Climate Change (IPCC) on climate change and land.

'New records are being set around the world due to climate change, and the adverse effects of this change are already affecting agricultural production in Europe, especially in the south. Despite some progress, much more must be done to adapt by the sector itself, and especially at farm-level, and future EU policies need to be designed in a way to facilitate and accelerate transition in this sector,' said Hans Bruyninckx, EEA Executive Director.

Climate impacts have led to poorer harvests and higher production costs, affecting price, quantity and the quality of farmed products in parts of Europe. While climate change is projected to improve conditions for growing crops in parts of northern Europe, the opposite is true for crop productivity in southern Europe. According to projections using a high-end emission scenario, yields of non-irrigated crops like wheat, corn and sugar beet are projected to decrease in southern Europe by up to 50 % by 2050. This could result in a substantial drop in farm income by 2050, with large regional variations.

In a similar scenario, farmland values are projected to decrease in parts of southern Europe by more than 80 % by 2100, which could result in land abandonment. Trade patterns are also impacted, which in turn affects agricultural income. While food security is not under threat in the EU, increased food demand worldwide could exert pressure on food prices in the coming decades, the report says.

### **Adaptation at farm level is key**

Most of the EEA member countries have national adaptation strategies in place. While all of these strategies include agriculture as a priority sector, only a limited number of countries included adaptation measures specific to the agriculture sector.

[The EU's adaptation strategy](#) is a key driver of adaptation actions in Europe. One of its objectives is to mainstream adaptation in various EU policies, including the Common Agricultural Policy (CAP). However, adaptation at the farm level often does not take place because of lack of financing, policy support to adapt, institutional capacity and access to adaptation know-how. The EEA report stresses that more knowledge, innovation and awareness raising are required to improve the effective use of the already available adaptation measures, like introducing adapted crops, improved irrigation techniques, field margins and agroforestry, crop diversification or precision farming ([see the figure](#)).

These practices should also lead to lower greenhouse gas and air pollutant emissions, better management of soil, land and water resources, which in turn will help preserve local ecosystems and biodiversity. The report also suggests that EU Member States should better prioritise adaptation in the agricultural sector, for example by increasing the financing of adaptation measures through the implementation of the CAP.

### **Figure 5.3. Measures at farm level**



[Source: EEA, 2019](#)

## **Agriculture remains a driver of climate change**

The agricultural sector also has a crucial role to play in reducing its greenhouse gas emissions. Agriculture accounts for around 10 % of all greenhouse gases in the EU. Methane (CH<sub>4</sub>) emissions from enteric fermentation make up the largest share and ammonia (NH<sub>3</sub>) and primary particulate matter (PM<sub>10</sub>) are the two most important air pollutants from agriculture. While greenhouse gas emissions from agriculture have decreased since 1990, more will need to be done by the sector to contribute to reaching EU greenhouse gas emission reduction targets by 2030 and 2050.

To reduce greenhouse gas and air pollutant emissions, Europe needs to reshape its food system and reduce agricultural emissions from fertilisers, manure storage and livestock. This can be achieved through improvements in fertiliser use, in manure handling efficiencies and in animal productivity through breeding for example. Consumer behaviour will also need to change. Changing diets, like eating less meat and reducing food waste would contribute to additional reductions.

## **New EU brochure on forestry and adaptation**

Related to the issue of climate change and adaptation, the European Commission's LIFE (The Financial Instrument for the Environment and Climate Action programme) [published a brochure on adaptation 'Ready, steady, green!'](#), which shows how LIFE helps farming and forestry adapt to climate change.

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## **Updating DRVs: job done, after 10 years and 34 nutrients**

The publication this week of dietary reference values (DRVs) for sodium and chloride marks the end of ten years of work by EFSA's nutrition scientists. It started in 2009 after the European Commission asked EFSA to update values last set in the 1990s for macronutrients such as proteins and carbohydrates, and all vitamins and minerals.

Many EFSA scientists have contributed to this achievement over the years. We asked the chairs and coordinators of two working groups to tell us more: Monika Neuhäuser-Berthold and Céline Dumas (vitamins); and Androniki 'Ada' Naska and Agnès de Sesmaisons-Lecarré (minerals).

***What is special about the two DRVs on sodium and chloride published this week?***



**Agnès de Sesmaisons-Lecarré**

*Agnès:* In Western diets sodium and chloride are mainly found in salt but are naturally present in most food. The body needs them to function but, when consumed in excess, they can cause elevated blood pressure, a risk factor for cardiovascular disease. EFSA experts concluded that 2g of sodium per day is both safe and adequate for the adult population. European intakes in adults are typically higher so EU decision-makers can use this value where appropriate to set population targets for reducing sodium intake.

*Ada:* It's really satisfying to see the final two DRVs published. Sodium and chloride are good examples of the challenges of setting DRVs when there is a complex physiological interplay between several nutrients. Knowing how much of these nutrients is necessary, adequate or tolerable are multifaceted scientific questions.

***What are DRVs?***



**Monika Neuhäuser-Berthold**

*Monika:* DRVs are science-based nutrient reference values for the daily intake of healthy populations. It is important to emphasise that DRVs are not nutrient goals or recommendations for individuals. They vary by life-stage and gender. Insufficient or excessive dietary intakes of nutrients are associated with an increasing risk of diseases.

*Agnès:* Historically, DRVs were developed to address undernutrition, i.e. a lack of calories and micronutrients due to insufficient foods. In recent

decades, we've seen a rise in diet-related chronic diseases such as obesity, type 2 diabetes, cardiovascular diseases and some cancers, which has moved the focus of nutrition research. So now, when we are setting DRVs, we have to consider new types of data, such as large-scale population studies, to see how nutrient intakes and the risk of diseases come into play.



**Androniki 'Ada' Naska**

***Who uses the DRVs that EFSA has set?***

*Céline:* Many people! Policymakers use DRVs to establish food-based dietary guidelines that help consumers make healthy dietary choices. Risk managers use them to set labelling reference values to inform consumers of the nutrition composition of prepacked foods. Nutrition and health professionals use them in dietary assessment and diet planning. Food manufacturers use them in product formulation, and researchers in nutrition too.

***What were the main challenges in carrying out this work?***

*Ada:* Weighing up the scientific literature was by far the greatest challenge. For example, on sodium we reviewed the literature systematically, critically appraised eligible studies and then carried out a "meta-analysis" [a statistical method for combining data from multiple sources]. Modelling helped us to identify dose-responses which we needed to set reference values. We further quantified the uncertainties in our conclusions to enhance transparency. It was an exhaustive process.

***How will you build on this experience, as nutrition scientists?***

*Monika:* Evaluating the scientific evidence in an interdisciplinary setting was inspiring and has given us a profound insight into the currently available knowledge for DRVs. We identified several data gaps and uncertainties too, which will stimulate further research activities at universities or inform discussions at national authorities or scientific conferences.

***Where can people get access to the DRVs?***

*Celine:* We published [a compilation of all EFSA's DRVs opinions](#) in the EFSA Journal and also launched a user-friendly interactive tool – [the DRV Finder](#) –

last year. We've just updated it with the values for sodium and chloride too. Users can search by nutrient or by target population. Professionals can easily check useful definitions, access the corresponding scientific opinions of EFSA or its predecessor [the Scientific Committee on Food], or export their selection for further use. It is available in several EU languages with more to come.

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## 2020 EU budget: Council supports continued focus on growth, innovation, security and migration

The Council wants the EU's budget to continue to focus on strengthening the European economy and boosting its competitiveness. Other priorities include ensuring sufficient funding for migration and the protection of the EU's external borders, strengthening civil protection, tackling climate change and providing adequate resources for external action in line with the EU's strategic interests.

As in previous years, member states also insist on budgetary prudence and discipline. They want to ensure sufficient leeway in the budget to allow the EU to react to unforeseen needs.

These principles guide the Council's position on the 2020 EU budget, adopted today.

Next year's budget is about continuity. Member states want to focus on the key policy areas and best-performing programmes where there is clear European added value, whilst also ensuring a prudent approach. I am glad that the Council's position was adopted with the overwhelming support of the member states. This provides a strong basis for our discussions with the Parliament in the coming months.

*Kimmo Tiilikainen, State Secretary, Ministry of Finance of Finland, chief Council negotiator for the 2020 EU budget*

The Council continues to support the reinforcement of the programmes under the "Competitiveness for growth and jobs" heading, which would receive €24.0 billion, or +2.72% compared to 2019. This comes on top of the resources dedicated to economic, social and territorial cohesion (€58.5 billion, or +2,23%).

More funding compared to 2019 is foreseen, for instance, for Horizon 2020,

Europe's satellite navigation systems EGNOS and Galileo, the energy strand of the Connection Europe Facility, Erasmus+ and the European Defence Industrial Development Programme.

In the field of security and migration, the EU budget will continue to support member states and the EU measures that have been put in place in the past few years. Additional resources are budgeted for the European Border and Coast Guard Agency (Frontex) (€101.4 million, or +32.4% compared to 2019) to set up a standing corps of 10 000 border guards by 2027.

Overall, the draft Council position foresees an amount of €166.8 billion in commitment appropriations and €153.1 billion in payment appropriations. This is an increase of +0.6 % in commitments and +3.3 % in payments when compared to the budget voted in 2019.

Based on a detailed technical analysis of the absorption capacity and implementation of each programme, the commitments have been decreased by - €1.5 billion compared to the Commission's draft budget. On payments, significant adjustments were not considered necessary or appropriate.

The Council's decision confirms the agreement reached by EU ambassadors at the meeting of the Permanent Representatives Committee on 10 July.

## **Amendments to the 2019 EU budget**

The Council also adopted today its position on four amending budgets to the 2019 EU budget proposed by the Commission, approving them without changes.

The aim of these amendments is to include in the 2019 budget the surplus resulting from the implementation of the budget year 2018 (€1.8 billion) and to reinforce Horizon 2020 and Erasmus+ programmes by €100 million as agreed during the negotiations on the 2019 EU budget.

In addition, €293.6 million are budgeted to provide financial assistance to Italy, Romania and Austria in response to natural disasters that hit these countries in 2018.

The revenue and expenditure sides of the 2019 budget are also updated to take account of the latest developments, including the postponement of the withdrawal of the UK from the EU to 31 October 2019. In particular, the European Parliament's budget has been reinforced by +€15.1 million to cover the cost of an information campaign ahead of the European elections in the UK as well as the costs of parliamentary assistance.

## **Next steps**

State Secretary Tiilikainen will present the Council's position on the 2020 EU budget to the European Parliament at the September plenary. The EP is expected to adopt its amendments to the Council's position on 23 October.

This will trigger a three-week conciliation period, which will start on 29 October and end on 18 November. The aim of this conciliation process is to

reach an agreement between the Council and the European Parliament on the 2020 EU budget.

The draft amending budgets to the 2019 EU budget are expected to be adopted by the EP plenary in September and October.