

Press release – EU-US visa reciprocity: the Commission must defend the rights of all EU citizens



With 376 votes to 269 and 43 abstentions, the Chamber adopted on Thursday a resolution urging the Commission to present a legal act suspending the visa waiver for US nationals for twelve months, as established in the so-called [reciprocity mechanism](#).

Bulgarian, Croatian, Cypriot and Romanian nationals are still required to hold a visa to enter the US, while all other EU citizens are exempt from that requirement for short-stays (up to 90 days in any 180-day period), as are US nationals when they visit the European Union.

According to EU legislation, if a third country does not lift visa requirements within 24 months of being formally notified of a situation of non-reciprocity, the EU Commission must adopt a legal act suspending the visa waiver for its nationals for 12 months. Both the European Parliament and Council could object to such an act ([Article 290\(2\) of the Treaty](#)).

The situation of non-reciprocity affecting Bulgaria, Croatia, Cyprus and Romania was formally raised on 12 April 2014 (at the time, Poland was also affected, but since last year Polish citizens can travel to the US visa-free), so the deadline for the Commission to act expired on 12 April 2016.

[Parliament already asked the Commission to comply](#) with the rules in a plenary resolution adopted in March 2017.

Quote

“The discrimination that Bulgarians, Croatians, Cypriots and Romanians experience when travelling to the US is unacceptable. Respecting the

fundamental principle of solidarity among EU members, we call on the Commission to act as established in European legislation and table a proposal to suspend the visa waiver for US nationals. It will then be up to the Parliament and the Council to assess the political consequences of this move”, said [Juan Fernando López Aguilar \(S&D, ES\)](#), Chair of the Civil Liberties Committee and rapporteur.

Tunisia: EIB provides fresh support to secure drinking water supply



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- Two finance contracts totalling €38 million signed with Tunisia and SONEDE to secure the drinking water supply in Greater Tunis.
- The financed project will have a strong impact on the ever-growing population in the capital, Tunis, and the three governorates of Ben Arous, Manouba and Ariana, ensuring the supply of drinking water to the entire population until 2040.

The European Investment Bank (EIB), the financing institution of the European Union, has announced that it has signed two finance contracts totalling €38 million with Tunisia and the National Water Distribution Utility (SONEDE) to secure the drinking water supply in Greater Tunis, including the capital, Tunis – which is also the capital of the Tunis governorate – and the three

governorates of Ben Arous, Manouba and Ariana.

The contracts were signed by **Ali Kooli**, Minister of Economy, Finance and Investment Support, **Mosbah Helali**, CEO of SONEDE and **Jean-Luc Revéreault**, Head of the EIB Representation for Tunisia, in the presence of **Akissa Bahri**, Minister of Agriculture, Water Resources and Fisheries.

This European financing will make it possible to develop and upgrade the infrastructure needed to secure the entire drinking water supply system in Greater Tunis. The impact of such a project will be significant for the local population – approximately 2.8 million residents of Greater Tunis and the three governorates of Ben Arous, Manouba and Ariana will benefit in the short term. Moreover, this financing will ensure the supply of water to the entire population until 2040. Tunisia is facing a steady increase in water needs – around 3% each year – due to the demographic and urban expansion of Greater Tunis and its tourism, industrial and commercial development, particularly with the new Financial Harbour.

This project reflects the major efforts of the Tunisian authorities in the area of water and sanitation in line with the National Climate Change Adaptation Strategy and the Tunisia National Development Plan 2016-2020, specifically the “Green Economy, Pillar of Sustainable Development” component. It is part of an extensive joint investment programme from the Ministry of Agriculture, Water Resources and Fisheries and SONEDE. The aim is to build and upgrade water storage and transport infrastructure (reservoirs, transfer pipes) as well as water treatment infrastructure (treatment plant, desalination plant, delivery pipeline and pumping stations).

EIB Vice-President Ricardo Mourinho Félix said: *“As the EU climate bank, we are very pleased to be able to continue supporting the supply of drinking water in [Tunisia](#) and to help the country with its climate change adaptation efforts. These financing agreements reflect the EIB’s strong commitment to financing modern and sustainable infrastructure and will help improve water quality and health for millions of Tunisians. That is the very purpose of the commitment we are making to the people of Tunisia.”*

The project was made possible by the EU guarantee under the External Lending Mandate. It is being co-financed by the Agence française de développement through a partnership under the Mutual Reliance Initiative, which is led by the EIB.

As a major financial partner of Tunisia, the EIB has invested nearly €4 billion since 2007 in support of projects in key areas for the Tunisian economy, such as water and sanitation, industry, social infrastructure, training, transport, energy, and support for the private sector and businesses.

[Press release – EP Today](#)



Announcing 2020 Sakharov Prize laureate

Parliament President David Sassoli will announce this year's winner of the [Sakharov Prize for Freedom of Thought](#) at 12.00. [Three finalists](#) have been shortlisted by the [Foreign Affairs](#) and [Development](#) committees for the Conference of Presidents to decide on the winner.

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Golden Passports no more

Serious security threats through the sale of EU passports and visas to criminals and the recent [launch of infringement procedures](#) by the Commission against “Golden Passport” schemes in Malta and Cyprus will be discussed in a debate with Commissioner Didier Reynders at 10.00.

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In brief

Energy and Green Deal. MEPs will discuss with Commissioner Kadri Simson the current state of the Energy Union and how to align the EU energy policy with the European Green Deal, at around 11.00.

Women under-represented in foreign policy. Starting at 9.15, MEPs will discuss with Commissioner Jutta Urpilainen how to improve gender equality in the EU's foreign and security policy. A resolution will be put to the final vote on Friday morning.

You can follow the debates live on Parliament's [webstreaming](#) and on [EbS+](#)

Votes

The **first voting session** lasts from 09.15 until 10.30; results will be announced at 13.00. MEPs will vote on further **amendments** tabled to the legislative proposals on the Common Agricultural Policy (CAP) reform.

The **second voting session** lasts from 14.30 until 15.45, for the **final vote** on a resolution to fight global deforestation, and votes on **amendments** to the resolution on gender equality in EU foreign policy, and to the CAP reform; results will be announced at 18.15.

The **third voting session** will last from 20.00 to 21.15, with votes on further **amendments** to the CAP. The results are scheduled to be announced on Friday at 8.45.

[Fabio Panetta: On the edge of a new frontier: European payments in the digital age](#)



SPEECH

Keynote speech by Fabio Panetta, Member of the

Executive Board of the ECB, at the ECB Conference “A new horizon for pan-European payments and digital euro”

Frankfurt am Main, 22 October 2020

Introduction

It is a great pleasure for me to open this conference on the new horizon for European payments.

Payments are indispensable to our daily lives and to the functioning of our economies. They allow money to fulfil its role as a dependable means of exchange and thereby help to maintain trust in our currency. As central bankers, we have therefore been tasked with ensuring the smooth functioning of payment systems.

Payments are undergoing fundamental change, driven by the digital revolution and its impact on the demand for new forms of payment, the provision of innovative payment services and the response of public authorities. Central banks have a key stake in the digital transition of payments and are adapting their policies to ensure that payments remain resilient, efficient and inclusive.

In my speech today I want to address the transformation that is taking place in the payments landscape. The European market is registering significant progress due to the digital revolution. However, the transition to a digital payments market may create inefficiencies and risks that require an adequate response by European authorities, in order to ensure that payments continue to serve citizens well.

The changing payments landscape

Digital technologies are changing our economies.^[1] They affect the way people consume and the way companies produce and sell goods and services. E-commerce sales, for example, have doubled in the euro area over the past six years and have jumped by one-third during the lockdown compared with pre-crisis levels.^[2]

Radical innovation and new players are shaping the market and have the potential to bring more choice, efficiency and inclusion to payments. But an uncontrolled transition could lead to more complexity, higher concentration, lower standards and reduced autonomy of European payments, generating risks for consumers and financial stability.

Central banks have an inherent interest in accompanying the digital transition so that payments remain safe, efficient and inclusive. They must be alert and respond to three trends that are shaping the payments landscape.

The first trend is the evolving preferences of European consumers and

businesses. While cash is still the main way people make retail payments in the euro area, its role is diminishing.

Cash increasingly accounts for a smaller share of point-of-sale and person-to-person transactions in the euro area. In terms of the volume of total transactions, it declined from 79% in 2016 to 73% in 2019. And in terms of the value of transactions, it fell from 54% to 48%. The parallel expansion of cashless transactions has been largely driven by card payments, which have increased from 19% to 24% in terms of volume and from 39% to 41% in terms of value.^[3]

Turning to other retail payments by households, cash is seldom used.^[4] Cards and e-payment solutions dominate remote purchases^[5], while direct debit and credit transfers are the most common way people pay their bills^[6].

The trend towards cashless payments has been accelerated by the pandemic. There has been a surge in online payments by households and a shift towards contactless payments in shops. About 41% of respondents to a recent survey say they have reduced their use of cash.^[7] The vast majority of them expect to continue to pay less with cash after the pandemic is over.^[8]

Against this background, the Eurosystem has a responsibility to ensure that costless, risk-free payment options remain available to all. This includes ensuring continued access to cash.

The second trend we need to respond to is the evolving structure of the payments market, which risks becoming both more fragmented and more concentrated in each segment.

On the one hand, the acceleration towards digital payments is adding to the diversity of payment methods. But it is also increasing market fragmentation and complexity. New fintech players increase potential competition and innovation, but only a fraction of their innovative payment solutions are useable for the most common transactions, such as online, in shops and peer to peer. Moreover, domestic card schemes are often not useable in other Member States. The risk is that payments are not as simple, efficient and affordable as they could be.

On the other hand, there is a risk of excessive concentration and insufficient competition in each market segment. Europe is already experiencing the dominance of a handful of payment service providers: PayPal dominates online payments, while Visa and Mastercard handled more than two-thirds of card payment transactions in Europe in 2018.^[9] In the future, concentration might be exacerbated by the ability of global technology firms – the so-called big tech firms – to leverage their large customer bases and offer payments services in Europe and globally, initially bundling them with their other products and gradually extending them to broader use cases online and in shops. Given the strong network effects in payments, these firms could acquire excessive market power.

The Eurosystem must respond to these risks by facilitating market entry and diversity in the supply of payment services, in particular by European

players. This would foster competition in all parts of the payments value chain, ensuring that Europe can be at the cutting edge of innovation and efficiency, to the benefit of customers.

The third trend we need to consider is the increased risks that would be associated with dependence on foreign payment instruments and technologies.

While openness to global competition is crucial to foster innovation, excessive dependency on foreign private or public digital means of payment and technologies could lead to adverse effects. These relate, for example, to the ownership of critical data, or issues of traceability in the fight against money laundering, terrorist financing and tax evasion. Also, a payment market that relies on technology designed and controlled elsewhere may not be fit to support our Single Market and single currency and could be vulnerable to external disruption, such as cyber threats. Moreover, if the bulk of deposits are denominated in foreign private or public digital assets, with weak links to our currency, European monetary and financial sovereignty could be weakened.

The Eurosystem therefore has a key role to play in ensuring that innovative payment solutions offered by new players benefit European consumers, while preserving European monetary and financial sovereignty.

The Eurosystem's response to the changing payments landscape

Faced with a changing payments landscape, the Eurosystem has put in place a comprehensive strategy to foster a competitive market that is capable of responding to changing consumer preferences and is rooted in the EU framework and our single currency. I will briefly explain the essential elements of our payment strategy.

Continued provision of cash

In spite of the reduction in the use of cash for payments, the demand for euro banknotes is increasing at an annual rate of about 10%, and accelerated sharply at the onset of the pandemic^[10]. In response to these developments, the Eurosystem is carefully planning its activities related to the cash supply chain – production, storage, distribution and recirculation – in order to ensure it remains resilient. We are well prepared to ensure the continued availability of banknotes, including in crisis situations: our stocks of cash in each country, at Eurosystem level and for all banknote denominations, are continuously monitored, and scenario analyses are used to anticipate any risk of depletion and react accordingly. We engage with banks and all stakeholders involved in the distribution of banknotes to ensure appropriate service levels, geographical coverage and fee policies.

Looking ahead, we have recently launched our Cash 2030 strategy to ensure that banknotes remain widely available and accepted as a competitive, reliable payment instrument and store of value that can be owned and used directly by all consumers. We welcome the decision of the European

Commission, in the context of its Retail Payments Strategy for the EU, to reconvene the Euro Legal Tender Expert Group in 2021 to examine developments regarding the acceptance and availability of euro banknotes.

Retail payments strategy

The Eurosystem's retail payments strategy aims to foster competitive and innovative payments by providing cutting-edge payments infrastructures and supporting pan-European solutions.

A fundamental component of our strategy addresses the need for pan-European initiatives that allow consumers and merchants to have easy access to efficient payments. In 2019 the ECB's Governing Council formulated five objectives that any such initiative would need to fulfil: pan-European reach and seamless customer experience; convenience and low cost; safety and security; European brand and governance; and global acceptance. We welcome initiatives by European players to create unified pan-European payment solutions, provided that they fulfil these objectives.

The recently launched European Payments Initiative seeks to replace national schemes for card, online and mobile payments with a unified card and digital wallet that can be used across Europe.^[11] To succeed, it will need to overcome the existing fragmentation of national card schemes with a view to covering the whole EU and offering a credible alternative to global players. Other initiatives are in the pipeline, and we will assess whether they comply with our five objectives.

Another key element of our strategy is the fast deployment of instant payments, which allow households and businesses to get access to their funds immediately – as the payment is completed – and in central bank money, eliminating any financial risk for either the payer or the payee. In 2018 the Eurosystem introduced a powerful platform for the continuous settlement of instant payments (TARGET Instant Payment Settlement, or TIPS), putting the euro area at the forefront of retail payments.^[12] In order to make instant payments available to everyone in Europe, we have recently taken important steps to ensure pan-European instant payments by the end of 2021 via TIPS.^[13]

We have also updated our retail payments strategy to embrace the objective of fostering competition and an innovative European ecosystem for payments. This includes actively supporting European fintech companies and promoting the use of pan-European harmonised electronic identity and signature systems in retail payments.

We are cooperating closely with the European Commission. In fact, the European Commission's "Retail payments strategy for the EU" complements our own strategy by setting the stage for European legislation to contribute to objectives we share, such as making instant payments the new normal and making cross-border payments easier, faster and cheaper.

Oversight

At the root of our oversight activity lies the principle of "same business,

same risks, same requirements". Our new oversight framework for electronic payment instruments, schemes and arrangements (PISA) will be released for public consultation in the coming weeks and will extend this approach to all relevant actors in the payments market, including the big tech firms.

A properly designed oversight framework is necessary to guarantee competition and innovation in the payments market, while limiting the risks that new products and new players may generate. To avoid regulatory arbitrage and ensure a level playing field, it is critical that issuers and service providers of significant stablecoins are also regulated, supervised and overseen at European level.

The European Commission's legislative proposals on crypto-assets (MiCA) are an important step in this regard. Together with its proposal on digital operational resilience (DORA) and our revised oversight framework, they will address the broader risks and threats posed by new products and players. If new, potentially systemic products are introduced before these regulatory and oversight initiatives are completed, this could endanger the integrity of the European payments system.

Digital euro

The Eurosystem's work on a digital euro is an insight into the future of retail payments. A digital euro would make digital central bank money accessible to everyone. It would provide access to a simple, costless, risk-free and trusted digital means of payment that is accepted throughout the euro area.

The possible issuance of a digital euro alongside cash would be driven by the same objectives I have already outlined: responding to evolving consumer preferences, fostering a competitive payments market and preserving European autonomy.

A digital euro would both shape and promote the digitalisation of payments, in turn supporting the digitalisation and modernisation of the European economy. If properly designed, it would allow banks to build new business models and offer their customers cheaper and innovative services. It would increase privacy in digital payments thanks to the involvement of the central bank, which – unlike private suppliers of payment services – has no commercial interests related to consumer data.

A digital euro could become necessary in a number of scenarios. For example, if people would become reluctant to use cash, if other electronic payment methods could become unavailable owing to natural disasters, or if foreign digital means of payments threatened to largely displace domestic money.

But introducing a digital euro could pose challenges. Some are technical, such as cyber risks and the protection of privacy. Others are related to the possible impact on the activity of banks, on financial stability and on monetary policy. A properly designed digital euro would need to address such risks. We have started to explore appropriate strategies, for example in relation to the remuneration of digital euro holdings^[14] and the protection

of privacy.^[15]

As the issuer of our currency, the Eurosystem is carefully examining the economic, technological, societal and strategic implications of the possible issuance of a digital euro. We have recently published our Report on a digital euro, and started a public consultation.^[16] We will carefully examine the feedback we receive, so that if and when developments around us make it necessary, we will be ready to issue a digital euro that meets the needs of Europeans.

Conclusion

European authorities must be attentive and ready to respond to the ongoing transformation of the European payments landscape. They must ensure that digital payments are underpinned by a competitive and innovative market capable of meeting consumer demand, while preserving European sovereignty.

To reach these objectives, the Eurosystem has set out a comprehensive strategy based on complementary elements, which range from the provision of cash to the promotion of pan-European payment solutions, the fast deployment of instant payments in the entire euro area, the introduction of a new comprehensive oversight framework embracing new products and players, and the preparation for the possible issuance of a digital euro. Our action on these fronts, in close cooperation with the European Commission and other European institutions, will help to foster a resilient and innovative European payments market that will strengthen confidence and trust in the euro.

[Artificial intelligence: Presidency issues conclusions on ensuring respect for fundamental rights](#)



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