

Security Union: New rules on EU Passenger Name Record data

The **EU Passenger Name Record (PNR) Directive** – a key piece of EU security legislation to better identify travelling terrorists and criminals and trace criminal networks – entered into force on 24 May 2016 and the deadline for implementation by Member States is today. On this occasion the Commissioner for Migration, Home Affairs and Citizenship Dimitris **Avramopoulos** and Commissioner for the Security Union Julian **King** issued the following statement:

“Over the past three years, we have been continuously working to deny terrorists and criminals the means to act and to close down the space in which they operate. With the new EU rules on the use of Passenger Name Record (PNR) data, we have taken another step in closing an important security information gap. We have equipped ourselves with yet another tool to identify and stop criminals and terrorists more effectively, building a Europe more resilient to security threats – a Europe that protects.

The EU PNR Directive will help us better identify those who pose a threat and trace their travel patterns. Under the Directive, which should be incorporated into national legislation as of today, Member States are obliged to collect and process the PNR data of passengers on international flights entering or departing from the EU in order to fight terrorism and serious crime, such as trafficking in human beings and drug smuggling. Dangerous individuals who have previously managed to stay under the radar of police and law enforcement should no longer be able to do so. The new rules will not carry any additional burden for passengers, who can rest assured that their PNR data will be used in full respect of the highest data protection standards and fundamental rights.

We recognise that a great deal of effort has been made by Member States to implement the new rules. Unfortunately, not all of them have completed this work. Whilst we will continue to offer support and guidance to Member States to implement the new rules, as we have done over the past two years, the Commission will not hesitate to use its powers under the Treaty to ensure that sufficient progress is made in due course.

For the PNR framework to be operational and reach its full potential it is crucial that all Member States have their systems up and running. The framework is only as strong as its weakest link. In the fight against terrorism and organised crime, Europe cannot afford weak links.”

Background

On 27 April 2016 the Parliament and the Council adopted the [EU Passenger Name Record \(PNR\) Directive](#). While some Member States already use PNR data, the way the data is collected and shared varies from one Member State to another. This new EU-wide PNR framework will harmonise and complement different

national laws: removing inconsistencies, plugging security information gaps and ensuring the highest data protection standards and full respect of fundamental rights.

The new rules strictly limit the use of PNR data for the purpose of prevention, detection, investigation and prosecution of serious crime and terrorism. Under those rules, each participating Member State is required to set up a legal and technical framework for the transfer, processing and exchange of PNR data provided by airlines. The Commission has actively supported Member States in the implementation process by providing financial assistance, coordinating regular meetings and facilitating the exchange of best practice. In 2017 alone, all Member States received €70 million in EU funding to support PNR-related activities.

The deadline for incorporating the rules into national law is 25 May 2018 at midnight.

For More Information

[Factsheet](#): Security Union – Closing security information gaps – entry into force of new EU rules on Passenger Name Record (PNR) data

[DG HOME](#): Passenger Name Record (PNR)

A Circular Future with Plastics

Keynote speech by Commissioner Elżbieta Bieńkowska at the European Plastics Converters Annual Conference

Thank you for inviting me here today: being here in Milan gives me a chance to engage with you, the heart of the plastic industry.

The benefits that plastics bring to our society and our economy are not put into question by the EU Plastics Strategy.

In fact plastics are making an important contribution to the de-carbonization of our economy.

For example, light and innovative materials in packaging have saved CO₂ emissions in transport and have reduced food waste while ensuring food safety.

Nevertheless, these benefits are being outweighed by the cost. Too little is recycled and much is disposed incorrectly and inefficiently.

Today less than 30% of plastic waste generated in the EU is recycled.

Littering and leakage in the environment has very negative impacts on land

and sea life.

This is generating a growing demand for action.

Of course, this is not a call for a plastic-free economy.

But plastics need to become sustainable and circular – keeping intact its functionalities while reducing its negative impact – It is the only way forward.

Since 2015, the Juncker Commission launched an ambitious Circular Economy Action Plan.

It is designed to change the way partners in the value chain should interact in order to increase the circularity of production and consumption patterns in a systematic way.

It aims at transforming the classical linear “take, make, waste” approach into a circular approach where the value of resource is kept in the economy for as long as possible.

Based on these principles we developed the Plastics Strategy.

Ladies and Gentlemen:

For this industry becoming environmentally sustainable and the most innovative and competitive in the world, we must acknowledge and define the challenges that lie ahead.

Firstly, we need to create a market for recycled plastic and to reduce the huge amount of plastic waste going to incineration and landfill – up to 10 million tons.

The plastic demand in the EU is about 49 million tons annually. The main driver is the packaging sector, followed by the construction and automotive sectors.

Currently, only 2 to 3 million tons of plastic waste is being recycled.

This is dangerous for the environment and makes no sense from a circular economy point of view.

We are destroying considerable value that should instead be kept in the production loop.

Moreover, I am sure you were all surprised by the Chinese when they introduced a ban on plastic waste imports.

And we even see African countries taking bold action. You will have heard about the ban of plastic bags in Kenya.

This puts us all under pressure to act.

It is a wake-up call for Europeans: an opportunity for our industry and for

our policy to fully reap the potential of the circular economy.

For this to become an opportunity for the EU industry, we need to work towards the integration of the value chains.

As you will know, we have launched a pledging campaign for industrial sectors. This is a perfect opportunity for us all to kick-off this new cooperative approach!

We want to incorporate 10 million tons of recycled plastic into new products, every year, by 2025. This is ambitious but also realistic.

We are also reaching out to other actors. They can play a positive role in this mutual effort: regional and municipal authorities.

Their contribution is essential in this effort: better sorting and collection of waste is the foundation of higher quality recycling.

Plastic solutions should be designed to be more suitable for reuse, recyclable and degradability.

On recycling, the chemical additives of plastics can pose problems.

Here, the Commission is doing its part.

In line with our Communication from January on the Interface between Chemicals, Wastes and Products Regulations, we will clarify which additives are acceptable in recycled plastics.

We will trace the presence of such additives to inform recyclers, the users of recyclates and – where relevant – consumers.

The Commission is also committed to work towards fully biodegradable plastics. We are happy to join forces with industry on the necessary research and investment efforts.

Standards play of course a critical role in this context – be it for recyclates, biodegradability or secondary raw materials.

Ladies and Gentlemen: implementing the actions of the Plastics Strategy is challenging.

And I know that there are two actions that are of particular concern for you.

The first is the so-called “plastics levy”.

The Commission proposal for the next Multiannual Financial Framework contains a Plastic-based Own Resource.

Let me be clear: It is not a tax. It's a tool to drive investments and research into the right direction.

And it is fully in line with subsidiarity. Member States are free to take the appropriate measures to reduce plastic pollution. The subsidiarity principle

applies in this case.

We also hear concerns from you about the single-use plastic proposal that we will adopt next week.

As you may know, plastic littering is fuelled by the growing consumption of 'single-use' articles made of plastics, rarely recycled and prone to being littered.

These items include small packaging, bags, disposable cups, lids, straws and cutlery.

The data collected confirm that **single-use plastic** items represent **50% of marine litter**, many being packaging for food and drink.

We are aware that 90% of the plastic pollution in the marine environment is not from the EU.

But still, this remains a huge environmental concern and a **waste of valuable resources**. We need to address it in order to protect our beaches and oceans.

With the proposal next week, we will make sure that we will all use the affordable and available alternatives to plastics as soon as possible.

We do not want to fragment the Internal Market by creating internal barriers or competitive imbalances. Thus be sure that the Commission will continue to monitor developments.

Ladies and gentlemen, the European Commission relies now on your contribution.

During the past year, we have defined together how the future of the plastics economy in Europe can be: innovative, sustainable and circular.

We need to continue to work together.

National, local and regional authorities play role in the waste management and procurement of plastic products.

The Commission will streamline the regulatory framework and create the necessary conditions for the Circular Economy objectives to be achievable.

But most of all, we need you to be ambitious and set the pace towards a sustainable and circular plastics economy.

Thank you.

President Juncker attends 100th anniversary of Georgia's first democratic republic

Today President **Juncker** is travelling to Tbilisi, Georgia for the first time, together with Commissioner **Hahn**. This evening he will meet bilaterally with the President of Georgia, Giorgi Margvelashvili and will attend a dinner hosted by the Prime Minister of Georgia, Giorgi Kvirikashvili. President **Juncker**'s visit will continue on Saturday which marks the 100th anniversary of Georgia's first democratic republic and will attend the oath-taking ceremony for the occasion, together with Commissioner **Hahn**, where he will deliver a speech which can be followed live on [EbS](#). On Saturday President **Juncker** will also attend a lunch hosted by President Margvelashvili, before visiting the National Youth Palace where he will witness the imitation of the announcement of Georgia's First Independence Declaration. Photos of the visit will be available on [EbS](#). (For more information: Margaritis Schinas – Tel.: +32 229 60524)

EU Economic and Financial Dialogue with the Western Balkans and Turkey: deepening economic and social reforms

The annual Economic and Financial Dialogue with the EU, the Western Balkans and Turkey took place today in Brussels. The EU, the Western Balkans partners and Turkey adopted [joint conclusions](#) based on the countries' [Economic Reform Programmes](#) agreeing to deepen economic and social reforms in order to improve the economy and boost competitiveness and inclusive growth. Valdis **Dombrovskis**, Vice-President for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union, commented: *"The Economic Reform Programmes and today's high level dialogue are there to help our partner countries trigger more ambitious reforms. While progress achieved is welcome, more efforts are needed to improve fiscal frameworks and public finances, deepen macro-economic stability and support a shift to a more growth-friendly public spending"*. Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, added: *"Today all seven partners committed themselves to deepen economic and social reforms with the overall aim of boosting competitiveness and growth. The focus should now be on the vigorous implementation of these reforms so that people in the region can see tangible results: more and better jobs and more inclusive growth"*. The jointly adopted policy guidance is based on [Economic Reform Programmes](#) (ERPs), which the authorities prepare annually and submit to the European Commission; similar to what EU member states do in the European Semester. The ERPs play a key role in improving economic policy planning and steering reforms to boost competitiveness and improve conditions for inclusive growth and job creation. More information is available [here](#). (For more information: Maja Kocijančič – Tel.: +32 229 86570; Christian Spahr, Tel.: +32 229-5005; Alceo Smerilli – Tel.: +32 229 64887; Annikky Lamp, Tel.: +32 229-56151)

European Year of Cultural Heritage: 29 cooperation projects receive €5

million

Today, the European Commission announced the 29 [cultural projects](#) selected for funding following a dedicated call for proposals launched on the occasion of the 2018 European Year of Cultural Heritage. A total budget of €5 million will be allocated to the projects under the [Creative Europe programme](#), the main EU programme supporting cultural and creative sectors. Commissioner for Education, Culture, Youth and Sport, Tibor **Navracsics**, said: *"These transnational projects will showcase and promote cultural heritage in all its different forms. They will be a source of inspiration for contemporary artistic creation and help to build bridges between people from all backgrounds. In the spirit of the European Year of Cultural Heritage these inspiring projects will help reinforce a sense of belonging to a common European space."* The projects chosen vary, from the production of folk costumes from different regions using traditional skills, to the exploration of the Baroque era through music. Creative Europe is the EU programme that supports the cultural and creative sectors with a budget of €1.46 billion for 2014-2020. A press release is available [here](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Joseph Waldstein – Tél.: +32 229 56184)

Alcoholic drinks: Commission tables update of rules governing alcohol excise duties

The Commission has today proposed to reshape the rules governing excise duty on alcohol within the EU, paving the way for a better business environment and reduced costs for small alcohol-producing businesses and better protection for consumer health. Today's announcement means that small and artisan alcohol producers (including, for the first time, small independent cider makers) will have access to a new EU-wide certification system confirming their access to lower rates of duty across the Union. Consumer health will also benefit from a crack-down on the illegal use of tax-free denatured alcohol to make counterfeit drinks. There will also be an increase in the threshold for lower strength beer to which reduced rates may apply. Finally, IT systems used to track excise duty goods will be updated – a move which will also help to remove market barriers for SMEs throughout the EU. Pierre **Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: *"The EU's common rules on the structures of excise duties on alcohol and alcoholic beverages are over 25 years old and in urgent need of an update so that they can keep pace with the challenges and opportunities offered by new technology and trade developments, while protecting public health. I encourage Member States to move ahead quickly and decisively with this review."* Excise duties are indirect taxes on the sale or use of specific products, such as alcohol and are usually applied as an amount per quantity of the product e.g. per 1,000 litres. All revenues from excise duties go to national budgets and account for around 5-18% of tax revenues or 2 to 5 % of GDP of Member States. EU Member States are free to set national rates as they see fit, provided they respect EU-wide minimum thresholds. More information on the proposed amendments are available in the [press release published today](#). (For more information: Vanessa Mock – tel.: +32 229 56194, Patrick McCullough – tel.: +32 229 87183)

Justice fiscale: la Commission propose des mesures techniques définitives en vue de la création d'un futur système de TVA de l'UE étanche à la fraude

La Commission a proposé aujourd'hui des modifications techniques détaillées des règles de l'UE relatives à la taxe sur la valeur ajoutée (TVA), qui viennent compléter la récente proposition de réforme du système visant à le rendre plus résistant à la fraude. Le paquet de mesures présenté modifie en profondeur les règles relatives à la TVA et devrait faciliter la tâche des entreprises dans l'ensemble de l'UE, mettant ainsi fin à 25 ans de régime «transitoire» de TVA au sein du marché unique. En octobre dernier, la Commission a proposé les grands principes en vue de la création d'un espace TVA unique dans l'UE qui contribuerait à mettre un terme à la fraude, estimée à 50 milliards d'euros, qui touche actuellement chaque année les budgets nationaux dans les États membres de l'UE. Grâce à ces mesures techniques, la Commission espère que les États membres entameront des discussions sur les grands [principes ou «fondements»](#) d'un système définitif de TVA de l'UE, plus simple et résilient, pour les échanges de biens au sein de l'UE. Pierre **Moscovici**, commissaire chargé des affaires économiques et financières, de la fiscalité et des douanes, a déclaré à ce propos: *«Les propositions que nous présentons aujourd'hui constituent les derniers éléments fondamentaux de la réforme du système de TVA de l'UE. Elles ouvriront la voie à des règles plus simples, des formalités administratives réduites et un système plus convivial, grâce à un guichet unique en ligne pour les opérateurs économiques. Il est temps que nos États membres se fassent mutuellement confiance lorsqu'il s'agit de percevoir la TVA sur les opérations intra-UE. Selon nos estimations, la réforme proposée pourrait réduire de 80 % la perte de recettes de 50 milliards d'euros par an due à la fraude à la TVA transfrontière. J'espère que les États membres saisiront à présent cette occasion pour mettre en place un système de TVA de qualité pour l'UE.»* Un [communiqué de presse](#) est disponible en ligne. (Pour plus d'informations: Vanessa Mock – tel.: +32 229 56194, Patrick McCullough – tel.: +32 229 87183)

Banking Union: Commission welcomes agreement to further reduce risk and strengthen European banks

The Council of the European Union has today reached a general approach on the so-called [banking package](#), a comprehensive package of reforms that the Commission proposed to further strengthen the resilience of the EU banking sector. This marks an important milestone and provides the Council Presidency with the mandate to start negotiations with the European Parliament. This package contributes significantly to further reducing risks in EU banks and it's an essential element for the completion of Banking Union. It builds on existing banking rules and aims to complete the post-crisis regulatory agenda, making sure that outstanding challenges to financial stability are addressed. At the same time it ensures that banks can continue to support the real economy. Commission Vice-President Valdis **Dombrovskis**, responsible for Financial Stability, Financial Services and Capital Markets Union, said: *"I am delighted that after more than one year and a half of very complex and technical discussions, the Council has reached a general approach on this very important risk-reducing package. Europe needs a strong and diverse banking sector to finance the economy. The agreement reached in Council today*

is an important step towards that goal. We now invite the European Parliament to define its negotiation position as soon as possible in view of a swift closure of the file. This lays the basis for further progress on completing Banking Union.” A full press release is available [online](#). (For more information: Vanessa Mock – tel.: +32 229 56194, Letizia Lupini – tel.: +32 229 51958)

Modernising the Common Agricultural Policy: satellite data authorised to replace on-farm checks

As part of its ongoing move to simplify and modernise the EU's Common Agricultural Policy (CAP), the European Commission has adopted new rules that will for the first time expressly allow a range of modern technologies to be used when carrying out checks for CAP payments. This includes the possibility to completely replace physical checks on farms with a system of automated checks based on analysis of Earth observation data. The new rules, which came into force this week, will allow data from the EU's [Copernicus](#) Sentinel satellites and other Earth observation data to be used as evidence when checking farmers' fulfilment of requirements under the CAP. Under current CAP rules, EU member states are required to carry out a number of checks on farms as part of the [Integrated Administration and Control System](#), which ensures that any payments made to farmers from the CAP budget are made correctly. The new rules will allow those Member States that wish to do so to eventually replace or complement on-site checks with automated and less burdensome controls. Among other benefits, this will reduce significantly the time spent by farmers with inspectors in the field and farmers will also be able to benefit from synergies with other digital technologies, such as crop monitoring and yield forecasting, to manage their farms better. Paperwork can also be reduced through the improved automation of activity recording. Further measures aiming at simplifying and modernising the policy and its implementation for farmers and administrations will be unveiled next week as part of the proposals for the future CAP. More information on the new rules for satellite data is [online](#). (For more information: Daniel Rosario – Tel.: +32 229 56185; Clémence Robin – Tel.: +32 229 52509)

Marché unique numérique: la Commission présente au Conseil ses récentes initiatives sur les plateformes et l'intelligence artificielle

Les ministres responsables de la compétitivité dans les pays de l'UE se réuniront à Bruxelles lundi et mardi (28 et 29 mai) pour débattre, entre autres, des dernières propositions de la Commission européenne relatives au marché unique numérique ainsi que de l'avancement d'initiatives législatives clés. La Commission a contribué à la réunion des dirigeants de l'UE à Sofia la semaine dernière avec une [communication](#) visant à concrétiser le marché unique numérique de l'UE avant la fin 2018. Lors de sa réunion, le Conseil aura l'occasion de progresser sur plusieurs propositions, notamment la [modernisation des règles de l'UE sur le droit d'auteur](#) pour mieux protéger les créateurs en ligne et faciliter l'accès aux œuvres européennes au-delà des frontières nationales. Andrus Ansip, vice-président pour le marché unique numérique, présentera également les nouvelles règles visant à accroître la transparence et l'équité dans les relations entre [plateformes en ligne](#) et les entreprises ou les commerçants qui les utilisent. Il participera enfin à une

discussion sur l'[approche européenne](#) sur l'intelligence artificielle visant à stimuler l'investissement et à fixer des lignes directrices en matière d'éthique. La Commissaire **Gabriel** en charge de l'économie et de la société numériques participera également au Conseil mardi pour discuter des initiatives de la Commission visant à développer les [superordinateurs](#) en Europe. De plus amples informations sur chaque initiative sont disponibles dans des fiches d'information récentes sur les initiatives liées aux [plateformes](#), à [l'intelligence artificielle](#), au [droit d'auteur](#) et aux [superordinateurs](#). (Pour plus d'informations: Nathalie Vandystadt – Tél.: +32 229 67083, Inga Höglund – Tél.: +32 229 50698)

State aid: Commission approves prolongation of Irish credit union resolution scheme

The European Commission has found the prolongation of an Irish scheme for the orderly winding-up of credit unions to be in line with EU state aid rules, in particular with the [2013 Banking Communication](#) (see also [MEMO](#)). The objective of the scheme is to safeguard financial stability when a credit union becomes unable to meet regulatory requirements. It allows Ireland to provide aid for transferring the assets and liabilities of a failing credit union to an acquirer through a competitive process. This will help to achieve the maximum value for the assets and liabilities, ensuring that the aid is limited to the minimum necessary for an orderly winding-up, and that no buyer gains an undue economic advantage through the acquisition of under-priced assets and liabilities. Credit Unions are small financial institutions that are not covered by the Bank Recovery and Resolution Directive (BRRD). Ireland has chosen to make a special sector-funded resolution scheme available to those credit unions, which has been used only three times since its set-up. The scheme is prolonged until 30 November 2018. The Commission initially approved the scheme in December 2011. It has been prolonged twelve times since then, the last time in [November 2017](#). More information will be available on the Commission's [competition](#) website, in the public [case register](#) under the reference SA.50953. (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

Mergers: Commission clears acquisition of Alpine Electronics by Alps Electric

The European Commission has approved, under the EU Merger Regulation, the acquisition of Alpine Electronics Inc. by Alps Electric Co. Ltd., both of Japan. Alpine Electronics develops, manufactures and sells car infotainment systems, car sound systems, drive assist systems and car information as well as telecommunication applications. Alps Electric is active in the development, manufacture and sale of a wide range of electronic components used in a variety of applications such as automotive, household, healthcare, energy and IT applications. The Commission concluded that the proposed acquisition would raise no competition concerns, given the parties' moderate combined market position, following the transaction. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8833](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

Mergers: Commission clears acquisition of Laird by Advent

The European Commission has approved, under the EU Merger Regulation, the acquisition of sole control over Laird PLC of the UK by Advent International Corporation of the US. Laird is a global technology company which provides systems, components and solutions that enable connectivity in mission-critical wireless applications and antenna systems, and protect electronics from electromagnetic interference and heat. Advent is a global private equity investor. Amongst other portfolio companies, Advent owns Idemia which develops, manufactures and markets security technology products and services. The Commission concluded that the proposed acquisition would raise no competition concerns because the companies are active on different product markets and have minor vertical overlaps. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8872](#). *(For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)*

Concentrations: la Commission autorise l'acquisition du contrôle conjoint de European Camping Group par Carlyle et OTPP

La Commission européenne a approuvé, en vertu du règlement européen sur les concentrations, l'acquisition de European Camping Group SAS ("ECG", France), par le groupe Carlyle (Etats-Unis) et l'Ontario Teachers' Pension Plan Board ("OTPP", Canada). ECG est une société active sur le marché des séjours touristiques en mobile-homes par le biais de cinq marques (Homair, Eurocamp, Al Fresco, Roan et Go4Camp), principalement en France, Italie, Espagne et Croatie. Le groupe Carlyle est actif mondialement dans la gestion d'actifs et de fonds d'investissement. OTPP s'occupe du versement des prestations de retraite et du placement de l'actif de la caisse pour le compte d'enseignants retraités et actifs dans la province de l'Ontario au Canada. La Commission a conclu que l'opération envisagée ne soulèverait pas de problème de concurrence dans la mesure où les entreprises concernées ne sont pas actives sur le même marché ou sur des marchés liés ou complémentaires. La transaction a été examinée dans le cadre de la procédure simplifiée du contrôle des concentrations. De plus amples informations sont disponibles sur le [site internet](#) concurrence de la Commission, dans le [registre public](#) des affaires sous le numéro d'affaire [M.8899](#). *(Pour plus d'informations: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)*

STATEMENTS

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for Migration, Home Affairs and Citizenship Dimitris **Avramopoulos** and Commissioner for the Security Union Julian **King** said: *"Over the past three years, we have been continuously working to deny terrorists and criminals the means to act and to close down the space in which they operate. With the new EU rules on the use of Passenger Name Record (PNR) data, we have taken another step in closing an important security information gap. We have equipped ourselves with yet another tool to identify and stop criminals and terrorists more effectively, building a Europe more resilient to security threats – a Europe that protects. [...] For the PNR framework to be operational and reach its full potential it is crucial that all Member States have their systems up and running. The framework is only as strong as its weakest link. In the fight against terrorism and organised crime, Europe cannot afford weak links."* The full [joint statement](#) and a [factsheet](#) on the new EU rules on Passenger Name Record (PNR) data are available online. (For more information: Natasha Bertaud – Tel.: +32 229 67456; Tove Ernst – Tel.: +32 229 86764; Katarzyna Kolanko – Tel.: +32 229 63444)

Security Union: A stronger EU Agency for the management of information systems for security and borders

Yesterday, the European Parliament (LIBE Committee) and the Council (COREPER) reached a political compromise on the Commission's proposal to strengthen the mandate of the eu-LISA, the EU Agency for the operational management of large scale IT systems for migration, security and border management. Welcoming the compromise agreement, Commissioner for Migration, Home Affairs and Citizenship Dimitris **Avramopoulos** said: *"The agreement represents another crucial building block towards a more secure and resilient European Union. A strengthened eu-LISA will be the nerve centre for the development and maintenance of all our information systems on migration, border management and security, and crucially, their interoperability. We want to connect all the dots, not just legally but also operationally – and a stronger and more efficient eu-LISA will precisely help us do this."* Commissioner Julian **King** added: *"In the future, eu-LISA will play a pivotal role in helping keep Europe safe. The agreement means that the Agency will have the resources it needs to manage the EU's information systems for security and border management, help them to interact more efficient and improve the quality of the data they hold – an important step forward."* The compromised text agreed in yesterday's trilogue will now have to be formally adopted by the European Parliament and the Council. More information is available [online](#). (For more information: Natasha Bertaud – Tel.: +32 229 67456; Tove Ernst – Tel.: +32 229 86764; Katarzyna Kolanko – Tel.: +32 229 63444)

ANNOUNCEMENTS

Commission Malmström travels to Valencia, Spain to participate in a citizens dialogue

Commissioner for Trade Cecilia **Malmström** is today in Valencia, Spain to

discuss trade policy with members of Spanish civil society and others at a [Citizens Dialogue](#). The event can be watched [online](#). The Commissioner will also meet with Mr Ximo Puig, President of the Regional Government of Valencia, to exchange views as regards the regional perspective on global trade. In addition, the trip will provide the Commissioner with an opportunity to get a better understanding of trade-related concerns of [female entrepreneurs](#) from a large spectrum of Valencia's local industries. The Commissioner will also use the opportunity to visit the Ford car production plant in the nearby town of Almusafes, which illustrates benefits of foreign direct investment and economic openness by bringing an important contribution to the regional economy and employment. *(For more information: Daniel Rosario – Tel.: + 32 229 56185; Kinga Malinowska – Tel: +32 229 51383)*

[Calendar](#)

Commissioners' weekly activities

[Upcoming events](#) of the European Commission (ex-Top News)

[Alcoholic drinks: Commission tables update of rules governing alcohol excise duties](#)

Today's announcement means that small and artisan alcohol producers (including, for the first time, small independent cider makers) will have access to a new EU-wide certification system confirming their access to lower rates of duty across the Union. Consumer health will also benefit from a crack-down on the illegal use of tax-free denatured alcohol to make counterfeit drinks. There will also be an increase in the threshold for lower strength beer to which reduced rates may apply.

Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: *"The EU's common rules on the structures of excise duties on alcohol and alcoholic beverages are over 25 years old and in urgent need of an update so that they can keep pace with the challenges and opportunities offered by new technology and trade developments, while protecting public health. I encourage Member States to move ahead quickly and decisively with this review."*

Concretely, today's proposal will:

- **Put in place a uniform certification system**, recognisable in all EU countries confirming the status of independent small producers throughout the Union. This will reduce the administrative and compliance

costs for small producers who should benefit from reduced excise rates under certain conditions.

- **Ensure a precise and consistent classification of cider across the EU**, the current absence of which is a major obstacle for small cider producers who do not have access to the reduced rates afforded to small beer and spirit producers.
- **Clarify the correct manufacturing processes and conditions** for denatured alcohol in the EU. Such alcohol is used in the production of goods such as cleaning products, screen wash, perfume and anti-freeze and is exempt from excise duty. This exemption can be exploited by unscrupulous producers who use denatured alcohol to make and sell potentially dangerous counterfeit drinks without paying tax and, even more importantly, endangering consumer health. Today's proposal will establish a modern system for reporting the misuse of certain alcohol formulations so that they will no longer be usable as denaturants.
- **Update IT systems:** the new rules will replace the outdated paper-based procedures used to track movement of certain denatured alcohol and will result in the mandatory use of the Excise Movement and Control System (EMCS). This will make it easier to follow movements of these high-risk products in real time, reducing the fraudulent use of this exemption and protecting consumers.
- **Increase the threshold for lower strength beer that can benefit from reduced rates from 2.8% volume to 3.5% volume**, to provide an incentive for brewers to be innovative and create new products. This should encourage consumers to choose low-strength alcoholic drinks over standard ones, reducing alcohol intake.

Today's proposals also include measures in general excise duty rules to remove barriers for SMEs. This will allow SMEs to use modern IT systems when they wish to do so, and lifts their existing obligation to employ tax representatives. Member States can currently insist that distance sellers of excise goods employ tax representatives, which can make legitimate trade financially unviable.

Background

Excise duties are indirect taxes on the sale or use of specific products, such as alcohol and are usually applied as an amount per quantity of the product e.g. per 1,000 litres. All revenues from excise duties go to national budgets and account for around 5-18% of tax revenues or 2 to 5 % of GDP of Member States. EU Member States are free to set national rates as they see fit, provided they respect EU-wide minimum thresholds.

Existing EU rules on the harmonisation of the structures of excise duties on

alcohol and alcoholic beverages were agreed in 1992 (Directive 92/83/EEC). They set out common definitions of alcoholic products that are subject to the duty and ensure that all Member States treat the same products in the same way. They also specify the method to calculate duty on alcoholic products and the criteria for products to benefit from reduced rates or exemptions. Other legislation in this area, and proposed for recast today (Directive 2008/118/EC) lays down the common provisions which apply to all products subject to excise duties (alcohol, tobacco and energy).

The revision of both Directives is part of the Commission's REFIT programme. The [Council has also asked the Commission](#) to carry out the necessary studies and consultations to submit a proposal for the revision of both Directives. As part of this work, [open public consultations](#) were launched in 2017. Respondents noted the added value in a clarification of the current rules and welcomed reductions in administrative and compliance burdens.

The legislative proposals will now be submitted to the European Parliament and the European Economic and Social Committee for consultation and to the Council for adoption.

For More Information

[DG TAXUD website on excise duties for alcohol](#)

Fair Taxation: Commission proposes final technical measures to create a future fraud-proof EU VAT system

Today's package of measures substantially modifies the rules relating to VAT and should make life easier for companies across the EU, putting an end to 25 years of a 'transitional' VAT regime in the Single Market. Last October, the Commission proposed the main principles for the creation of a single EU VAT area which would help to shut down the estimated €50 billion in fraud currently affecting national budgets annually in EU Member States. With these technical measures, the Commission hopes that Member States will kick-start discussions on the broader [principles or 'cornerstones'](#) of a simpler and resilient definitive EU VAT system for the trade in goods within the EU.

Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: *"The proposals we are presenting today represent the final building blocks in the overhaul of the EU's VAT system. They will open the way to simpler rules, less red tape and a more user-friendly system, thanks to the online one-stop shop for traders. It is time for our Member States to trust each other when it comes to VAT collection on intra-EU transactions. We estimate that our proposed reform could reduce by 80% the €50 billion lost*

each year in cross-border VAT fraud. I hope that Member States will now seize this opportunity to put in place a quality VAT system for the EU.”

Main Elements of the Proposal

Putting the cornerstones of the definitive VAT system into operation gives rise to important changes to the VAT Directive. Of the 408 articles in the VAT Directive, around 200 will need to be adapted in order to bring about the following benefits for businesses and national budgets:

Simplifying how goods are taxed

In the current VAT system, trade in goods between businesses is split into two transactions: a VAT-exempt sale in the Member State of origin and a taxed acquisition in the Member State of destination. Today's proposal puts an end to this artificial split of a single commercial transaction. Once agreed, the amendments contained in the VAT rules will define the cross-border trade of goods as a 'single taxable supply' which will ensure that goods are taxed in the Member State where the transport of the goods ends – as it should be. VAT fraud should be dramatically reduced.

A single online portal ('One Stop Shop') for traders

In order to make the change to VAT rules as seamless as possible for businesses, today's amendments would introduce the necessary provisions to put in place an online portal or 'One Stop Shop' for all business-to-business (B2B) EU traders to sort out their VAT, as announced by the Commission's October 2017 reform proposals. This system will also be available to companies outside the EU who want to sell to other businesses within the Union and who would otherwise have to register for VAT in every Member State. Once in force, these businesses will simply have to appoint one intermediary in the EU to take care of VAT for them.

Less red tape

The changes reboot the self-policing character of VAT and will reduce the amount of administrative steps that need to be taken by businesses when they sell to other companies in other Member States. Specific reporting obligations linked to the transitional VAT regime will no longer be needed for trade in goods. Further invoicing regarding EU trade will be governed by the rules of the Member State of the seller, which should make it less burdensome for them.

Seller is usually responsible for VAT collection

Today's announcement clarifies that it is the seller that should charge the VAT due on an sale of goods to his customer in another EU country, at the rate of the Member State of destination. Only where the customer is a Certified Taxable Person (i.e., a reliable taxpayer, recognized as such by the tax administration) will the acquirer of the goods be liable for VAT.

Background

The common Value Added Tax (VAT) system plays an important role in Europe's Single Market. It replaced turnover taxes which distorted competition and hindered the free movement of goods and was subsequently amended to allow for the removal of checks and formalities on goods moving between Member States. It is a major and growing source of revenue for EU Member States, raising over €1 trillion in 2015, corresponding to 7% of EU GDP. One of the EU's own resources is also based on VAT. As a consumption tax, it is one of the most growth-friendly forms of taxation.

The Commission has consistently pressed for the reform of the VAT system. The Commission's 2016 VAT Action Plan announced its intention to propose a definitive VAT system for the EU. Since then, progress has been made with new rules agreed on VAT for online sales, and the Commission has already put forward its proposals on the main principles behind the future definitive EU VAT area and a major reform of how VAT rates are set in EU Member States. Today's proposal follows up on these preceding steps. We have listened to the European Parliament and the Council, which both suggested that any future VAT system should be based on the principle of taxation at destination, i.e., where the goods or services are consumed.

For More Information

[Proposal for the final technical measures to create a future fraud-proof EU VAT system](#)

[Press release on the VAT Action Plan](#)

[Press release on the cornerstones of a new definitive single EU VAT area](#)

[Communication on the cornerstones of a new definitive single EU VAT area](#)