

# EU Intelligence Report

April 2014



## **KEY HIGHLIGHTS**

### **Institutional Changes**

[Commission's candidates outline their priorities for the upcoming elections](#)

### **Tourism Policy**

[European Commission releases proposal on the revision of Visa Policy](#)

### **Taxation**

[Commissioner for Taxation, Algirdas Šemeta, discusses reduced rates with IMCO Committee](#)

### **Employment Law/ Labour Skills**

[Council adopts Directive to improve free mobility of workers](#)

### **Consumer Issues**

[European Commission's Consumer Summit](#)

## **CONTENTS**

### **Institutional change**

Page 4: Commission's candidates outline their priorities for the upcoming elections

### **Tourism Policy**

Page 4: European Commission releases proposal on the revision of Visa Policy

Page 5: Projects on Indicators for Sustainable Tourism enter second phase.

Page 5: Six partnerships to develop sustainable transnational tourism in Europe

### **Taxation**

Page 5: European Parliament votes on Parent-Subsidiary Directive

Page 5: Commissioner for Taxation Šemeta addresses reduced rates before IMCO Committee

Page 6: Commission proposes changes to corporate governance rules including a say on executive pay for shareholders

### **Employment Law/ Labour Skills**

Page 6: Commission welcomes Council adopts Directive to improve free mobility of workers

Page 7: European Commission holds a conference on 'Youth Guarantee: Making it happen'

### **Consumer Issues**

Page 7: European Commission's Consumer Summit

Page 8: European Commission releases report on the progress in the Consumer Agenda

### **MEP Questions**

Page 8: MEPs Questions focus on Visa Policy measures

### **Funding**

Page 8: Erasmus+

Page 8: COSME - Programme for the Competitiveness of Enterprises and SMEs

Page 9: Consumer Programme 2014-2020

Page 9: European Regional Development Fund 2014 - 2020

### **Events**

## Contents

### Institutional change

#### **Political groups launch their manifestos for the Upcoming elections**

##### European Parliament

April saw the European Parliament's political groups engaged in intensive campaigning before Europe goes to the polls 22-25 May. The Socialists and Democrats (S&D) group has nominated Martin Schultz as its candidate for Commission President. Its [manifesto](#) prioritise the fight against unemployment, economic recovery through boosting industrialisation, research and training,

The EPP group, which nominated former Luxembourg Prime Minister Jean-Claude Juncker as its candidate would focus its [Action programme 2014-2019](#) on policies that create growth and jobs at the centre of the policy agenda as well as deepening the digital single market. The Transatlantic Trade and investment partnership (TTIP) will also be a priority.

With its manifesto focusing on a [Europe that works](#) – the Liberal group and its candidate Guy Verhofstadt, will commit to tackling

unemployment through a clear focus on training and education as well as the free movement of workers across borders. A special focus is dedicated to SMEs as the driver of prosperity through facilitation of access to finance and support of new innovative business.

### Tourism Policy

#### **European Commission releases proposal on the revision of Visa Policy**

##### European Commission

On 1 April the European Commission released a proposal to revise the European Union's visa code for third-country visitors to the Schengen passport-free area. The aim is to shorten and simplify the procedures for those wanting to come to the EU for short stays. The proposal stems from the findings of a recent study showing that in 2012 a total of 6.6m potential travellers to Europe were lost due to overly burdensome visa procedures. Those travellers – it was shown- would have contributed €130 billion in total direct spending over five years (in accommodation, food and drink, transport, entertainment, shopping, etc.), translated into some 1.3 million jobs in tourism and related sectors.

The new package consists of a [Report](#) ('A smarter Visa Policy for economic growth') assessing Member States' implementation of the Visa Code; a [proposal](#) for a recast Regulation on the Union Code on Visas (Visa Code); a [proposal](#) for a Regulation establishing a touring visa and an overview of Visa statistics.

The new package introduces several changes including: 1) a clearer set of procedural rules and the simplification of supporting documents: the deadline for processing and making a decision on a visa application is reduced from 15 to 10 days. 2) easier consular operations 3) simpler operations to enjoy repeated visits through the introduction of mandatory criteria for obtaining a multiple entry visa (MEV) valid for three years; 4) establishment of a tourism Visa allowing the circulation of non-EU nationals entering the Schengen area to circulate for up to 1 year in this zone.

Both proposals must now be approved by the Council of the European Union and the European Parliament, which can be expected at the earliest in 2015.

Once the proposals enter into force, the changes will apply to all EU Member States applying the common Schengen visa policy

as well as the four Schengen associated States.

**Projects on Indicators for Sustainable Tourism enter second phase.**  
European Commission

On 16 April, the European Tourism Indicators System for Sustainable Management at Destination Level ([ETIS](#)) entered a second testing phase involving more than 100 destinations. Benefitting from a call for expression of interest released by the European Commission last year, these destinations volunteered to use the toolkit developed by the European Commission aimed at measuring and monitoring their sustainable tourism management performances. This second phase of the project will end on 31 December 2014.

As for the first testing phase, more than 100 destinations across Europe (from Albania, Austria, Bulgaria, Croatia, France, Germany, Greece, Hungary, Italy, Lithuania, Macedonia, Malta, Montenegro, Norway, Poland, Portugal, Romania, Slovenia, Spain, Sweden, United Kingdom), have shown their interest to participate in this experience.

The result of the first phase of the project will be presented in a workshop planned for 4th July 2014 in Brussels.

The feedback from destinations participating in the testing phases will serve to improve and organise the future phases of the project

**Six partnerships to develop sustainable transnational tourism in Europe**  
European Commission

Six new tourism projects have been awarded recently with EU grants in 2013 through a [call for proposals](#) aimed at “Supporting the enhancement and promotion of sustainable transnational thematic tourism products”. The awarded [projects](#) relate to Gastronomy, history and culture, environmentally friendly accommodation or transport, rural areas, and cycling tourism.

**Taxation/ VAT/ Company law**  
**European Parliament votes on Parent-Subsidiary Directive**

European Parliament

On 2 April, the European Parliament adopted its [report](#) on the Common system of taxation applicable in the case of parent companies and subsidiaries of different

Member States with 532 votes in favour and 32 votes against. Among others, changes include a general anti-avoidance rule (targeting conduit structures) and a clause denying exemptions for profit distributions that are deductible in the source state.

EU Tax Commissioner Algirdas Šemeta [welcomed](#) this result saying that this proposal is a cornerstone in their campaign to clamp down on corporate tax avoidance. In the statement the Commissioner said that closing loopholes and strengthening measures against abusive tax planning, will help ensure that every company pays their fair share.

The European Parliament has only a consultative role on this issue. The Council is obliged to take its position into account but not to follow it. Member states will have until 31 December 2014 to adopt the national legislative measures necessary to implement the Council Directive.

**Commissioner for Taxation, Algirdas Šemeta, discusses reduced rates with IMCO Committee**

European Commission, European Parliament

On April 7 2014, the Committee on Internal Market and Consumer Affairs (IMCO) held an Exchange of views with Commissioner Algirdas Šemeta, responsible for Taxation, Customs, Statistics, Audit and Anti-Fraud. During the discussion, several MEPs commented and questioned the Commission's activities in the Committee relevant files. Specifically, MEP Fernando Correia De Campos (S&D, PT) touched upon VAT and expressed his pessimism with regards to the harmonisation of this tax in the next five years. Addressing his question, Commissioner Šemeta mentioned VAT rates and said that the Commission is conducting an impact assessment of the system of VAT reduced rates on the basis of several criteria. According to the Commissioner the Executive is now in the process of assessing the pros and cons of any potential action. Šemeta said that while this process is still on-going, he'd hope that that some results will be published before the end of the mandate. Commissioner Šemeta also addressed the issue of tax avoidance. On this file, the Commissioner

summarised on-going activities with particular reference to the [Action Plan](#) concerning tax fraud. With respect to the Action plan, Šemeta said that the Commission will be looking into how Member States deal with general anti-abuse rules and how to implement the recommendation against tax havens. The impact of the working group has been very positive and the Commissioner expects ideas on how to tackle issues which could lead to future legislative or non-legislative proposals from the Commission.

**Commission proposes changes to corporate governance rules including a say on executive pay for shareholders**  
European Commission

On 15 April, the European Commission adopted a package of measures that aim to improve the corporate governance of companies listed on Europe's stock exchanges. The package includes a [Proposal to revise the Shareholder Rights Directive](#), a [Recommendation on the quality of corporate governance reporting](#), and a [Proposal for a Directive on single-member private limited liability companies](#).

The proposal to revise the existing Shareholder Rights Directive includes a European "say on pay" requiring each listed

company in the EU to put its remuneration policy to a binding shareholder vote at least every three years. While no binding cap on executive remuneration is proposed, the remuneration policy will need to set a maximum level for executive pay. Companies will also need to explain the ratio between average pay of full-time employees and that of executives.

The proposal has been sent to the European Parliament and Council for their consideration and adoption. However, given that the European Parliament will only return after elections in May, real discussions on the legislation will not start before September/October.

The Recommendation on the quality of corporate governance requires that companies choosing to depart from the applicable corporate governance code must give reasons for the departure. Member States are invited to inform the Commission of the measures that they take to comply with the Recommendation by spring 2015.

## Employment Law/ Training/ Skills

### **Council adopts Directive to improve free movement of workers**

Council of the EU

On the 14 April, the EU Council of Ministers adopted a new [Directive](#) to ensure the better application at national level of EU citizens' right to work in another Member State. The [new rules](#) were originally put forward by the Commission in April 2013, aiming to make it easier for people working or looking for a job in another country to exercise their rights in practice. The Directive, proposed on 26th April 2013, aims to remove existing obstacles to the free movement of workers. Such measures will require member states to: 1) provide support and legal assistance to EU migrant workers with the enforcement of their rights; 2) ensure effective legal protection of rights and 3) guarantee easily accessible information in more than one EU language on the rights enjoyed by EU migrant workers and jobseekers.

### **European Commission holds a conference on 'Youth Guarantee: Making it happen'**

European Commission

On 8 April the European Commission, hosted a conference in Brussels on the implementation of the [Youth Guarantee](#).

The conference was attended by over 370 key practitioners, experts and political figures involved in the implementation of the [Council Recommendation](#) on establishing a Youth Guarantee, adopted in April 2013, which calls on Member States to ensure that all young people under the age of 25 receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.

The conference "[Youth Guarantee: Making it Happen](#)" gathered national and international organisations to discuss progress in tackling youth unemployment through the [Youth Guarantee](#). The conference also looked at implementation of schemes in Member States, as recommended by the Commission.

Opening the conference, Commission President Barroso stressed the need for a comprehensive strategy supporting the move from school to work. Employment Commissioner Andor described the Youth Guarantee as an ambitious and innovative policy that requires both investment and

structural reform to better support young people to transition into the job market.

The conference, also attended by Director General of the International Labour Organisation, Guy Ryder.

## Consumer Issues

### **European Commission hosts Consumer Summit**

European Commission

On 1 and 2 April, the European Commission organised the [European Consumer Summit](#). The Summit gathered a wide range of stakeholders to discuss consumer issues in the digital era. The objective of the Summit was to explore ways for consumers to better benefit from the digital economy and protect their rights in the online environment. At the Summit, Commissioner for Consumer Policy, Neven Mimica, stressed that the Commission is determined to stay close to citizens by addressing their concerns and rebuilding their trust in the Internal Market, especially in the Digital Single Market. The Commissioner highlighted that the Commission has already delivered in this respect through proposals for online-dispute resolution platform, the new Consumer Rights Directive, work on improving comparison tools and user reviews, as well

as an increased focus on enforcement of consumer law online.

This year's Summit brought together, some 400 participants representing the European Parliament, the Commission, national governments, consumer and business associations, enforcement and regulatory authorities, the European Consumer Centres and the European Data Protection Supervisor.

### **European Commission releases report on the progress in the Consumer Agenda**

#### European Commission

Following the Summit, the European Commission released a [report](#) on implementation of the European Union's Consumer Agenda. The report is a working document that covers the period from January 2012 to December 2014. Its aim is to show the progress made in 4 areas: improving consumer safety, increasing people's awareness about their rights as consumers, improved enforcement of existing rules, the adoption of new laws to safeguard the consumer interest across policy areas. The report also identifies pressing consumer issues which need to be

addressed in the years to come. The document outlines the progress of some files relevant to IAAPA such as the safety of accommodation services, the Travel Package Directive, the Consumer Rights Directive.

### **MEP Questions**

#### **MEP Questions focus on Visa Policy measures**

##### European Parliament

This Month, Italian MEPs Borghezio (NI) and Marta Bizzotto (EFD, as well the Croatian MEP Tonino Picula (S&D) tabled two EP questions on Visa policy. The [first](#) question asks the Commission whether simplified visa policy might be misused for the purpose of unscrupulous activity such as welfare tourism and terrorism.

The [second](#) question asks how the Commission's proposals on of visa policy (see Item in the *Tourism Policy* section) relate to Croatia. Prior to accession, Croatia negotiated visa free regimes with certain non-EU countries to enhance tourism. The MEP asks the Commission whether it will review visa policy especially for those states

that have arranged free visa regimes prior to accession.

Both questions will be answered within 8 weeks.

### **Funding**

#### **Erasmus+**

##### Council/ European Commission

The Council adopted on 3<sup>rd</sup> December a regulation establishing "[ERASMUS +](#)", the Union Programme for Education, Training, Youth and Sport for the period 2014-2020. It brings together in a single programme activities previously covered by a number of separate programmes (including the Lifelong Learning Programme, Erasmus Mundus and Youth in Action) and it also covers activities in the new area of European competence, sport.

The new programme has a total budget of about €14.7 billion which represents an increase of 40% compared to the precedent budget - and can also benefit for

Any additional funding from external action instruments (such as the Instrument for Pre-Accession Assistance, the Development Cooperation Instrument, the European

Neighbourhood Instrument, as well as the European Development Fund).

Its main operational priorities are simplification of procedures and a performance-based allocation of funds, as well as closer links between the formal, informal and non-formal education and learning sectors.

### **COSME - Programme for the Competitiveness of Enterprises and SMEs**

#### European Commission

For the period 2014-2020, the European Commission has published a proposal for a [Programme for the Competitiveness of Enterprises and SMEs](#) (COSME) with a planned budget of € 2.5 billion.

The Programme has the following general objectives: 1) improve access to finance for SMEs in the form of equity and debt; 2) improve access to markets inside the Union and globally through Enterprise Europe Network that will facilitate expansion of businesses beyond the borders; 3) promote entrepreneurship by developing entrepreneurial skills and attitudes, especially among new entrepreneurs, young people and women.

The Commission proposal includes a reference to specific objectives to improve the competitiveness of enterprises in the

tourism sector. The Commission intends to ensure coherence and consistency implementation, as well as informed policy-making at Union level. Benchmarking, the exchange of best practices and sectorial initiatives in particular will be encouraged. The main beneficiaries will include existing entrepreneurs (small businesses in particular), future entrepreneurs (including young people) as well as national, regional and local authorities. On this basis, eligible tourism partners could include: Accommodation providers, Transport providers, Restaurants/ Cafés, **Attractions**, Public Authorities

### **Consumer Programme 2014-2020**

#### European Commission

The new consumer programme was adopted last 23 October and [proposed](#) by the Commission in November 2011. Although ensuring continuity with the previous one, the new initiative aims to better serve consumers' interests by enhancing product safety through effective market surveillance, improving consumers' information, education and awareness of their rights, consolidating consumer rights and strengthening effective redress, especially through alternative dispute resolution.

This programme sets financial framework for many actions that aim to improve consumer protection throughout the EU. These actions include financing of joint cooperation actions between Member States market surveillance authorities and supporting Union level consumer organizations.

### **European Regional Development Fund 2014 - 2020**

#### European Commission

#### [The European Regional Development Fund](#)

(ERDF) aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. For the next period (2014 – 2010), the ERDF focuses its investments on several key priority areas namely Innovation and research, the digital agenda, support for small and medium-sized enterprises (SMEs) and the low-carbon economy.

The ERDF resources allocated to these priorities will depend on the category of region.

### **Upcoming Events**

- 17-20 June 2014: [5th European Conference of Industrial Tourism](#)
- July 2014: Presentation of the First ETS results



- November 2010: [UNWTO event on Accessible Tourism](#) in San Marino.
- 12 – 14 September: [European Tourism Forum](#)