

Provisional deal on effort sharing emissions – another step towards Paris targets

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On 21 December, representatives of the Estonian Presidency and the European Parliament reached a provisional deal on the **effort sharing regulation** to ensure further emission reductions in sectors falling outside the scope of the EU emissions trading system (ETS) for the period 2021-2030. The provisional agreement requires endorsement by member states. EU ambassadors are expected to analyse the text in January.

This agreement is another big step for the EU towards fulfilling its **Paris climate commitment** of a 40% cut in greenhouse gas emissions by 2030 compared to 1990 levels.

Non-ETS sectors need to reduce **their emissions by 30% by 2030** compared to 2005 levels to meet this EU target. The new regulation sets out binding national targets and puts in place the necessary framework for effort sharing sectors, including buildings, agriculture (non-CO2 emissions), waste management, transport (excluding aviation and shipping) and industry (i.e. industry, energy supply and product use), to reach the non-ETS sectors contribution in 2030.

We are putting the EU on the path to meeting its Paris climate goals. The ETS reform agreement a few weeks ago was the first major advance. Today we are another step closer by guaranteeing that our buildings and transport, among other sectors, do their share and lower emissions considerably over the next decade. Climate has been at the heart of the Estonian presidency and we are taking concrete action for a cleaner future.

Siim Kiisler, Minister for the Environment of the Republic of Estonia

Both co-legislators agreed on a robust text with a special focus on three main chapters: targets, flexibilities and compliance. The central elements of those fields in the text are as follows:

Targets

Each member state will have to comply with a **binding annual emission reduction target** for the period 2021-2030. These targets are calculated on the basis of gross domestic product (GDP) per capita ranging from 0% to 40% below 2005 levels and are in line with the 30% EU reduction target for non-ETS sectors.

An **emissions reduction path** is established for member states to make sure they decrease emissions at a constant pace throughout that period. The **starting point** will be based on the average emissions from 2016 to 2018 as proposed by the Commission with the start of the trajectory calculation at 2019 and 5 months (five twelfth's of distance from 2019 and 2020) or in 2020, whichever results in a lower allocation for that Member State.

A **safety reserve** with a total of 105 million tonnes of CO₂ equivalent is created and will be **available in 2032**. It is intended to help **less wealthy member states** which may have difficulties reaching their 2030 targets despite exceeding their targets in the current 2013-2020 period. These member states are required to use the other available flexibilities prior to using this reserve. Strict conditions also apply, for instance the reserve will be accessible only if the EU attains its 2030 target.

Flexibilities

Current flexibilities under the effort sharing decision are preserved to help member states attain their annual limits. They will be able to **bank, borrow and transfer** annual emission allocations between countries from one year to another within the 2021-2030 period.

Two new flexibilities are introduced in line with European Council guidelines. The **one-off ETS flexibility** will allow member states which did not receive free allocation for industrial installations in 2013, or which are required to fulfil emission reduction targets above the EU average and their reduction potential, to cancel a limited number of EU ETS allowances. The **LULUCF flexibility** will enable member states to make limited use of net removals from certain land use, land use change and forestry. This will also include credits from managed forest land once the forest reference levels have been adopted under the LULUCF regulation and from wetlands when accounting for them becomes mandatory under that regulation.

Given the exceptional circumstances of some member states, namely Latvia and Malta, the **small additional adjustment** of two million tonnes CO₂ equivalent suggested by the Council has been maintained and will be added to their allocation in 2021.

Compliance

To ensure compliance by member states, existing annual and biennial planning, reporting and other monitoring obligations are foreseen together with **two compliance checks** over the 2021-2030 period.

Timeline and next steps

The European Commission presented two proposals on the sectors not covered by the ETS – effort sharing and LULUCF – in July 2016 on the basis of the guidelines provided by the European Council in its **October 2014 conclusions**.

Given the links between the two proposals, ministerial discussions on non-ETS sectors took place in parallel. These files were on the agenda of three Environment Council meetings before a negotiating position was agreed: a policy debate on 17 October 2016, a state-of-play briefing on 19 December 2016 and a progress report in June 2017.

The Council reached its **general approach on 13 October** and started negotiations shortly thereafter with the European Parliament, which adopted its position on 14 June during its plenary session.

Three trilogues were held on 26 October, 21 November and 13 December before concluding negotiations today. The provisional text will be presented to EU ambassadors today and they will analyse it for endorsement on behalf of the Council in January.

Once the Council and the Parliament formally adopt the act, the new legislation will **enter into force** 20 days later after its publication in the EU Official Journal.

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Commission proposes to improve transparency and predictability of working conditions

As part of the follow-up to the [European Pillar of Social Rights](#), the European Commission has adopted today a proposal for a [new Directive for more transparent and predictable working conditions across the EU](#). The Commission's proposal complements and modernises existing obligations to inform each worker of his or her working conditions. In addition, the proposal creates new minimum standards to ensure that all workers, including those on atypical contracts, benefit from more predictability and clarity as regards their working conditions. Valdis **Dombrovskis**, Vice-President responsible for the Euro and Social Dialogue, Financial Stability, Financial Services and Capital Markets Union said: *"The consultations of social partners confirmed the need for more transparent and predictable working conditions in the EU. This proposal respects the compromise of more secure employment in current and future types of working arrangements, allowing for flexibility, and ensuring a level playing field. This proposal fully respects national social dialogue practises, by allowing social partners to implement*

the new minimum requirements relating to working conditions through collective agreements.” Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, added: “With today’s proposal we are taking action to improve transparency and predictability of working conditions. The world of work is changing fast with a growing number of non-standard jobs and contracts. This means that more and more people are at risk of not being covered by basic rights anymore, starting from the right to know the terms under which they work. Increased transparency and predictability will benefit to both workers and businesses.” The Commission estimates that 2 to 3 million additional workers on atypical contracts will be covered and protected by the proposal compared to existing legislation. More information is available in the online [press release](#), [memo](#) and [factsheet](#). (For more information: Christian Wigand – Tel.: +32 229 62253; Sara Soumillion – Tel.: +32 229 67094)

MiFID II: Commission adopts equivalence decision on Swiss share trading venues

The European Commission has adopted a decision to recognise trading venues in Switzerland as eligible for compliance with the trading obligation for shares set out in the new Markets in Financial Instruments Directive and Regulation (MiFID II/MiFIR), which will apply in the EU as of 3 January 2018. Today’s decision ensures that businesses and markets can continue to operate smoothly and without any market disruptions after 3 January 2018. Going forward, the Commission will closely monitor the impact of today’s decision and consider the broader political context, notably the progress in the negotiation of the institutional agreement with Switzerland. The decision is limited to one year, until 31 December 2018. Valdis Dombrovskis, Vice President for Financial Stability, Financial Services and Capital Markets Union, said: *“With today’s decision, we are ensuring continuity for businesses and markets. Even after 3 January, Swiss operators will continue enjoying access to the EU market, and EU investment firms will be able to trade shares in Switzerland. This equivalence is limited to one year, and can be extended provided there is sufficient progress on a common institutional framework. We will be assessing progress on that by end of next year.”* Today’s decision takes the form of a [Commission Implementing Act](#). It received the backing of 27 EU Member States in a consultation on 20 December. It will be published in the Official Journal on 23 December 2017. A full press release is available [here](#). (For more information: Vanessa Mock – Tel.: +32 229 56194; Letizia Lupini – Tel.: +32 229 51958)

State aid: Commission concludes in-depth investigation on support to Italy’s largest steelmaker ILVA S.p.A. in A.S. and orders recovery on two measures that involved illegal State aid

The European Commission has completed its in-depth investigation of support measures to steelmaker ILVA S.p.A. It has concluded that two loans granted by Italy in 2015 to support ILVA involved illegal State aid. Italy must now recover this undue benefit of about €84 million from ILVA. The Commission found that a number of other support measures were not State aid.

Commissioner Margrethe **Vestager**, in charge of competition policy, said *“The best guarantee for a sustainable future of steel production in the Taranto region is the sale of ILVA’s assets at market terms – it cannot rely on artificial State support. Our investigation found that two public measures gave ILVA an undue advantage to finance its current operations. This does not change the fact that, in the right hands, ILVA has a sustainable future. As the sales process run by the Italian government showed, there were several potential bidders ready to invest in ILVA’s future and upgrade the site in line with environmental standards. When the Commission opened the investigation, we made clear that our State aid probe will not stand in the way of or slow down the urgent environmental clean-up works in the Taranto Region. This essential de-pollution work should continue without any delay to protect the health of Taranto’s inhabitants.”* This State aid decision also does not interfere with the sales process of ILVA assets, in relation to which [a separate Commission investigation](#) is ongoing under EU merger rules. The full press release is available online in [EN](#), [FR](#), [DE](#), [IT](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Yizhou Ren – Tel.: +32 229 94889)

Mergers: Commission opens in-depth investigation into proposed acquisition of Cristal by Tronox

The European Commission has opened an in-depth investigation to assess the proposed takeover of Cristal by Tronox under the EU Merger Regulation. The Commission is concerned that the deal may reduce competition in titanium dioxide pigment, a critical input for many consumer products. Tronox and Cristal are both active in manufacturing titanium dioxide pigment. They also own titanium feedstock facilities, from which they source the raw material for their pigment production. The proposed merger would create the largest supplier of chloride-based titanium dioxide in the European Economic Area and globally. The Commission’s initial market investigation raised several issues relating in particular to a reduction in the number of suppliers of titanium dioxide pigment produced via the chloride-based process. The market is already concentrated and Tronox and Cristal are close competitors. The Commission is concerned that the transaction could lead to less choice for customers and potentially to higher prices for the products concerned. Moreover, the Commission is concerned that the acquisition would reduce the number of effective competitors in the respective markets from four to three. Commissioner Margrethe **Vestager**, responsible for competition policy, said: *“Titanium dioxide is used in everyday products, including paints, plastics and paper, and many different manufacturers need to buy it from a small number of suppliers. We will carefully assess whether the proposed merger between Cristal and Tronox would affect competition in the titanium dioxide market and ultimately lead to higher prices for many everyday products, or less choice for consumers.”* A press release is available in [EN](#), [FR](#), [DE](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

La Commission approuve pour la première fois une appellation d’origine protégée transfrontalière pour un vin

La Commission européenne a approuvé la première appellation d'origine protégée (AOP) transfrontalière pour un vin, le «Maasvallei Limburg» (Belgique/Pays-Bas). Les vins produits sous cette appellation sont en effet produits à partir de cépages cultivés sur les deux berges de la Meuse dans les régions belge et néerlandaise du Limbourg. Bien qu'il existe déjà d'autres dénominations protégées transfrontalières pour des produits alimentaires ou des spiritueux tels que la Rosée des Pyrénées Catalanes (France/Espagne) ou la Jonge jenever/Jonge genever (également Belgique/Pays-Bas), il s'agit de la première dénomination de vin à être transfrontalière. Les vins «[Maasvallei Limburg](#)» peuvent être blancs, rouges ou rosés. Une deuxième AOP est approuvée aujourd'hui, le«[Picpoul de Pinet](#)»de France, qui se décline, quant à elle, exclusivement en vin blanc, issu d'un cépage unique, le Piquepoul Blanc. La récolte des raisins, la vinification, l'élaboration et l'élevage des vins, sont assurés sur le territoire des communes suivantes du département de l'Hérault dans le sud de la France: Castelnaud-de-Guers, Florensac, Mèze, Montagnac, Pinet, Pomerols. Ces deux nouvelles appellations vont rejoindre plus de 1750 appellations de vins déjà protégées dont la liste est disponible dans la base de données [e-bacchus](#). Pour plus d'informations, voir aussi les pages sur la [politique de qualité](#). (pour plus d'information: Daniel Rosario – Tel: +32 2 29 56185; Clémence Robin – Tel: +32 229 52 509)

Increasing vaccination: consulting the public on possible EU actions

Today, the Commission launches a [public consultation](#) on possible activities to be included in a proposal for stronger EU cooperation against vaccine preventable diseases, which will be adopted in 2018. Interested individuals and organisations can now help shape this important initiative by completing the questionnaire structured under three pillars: tackling vaccine hesitancy; sustainable vaccine policies in the EU; and EU coordination, including the promotion of stakeholder dialogue, and contribution to global health. Announcing the launch of the consultation, Vytenis **Andriukaitis**, Commissioner for Health and Food Safety, underlined: *“In September, President Juncker said he found it unacceptable that in 2017 there are still children dying of diseases that should long have been eradicated in Europe. Needless to say that I not only echo the President’s statement but also am fully committed to support Member States increase vaccination coverage in the EU. The consultation we launch today is an opportunity for you – citizens and organisations – to tell us which EU actions you think are helpful for strengthening cooperation against vaccine preventable diseases. But let me be clear: this is not a debate about the merits of vaccination. The benefits of vaccines are a matter of fact, not a matter of opinion. The growing scepticism towards vaccines threatens to reverse the strides we have made in public health. I count on your constructive input.”* The consultation will run for 12 weeks until 15 March 2018, after which a consultation report will be drawn up. For more information on EU vaccination policy and tools see [here](#). Follow us on Twitter:[@V_Andriukaitis](#) [@EU_Health](#) (For more information: Anca Paduraru – Tel.: +32 229 91269; Aikaterini Apostola – Tel.: +32 229 87624)

Fight against cyber threats: EU establishes a permanent Computer Emergency Response Team for EU institutions

An inter-institutional arrangement was signed yesterday that establishes

CERT-EU as a permanent Computer Emergency Response Team for the EU institutions, bodies and agencies. This decision follows the successful operation of CERT-EU as a task-force over the last six years. CERT-EU reinforces the protection against the cyberattacks, which are often targeted also against the EU institutions, agencies and bodies. CERT-EU works very closely with the internal IT security teams of the EU institutions and liaises with the community of computer emergency response teams and IT security companies in all Member States, exchanging information on threats and how to handle them. It also cooperates closely with its counterpart at NATO (NCIRC) and with the Hybrid Fusion Cell at EEAS. Vice-President for the Digital Single Market Andrus **Ansip** said: *"CERT-EU is a key actor in the protection of the EU institutions against cyber threats. It demonstrates how much the EU institutions can accomplish when they act together."* Commissioner for Digital Economy and Society, Mariya **Gabriel** added: *"Now all EU bodies can count on a permanent operational cybersecurity team to help them respond effectively to the increasing number of advanced cyber threats also affecting citizens."* Further details on the official signature are available [here](#). An overview of EU actions to scale up the Union's responses to cyber-attacks is available in the [press release](#) and [factsheet](#). (For more information: Nathalie Vandystadt – Tel. +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

Internet Governance Forum: European Commission and European Parliament commit to an open internet

Commissioner for Digital Economy and Society Mariya **Gabriel** signed together with Members of the European Parliament a joint declaration following this week's [Internet Governance Forum](#) in Geneva, Switzerland. The representatives of the two institutions confirmed that *"on net neutrality, the Commission and European Parliament made it clear that this is a core value for the European Union, and one that we will continue to implement for the benefit of all citizens. We believe Europe has a fundamental role to play in ensuring that the internet ecosystem remains open, is inclusive and has transparent rules for its governance and allows to safeguard EU's fundamental values. [...] An open and independent internet as a global, common resource, together with non-discriminatory access to knowledge, hence the importance of enhancing digital skills and competences."* You can read the full declaration by Commissioner **Gabriel** and Michał Boni MEP, Cristian Silviu Bușoi MEP, Eva Kaili MEP, Tiemo Wölken MEP, Jan Philip Albrecht MEP, Marisa Matias MEP, Barbara Kappel MEP [here](#). Adopted in November 2015 and applicable since April 2016, [EU rules on net neutrality](#) give end-users the right to access and distribute the information, content, applications and services of their choice and ban blocking, throttling and discrimination between content, applications and services, or categories. The EU delegation on the Internet Governance Forum reiterated additionally that fundamental freedoms and human rights must be protected both online and offline and stressed the economic and social importance of online rights for privacy and of users' control of their personal data. (For more information: Nathalie Vandystadt – Tel. +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

Des fonds européens supplémentaires pour prévenir le risque sismique et soutenir l'intégration des migrants en Italie

Les Abruzzes et les Marches, deux des régions touchées par les tremblements de terre de 2016 et 2017, recevront respectivement 40 millions et 248 millions d'euros supplémentaires, ces montants venant pour moitié des fonds de la politique de Cohésion de l'UE et pour moitié du budget italien. Dans les deux régions, cet argent servira à améliorer la résistance sismique des bâtiments publics et à redynamiser l'activité économique, notamment touristique. Dans les Marches, les fonds soutiendront également la recherche, l'innovation et la compétitivité des entreprises locales pour que l'économie régionale regagne sa prospérité. L'Italie recevra par ailleurs 232,6 millions d'euros à travers son programme national "[Legalità](#)", venant à 70% des fonds de la politique de Cohésion et complété par le budget italien. Ces investissements serviront à améliorer l'accueil et l'intégration des migrants, notamment à travers la rénovation de bâtiments publics visant à les recevoir, et à financer davantage de projets d'inclusion sociale. La Commissaire à la politique régionale Corina Crețu a déclaré: "*L'Europe, à travers les fonds de la politique de Cohésion, investit pour soutenir l'Italie face à ses défis, qui sont aussi des défis européens; accompagner les italiens dans l'épreuve des terribles tremblements de terre et aider les migrants à trouver refuge au sein de la société européenne. Ces investissements supplémentaires sont des exemples concrets de la solidarité européenne, à l'œuvre.*" L'argent provient de l'enveloppe supplémentaire d'1,6 milliard d'euros de fonds européens que l'Italie va recevoir suite à [l'ajustement technique](#), c'est-à-dire la réévaluation en 2016 de tous les budgets nationaux de la politique de Cohésion pour la période 2014-2020, afin de prendre en compte l'impact de la crise. (Pour plus d'informations: Johannes Bahrke – Tel.: +32 229 58615; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)

EU agri-food imports and exports further increased in October 2017

Published today by the European Commission, the [latest monthly trade report](#) shows that the value of EU agri-food exports in October 2017 reached €12.3 billion, maintaining their high performance. EU agri-food imports also increased with a monthly value in October 2017 of €9.6 billion. Today's report presents the trade balance and its development by product category in the last 12 months. The largest gains in net exports were achieved in wine, while the net exports reduced most for wheat and net imports increased most for palm oil and unroasted coffee over the last 12 months. The main destination for EU wine exports is the USA, followed by China, Switzerland, Canada, Japan and Hong Kong. The full report is [online](#). (For more information: Daniel Rosario – Tel.: +32 229 56185; Clémence Robin – Tel: +32 229 52509)

New rules on EU budget ensure more flexibility and less red tape

Following a Commission initiative in 2016, the European Parliament and the Council have agreed on a significant reform for EU funding to simplify the rules under which Member States and other beneficiaries receive money. In particular, access to EU funds will be easier. For example, researchers or students will no longer need to spend time on filling in the forms of their travel expenses and will instead be able to dedicate more time to research. To facilitate cooperation, the Commission will be allowed to rely on already

existing audits and controls by other donors, like the UN. Additionally, for the first time ever in the history of EU budget, the number of financial rules has been reduced by 50%, their overall volume cut by 25% and there is a common core of rules applicable by the Commission and Member States.

Commissioner in charge of Budget and Human Resources, Günther H.

Oettinger, said: *"I am pleased that we have reached an agreement on the EU funding rules before the end of this year. The new rules will simplify access to EU funding and cut red tape for the benefit of all. This entails less paperwork, lower risk of errors, no duplication of audits and improved controls at lower costs. It is a solid basis for preparing the next generation of EU programmes, making sure that every euro from the EU budget delivers maximum added value."* More information is available on [DG BUDG website](#). (For more information: Alexander Winterstein – Tel.: +32 229 93265; Maria Sarantopoulou – Tel.: +32 229 13740)

Aides d'État: la Commission autorise une mesure permettant le développement de plus d'un gigawatt d'énergie renouvelable en France

La Commission européenne a autorisé l'organisation de deux appels d'offres pour la construction et l'exploitation d'installations photovoltaïques en France, pour une capacité totale de 1.040 mégawatts. Cette mesure permettra à la France d'augmenter la part d'électricité produite à partir de sources d'énergie renouvelables et de réduire ses émissions de CO₂, conformément aux [objectifs environnementaux de l'UE](#). La Commission a conclu que la mesure était conforme aux règles de l'UE en matière d'aides d'État, et en particulier aux [lignes directrices de 2014 concernant les aides d'État à la protection de l'environnement et à l'énergie](#). Plus d'informations seront disponibles dans le [registre des aides d'État](#) sur le [site internet de la DG Concurrence](#) sous le numéro SA.47752. (Pour plus d'informations: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

State aid: Commission approves modifications to broadband network project in Eastern Poland

The European Commission has endorsed, under EU State aid rules, modifications to the operation of a high speed broadband (backhaul) network in Eastern Poland. Backhaul networks do not reach the end user but carry data to and from the global networks and function as information highways. The project will increase the coverage of high speed broadband and significantly improve the access to broadband services and competition in the region, which is characterised by high prices and low broadband subscriptions rates by households and businesses compared to the EU average. The original €346 million scheme for the roll-out of the next generation backhaul network (capable of sustaining speeds above 30 Mbps) in un-served or under-served areas in Eastern Poland was approved by the Commission in [2011](#). The Commission assessed the revised measure under EU State aid rules, in particular its [2013 Broadband Guidelines](#). The modifications broaden the scope of the operation of the network. In particular, they will not only allow

vertically integrated private operators providing both wholesale and retail services to participate in the selection process for the management of the network but also introduce an alternative, public model for the management of the network. Furthermore, a better identification of areas that can connect to the backhaul network and the possibility for operators to also serve areas in other regions in Poland will increase the use of the backhaul infrastructure and encourage investments to connect consumers, improving the efficiency of the original scheme. The improved scheme will thus contribute to the achievement of the EU objectives for the [Digital Single Market](#). More information will be made available under the case number SA.46203 in the [State Aid Register](#) on the [competition](#) website once any confidentiality issues have been resolved. (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

Mergers: Commission clears the merger of aerospace equipment suppliers Safran and Zodiac

The European Commission has approved unconditionally under the EU Merger Regulation the proposed acquisition of Zodiac Aerospace by Safran, both global suppliers of aerospace equipment. The Commission concluded that the transaction would raise no competition concerns in the relevant markets. Both Safran and Zodiac are active worldwide in the aerospace equipment industry. The Commission carried out a broad investigation of the markets where the companies are active and concluded that the proposed transaction would raise no competition concerns in any of the markets concerned. Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Both Safran and Zodiac are significant French actors in the aeronautics markets but competition in these markets in Europe will remain strong. We can green light this transaction and the emergence of a strong European player with our EU merger rules.”* A full press release is available in [EN](#), [FR](#), [DE](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

Mergers: Commission clears acquisition of TMA Logistics by HPN and TMA Holding

The European Commission has approved, under the EU Merger Regulation, the acquisition of TMA Logistics B.V. by Hutchison Ports Netherlands B.V. (“HPN”) and TMA Holding B.V., all of the Netherlands. TMA Logistics is currently solely controlled by TMA Holding. It provides solutions for land, sea and air transport, stevedoring for containers and bulk goods, cargo transshipment, project cargoes, storage and customs handling, including the provision of stevedoring services at two container terminals in the Netherlands (Velsen and Amsterdam), and roll-on/roll-off stevedoring services in Velsen. HPN is a subsidiary of Hutchison Port Holdings (“HPH”) – owned by CK Hutchison Holding Limited of Hong Kong – operating ports and deep-sea container terminals. In Europe, the HPH Group provides stevedoring services in ports in Belgium, Germany, Poland, Spain, Sweden, the Netherlands and the UK. TMA Holding

provides stevedoring services (mainly at an inland container terminal in Harlingen, the Netherlands), freight forwarding services and contract logistics services. The Commission concluded that the proposed acquisition would raise no competition concerns because of its limited impact on the market structure. 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.8654](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

Mergers: Commission clears acquisition of Teva's International Women's Health Business by CVC

The European Commission has approved, under the EU Merger Regulation, the acquisition of the International Women's Health Business of Teva of Israel by the CVC Group of Luxembourg. The International Women's Health Business of Teva includes the production and supply of women's health pharmaceutical products worldwide, with the exception of the US. The CVC Group is active in the management and provision of advice to investment funds and platforms. The Commission concluded that the proposed transaction would raise no competition concerns given the moderate overlaps between the activities of the International Women's Health Business of Teva and those of Alvogen of the US and DOC Generici of Italy, two portfolio companies controlled by CVC, in the markets of pharmaceutical products. In particular, for risedronic acid, a drug used to treat osteoporosis, the Commission noted that the presence of generics suppliers with market shares is significantly higher than the increments brought about by the transaction. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8675](#). (For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

Concentrations: la Commission autorise l'acquisition du contrôle exclusif de Rossini Holding SAS par TDR Capital LLP

La Commission Européenne a approuvé, en vertu du règlement européen sur les concentrations, l'acquisition du contrôle exclusif de Rossini Holding SAS par TDR Capital LLP. Rossini est une société immatriculée en France. Ses filiales directes et indirectes exploitent, et franchisent en partie, une chaîne de restaurants sous la marque Buffalo Grill, dont la majorité des activités est réalisée en France. TDR Capital, immatriculée en Angleterre et au pays de Galles, est une société financière privée qui investit dans divers secteurs. La Commission a conclu que l'opération envisagée ne soulèverait pas de problème de concurrence compte tenu de son impact limité sur la structure du marché. L'opération 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.8690](#). (Pour plus d'informations: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)

ANNOUNCEMENTS

Commission launches #EUEducationEmpowers campaign

The European Commission has launched the #EUEducationEmpowers communication campaign, aimed at raising awareness about the EU's role in providing access to education for children caught up in humanitarian crises. The campaign features a short film projected in cinemas, outdoor advertising, and social media activities, to highlight the crucial role of education in giving children in emergencies a sense of normalcy and safety. *"We cannot tolerate lost generations, and must not leave a single child behind. Education saves lives in emergencies and it also provides girls and boys with real skills for the future. The EU is a world leader in providing education for children in crises situations. For every child, life should be a story they wish to write"*, said EU Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides**. As part of its humanitarian assistance, the EU has allocated over €200 million globally to education in emergencies between 2012 and 2017. Over 4.7 million children in 52 countries benefited from this funding. This has enabled children to access education, as well as learning materials and helping to train teachers and caregivers. In 2018, the EU will dedicate a record 8% of its humanitarian [aid budget to education in emergencies](#). The video is available [here](#). You can follow the campaign via #EUEducationEmpowers and you will find more information [here](#). *(For more information: Carlos Martin Ruiz De Gordejuela – Tel.: +32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)*

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

[MiFID II: Commission adopts equivalence decision on Swiss share trading venues](#)

Today's decision ensures that businesses and markets can continue to operate smoothly and without any market disruptions after 3 January 2018. Going forward, the Commission will closely monitor the impact of today's decision and consider the broader political context, notably the progress in the negotiation of the institutional agreement with Switzerland. The decision is limited to one year, until 31 December 2018.

Valdis **Dombrovskis**, Vice President for Financial Stability, Financial Services and Capital Markets Union, said: *"With today's decision, we are ensuring continuity for businesses and markets. Even after 3 January, Swiss operators will continue enjoying access to the EU market, and EU investment firms will be able to trade shares in Switzerland. This equivalence is limited to one year, and can be extended provided there is sufficient*

progress on a common institutional framework. We will be assessing progress on that by end of next year."

The EU's equivalence system in the area of financial services legislation encourages international regulatory convergence and facilitates financial services flows between the EU and third countries. Equivalence decisions are always based on the specific circumstances of the country concerned and there is no automatic right to equivalence.

Switzerland differs from other jurisdictions which have been recently been granted equivalence in several ways. The scope of the Swiss decision is much greater, as the trading of Swiss shares in the EU – and vice versa – is more widespread than with the other jurisdictions – the US, Hong Kong and Australia – which were recently recognised. For example, every share in the Swiss top 20 index is traded in the EU. Therefore trading in Switzerland will have a bigger and more immediate impact on the integrity of EU financial markets, including in the case of prevention of market abuse.

There are also far closer commercial ties binding the EU and Switzerland, which require a special framework. Today's decision takes into [account General Affairs Council conclusions of February 2014](#), which stated that no further the market access should be granted to Switzerland until the institutional agreement is in place. It is also in line with the Swiss Federal Government's intentions, according to which the institutional agreement should be concluded by the end of 2018.

Background

Today's decision takes the form of a Commission Implementing Act. It received the backing of 27 EU Member States in a consultation on 20 December. It will be published in the Official Journal on 23 December 2017.

The EU has established a comprehensive set of rules on investment services and activities. The Market in Financial Instruments Directive or MiFID II (applicable as of 3 January 2018) aims to reinforce the current European rules on securities markets by:

- ensuring that organised trading takes place on regulated platforms;
- introducing rules on algorithmic and high frequency trading;
- improving the transparency and oversight of financial markets – including derivatives markets – and addressing some shortcomings in commodity derivatives markets;
- enhancing investor protection and improving conduct of business rules as well as conditions for competition in the trading and clearing of financial instruments.

In selecting the third country trading venues that benefit from an equivalence decision, the Commission focussed on whether EU trading in the shares admitted to trading in the relevant third country's regulated markets is of such significance in the EU that the EU's trading obligation is triggered with respect to shares admitted on an exchange in the third country. This is the case for shares admitted on the two Swiss exchanges

and, to a lesser extent, for shares admitted in the United States, Hong Kong and Australia, for which equivalence decisions were adopted on [13 December 2017](#).

For More Information

[Commission Implementing Act](#)

[Commission's proposal to increase transparency and predictability of working conditions – Questions and Answers](#)

See also press release [here](#).

What is this new proposal about and where does it come from?

The Commission's proposal for a Directive on transparent and predictable working conditions is part of the initiatives accompanying the [Proclamation of the European Pillar of Social Rights](#). It sets out new rights for all workers and will serve in particular to combat cases of insufficient protection for workers in non-standard forms of employment. It will also limit the administrative burden on employers and serve to maintain a dynamic labour market through modern work patterns and employment relations. In so doing, it establishes a new, fit-for-purpose level-playing field across Europe which Member States, including social partners, can complement.

The initiative builds on the [Written Statement Directive from 1991](#), which is currently in force and requires updating in the light of changes in the world of work. The Commission's [REFIT](#) evaluation of that Directive showed that many workers in the EU, such as domestic workers and those who perform on-demand work, do not receive a written confirmation of their working conditions or do not receive all the information they need in a timely manner. The consultation on the [European Pillar of Social Rights](#) also showed that more predictability should be provided to workers, in particular those in non-standard forms of employment, such as casual work. This is why the Commission is proposing a new Directive on transparent and predictable working conditions which repeals the current Written Statement Directive. The new proposal reinforces the rights provided for in the current rules and adds new common rights for all workers on their working conditions including on probation, work predictability, training and support to transition to more secure employment.

Who is covered under this Directive?

In the third quarter of 2017, Eurostat data showed that employment levels in the EU have never been as high as now, the total number of workers in the EU amounting to 236 million. The new Directive will cover all workers in the Union, except from the self-employed. This would come down to approximately 200 million workers based on 2016 employment figures.

Based on estimates from the study underpinning the Impact Assessment, the changes and clarifications to the personal scope of the proposed Directive will bring some 2-3 million extra workers within the scope of the Directive. These include in particular casual workers (for instance those carrying out on-demand or intermittent work), short-term employees, domestic workers, platform workers or voucher-based workers.

Member States could decide to exclude very short-term assignments of less than 8 hours per month from the scope of the Directive.

What are new and non-standard forms of employment?

Temporary or short-term contracts, part-time and on-demand work, as well as employment relationships between more than two parties are usually regarded as non-standard forms of employment – as opposed to a standard employment relationship which typically refers to full-time work on a permanent contract.

Within these categories, a variety of forms can be identified, for example casual work (i.e. zero-hour contracts, such as for instance a shelf-stacker in the supermarket who only gets called when there is a lot of business), temporary agency work (i.e. interim positions) or platform work (i.e. people working for digital platforms, without having a fixed work place).

Eurofound^[1] identified several new forms of employment that include for example non-conventional workplaces, support of information and communication technologies, or an organisation of the employment relationship that differs from traditional forms. While many new forms of work are beneficial to workers and employers and contribute to labour market innovation overall, such as job sharing, some raise concerns both for working conditions and labour market competition, such as casual work.

How many people work under precarious conditions?

An estimated 4 to 6 million individuals across the EU can be classified as casual workers with low levels of job and income security, poor social protection, little access to training and, in some cases, quite repetitive work. Moreover, according to Eurostat, about 7 million or almost 28% of all part-time workers in the EU in 2016 would have wanted to work more. Almost 4 million persons work at most 8 hours per week and about 1.6 million temporary contracts run for less than one month. Domestic workers, of whom there are some 3 million in the EU, also typically have very low job security, especially if they lack an employment contract. Further vulnerable groups include crowd/platform workers, temporary agency workers, voucher-based workers, and those workers who are falsely categorised as self-employed.

Why did the Commission decide to act?

The general consultation on the European Pillar of Social Rights, and the targeted consultation of social partners on this proposal, showed that there is a risk of insufficient protection for workers, in particular for those in new and non-standard forms of employment. Lack of EU action would have serious long-term consequences for workers and for the labour market. Transparency and predictability of working conditions are in the interest of both employees and employers, as well as to modern and performing labour markets.

What is the definition of worker used at EU level?

Most EU legislation on working conditions, including EU rules on labour contracts, do not give a definition of worker or employee at all, or refer to national definitions of 'employees' or 'employment relationship' for defining to whom the rules apply. As a consequence, the rules applying to the same categories of workers are being applied in different ways across the EU. Furthermore, it leads to inconsistencies in coverage for the growing category of non-standard forms of employment.

To close such gaps, the Commission follows settled case-law by the Court of Justice in the current proposal, which defines an employment relationship as follows: *'for a certain period of time, a person performs services for and under the direction of another person, in return for which he or she receives remuneration'*.

Which new rules and minimum standards will this proposal introduce?

	CURRENT RULES	NEW RULES
Type of information offered by employer	<ul style="list-style-type: none"> • identity of parties; • place of work; • specification of work; • starting date; • duration (for temporary contracts); • paid leave; • notice period; • amount and components of remuneration; • length of working day or week; • applicable collective agreements. • Additional information for expatriate employees. 	<p>In addition to current elements, information on:</p> <ul style="list-style-type: none"> • probation (if any); • training provided by employer; • arrangements and remuneration for overtime • information on working time for workers on very variable schedules; • social security institution where contributions are paid
Deadline to provide the information	<p>Within 2 months following the start of the employment relationship</p>	<p>At the latest on the first day of work</p>

How the information should be provided	Written contract, letter of engagement or one or more written documents	<ul style="list-style-type: none"> • A written document, in paper or electronic form • Member States are obliged to provide templates and accessible information to reduce burden on employers • limit the length of probationary periods to 6 months, unless longer is objectively justified; • right to work for other employers, with a ban on exclusivity clauses and restrictions on incompatibility clauses; • right to
Material rights	None	<ul style="list-style-type: none"> predictability of work: workers with variable working schedules determined by the employer (i.e. on-demand work) should know in advance when they can be requested to work; • Possibility to request a more stable form of employment and to receive a justified written reply (within 1 month; for SME's within 3 months and orally for repeated requests) • right to cost-free mandatory training

Enforcement

Member States provide for the necessary measures to enable employees pursue possible claims through a judicial process after possible recourse to other competent authorities. This may be subject to notification of the employer by the employee, and failure of the employer to reply within 15 days.

Introduction of two alternative procedures for addressing missing information:

- positive presumptions (if no relevant information supplied, no probation, permanent and/or full time employment relationship);
- administrative procedure to issue injunction to employer to supply missing information.

In addition, provisions based on existing social acquis on compliance, right to redress, prevention of adverse treatment, burden of proof on dismissal, and penalties are introduced.

What will be the benefits of this proposal for workers?

The aim of the proposal is that workers in Europe will be better informed about their conditions of employment and able to enjoy improved working and living conditions.

The Commission's proposal is underpinned by an [Impact Assessment](#), which, on the basis of an external study, has analysed the existing national provisions and derived the numbers of workers who would benefit from the proposal.

Thanks to the reduced exclusions and broad definition of 'worker', at least 2-3 million additional workers will benefit from transparency on their working conditions.^[2] Under the current rules, workers who work less than 8 hours a week or whose contracts are limited at less than one month can be excluded from the Directive currently applicable. The Commission's proposal would only allow for an exclusion of workers who work less than 8 hours a month.

Up to 31 million workers will be entitled to more information than currently provided, for example on probation, working schedule or social security protection. Up to 16 million workers every year will be able to start a new job with full transparency of working conditions from the first day instead of up to 2 months later.

Between 4 and 7 million workers will get the possibility to look for additional work due to the enhanced predictability (reference hours and minimum advance notice). Enhanced predictability should also have a positive impact on their work-life balance and health.

Some 14 million workers could use the right to receive a written reply to a request for more stable employment and thus get support in dialogue with their employer to move to a more stable form of work. Some 3-6 million workers will be protected against excessive probation periods. Without exclusivity clauses up to 364.000 workers may seek additional work. Workers' right to receive cost-free mandatory training would be confirmed. In general, workers whose rights are not respected would have easier access to redress.

Workers falling outside the scope of national definitions of worker because, for instance, they perform casual work, or are on zero-hour contracts or similar arrangements will be entitled to basic rights as information on essential aspects of their working conditions, and increased predictability and protection in the organisation of their work.

Bogus self-employment (i.e. with self-employment contracts but a de facto-employment relationship as defined in the directive) will be easier to detect and as a result workers will receive additional information, rights and, if need be, access to enforcement, on the basis of the implementation by legislation or collective agreements in the Member States.

What will be the benefits for companies?

The new rules will create a level-playing field for companies across the EU. Employers already providing enhanced information and using more secure contracts will benefit as their competitors across the EU will also need to provide at least the same basic protection. The Commission estimates that 16% of employers will benefit from increased legal certainty. Cross-border hiring and labour mobility will be supported by more uniform minimum provisions.

Thanks to the prohibition of exclusivity clauses, workers will be more available for other, additional jobs and employers, which might generate up to €167 million additional revenues per year. The provision of templates and of information at national level will facilitate the preparation of labour contracts and raise awareness of existing legislation both among professional employers and more marginal employers.

Other benefits include higher staff retention and loyalty, improved worker relations, fewer complaints from workers, fewer court cases relating to working conditions, better resource planning and work allocation. Overall, the proposed measures could have a positive impact on productivity.

How does the proposal protect European competitiveness?

Competitiveness is crucial for job creation and economic growth, and the proposal has been designed to preserve and foster it. The proposal does not prohibit any forms of employment but rather aims to curb abusive forms of flexibility – such as preventing workers to seek work elsewhere while not guaranteeing any paid hours – which can lead to unsustainable competition based on lowering social standards. Overall it balances protection of workers with safeguarding necessary flexibility for business.

The Commission considers that the proposed package will not just be good for

workers but will also benefit business and Member States. A majority of companies in the EU, including many SMEs, make only a marginal use of non-permanent forms of employment. They will regain some of their competitive capacity vis-à-vis those employers who made casual employment the core of their business model.

We also know that transparency and predictability in working conditions makes workers more productive and innovative. In that sense the proposal supports what has always been EU's main competitive advantage: quality and innovation rather than poor labour standards.

Aren't the social partners better placed to regulate practices regarding employment relationships?

In line with EU Treaties, the Commission consulted trade unions and employers' organisations in a two-stage approach to see if they were willing to address the challenges by an agreement between themselves. However, the views of the social partners on the need for legislative action were mixed. There was no agreement among them to enter into negotiations to conclude an agreement at Union level. Trade unions were broadly in favour of updating the EU rules and suggested additional provisions. All contributions from social partners have been taken in due consideration in the drafting of the proposal.

Nonetheless, the proposal provides extensive room for social partners to implement the Directive and negotiate provisions that adapt the rights to the specificities of different sectors. Indeed, the Commission aims at ensuring a common protection for all workers, also those not covered by collective agreements, while ensuring that social partners are able to negotiate agreements that can better address specific national or sectoral needs.

[\[1\]](#) Eurofound (2015), New forms of employment, Publications Office of the European Union, Luxembourg.

[\[2\]](#) The methodology on the basis of which this and following figures were derived is explained in the Impact Assessment accompanying the proposal.

Mergers: Commission clears the merger of aerospace equipment suppliers Safran and Zodiac

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Both Safran and Zodiac are significant French actors in the aeronautics markets but competition in these markets in Europe will remain strong. We can green light this transaction and the emergence of a strong European player with our*

EU merger rules.”

Both Safran and Zodiac are active worldwide in the aerospace equipment industry. The Commission carried out a broad investigation of the markets where the companies are active:

- Both companies supply **aircraft electrical systems**. However, the Commission found no serious competition concerns because the increase in market shares resulting from the transaction is very limited, and the merged entity will continue to face strong competition from other established suppliers.
- On markets on which the merging companies are active at different stages of the supply chain, for example as suppliers of landing gears and wiring systems or related components, the Commission found that **the merged entity would not have the ability and/or incentive to foreclose third parties**, notably because alternative suppliers and customers would in any event remain available.
- On the **combination of the companies’ product portfolios** and any possible detrimental effects on competition by enabling the merged entity to shut out rivals supplying a narrower range of products, the Commission found that the merged entity would not have the ability and/or incentive to exclude competitors by tying or bundling the supply of different systems and equipment.

In view of the above, the Commission therefore concluded that the proposed transaction would raise no competition concerns in any of the markets concerned.

Companies and products

Safran of France is active in the aerospace and defence industries worldwide. Safran’s aerospace propulsion business includes the development and manufacture of aircraft engines, helicopter turbine engines and space engines. Safran also supplies other types of aircraft equipment such as landing systems, wheels and brakes, nacelles, electrical systems and wiring systems.

Zodiac Aerospace also of France is active in the aerospace industry in the development and manufacture of aircraft equipment such as electrical and wiring systems, on-board systems such as seats and galley inserts, as well as solutions for space applications. Its product offering includes aircraft seats, cabin interiors and various equipment including safety, electrical, control and water and waste systems.

Merger control rules and procedure

The transaction was notified to the Commission on 16 November 2017.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information will be available on the Commission's [competition](#) website, in the public [case registry](#) under the case number [M.8425](#).