

EU Intelligence Report

June 2015



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EU Regulatory Policy

Luxembourg EU Presidency prioritises Visas, Human Capital, SMEs and Taxation

LUXEMBOURG PRESIDENCY

Luxembourg will hold its 12th Presidency of the Council from 1 July to 31 December 2015, concluding the Italian-Latvian-Luxembourg Trio.

Luxembourg Presidency's priorities include:

- Growth and Jobs Agenda;
- The social dimension of European policies;
- The digital single market

The Luxembourg Presidency promised they will accelerate work on recasting the EU Visa Code.

They will also focus on social investment and investment in human capital, with a Particular attention to digital skills and female employment.

The Luxembourg Presidency will have a particular attention to the development of SMEs. The revision of the 'Small Business

Act' will be treated as a priority. The Presidency will also focus on the promotion on financing and support instruments for SMEs, innovation and research, in particular the Programme for the Competitiveness of SMEs (COSME) and the Research and Innovation Programme 'Horizon 2020'.

Luxembourg intends to continue the fight against tax fraud and tax evasion in a global context and ensure fair competition. The Action Plan for fairer corporate taxation, as proposed by the Commission on the 17th of June 2015, will serve as a starting point. With regard to VAT, the Luxembourg Presidency will, if necessary, continue negotiations on the standard VAT return and the treatment of vouchers.

The complete programme of the Luxembourg Presidency can be accessed [here](#).

Commission draft EU budget 2016: focus on jobs, growth, migration and global action

EUROPEAN COMMISSION

The Commission has proposed [a 2016 EU budget](#) of €143.5 billion in payment credits to support the recovery of the European

economy. The money will be invested to boost innovation, create jobs, help convergence among Member States and among regions, deal more effectively with migration and further strengthen the role of the EU as a global player.

The proposal also includes contributions to the European Fund for Strategic Investment (EFSI), which is at the heart of the Investment Plan for Europe, and for COSME (Competitiveness of enterprises and small and medium-sized enterprises). European Parliament and EU Member States will jointly decide on the final budget, foreseen to be adopted on 25 November 2015.

For the Commission's press release, click [here](#).

Inter-institutional Agreement on Better Law Making (IIA): negotiations started

EUROPEAN COMMISSION EUROPEAN PARLIAMENT EUROPEAN COUNCIL

On the 25th of June the official negotiations on the "[Proposal for an Inter-institutional Agreement on Better Regulation](#)" started.

The aim of the new inter institutional agreement is to improve the decision-making process and mutual cooperation between the three EU institutions - Commission, Parliament and Council.

The Main issues to be discussed include: Annual and Multiannual programming, Trialogues, National Parliaments, Better Regulation, Transparency and Delegated/Implementing Acts.

It is expected that negotiations will take place during the Luxembourg Presidency (1 July to 31 December 2015).

Commission appoints new DG Grow Director General

EUROPEAN COMMISSION

The European Commission has decided to appoint Alexander Italianer as the new Secretary-General following Catherine Day's decision to retire from active service as of 1 September 2015. The Commission has also decided to reshuffle its senior management team, including 33 Directors-General, 36 Deputy Directors-General and 4 Hors Classe Advisers. The changes included a change of leadership for the

Directorate General responsible for tourism – DG Grow. The current Director General Mr Daniel Calleja Crespo will be replaced by Ms Lowri Evans (UK). She was the Director General for DG MARE since 2010, and was previously a Deputy Director General in DG Competition.

Tourism Policy

EU Parliament LIBE Committee holds hearing on Visa Package

EUROPEAN PARLIAMENT

On June 17 Michel De Blust spoke on behalf of the Network for the private sector in European Tourism (NET) at the Visa Package hearing organised by the EP Committee on Civil Liberties, Justice and Home Affairs. IAAPA Europe is a member of NET and endorsed the position presented by Mr. De Blust at the hearing. Please find below a summary of the most important points raised during the discussion.

The **rapporteur Tanja Fajon (S&D, SI)** announced the she would include the following points in her report:

- Creation of an easier procedure especially for VIS registered

regular travellers – including seafarers.

- Support the Commission's proposal for an exhaustive list of supporting documents.
- Support the possibility for online applications (from 9 months before the intended visit).
- Allow applicants to apply for a visa at a consulate of another Member State if the responsible consulate is too far.
- Support the cooperation between Member States and common application centres (Schengen Centres).
- Support inclusion of humanitarian visas provisions.
- Focus on making Europe attractive in terms of tourism and economy, and try not to focus too much on the security aspect.

The **panel debate** showed broad support for the Commission's proposal both among speakers and MEPS, but several concerns were raised. Please find below a summary of the main suggestions from the speakers and the main issues of concern.

Michel De Blust (NET), talked about the economic importance and resilience of the European tourism sector and said that the visa application should become clear, simple, affordable and effective, including for people working in the industry (seafarers). Among other issues, he spoke in favour of a better and more comprehensive definition of regular travellers, reduction of processing time, possibility to allow applicants to apply in the Consulate of another Member State if the relevant Consulate is too far. Regarding the Presidency's suggestion to regulate visa via a comitology procedure, he expressed the fear that this would lead to an increase in fees that would make Europe an expensive destination. He commented that visa fees are a crucial aspect for the industry.

Other suggestions from panellists:

- Krzysztof Mrozek (Visa-free Europe Coalition) recommended introducing a 10 year visa which has been successfully implemented by the USA.
- Stefan Gurdebeke (Chief Commissioner, Federal Police, Head of Border Control Department at Brussels National Airport) called

for a harmonisation of the Visa Code between the 28 countries.

- Marianna Georgallis (Youth association: European Youth Forum) suggested the introduction of no-fee visas for participants of NGOs conventions and for people of 35.

Main issues of concern raised in the debate:

- Outsourcing: MEPs expressed concerns on security and additional costs for the applicants.
- Multi-entry visas: This idea is broadly supported but there are worries among MEPs about safety of automatic issuing.
- Humanitarian Visas: Most speakers and MEPs agreed that they should not be included in the Visa Code review.
- No-fee visas: Some MEPs had doubts on their possible negative effects.
- On-line application: Everybody agreed that it is a tool to be further developed.

Concluding the hearing, the **Commission** explained that the main objectives of the proposal are to modernise and simplify the procedure to be more harmonised in order to alleviate the weight on Consulates.

- On multi-entry visas, she said that the Commission is willing to look more into this issue;
- On the question of automaticity, she said that it is only possible if all the conditions are fulfilled;
- On the online application, she noted that this is already possible in many Member States, but that it is important to keep the possibility if paper applications for countries where internet access is difficult;
- On fees, harmonisation is the goal of the commission. 70% of all visa applicants pay a reasonable fee of 35 euros.
- On the issue of humanitarian permits, she said that the Commission does not think that the visa code should address this issue, being about short stays.

European Parliament to assess status of the promotion of tourism in Europe

EUROPEAN PARLIAMENT

The EP Transport and Tourism Committee published a draft report on "New challenges

and concepts for the promotion of tourism in Europe”. The Rapporteur is [Isabella De Monte MEP](#) (S&D, IT).

The report will provide the Parliament’s opinion and suggestions regarding the status of the promotion of tourism in Europe. The rapporteur pointed out that tourism, as the third largest economic sector in Europe, is important for SMEs and in the battle against youth unemployment.

Although this is a non-binding document, it will have an influence on the new Tourism Strategy that the Commission is expected to present in September.

Main point of interests in the draft report are:

- Restructure of DG Grow: The Rapporteur criticizes the decision from the Commission to reduce its staff responsible for tourism. She considers this measure inconsistent with the ambitious new set of common actions in tourism that the Commission presented in January 2015.
- Digitalisation: The Rapporteur identifies three main areas of action: assessment of how digitalisation affects the industry, initiatives to tackle

the digital challenges and actions to support competitiveness. She suggests to focus on improving digital infrastructure, interoperability and enhanced cooperation within the industry. Among other suggestions, she calls on the Commission to draft a roadmap of initiatives to encourage a more efficient use of digital tools in tourism, and to refocus funds and programmes in order to better support digitalization of European tourism companies.

- Accessibility: The Rapporteur focuses mainly on transport accessibility, but she briefly mentions the “tourism for all” principle, which would include accessibility in tourism services and facilities.
- Brand Europe: The Rapporteur supports the initiative and recommends the creation of a brand manual to define clear modalities and facilitate implementation. She nevertheless stressed that “Europe” as a brand should not replace, but rather support efforts to market the individual member states.

The vote in TRAN Committee is scheduled for September 2015, the vote in the Parliament Plenary for October 2015.

France will prohibit rate parity clauses by law

EU COUNTRY

On 18 June 2015, the French National Assembly voted in favour of deleting any rate parity clauses from contracts between hoteliers and Online Travel Agents, and qualifying the term of the contracts with online booking platforms as “mandate contract”. Once adopted, this law would be the first decision at legislative level to ban explicitly rate parity clauses from such contracts.

The decision would allow hotels to set lower prices both on their online and offline direct distribution channels, than the rates available via intermediaries. HOTREC commented that this is an important step for hoteliers in regaining their entrepreneurial freedom in price setting.

Taxation/ VAT

Commission presents Action Plan for Fair and Efficient Corporate Taxation

EUROPEAN COMMISSION

On 17 June the Commission presented an Action Plan to fundamentally reform corporate taxation in the EU. This builds on the measures already set out in the [Tax Transparency Package](#), which the Commission presented in March. The aim is to make the EU corporate tax environment fairer, more efficient and more growth-friendly, without harmonising corporate tax rates across the EU.

The new [Action Plan](#) initiatives are aimed at tackling tax avoidance, securing sustainable revenues and strengthening the Single Market for businesses. [Key actions](#) include a strategy to re-launch the Common Consolidated Corporate Tax Base (CCCTB) and a framework to ensure effective taxation where profits are generated.

The Commission also launched a [public consultation](#) on whether companies should have to publicly disclose certain tax information, including through Country-by-Country Reporting (CbCR).

Reactions varied deeply among the main EU political groups. While Socialist MEPs welcomed the tax action plan and said that even more can be done, Conservative MEPs criticised the attempt by the European Commission to re-launch plans for a so-called Common Consolidated Corporate Tax Base (CCCTB), that they read as a threat to national sovereignty in the field of corporate taxation. EPP MEPs complained instead about the ongoing de-facto discrimination against SMEs, that do not have the resources to set up complicated tax planning schemes, while big multinational companies can profit from the mismatches between national systems.

For more information, please see [Q&A on Action Plan](#) and [Q&A on CCCTB Re-launch](#).

Employment Law/ Labour Skills

Parliamentary Report on the OSH Strategic Framework 2014-2020

EUROPEAN PARLIAMENT

The European Parliament's [EMPL Committee](#) published on 29 May the [Draft Report](#) on the EU Strategic Framework on Health and Safety at Work 2014-2020.

The report concerns the European Commission's framework addressing challenges faced by European employers and employees in the area of occupational health and safety (OHS). It contains the Parliament's suggestions for additional concrete measures to be included in the framework and calls for the application of new quantitative reductions targets following the 2016 review of the OHS strategic framework.

Among the modifications suggested:

- Improvement of the implementation record of the Member States.
- Help for SMEs to promote compliance and effective OSH management.
- Increase of the inspectorates' role at national level in the effective enforcement of OSH legislation.
- Enhancement of social dialogue, worker representation and management commitment for a more successful risk prevention e.g. through trainings.

The European Parliament plenary vote on this report is scheduled for October 2015.

Second European Survey on New and Emerging OHS Risks

STAKEHOLDERS

The European Agency for Safety and Health at Work (EU-OSHA) published the [main findings](#) of the Second European Survey of Enterprises on New and Emerging Risks (ESENER-2) at the European Parliament in Brussels.

The survey — which collected responses from almost 50,000 workplaces in 36 countries, including all 28 Member States — focused in particular on psychosocial risks, worker participation, and drivers and barriers to action. The results of the survey give a detailed insight into how occupational safety and health risks are managed in practice in Europe's workplaces.

Consumer Issues

Air Passenger Rights – Council Progress Report

COUNCIL

On June 11, the Transport Council briefly discussed a [progress report](#) on the Commission's [proposal](#) to amend the Air Passenger Rights Regulation.

While progress has been made on points like simplifying the definition of "cancellation", cabin luggage, and putting extraordinary circumstances of a technical nature into a separate binding and exhaustive list, there are still outstanding issues such as thresholds for compensation and missed connecting flights.

In the meantime, the Commission is planning to push for a high level discussion again this summer. The aim is to start the negotiation procedure, which is blocked due to a disagreement between Spain and the UK on the status of the Gibraltar Airport.

Personal protective equipment - Update on dialogues

EUROPEAN PARLIAMENT

The last technical meetings on Cableway installations, personal protective equipment (PPE) and gas appliances achieved the following four points:

1. Producers need to provide information on their websites.

2. The re-drafted article of the breaking system and of the transport system will add to the principle of technical neutrality and ensure fair competition among the operators on the market.
3. New recital and a more comprehensive article on penalties. The issue of sanctions was solved in agreement with the shadow rapporteurs.
4. Member States have to classify whether the installations are historic, part of national heritage or touristic, provided they started operating before January 1st 1986.

Please note that amusement parks are not included in the scope of this legislation but IAAPA Europe is monitoring developments to ensure this remains the case.

Parliament debates possible Smart Borders Package proposal

EUROPEAN PARLIAMENT

On June 9, the European Parliament debated an unofficial proposal for the Smart Borders Package, which would record data

on the entry and exit of third country nationals for the Schengen Area.

Some MEPs questioned the necessity, proportionality and cost of the proposed system, and specific concerns were expressed over the collection and use of personal data especially.

Commissioner Avramopoulos explained the Commission would carefully assess the legal base, fundamental rights compliance, data retention, cost, proportionality and necessity. He reassured the chamber that the Commission would be in regular contact with the Parliament for further consultation.

MEP Questions and Answers

Commission responds to MEP question on Visitors' tax

In March 2015, [Enrico Gasbarra](#) (IT, S&D) wanted to know whether the Commission deemed this tax to be compatible with European legislation on competition and what initiatives the Commission had taken to ascertain the extent of application of this measure and the economic impact thereof.

On 9 June, Commissioner Moscovici [answered](#) that the assessment of tourist

taxes as regards their compatibility with the Union competition and taxation rules, when necessary, was made on a case by case basis. He added that however, as far as state aid rules were concerned, these were only applicable to undertakings (not citizens) insofar as a selective advantage was conferred upon them.

He underlined that the Commission had not undertaken initiatives to ascertain the economic impact specifically of these taxes as, inter alia, they were not harmonised at Union level, did not seem to create impediments to the proper functioning of the internal market and normally formed a minor part of the State budget. He concluded that limited information on tourism taxes was provided voluntarily by Member States and was available via the Taxes in Europe Database, managed by the Commission.

Commission responds to MEP question on VAT in the sector of hotel and other accommodation facilities

In April, MEP [Ivan Jakovčić](#) (CR, ALDE) [wanted to know](#) if the Commission had data on VAT for hotels and other accommodation services by Member States and an analysis of its impact on the business. He also

wanted to know if there were measures that could unify VAT on such services so as to place entrepreneurial businesses on an equal footing, provide equal opportunities and encourage new employment and higher competitiveness in view of competition from outside the EU.

In June, the Commission [replied](#) that it did not have any specific analysis available for catering services or hotel accommodation but had commissioned a study on reduced VAT rates in the European Union in general. Mr Moscovici added that country experiences did not so far prove that reduced VAT rates were a cost-efficient instrument to promote employment as the cost per job created may be high. The Commission does not intend to propose a unification of VAT rates on hotel accommodation or on catering services.

Commissioner Moscovici concluded by saying that the VAT Directive already offered different possibilities regarding measures that could be adopted in the field of the hotel, accommodation and catering industry. The Commission added that as these services are included in Annex III to the VAT Directive, which lists of supplies to which reduced VAT rates may be applied,

Member States may apply a reduced rate to them.

Commission responds to MEP question on Minimum technical requirements in the hospitality industry

In March, MEP [Ivan Jakovčić](#) (CR, ALDE) [asked](#) if the Commission had data on the impact of overregulation with respect to minimum technical requirements on the hospitality business in Member States. He also wanted to know whether necessary measures existed that could unify the minimum technical standards required so as to facilitate entrepreneurship and investment and at the same time maintain the necessary standards related to consumer protection.

In June, Ms Bieńkowska [replied](#) that in 2012, the Commission conducted a [study](#) on the impact of EU legislation on tourism. In 2014, the Commission carried out a [public consultation](#) on the regulatory and administrative framework at EU, national, regional and local level affecting tourism. The consultation showed that stakeholders consider that streamlining the regulatory framework affecting tourism should be an important focus of Commission activities in the area of tourism.

Possible future actions under this priority include, among others, further assessment of the regulatory framework affecting tourism as well as cooperation among Commission services in simplification and fitness check exercises of existing legislation. She added that nevertheless, it was important to underline that Article 195 TFEU explicitly excludes the possibility of harmonising measures of the Member States in the area of tourism.

Ms Bieńkowska recalled several initiatives in place at EU level, which provide common requirements in various aspects of tourism services, such as the EU Ecolabel or the EMAS in environmental protection. Additionally, the European and international standardisation bodies have developed voluntary standards for certain tourism activities, and the Member States and the industry have also developed tourism quality certification schemes.

MEP Question on eVisitor, priorities in tourism, and tourism through SMEs and digital technologies

On 30 May 2015, MEP [Ivan Jakovčić](#) (CR, ALDE) asked if the Commission considered

that e projects could be applied at EU level in order to enhance tourism throughout the Community and if the Commission was planning the implementation of similar projects.

The Croatian National Tourist Board has introduced a new project called eVisitor, which is for the time being in the pilot phase. The project will primarily serve for the collection and processing of data on accommodation providers and their accommodation facilities, tourist registration and checking out, calculation and control of the collection of tourist tax and the processing and analysis of data for reporting for statistical purposes. This system will provide access to all the relevant data about the movement of tourist traffic in Croatia as well as financial data about the status of billing and payables in terms of tourist tax, which should contribute to a better inclusion of all participants in Croatian tourism in marketing activities at all levels.

Events

July

- 2 July: ['Fostering SMEs' growth through digital transformation'](#)
- 13 July: [Local Regulation and Tourism](#), Venice, Italy

September

- 17-18 September: [European Tourism Forum 2015](#), Luxembourg
- 24 September: [6th International Workshop on Human-Computer Interaction, Tourism and Cultural Heritage](#), Ravenna, Italy
- 28-30 September: [Food-tourism week at EXPO Milan 2015](#), Milan, Italy

October

- 6 October: [5th Annual Tourism Summit in the Alps](#), Lucerne, Switzerland
- 21 October: [Conference on e-skills in tourism](#), Brussels

November

- 16-17 November: [European Tourism Indicators System conference and Accessible Tourism workshop](#), Brussels, Belgium

December

- 16 December: [European Tourism Day 2015](#), Brussels, Belgium

January

- 14 January 2016: [Sustainable Management and Accessible Tourism award ceremony](#), Brussels, Belgium