



Malta-EU Steering & Action Committee

## COMPETITIVENESS AND CONSUMER AFFAIRS



25.09.09

### Securities

**COM(2009) 491 - Proposal for a Directive of the European Parliament and of the Council amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market**

In January 2007, the European Commission launched the Action Programme for reducing administrative burdens of existing regulation in the European Union. Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC has been identified as one area that contains a number of legal uncertainties and unjustified burdensome requirements that increase costs and create inefficiencies hampering the process of raising funds from the securities markets for companies and financial intermediaries in the EU.

The overarching goal of the current proposal is to simplify and improve the application of the Directive, increasing its efficiency and enhancing the EU's international competitiveness, bearing in mind the importance of enhancing the level of investor protection envisaged in the Directive and ensuring that the information provided is sufficient and adequate to cover the needs of retail investors, particularly in the context of the financial market turbulence that started in 2007. This exercise is linked to the European Economic Recovery Plan and the financial services reform announced in the Communication of 4 March for the Spring European Council "Driving European Recovery".

### Anti-Dumping Duties

**COM (2009) 493 - Proposal for a Council Regulation amending Regulation (EC) No 661/2008, imposing a definitive anti-dumping duty on imports of ammonium nitrate originating in Russia**

By Regulation (EC) No 658/2002 the Council imposed a definitive antidumping duty on imports of ammonium nitrate falling within CN codes 3102 30 90 and 3102 40 90 and



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originating in Russia. A product scope interim review was carried out which led to an amendment by way of Council Regulation (EC) No 945/2005 imposing definitive anti-dumping duties on imports of solid fertilisers originating in Russia with an ammonium nitrate content exceeding 80 % by weight ('AN'). Finally, following a request for an expiry review pursuant to Articles 11(2) of the basic Regulation, the Council, by Regulation (EC) No 661/2008, imposed anti-dumping duties on the imports of ammonium nitrate originating in Russia for a further period of five years.

In September 2005, the exporter JSC Kirovo-Chepetsky Khimichesky Kombinat applied before the Court of First Instance for the annulment of Council Regulation (EC) No 945/2005, which extended the scope of the measures. The applicant maintained that the Council could not extend the measures to a product which is different to the product concerned. In September 2008, in case T-348/05, the Court of First Instance annulled Regulation (EC) No 945/2005.

Hence, the Commission maintains that the anti-dumping duties that have been paid on imports from JSC Kirovo-Chepetsky Khimichesky Kombinat to the European Community of ammonium nitrate pursuant to Council Regulation (EC) No 945/2005 and to Council Regulation (EC) No 661/2008, in both cases with the exception of those levied on import of products falling within CN codes 3102 30 90 and 3102 40 90 which formed the original product scope, should be repealed.

### **Dispute settlement mechanism under the Euro- Mediterranean Agreement COM (2009) 498 - Proposal for a Council Decision on the conclusion of an Agreement in the form of a Protocol establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the Euro- Mediterranean Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Lebanon, of the other part**

The Euro-Mediterranean Agreements contain provisions liberalising trade in goods, but the dispute settlement rules applicable to disputes concerning these provisions rely mainly on a diplomatic approach and can be easily blocked by the party complained against. In the context of a widening and upgrading of Euro-Med trade relations, it was opportune to create a dispute settlement mechanism applicable to trade disputes. Such a mechanism will increase the security and predictability of our bilateral trade relations.

In February 2006 the Council authorised the Commission to open negotiations with its partners from the Mediterranean region. The Commission has negotiated in regional and bilateral mode with several Mediterranean partners. Negotiations with Lebanon progressed well, and resulted in a draft Protocol that was initialled in July 2009.

This proposal asks the Council to approve this Agreement. Following approval by the Council and by the Lebanese authorities, this Protocol will be annexed to the Association Agreement.



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### Oversight of the financial system

#### **COM (2009) 499 Proposal for a Regulation of the European Parliament and of the Council on Community macro prudential oversight of the financial system and establishing a European Systemic Risk Board**

The current financial crisis has highlighted weaknesses in the EU's supervisory framework, which remains fragmented along national lines despite the substantial progress achieved in financial-market integration and the increased importance of cross-border entities. Against this background, President Barroso requested a group of high level experts, chaired by the former Managing Director of the International Monetary Fund (IMF), Mr. Jacques de Larosière, to make recommendations with a view to establishing a more efficient, integrated and sustainable supervisory framework.

The key recommendations of the de Larosière group focus on:

- (i) Establishing a European Systemic Risk Board (ESRB) that would be responsible for macro-prudential oversight of the financial system within the Community.
- (ii) Establishing a European System of Financial Supervisors (ESFS), consisting of a network of national financial supervisors working in tandem with new European Supervisory Authorities created by the transformation of existing European supervisory committees in a European Banking Authority, a European Securities and Markets Authority, and a European Insurance and Occupational Pensions Authority.

In this proposal the Commission is proposing a Regulation which would establish a European Systemic Risk Board. The Board shall be responsible for the macro-prudential oversight of the financial system within the Community in order to prevent or mitigate systemic risks within the financial system, so as to avoid episodes of widespread financial distress, contribute to a smooth functioning of the Internal Market and ensure a sustainable contribution of the financial sector to economic growth.

### **ESRB**

#### **COM(2009) 500 - Proposal for a Council Decision entrusting the European Central Bank with specific tasks concerning the functioning of the European Systemic Risk Board**

Upon the adoption of the above proposed Regulation, a Community level macro prudential oversight of the financial system and a European Systemic Risk Board (ESRB) will be established.

Given its expertise on macro-prudential issues, the European Central Bank (ECB) can make a significant contribution to the effective macro-prudential oversight of the EU financial sector. The Commission is thus proposing that the ECB should provide analytical, statistical, administrative and logistical support to the ESRB. Hence this proposal which confers on the ECB the task of ensuring the Secretariat to the ESRB.



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**European Banking Authority**

**COM(2009) 501 - Proposal for a Regulation of the European Parliament and of the Council establishing a European Banking Authority**

Further to the second recommendation of the de Larosière group (see COM (2009) 499) which mentions, *inter alia*, the creation of a European Banking Authority, this proposed Regulation establishes said Authority and lays down, *inter alia*, its tasks and powers, and its organisation.

**European Insurance and Occupational Pensions Authority**

**COM(2009) 502 - Proposal for a Regulation of the European Parliament and of the Council establishing a European Insurance and Occupational Pensions Authority**

As above but here the authority being established is the European Insurance and Occupational Pensions Authority.

**European Securities and Markets Authority**

**COM(2009) 503 - Proposal for a Regulation of the European Parliament and of the Council establishing a European Securities and Markets Authority**

As above but here the authority being established is the European Securities and Markets Authority.



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### COUNCIL CONCLUSIONS

A Council meeting on matters of Competitiveness is currently being held in Brussels (from 24<sup>th</sup> till 25<sup>th</sup> September). The following are the main results of this meeting so far:

The Council adopted conclusions on practical measures aimed at improving the functioning of the internal market, including the effective implementation of the services directive.

It also held a public debate in preparation for the review of the Community innovation policy.

The Council held a debate on a draft directive aimed at simplifying the business environment for micro-enterprises in order to enhance their competitiveness.

The Council was updated by the Commission on the latest developments affecting the automotive industry in Europe, and in particular the situation of the company Opel.

Without discussion, the Council adopted the three regulations forming the road transport package.

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