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Brexit: European Commission publishes draft legal text on transitional arrangements

The European Commission has today published a draft text of the transitional arrangements to be included in the Article 50 Withdrawal Agreement, following the United Kingdom's request to remain in the Single Market and the Customs Union for a short time-limited period after its withdrawal from the European Union on 30 March 2019. Today's text reflects the clear, detailed mandate provided to the Commission by the Member States on such possible transitional arrangements. In particular, it translates into legal terms the principles set out in the European Council guidelines of 29 April 2017 and 15 December 2017, as well as the negotiating directives adopted on 29 January 2018. As the UK will remain part of the Single Market and the Customs Union (with all four freedoms) until 31 December 2020, the UK will remain bound by EU law and the jurisdiction of the European Court of Justice. Union acquis will continue to apply in full to and in the UK during this period. Any changes made to the acquis during this time should automatically apply. As the UK will be a third country as of 30 March 2019, it will no longer be represented in Union institutions, agencies, bodies and offices. The draft text (see here) will now be discussed amongst the EU27 Member States, before being formally transmitted to the United Kingdom. *(For more information: Margaritis Schinas: +32 229 60524; Daniel Ferrie – Tel.: +32 229 86500)*

State aid: Commission approves six electricity capacity mechanisms to ensure security of supply in Belgium, France, Germany, Greece, Italy and Poland

The European Commission has approved under EU State aid rules electricity capacity mechanisms in Belgium, France, Germany, Greece, Italy and Poland. The Commission found that the measures will contribute to ensuring security of supply whilst preserving competition in the Single Market. Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"Capacity mechanisms can help to safeguard security of electricity supply, but they must be designed so as to avoid distortions of competition in energy markets. I am glad that our close cooperation with national authorities has enabled us to today approve well-designed capacity mechanisms in six EU countries. They will foster competition among all potential capacity providers to the benefit of consumers and our European energy market."* Capacity mechanisms have the important objective of ensuring security of electricity supply. But if they are not well-designed they may cause higher electricity prices for consumers, give undue advantages to certain energy operators or hinder electricity flows across EU borders. That is why the Commission has, in close cooperation with the relevant national authorities, assessed six mechanisms in Belgium, France, Germany, Greece, Italy and Poland to ensure they meet strict criteria under EU State aid rules, in particular the Commission's 2014 Guidelines on State Aid for Environmental Protection and Energy. In this context, the Commission has also taken into account insights from its 2016 State aid sector inquiry on capacity mechanisms. The six capacity mechanisms approved today concern more than half of the EU population. They cover a range of different types of mechanism that address the specific need in each Member State. In the cases of Belgium and Germany, the Commission has authorised strategic reserves. Strategic reserves keep certain generation capacities outside the electricity market for operation only in emergencies. In the cases of Italy and Poland, the Commission has authorised market-wide capacity mechanisms. These can be necessary where electricity markets face structural security of supply problems. In the cases of France and Greece, the Commission has authorised capacity mechanisms specifically promoting demand response. Demand response schemes pay customers to reduce their electricity consumption in hours when electricity is scarce. The advantage of such schemes is that demand response operators may be able to react more quickly than electricity generators and are generally more environmentally friendly. Today's decisions complement the Commission's Energy Union Strategy to deliver secure, sustainable and competitive energy in Europe. For more information please see the full press release and factsheet. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)*

Twinning: 20 years of successfully sharing EU expertise through over 2700 projects

2018 marks the 20th anniversary of the European Commission's Twinning instrument, one of the most successful and most used tools for supporting the European Union's neighbouring countries and regions. With the recent launch of the newest Twinning project in the former Yugoslav Republic of Macedonia, the total number of Twinning projects implemented in the past 20 years surpasses 2700 in this anniversary year. The new project aims to establish peer-to-peer, on the ground cooperation with the partner country's Customs Administration in Skopje in order to simplify customs procedures and to create a business-friendly environment. Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, said: "*The 20th anniversary of Twinning is an occasion to celebrate and to reflect on past achievements as well as on future perspectives. Over the past 20 years, more than 2700 Twinning projects have been successfully implemented, from reforming asylum legislation in Serbia to strengthening e-governance in Georgia. Encouraging peer-to-peer exchange, Twinning continues to provide invaluable added value in promoting modernisation, EU values and structural reforms efforts as well as in fostering change, stability, security and prosperity throughout the Neighbourhood and Enlargement regions*." The full press release is available online. *(For more information: Maja Kocijančič – Tel.: +32 229 86570; Alceo Smerilli – Tel.:+32 229 64887)*

Smarter use of EU resources: financial instruments in EU funds already halfway to target

New data uploaded on the Cohesion Open Data Platform show that half of the European Structural and Investment (ESI) Funds envelope planned to be invested via financial instruments over the 2014-2020 budget period has already been allocated to generate additional investment through financial products such as loans, guarantees or equity. By end 2016, already €10.3 billion from the ESI Funds was committed to such instruments, mostly for SME support, research and innovation and the low-carbon economy, out of a target of €21 billion. The new “financial instrument” data of the Cohesion Open Data Platform will enable viewers to follow the progress made towards the target on an annual basis and by country. Commissioner for Regional policy Corina **Crețu** said: *“Over 76,000 businesses are currently supported by the European Structural and Investment Funds through financial instruments; these innovative tools have proven their ability to deliver for the maximum impact of EU resources on the ground, in line with the objective of President **Juncker**‘s Investment Plan.”* Find the full summary of progress in ESI Funds investments via financial instruments here. *(For more information: Johannes Bahrke – Tel.: +32 229 58615; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)*

Mergers: Commission approves Discovery’s acquisition of Scripps, subject to conditions; rejects referral request by Polish competition authority

The European Commission has approved, under the EU Merger Regulation, the proposed acquisition of Scripps by Discovery, both US based global media companies. The decision is conditional on full compliance with commitments offered by Discovery. Discovery and Scripps are both active as providers of basic pay-TV channels to TV distributors in the European Economic Area. Scripps is particularly active in the UK, where it operates UKTV jointly with the BBC; and in Poland, via TVN, a Polish media company acquired by Scripps in 2015.The Commission’s investigation found that i) in the UK, the proposed transaction would raise no competition issues given the limited overlap between the companies’ activities; and ii) in Poland, the proposed transaction risked increasing Discovery’s bargaining power vis-à-vis TV distributors because of the acquisition of certain channels that are particularly important in distributors’ basic pay-TV channel packages. To address the Commission’s competition concerns, Discovery committed to making TVN24 and TVN24 Bis available to current and future TV distributors in Poland for a reasonable fee determined by reference to comparable agreements. The Commission concluded that the proposed transaction, as modified by the commitments, would raise no competition concerns. The Commission has also rejected a request from Poland to refer the merger to the Polish competition authority for assessment under Polish competition law. A full press release is available in EN, DE, FR, PL. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)*

Mergers: Commission to assess the acquisition of Shazam by Apple

The European Commission has accepted a request from Austria, France, Iceland, Italy, Norway, Spain and Sweden to assess under the EU Merger Regulation the proposed acquisition of Shazam by Apple. Apple’s proposed acquisition of Shazam does not meet the turnover thresholds set by the EU Merger Regulation for mergers that must be notified to the European Commission because they have an EU dimension. It was notified by Apple for regulatory clearance in Austria, where the transaction meets the national merger notification threshold. Austria submitted a referral request to the Commission pursuant to Article 22(1) of the EU Merger Regulation. On the basis of the elements submitted by Austria and the countries joining the referral request, and without prejudice to the outcome of its full investigation, the Commission considers that the transaction may have a significant adverse effect on competition in the European Economic Area. The Commission has also concluded that it is the best placed authority to deal with the potential cross-border effects of the transaction. The Commission will now ask Apple to notify the transaction. A full press release is available in EN, FR, DE, SV, IT. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)*

Mergers: Commission approves the proposed acquisition of Abertis by Hochtief

The European Commission has cleared, under the EU Merger Regulation, the proposed acquisition of Abertis by Hochtief. Abertis manages and operates toll road infrastructure. Hochtief, ultimately controlled by the ACS Group, is mostly active in the construction sector. The Commission's investigation focused on: i) the market for toll motorway concessions where the activities of ACS Group and Abertis overlap; ii) the market for the construction and maintenance of road infrastructure, since construction remains the core business of Hochtief and the ACS Group; and iii) other markets related to motorway concessions where Abertis is present, namely the distribution of on-board payment equipment, the provision of electronic toll collection systems and the concession of food services on motorway service areas. For all of these markets, the Commission found that the proposed transaction would raise no competition concerns and the merged entity would still face a number of strong competitors. The Commission also found that the market for toll motorway concessions is a highly regulated bidding market, further preventing the merged entity from weakening competition. Therefore, the Commission concluded that the proposed acquisition would not endanger competition in any of the markets concerned. A full press release is available in EN, DE, FR, ES. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)*

Mergers: Commission clears acquisition of Eircom by Toohil Telecom

The European Commission has approved, under the EU Merger Regulation, the acquisition over Eircom Holdco of Luxembourg by Toohil Telecom of Ireland. Eircom is the former incumbent telecoms company of Ireland. Toohil Telecom is part of the group of companies controlled by Mr Xavier Niel, which also includes the French telecommunications operator Iliad. The Commission concluded that the proposed acquisition would raise no competition concerns because Mr Xavier Niel does not own any companies currently active in the telecommunications sector in Ireland. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's competition website, in the public case register under the case number M.8736. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)*

ANNOUNCEMENTS

Commissioner Moscovici in Athens, Greece

Pierre **Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs, will be in Athens from 8 to 9 February. He will hold a number of meetings, including with Mr Prokópis Pavlópoulos, President of the Hellenic Republic; Mr Alexis Tsipras, Prime Minister of Greece; Mr Euclid Tsakalotos, Minister of Finance of Greece; Mr Dimitris Papadimitriou, Minister of Economy and Development and Mr Alexandros Charitsis, Alternate Minister of Economy and Development. He will also meet Mr Kyriakos Mitsotakis, President of New Democracy and Ms Fofi Gennimata, President of the Panhellenic Socialist Movement. Commissioner Moscovici will also deliver the keynote address at an event organised by The Economist and participate in an exchange of views with members of the Hellenic Parliament. *(For more information: Johannes Bahrke – Tel.: +32 229 58615; Enda McNamara – Tel.: +32 229 64976)*

Commissioner Hahn travels to Belgrade and Podgorica

Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, will be in Serbia from 7 to 8 February and Montenegro on Friday 9 February. These are the first visits immediately following yesterday's Commission's adoption of the Strategy 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans'. Meeting with key countries' representatives – political authorities including opposition groups as well as representatives of the civil society organisations, Commissioner **Hahn** will discuss the Strategy and its implications for the two countries and the whole region. In Serbia, Commissioner **Hahn** will meet with President Aleksandar Vučić, Prime Minister Ana Brnabić, representatives of opposition parties and of Serbian NGOS and civil society organisations. Commissioner **Hahn** will also attend, together with Prime Minister Ana Brnabić, the signing ceremony of two financial agreements between the EU and Serbia on integrated border management and on support to Serbia hosting refugees. In Montenegro, Commissioner **Hahn** will meet with Prime Minister Duško Marković, he will address the Parliament, will engage in discussions with civil society representatives in attendance and will visit an EU funded connectivity project on Podgorica Railway Station. Videos and photos of the visit will be available on EbS. *(For more information: Maja Kocijančič – Tel.: +32 229 86570; Alceo Smerilli – Tel.:+32 229 64887)*

Upcoming events of the European Commission (ex-Top News)