

# Statement by Commissioner Vestager on the International Skating Union infringing EU competition rules by imposing restrictive penalties on athletes

*\* Please check against delivery \**

The Commission has decided that the eligibility rules of the International Skating Union – the ISU – are illegal under EU competition law.

The ISU is the world governing body for ice skating – both speed skating and figure skating. Its members are national ice skating associations. Together, the ISU and its members organise international ice skating competitions – big events, like the Winter Olympics, the European Championships and the World Championships.

The ISU's eligibility rules set out who can compete in those events. In our decision, we found that through the application of those rules the ISU can prevent independent organisers from setting up other international speed skating competitions – and dissuade skaters from taking part in those competitions.

## **Our investigation**

Our case started with a complaint from two Dutch professional speed skaters, Mark Tuitert and Niels Kerstholt. They have won gold medals at the Olympics and the World Championships. But they also wanted the chance to compete in other events.

That makes sense. A speed skater's professional career doesn't last all that long. So athletes like Mark Tuitert and Niels Kerstholt should have the chance to make the most of the years while they're at the top of their game. And besides, those new competitions can give fans another chance to see them in action.

But the ISU's rules allow it to penalise skaters when they take part in competitions that the ISU hasn't authorised. Skaters can be suspended for several years, or even banned for life from all major international competitions, including the Olympics and the European and World Championships.

That's a risk that a professional athlete can't afford to take. So in effect, those rules prevent skaters from taking part in competitions that aren't authorised by the ISU and its members.

That can be costly for athletes, who lose the chance to compete – and an

opportunity to better earn their living.

It can also mean those competitions never happen. Because organisers can't put together an event, if top athletes are put off by the threat of a ban. And in fact, as a result of those rules, only the ISU and its members actually organise international speed skating competitions.

### **Consequences of the decision**

Today's decision requires the ISU to put a stop to this infringement. It could do that by abolishing its eligibility rules.

Or it could amend them, so they're based on a clear list of legitimate sporting objectives, such as protecting athletes' health or preventing doping. The rules should not be about the ISU's own commercial interests. The eligibility of an athlete should not depend on whether he or she takes part in a competition that doesn't threaten those legitimate sporting objectives.

We've decided not to impose a fine on the ISU. We don't believe it's appropriate or necessary to do that for deterrence purposes.

But we'll still be watching closely, to make sure the ISU complies with our decision. And if it doesn't, we can fine it up to 5% of its daily worldwide turnover, for each day that it's in breach of our decision.

### **Implications for professional sport**

Ice skating is just one of many sports in Europe that's organised through this pyramid structure, where a single federation organises competitions from local to international level.

We're not questioning that structure. And we're certainly not questioning the right of those federations to do their job of organising the sport. Of protecting the health and safety of athletes, and the integrity and proper conduct of sport.

But the penalties these federations impose should be necessary and proportionate to achieve those goals. They certainly shouldn't be used to unfairly favour the federation's own commercial interests, at the expense of athletes and other organisers.

Sport is a fun, healthy, exciting thing to do. But it's also a business, and a livelihood for professional athletes. Today's decision is about that side of sport. It's about making it clear to sporting federations that the business of sport also has to comply with competition rules.

### **Conclusion**

This decision doesn't mean the Commission is trying to be the referee in every dispute about sport.

In fact, there are many disputes which have little or nothing at all to do with competition rules. Things like the penalties for doping or match-fixing,

or deciding the precise scheduling of games. For these, sports organisations must live up to their responsibilities and find solutions and mechanisms for solving disputes that deliver the results that the public and the athletes deserve.

As for the enforcement of competition rules, national courts and competition authorities share this responsibility with us. And they're usually well placed to deal with competition disputes involving a sport federation.

To use a sporting analogy, each of us has our own position on the field. We're playing to the best of our ability in ours. And we leave it to others to do their part.

Thank you.

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## **EU boosts aid in Ethiopia amid worsening humanitarian situation**

The European Commission has announced new emergency assistance of €15 million to help people in Ethiopia who are facing increasingly dangerous levels of food insecurity due to severe drought, bringing total EU humanitarian funding in 2017 to over €91 million. The support comes as the number of refugees arriving from neighbouring countries such as Eritrea, Somalia, and especially South Sudan is constantly increasing, as is the number of internally displaced people.

*"Ethiopia is facing humanitarian crises on many sides – from those devastated by drought to the challenges brought by an upsurge in refugees from neighbouring countries. The EU is committed to support those in need in Ethiopia. Our new aid will enable humanitarian organisations to step up emergency food assistance and the treatment of malnutrition,"* said Commissioner for Humanitarian Aid and Crisis Management Christos Stylianides.

The funding will also help address water supply, livestock protection, shelter and protection, notably for the increasing numbers of internally displaced people.

Due to consecutive low performing rain seasons, Ethiopia is facing the most critical levels of food and nutrition insecurity in 10 years, especially in its southern and south-eastern pastoral areas. The country also hosts the second largest number of refugees in Africa – over 880 000, which generates mounting humanitarian needs.

The EU also provides development aid for Ethiopia worth €745 million over 2014-2020 through the European Development Fund.

## Background

Ethiopia is one of the countries that have been most affected by the El Niño phenomena. While it is still recovering from the 2015-2016 drought, the current Indian Ocean Dipole (IOD) induced drought has taken hold in the south and south-eastern lowlands.

The number of people needing emergency food assistance has now reached 8.5 million. An estimated 3.6 million children and pregnant and lactating mothers are suffering from acute malnutrition. The prolonged drought has also caused massive livestock losses and has forced over 360 000 people out of their homes.

Ethiopia also hosts refugees in 25 camps located in Tigray, Afar, Somali, Gambella, and Benishangul Gumuz regions. It has been facing an increasingly growing influx of refugees mainly from South Sudan and Somalia, but also from Sudan and Eritrea. Meanwhile, escalating tensions and violent incidents along the Oromia – Somali regional border since September have resulted in a surge of displaced people across the two regions, leaving thousands in a highly precarious and vulnerable position.

At the same time, the number of internally displaced people now stands at over 1.3 million, following an escalation of internal conflicts since September.

## For More Information

[Factsheet Ethiopia](#)

[Factsheet Horn of Africa](#)

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## **Brexit: European Commission recommends sufficient progress to the European Council (Article 50)**

It is now for the European Council (Article 50) on 15 December 2017 to decide if sufficient progress has been made, allowing the negotiations to proceed to their second phase.

The Commission's assessment is based on a Joint Report agreed by the negotiators of the Commission and the United Kingdom Government, which was today endorsed by Prime Minister Theresa **May** during a meeting with President Jean-Claude **Juncker**.

The Commission is satisfied that sufficient progress has been achieved in

each of the three priority areas of citizens' rights, the dialogue on Ireland / Northern Ireland, and the financial settlement, as set out in the [European Council Guidelines of 29 April 2017](#). The Commission's negotiator has ensured that the life choices made by EU citizens living in the United Kingdom will be protected. The rights of EU citizens living in the United Kingdom and United Kingdom citizens in the EU27 will remain the same after the United Kingdom has left the EU. The Commission has also made sure that any administrative procedures will be cheap and simple for EU citizens in the United Kingdom.

As regards the financial settlement, the United Kingdom has agreed that commitments taken by the EU28 will be honoured by the EU28, including the United Kingdom.

With regard to the border between Ireland and Northern Ireland, the United Kingdom acknowledges the unique situation on the island of Ireland and has made significant commitments to avoid a hard border.

Full details of the Commission's assessment are available in the [Commission's Communication on the State of Progress of the Negotiations with the United Kingdom](#).

Jean-Claude **Juncker**, the President of the European Commission, said: *"This is a difficult negotiation but we have now made a first breakthrough. I am satisfied with the fair deal we have reached with the United Kingdom. If the 27 Member States agree with our assessment, the European Commission and our Chief Negotiator Michel Barnier stand ready to begin work on the second phase of the negotiations immediately. I will continue to keep the European Parliament very closely involved throughout the process, as the European Parliament will have to ratify the final Withdrawal Agreement."*

Michel Barnier, the European Commission's Chief Negotiator, said: *"The Commission's assessment is based on the real, genuine progress made in each of our three priority areas. By agreeing on these issues, and settling the past, we can now move forward and discuss our future relationship on the basis of trust and confidence."*

**Next Steps:** If the European Council (Article 50) considers that sufficient progress has been made, the negotiators of the European Commission and of the United Kingdom Government will begin drafting a Withdrawal Agreement based on Article 50 of the Treaty on European Union on the basis of the Joint Report and the outcome of the negotiations on other withdrawal issues. In line with the Guidelines of 29 April 2017, and once the Member States agree with the Commission's assessment, the Commission stands ready to begin work immediately on any possible transitional arrangements and to start exploratory discussions on the future relationship between the European Union and the United Kingdom.

## Background

On 29 March 2017, the United Kingdom notified the European Council of its intention to withdraw from the European Union in accordance with Article 50

TEU. On 29 April 2017, the European Council (Article 50) adopted a set of [political Guidelines](#). On 22 May 2017, the General Affairs Council (Article 50) authorised the European Commission to open negotiations with the United Kingdom and adopted directives for the negotiation ([the negotiating directives](#)).

Negotiations should be completed by autumn 2018 to allow good time for the Withdrawal Agreement to be concluded by the Council after obtaining consent of the European Parliament, and to be approved by the United Kingdom in accordance with its own procedures before 29 March 2019.

#### **For More Information**

[Communication from the Commission to the European Council \(Article 50\)](#)

[Joint Report from the Negotiators of the European Union and the United Kingdom Government](#)

[Joint EU/United Kingdom Technical Table on Citizens' Rights](#)

[European Council Guidelines, 29 April 2017](#)

[Council negotiating directives, 22 May 2017](#)

[European Council conclusions, 20 October 2017](#)

For more information, please see our [webpage](#).

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## **Remarks by President Juncker at the joint press conference with Theresa May, Prime Minister of the United Kingdom**

Prime Minister,

Ladies and Gentlemen,

This morning, Prime Minister May and I had a meeting to take stock of progress since we met on Monday. I will not hide that in between Monday and this morning we had a lot of talks – the Prime Minister and myself; the Taoiseach and myself; the Taoiseach and the Prime Minister.

And that is the reason why I would like to thank the Prime Minister for her determination. I would also like to thank Michel Barnier and David Davis, as well as their teams, for the extremely hard and skilful work over the last

weeks and months.

We discussed the Joint Report agreed by the two negotiators. Prime Minister May has assured me that it has the backing of the UK Government. On that basis, I believe we have now made the breakthrough we needed.

Today's result is of course a compromise. It is the result of a long and intense discussion between the Commission's negotiators and those of the UK.

As in any negotiation, both sides had to listen to each other, adjust their position, and show a willingness to compromise. This was a difficult negotiation for the European Union as well as for the United Kingdom.

On Wednesday, the College of Commissioners gave me a mandate to conclude the negotiation of the Joint Report. And it had to be concluded today – not next week – today because next week we will have the European Council and in order to allow our partners to prepare in the best way possible the meeting of the European Council we had to make the deal today.

On the basis of that mandate, the Commission has just formally decided to recommend to the European Council that sufficient progress has now been made on the strict terms of the divorce. Es wurden genügend Fortschritte erzielt, damit wir jetzt in die zweite Phase der Verhandlungen eintreten können. Nous avons pu faire les progrès suffisants pour que désormais nous puissions entrer en deuxième phase de la négociation entre le Royaume-Uni et l'Union européenne à 27.

The decision on sufficient progress will be in the hands of the 27 Heads of State or Government. I am hopeful, sure, confident – sure – that they will share our appraisal and allow us to move on to the next phase of the negotiations.

Last Monday I also met with the European Parliament representatives. From the start of this process, cooperation between the European Parliament and the Commission has been close and our positions closely aligned. These negotiations can only be successful if we take an inclusive approach; that is exactly what we did.

Without going into all of the detail, allow me to touch on what today's agreements mean in practice. Later on today, at 09:30, my friend Michel Barnier will be available to explain all the details of the agreement we reached today.

A few remarks on citizens' rights first. In this negotiation, citizens have always come first. It has been of great importance for the Commission to make sure that EU citizens in the UK will be protected after the UK leaves the European Union.

EU citizens have made important life choices on the assumption that the United Kingdom was a member of the European Union. Brexit created great uncertainty for those citizens and for their families.

Today, we bring back the certainty. The Commission's negotiators have made

sure that the choices made by EU citizens living in the UK will be protected. We have made sure that their rights will remain the same after the UK has left the European Union. This is in particular the case for: EU citizens' right to live, work and study; EU citizens' right to family reunification; the protection of the rights of EU citizens' children; and the right to healthcare, pensions and other social security benefits.

We have made sure that the administrative procedures will be cheap and will be simple. This is an issue to which the Commission will pay particular attention when drafting the withdrawal agreement.

The same goes for UK citizens living in the EU27.

On the settling of accounts, the Prime Minister said in her remarkable Florence speech that the United Kingdom would honour its commitments, including beyond 2020. This was a detailed, line-by-line process but she has been as good as her word. She was negotiating in a gentlemanly manner, and I am very grateful, Prime Minister, for that.

On Ireland, the EU has consistently supported the goal of peace and reconciliation enshrined in the Good Friday Agreement. The European Union has made it a priority to protect the peace process on the island. I have been in regular contact with the Taoiseach over the last days, including last night and including the last negotiations we had in the course of yesterday with our Irish friends. The UK has made significant commitments on the avoidance of a hard border after its withdrawal from the European Union.

All of the EU27 stand firmly behind Ireland and behind the peace process.

Let me be clear: we still have a lot of work to do.

The Joint Report is not the withdrawal agreement. That agreement still needs to be drafted by the negotiators on the basis we have agreed yesterday and today, and then approved by the Council and ratified by the UK Parliament and the European Parliament.

534 days ago, the British people voted to leave the European Union. 249 days ago the United Kingdom notified its intention to leave the European Union. And in 477 days the United Kingdom will do just that.

I will always be sad about this development. But now we must start looking to the future. A future in which the United Kingdom will be and will remain a close friend and ally. The Prime Minister and I discussed the need for a transitional period. And we dedicated much of our meeting to our joint vision of a deep and close partnership. It is crucial for us all that we continue working closely together on issues such as trade, research, security and others.

We will take things one step at a time – starting with next week's European Council. But today, I am hopeful that we are now all moving towards the second phase of these challenging negotiations. And we can do this jointly on the basis of trust, renewed trust, determination and with the perspective of a renewed friendship.



Thank you.

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## Banking regulation: Commission welcomes Basel Committee's agreement on post-crisis reforms

The Group of Governors and Heads of Supervision (GHOS), the oversight body of the Basel Committee on Banking Supervision, has endorsed a package of amendments to the Basel III framework, the internationally agreed prudential standards for banks, that aim to finalise the post-crisis reforms. This agreement is the result of a strategic review of those international reforms which was conducted by the Basel Committee with the aim of improving the balance between simplicity, comparability and risk sensitivity.

The agreement will now be subject to a thorough Commission consultation and impact assessment to evaluate the consequences for the EU economy before it can be translated into EU law taking into account the results of the impact assessment.

Valdis **Dombrovskis**, Vice-President responsible for Financial Stability, Financial Services and Capital Markets Union, said: *"EU banking regulation must provide a foundation for a stable banking system that supports the European economy. International cooperation in this matter is crucial to ensure financial stability and a level playing field for banks globally. The measures that were agreed by the Basel Committee represent the last major piece of the regulatory reform that was launched in the wake of the financial crisis. It is now essential that all major jurisdictions implement all elements of this agreement. The Commission will now carry out a thorough and detailed impact assessment."*

### **Next steps**

The implementation of today's agreement in the EU would require amendments to current banking regulations, including the Capital Requirements Regulation (CRR). Before proposing such amendments, together with a thorough impact assessment, the Commission will also consult the EU institutions, Member States and the various stakeholders. Any legislative proposal would be independent from the CRR amendments that were proposed by the Commission in November 2016 and that are currently being negotiated by the European Parliament and the Council.

### **Background**

The Basel III capital framework sets global minimum standards for the amount of capital that banks must hold to cover the risks that they are exposed to.

These standards are internationally agreed in the Basel Committee on Banking Supervision. The Basel Committee has 45 members from 28 jurisdictions, with around one-third being Member States of the EU.

In order for the Basel standards to become binding on banks, they must be implemented in the laws of the individual member jurisdictions. In the EU, this implementation is done through the CRR and the Capital Requirement Directive (CRD).

The Basel standards contain different methods that may be used to calculate capital requirements for individual banks, including complex methods based on banks' internal models and simpler standardised approaches. During the crisis, concerns were raised regarding some of these different methods, in particular those allowing the use of internal models. Today's agreement is intended to address some of these concerns by, amongst other things, enhancing the robustness and risk sensitivity of the standardised approaches while constraining the use of internal models in certain respects.

**For More Information**

[Link to GHOS/BCBS press release](#)