

Newsletter 13 – 14 – 15 June 2022

Coming up in the next committee meetings:

- **ECON meeting, 13 June 2022, 15.00 – 18.30 & 14 June 2022, 09.00 – 11.45**
Room: Paul-Henri Spaak (1A002)
- **Joint ECON – ENVI meeting, 14 June 2022, 12.00 – 12.15**
Room: József Antall (4Q2)
- **Joint ECON – LIBE meeting, 15 June 2022, 14.30 – 15.15**
Room: József Antall (2Q2)

The meetings will be held by video conference and will be webstreamed:

[See live broadcast](#)

Monday, 13 June, 15.00 - 15.30

Laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU *Consideration of draft report*



The Commission proposal targets companies set up in the Union that do not conduct any economic activities but are established to benefit of certain tax advantages. The Directive would lay down a 'substance test' that will help Member States to identify such companies, which can be considered as shell entities. A failure to comply with the substance test would trigger the loss of certain tax benefits under relevant treaties or EU law and Member States could either decide not issue a tax residence certificate for that entity or issue a special certificate with a similar effect. The proposal further envisages automatic exchange of information via a central directory as well as potential requests by one Member State to another for tax audits.

At its meeting on 13 June 2022, the Committee will consider the draft report by Lídia Pereira (EPP). The Rapporteur underlines in her draft report the importance of safeguarding the situation of SMEs that use structures for legitimate purposes, while effectively tackling the misuse of shell companies to avoid taxation. She proposes some adjustments to the criteria for undertakings that are obliged to report under this Directive, a justificatory statement issued by Member States when denying the issuance of a tax residency certificate, the possibility of requesting joint audits by several Member States, a reduction of the penalty for non-compliance with reporting obligations and a delay of the date of entry into force of the Directive by one year.

Rapporteur: Lídia PEREIRA (PPE)

Shadows: Paul TANG (S&D), Gilles BOYER (Renew), Ernest URTASUN (Verts/ALE), Gunnar BECK (ID), Michiel Hoogeveen (ECR), Mick WALLACE (The Left)

Monday, 13 June, 15.30 - 16.00

Amending Regulation (EU) No 549/2013 and repealing 11 legal acts in the field of National Accounts

Consideration of draft report and amendments



The draft report largely supports the amendments proposed by the Commission to update references to a new UN Classification of Individual Consumption by Purpose (COICOP) and the transmission programme to reflect new user needs, to introduce corrections and/or technical clarification of the European System of Accounts (ESA)'s conceptual manual and to repeal 11 legal acts which relate to the former European System of Accounts (ESA 1995) and are no longer relevant.

Additionally, the draft report makes some proposals to further strengthen the timely and detailed delivery of data and introduces a new subcategory of data to help analyse the evolution of housing prices. Rapporteur Irene Tinagli (S&D) points to the revision of the International System of National Accounts in 2025 and highlights the opportunity to update the internationally agreed concepts, definitions, classifications and accounting rules in order to

address global challenges related to climate change, security, inequality, sustainability and well-being. The Rapporteur stresses the importance of these statistics in supporting policymakers in taking informed decisions to foster economic, social and territorial cohesion, reduce social and gender inequalities and catalyse the green and digital transitions. Finally the draft report calls for the European Parliament to be involved in the revision of the international System of National Accounts.

In total 18 amendments have been tabled of which 12 in the draft report.

Rapporteur: Irene TINAGLI (S&D)

Shadows: Marks FERBER (PPE), Olivier CHASTEL (Renew), Gunnar BECK (ID), Johan VAN OVERTVELDT (ECR)

Monday, 13 June, 16.00 – 16.45 and 16.45 – 17.30

Amendments to the Solvency II Directive* and the new proposal on IRRD**

Consideration of draft reports



The Committee will consider the draft reports on the review of Solvency II and the new proposal on IRRD.

The Solvency II Directive started to apply in 2016 and the Commission reviewed the whole system with the assistance of EIOPA in 2021. The conclusion is that the system overall worked well, but that some targeted amendments need to be made in particular to foster investments in line with the CMU objectives and the European Green Deal, and to enlighten reporting requirements in particular for SMEs

(proportionality). The proposal to establish a framework for the recovery and resolution of insurance and reinsurance undertakings (IRRD) sets out a regime to provide authorities with a set of resolution tools to intervene early and

quickly if insurers are failing or likely to fail, in line with recommendations of the Financial Stability Board and the International Association of Insurance Supervisors. The proposal is structured along the lines of the Bank Recovery and Resolution Directive (BRRD).

A public hearing on the Solvency II review took place on 21 March 2022. On 20 April 2022, ECON discussed the Rapporteur's Working Document setting out the main issues in relation to both files, including the long-term investment capabilities of insurers, the elements that need to be laid down in the Directive and those which can be delegated to the Commission, proportionality, and policyholder protection.

The draft report in the Solvency II review includes amendments relating to proportionality, enhancing the ability for insurers to invest in equity, enhancing the cooperation between supervisors, simplifying reporting and auditing requirements, adjusting the scope of group supervision, and refocusing the tools for macroprudential supervision and sustainability risks. The draft report on IRRD looks at the designation of specific resolution authorities, the suggested scope of market coverage, the coherence of supervisory powers provided for in the present proposal with the established regime under Solvency II and on insurance guarantee schemes.

*Amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks, group and cross-border supervision

**Establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2009/138/EC, (EU) 2017/1132 and Regulations (EU) No 1094/2010 and (EU) No 648/2012

Rapporteur: Markus FERBER (PPE)

Shadows: Eero HEINÄLUOMA (S&D/Solvency II review), Aurore LALUCQ (S&D/IRRD), Stéphanie YON-COURTIN (Renew), Henrike HAHN (Verts/ALE), Marco ZANNI (ID), Johan VAN OVERTVELDT (ECR), Chris MACMANUS (The Left)

Monday, 13 June, 17.30 - 18.30

The Banking Package 2021* *Consideration of draft reports*

The Commission adopted on 27 October 2021 the 'Banking Package 2021', including two legislative proposals amending the Capital Requirements Regulation (CRR III) and the Capital Requirements Directive (CRD VI). These legislative proposals aim at implementing the finalised Basel III standards in the EU. A major goal of these internationally agreed standards was to reduce excessive variability of risk-weighted assets.

The Rapporteur proposed in his draft report on the CRR III in total 312 amendments and in the draft report on the CRD VI in total 89 amendments. A concern of the Rapporteur was to bring the texts closer to the internationally agreed Basel standards. Amendments have been tabled inter alia to provisions on the output floor, specialised lending, and on various transitional arrangements.

*Amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending Directive 2014/59/EU &

Amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor



Rapporteur: Jonás FERNÁNDEZ (S&D)

Shadows: Othmar KARAS (PPE), Linea SØGAARD-LIDELL (Renew/CRD IV)), Gilles BOYER (Renew/CRR III), Ville NIINISTÖ (Verts/ALE), Marco ZANNI (ID), Raffaele FITTO (ECR), Dimitrios PAPADIMOULIS (The Left)

Tuesday, 14 June, 09.00 - 10.00

Structured dialogue with Mairead McGuinness, Commissioner for Financial services, financial stability and Capital Markets Union



Mairead McGuinness, European Commissioner for Financial Stability, Financial Services and the Capital Markets Union, will appear before ECON for her first full hearing ("structured dialogue") of 2022, although she has already appeared before the committee this year to discuss specific files.

This appearance will come just before a key vote on the so-called 'Taxonomy' delegated act, and will also provide an opportunity for MEPs to ask about the current range of sanctions imposed on Russia in the financial sector and about legislative files still in discussion. These include files

relating to money-laundering, the Capital Markets Union and the implementation of the Basel III banking reforms.

Tuesday, 14 June, 10.00 - 10.40

Adoption by Croatia of the euro on 1 January 2023 *Consideration of draft report and amendments*

On Tuesday 14 June from 10.00 to 10.40, Rapporteur Siegfried Mureşan will present his draft report on the adoption by Croatia of the euro on 1 January 2023. A consideration of amendments by Shadow Rapporteurs will take place at the same time. The legislative proposal by the Commission was published on 1st June, together with the Commission and ECB convergence reports. In accordance with Article 140(2) TFEU, Parliament is consulted on the Council decision on the adoption by Croatia of the euro on 1



January 2023. The Council decision should be taken mid-July at the latest, to allow for the changeover preparations. The EP plenary vote is therefore foreseen early July.

Rapporteur: Siegfried MUREȘAN (PPE)

Shadows: Margarida MARQUES (S&D), Georgios KYRTSOS (Renew), Kira Marie PETER-HANSEN (Verts/ALE), Eugen JURZYCA (ECR)

Tuesday, 14 June, 10.40 - 11.20

AIFMD/UCITS Report

Amending Directives 2011/61/EU and 2009/65/EC as regards delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services and loan origination by alternative investment funds

Consideration of draft report



The Rapporteur, Isabel Benjumea, will present her draft report on the Commission's proposal to revise the AIFMD and UCITS directives, which together cover the full range of investment funds in the EU. Her draft report puts forward amendments in many areas covered by the proposal including liquidity management tools, loan origination by funds, supervisory reporting and rules on delegation. She has also tabled amendments on issues not raised in the Commission's proposal, such as the definition of professional investor and the range of ancillary activities that fund managers can undertake.

Rapporteur: Isabel BENJUMEA BENJUMEA (PPE)

Shadows: Paul TANG (S&D), Billy KELLEHER (Renew), Mikuláš PEKSA (Verts/ALE), Gunnar BECK (ID), Eugen JURZYCA (ECR)

Tuesday, 14 June, 11.20 - 11.45

ECON VOTES

The ECON Committee will vote on the following files:

Banking Union – annual report 2021

Adoption of draft report



Rapporteur: Bogdan RZOŃCA (ECR)

Shadows: Frances FITZGERALD (PPE), Pedro SILVA PEREIRA (S&D), Billy KELLEHER (Renew), Ville NIINISTÖ (Verts/ALE), Gerolf ANNEMANS (ID),

Tuesday, 14 June, 12.00 - 12.15

ECON – ENVI Joint meeting

Voting time



Commission Delegated Regulation amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

Adoption of motion for a resolution tabled by various members

Wednesday 15 June, 14.30 - 15.15

ECON – LIBE Joint meeting

Anti-Money Laundering Authority (AMLA)

Establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010
Consideration of draft report



The draft report proposes amendments to the Commission's proposal for a Regulation establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA). This proposal is part of the AML package presented by the Commission on 20 July 2021. In total 199 amendments were tabled by the co-rapporteurs in order to strengthen AMLA and reinforce its powers to protect the internal market. The amendments aim at ensuring that AMLA becomes a centrepiece of an integrated AML/CFT supervisory system and delivers an

effective coordination and support mechanism for Financial Intelligence Units (FIUs). In particular, the amendments pursue the following objectives:

- enabling AMLA to receive necessary information to carry out risk assessments and establish a truly integrated system of AML/CFT supervision across the EU, based on common supervisory methods and convergence of high supervisory standards;
- extending the scope of entities subject to direct supervision by AMLA in the financial sector by covering crypto asset services providers, extending the number of entities subject to AMLA supervision (40-45 entities) and reinforcing the AMLA capacity to take over direct supervision when needed;
- reinforcing its monitoring and coordination role for national supervisors responsible for other financial entities, as well as in the non-financial sector;
- reinforcing the support and coordination mechanism between FIUs, facilitate joint analyses between them to better detect illicit financial flows of a cross-border nature, and ensure appropriate exchange of information with the law enforcement side.

Rapporteur: Luis GARICANO (Renew) & Emil RADEV (PPE)

Shadows: Isabel BENJUMEA (PPE, ECON), Pedro MARQUES (S&D, ECON), Caterina CHINNICI (S&D, LIBE), Ramona STRUGARIU (Renew, LIBE), Ernest URTASUN (Verts/ALE, ECON), Gwendoline DELBOS-CORFIELD (Verts/ALE, LIBE), Gunnar BECK (ID, ECON), Annalisa TARDINO (ID, LIBE), Anđelika MOŽDŽANOWSKA (ECR, ECON), Joachim BRUDZIŃSKI (ECR, LIBE), Martin SCHIRDEWAN (The Left, ECON), Clare DALY (The Left, LIBE)

Draft agendas:

[ECON meeting, 13 June 2022, 15.00 – 18.30](#)
[14 June 2022, 09.00 – 11.45](#)

[Joint ECON – ENVI meeting, 14 June 2022, 12.00 – 12.15](#)

[Joint ECON – LIBE meeting, 15 June 2022, 14.30 – 15.15](#)

Next committee meeting:

ECON: Monday 20 June 2022, 15:00 – 18:30

ECON is responsible for:

- the economic and monetary policies of the Union, the functioning of Economic and Monetary Union and the European monetary and financial system (including relations with the relevant institutions or organisations);
- the free movement of capital and payments (cross-border payments, single payment area, balance of payments, capital movements and borrowing and lending policy, control of movements of capital originating in third countries, measures to encourage the export of the Union's capital);
- the international monetary and financial system (including relations with financial and monetary institutions and organisations);
- rules on competition and State or public aid;
- tax provisions;
- the regulation and supervision of financial services, institutions and markets including financial reporting, auditing, accounting rules, corporate governance and other company law matters specifically concerning financial services;
- the relevant financial activities of the European Investment Bank as part of European economic governance in the euro area.

Contact



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