

Daily News 18 / 01 / 2018

VAT: More flexibility on VAT rates, less red tape for small businesses

The European Commission has today proposed new rules to give Member States more flexibility to set Value Added Tax (VAT) rates and to create a better tax environment to help SMEs flourish. Today's proposals are the final steps of the [Commission's overhaul of VAT rules](#), with the creation of a single EU VAT area to dramatically reduce the €50 billion lost to VAT fraud each year in the EU, while supporting business and securing government revenues. The EU's common VAT rules, agreed by all Member States in 1992, are out of date and too restrictive. They allow Member States to apply reduced VAT rates to only a handful of sectors and products. At the same time, EU countries consider VAT rates as a useful instrument to pursue some of their political objectives. The Commission is now making good on its pledge to give Member States more autonomy on rates. Countries will be on a more equal footing when it comes to some existing exceptions to the rules, known as VAT derogations. The Commission is today also addressing the problem of smaller companies suffering from disproportionate VAT compliance costs. A full [press release](#), [MEMO](#) and factsheets (on [rates](#) and [SMEs](#)) can be found online. *(For more information: Vanessa Mock – Tel.: +32 229 56194; Patrick McCullough – Tel.: +32 229 87183)*

Banking Union: First Progress Report on the tackling of non-performing loans to support the risk-reduction agenda

The European Commission has welcomed the headway made in tackling non-performing loans (NPLs) in the EU as part of ongoing work at the national and EU level to reduce remaining risks in parts of the European banking sector. In its First Progress Report since the Finance Ministers agreed an [Action Plan on reducing non-performing loans \(NPLs\)](#), the Commission highlights the further improvement in NPL ratios and forthcoming measures to bring NPL stocks down further. Reducing NPLs is important for the smooth functioning of the Banking Union and the Capital Markets Union, and for a stable and integrated financial system in the EU. Addressing high stocks of NPLs and preventing their possible future accumulation is essential to strengthen and cement economic growth in Europe. Households and companies depend on a strong and crisis-proof financial sector to get financing. While individual banks and Member States are in the driving seat when it comes to tackling their stocks of NPLs, there is a clear EU dimension given the potential spill-over effects to the EU economy as a whole. A full [press release](#), [MEMO](#) and [factsheet](#) can be found online. *(For more information: Vanessa Mock – Tel.: +32 229 56194; Letizia Lupini – Tel.: +32 229 51958)*

Future of Europe: President Juncker appoints members to Task Force on Subsidiarity and Proportionality

Today, European Commission President Jean-Claude **Juncker** appointed six members to the 'Task Force on Subsidiarity, Proportionality and "Doing Less More Efficiently"' under the Chairmanship of First Vice-President Frans **Timmermans**. The Task Force will identify policy areas where work could be devolved or definitely returned to Member States, as well as ways to better involve regional and local authorities in EU policy making and delivery. President **Juncker** said: *"The European Commission must be big on the big things, and act only where it can achieve better results than Member States acting alone. This was my message when I was campaigning to become President of this Institution and it was the message delivered by the leaders of the EU27 in the Rome Declaration in March 2017. The new Subsidiarity and Proportionality Task Force will help us to decide which powers can be better exercised at a national or local level, and respond to citizens' expectations to take care of the concerns that really matter to them."* First Vice-President **Timmermans** added: *"This Commission has really pushed better regulation so that we are ambitious where we must be, and modest wherever we can be. We do this on the basis of the latest evidence and broad public consultation. We need to continue this work and explore where the EU can really add value more efficiently but also empower Member States to do all that they can do better themselves. This Task Force will do exactly that."* The members of the Task Force are all politicians: Toomas Vitsut, Reinhold Lopatka, Kristian Vigenin, Karl-Heinz Lambertz, Michael Schneider and François Decoster. The Task Force will meet for the first time before the end of January and present its report by 15 July. The creation of the Task Force was most recently welcomed by Irish Prime Minister Leo Varadkar in a debate on the Future of Europe in the European Parliament on Tuesday 17 January. A full [press release](#) can be found online. (For more information: Mina Andreeva – Tel.: +32 229 91382; Tim McPhie – Tel.: +32 229 58602)

Launch of EU-China Tourism Year 2018

Tomorrow, and following the [announcement](#) made by Commission President Jean-Claude **Juncker** and the Chinese Premier Li Keqiang in July 2016, the [EU-China Tourism Year](#) (ECTY) will be launched at the Doge's Palace in Venice. This initiative provides a unique opportunity to increase the number of visits, promote sustainable tourism, stimulate investment opportunities for Europe and China, improve air connectivity and underpin the ongoing negotiations on EU-China visa facilitation. The year will be [opened](#) by the Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, Elżbieta **Bieńkowska**, European Parliament President Antonio Tajani, the Bulgarian Minister of Tourism representing the Presidency of the Council of the European Union, Nikolina Angelkova, the Italian Minister of Cultural Heritage and Activities and Tourism, Dario Franceschini, the Vice-Chairman of the CPPCC National Committee, Mr Qi Xuchun, and the Vice-Chairman of the China National Tourism Administration, Du Jiang. The EU-China Tourism Year will consist of a number of cooperative marketing campaigns funded through public-private partnerships, business summits, and business-to-business meetings for tourism operators funded by the [COSME programme](#). On the EU side, the aim is to lead to an annual increase of 10% of Chinese visitors, representing at least €1

billion each year for the EU tourism industry, and an estimate of 200 partnership agreements between EU and Chinese companies. The ECTY is a concrete manifestation of EU cultural diplomacy in the framework of the EU-China strategic partnership. The initiative is also in line with the EU Strategy on China adopted in 2016. It is a way to develop a better understanding between European and Chinese people, contributing to the “High Level EU-China People-to-People Dialogue” and the 2018 [European Year of Cultural Heritage](#). The opening ceremony will be followed by the first [EU-China Tourism Business Summit](#). After the launch event a press conference will take place. Media are invited to sign up [here](#). Further information is available on the dedicated [ECTY website](#). (For more information: Lucía Caudet – Tel.: +32 229 56182; Victoria von Hammerstein – Tel.: +32 229 55040; Maud Noyon – Tel. +32 229-80379)

Competition: Commission welcomes new rules that benefit consumers by promoting more competition in processing of card payments

The European Commission has issued new requirements that ensure independence of payment card schemes and processing entities, to enhance competition in the card payment market. When a consumer pays with a card in a shop or online, the transaction needs to be processed for the payment to be transferred to the shop’s bank account. This service is carried out by processing companies, which manage the necessary communication and IT processes for the payment to be finalised. Payment card schemes often provide their own services for the processing of payment transactions and therefore compete with many other independent companies that also provide the same processing services. Under the 2015 [Interchange Fee Regulation](#) card schemes must ensure the independence of their own processing activities from the rest of their operations. The new rules introduce detailed requirements concerning the separation of certain functions, which enter into effect on 7 February 2018. As a result of this separation, retailers will be able to choose the best processor for their card transactions, while consumers benefit from reduced processing costs in their daily payments in shops, restaurants, online or via a growing range of card-based mobile payment applications. Commissioner Margrethe **Vestager**, in charge of competition policy, said: “Many consumers use payment cards every day in shops or online. The Interchange Fee Regulation has capped fees charged by the banks for these card payments, which are ultimately paid by consumers. The new rules will bring more competition to the processing of card payments, which should further reduce costs to the benefit of consumers and retailers.” A full press release is available in [EN](#), [DE](#), [FR](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Mergers: Commission clears acquisition of Sport Zone and JDSH by JD, Balaiko and Sonae MC

The European Commission has approved, under the EU Merger Regulation, the acquisition of SDRS- Sports Division SR, S.A. (“Sport Zone”) of Portugal by JD Sprinter Holdings 2010, SL (“JDSH”) of Spain and the simultaneous acquisition of joint control of JDSH by JD Sports Fashion Plc (“JD”) of the UK, Balaiko Firaja Invest, S. L (“Balaiko”) of Spain and Sonae MC- Modelo Continente, SGPS, S.A. (“Sonae MC”) of Portugal. Sport Zone and JDSH are

active in the retail trade of sports goods in Portugal and Spain under the brands "Sport Zone" (in the case of Sport Zone) and "JD", "Sprinter", "Size?" and "Athlete's Foot". JD is active in the retail of sports apparel and footwear worldwide and also operates fitness centres in the UK. Balaiko is an investment vehicle company. Sonae MC is active in the retail and wholesale trade in food and non-food products as well as in the management of related real estate assets. The Commission concluded that the proposed acquisition would raise no competition concerns because the local horizontal overlaps between the companies' activities are moderate, the market shares increments are small, and the joint venture will face competition from the market leader and other players with a regional and national footprint both in Spain and in Portugal. The transaction was examined under the normal merger review procedure. More information is available on the Commission's [competition website](#), in the public [case register](#) under the case number [M.8710](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

130 nouveaux bus électriques pour Varsovie grâce à la politique de Cohésion de l'UE

La Commission a adopté une décision allouant 41 millions d'euros du [Fonds de Cohésion](#) pour l'achat de 130 bus électriques pour le système de transport de la capitale polonaise. Chaque bus sera adapté aux personnes à mobilité réduite et équipé de l'air conditionné et d'un équipement audiovisuel d'information aux passagers. *"Ce nouvel investissement de l'Europe va améliorer très concrètement la qualité de vie à Varsovie,"* a commenté la Commissaire à la politique régionale Corina Crețu, *"Cela va réduire la congestion automobile, rendre l'air plus pur et offrir aux Varsoviens un mode de transport propre, rapide et confortable."* Les bus devraient être en circulation au début de 2021. (Pour plus d'informations: Johannes Bahrke – Tel.: +32 229 58615; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)

Eurostat: Le prix des logements en hausse de 4,1% dans la zone euro

Le prix des logements, tel que mesuré par l'indice des prix des logements, a augmenté de 4,1% dans la zone euro et de 4,6% dans l'UE au troisième trimestre 2017 par rapport au même trimestre de l'année précédente. Ces données proviennent d'Eurostat, l'office statistique de l'Union européenne. Par rapport au deuxième trimestre 2017, les prix des logements ont progressé de 1,7% tant dans la zone euro que dans l'UE au troisième trimestre 2017. Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Johannes Bahrke – Tel.: +32 229 58615; Juliana Dahl – Tel.: +32 229 59914)

ANNOUNCEMENTS

Future of EU finances – Commissioner Oettinger visits the Netherlands [updated on 18/01/2018 at 13:00]

Commissioner Günther H. **Oettinger**, in charge of Budget and Human Resources, is visiting the Netherlands on 18 January as part of his tour across EU Member States aimed at gathering views on the future of EU finances and the EU's multiannual budget post-2020. The Commissioner will meet Prime Minister Rutte, Minister for Finance, Mr Wopke Hoekstra and Director General for European Cooperation, Mr Matthijs van der Plas. Commissioner **Oettinger will also give a speech** at the Parliament's Standing Committee for EU Affairs and Finance and discuss the challenges ahead of the next multiannual budget with its members. Commissioner **Oettinger** will also speak at Leiden University and exchange views with students at a Citizens' Dialogue. The meetings in the Netherlands are part of the Commissioner's broad consultation with all interested parties on the future of EU finances – #EUbudget. The Commission kicked off this debate on 28 June 2017 with the publication of its [Reflection paper on the future of EU finances](#), available in all EU languages (in Dutch [here](#)). Stakeholders' views will be taken into account when preparing the next MFF, to be presented in [May 2018](#). *(For more information: Alexander Winterstein – Tel.: +32 229 93265; Maria Tsoni – Tel.: +32 229 90526)*

Commissioners Andriukaitis and Hogan participate in the International Green Week in Berlin on 18-20 January

Commissioners Vytenis **Andriukaitis** and Phil **Hogan**, respectively in charge of health and food safety and of agriculture, will both be attending the [International Green Week](#) in Berlin which gathers over 1,500 exhibitors from the food, agriculture and gardening sectors. They will hold a press conference at 16:00 on Thursday 18 January in the Green Week's premises before the event's official opening. While in Berlin, Commissioners **Andriukaitis** and **Hogan** will hold a [Citizens' Dialogue](#) on Friday on the theme of "From farm to fork –the future of European food production and consumption." Questions such as "how to make European food production and food consumption more sustainable? How to make European agriculture fit for the challenges of the next decade?" will be discussed in an open dialogue with participants. The event will be livestreamed [here](#). On that same day, Commissioner Andriukaitis also participate in [a High Level Panel on Animal health and Welfare](#) focusing on the future of globally diversified livestock production and in parallel Commissioner Hogan will participate in a [High Level Panel on the future of sustainable, responsible and efficient livestock production](#). Also whilst in Berlin, Commissioner Hogan will meet the German farm unions and Länder Ministers and will hold a series of bilateral meetings with visiting agriculture Ministers. On Saturday, both Commissioners will attend [10th Berlin Agriculture Ministers Conference](#). The European Commission is present throughout the duration of the International Green Week 2018 with a stand on the theme of sustainable food for a healthy lifestyle. Visitors will receive information about the Common Agricultural Policy, digital innovations in agriculture and rural areas, the EU's work on food safety and nutrition labelling and research and measures to reduce food waste. *(For more information: Anca Paduraru – Tel: +32 229 91269; Aikaterini Apostola – Tel.:*

+32 229 87624; Daniel Rosario – Tel + 32 229 56185; Clémence Robin – Tel.: +32 229 52509)

Commissioner Gabriel in Slovenia to discuss Digital Single Market

Commissioner for the Digital Economy and Society Mariya **Gabriel** is in Ljubljana, Slovenia today. She will discuss the progress made regarding the [Digital Single Market](#) strategy as well as the most recent EU digital initiatives to build European supercomputers and to tackle the spread of disinformation online. This morning she met with Members of the Slovenian Parliament. Their exchanges focussed, among other things, on the development of public e-services. Commissioner **Gabriel** took part in a [Citizens' Dialogue](#) at the University of Ljubljana, with Boris Koprivnikar, Minister of Public Administration, Vice-President of the Government for Slovenia responsible for the digital transformation, where the focus was also on the Digital Single Market. The debate touched upon the importance of digital skills, the transformation of the European labour market, women in tech, and research and innovation. The Commissioner emphasised in her first Citizens' Dialogue: *"Europe's digital revolution should be inspired by people: students, workers, entrepreneurs, researchers, women and men of all ages, who want to lead secure and stable lives in an inclusive Europe that protects its citizens and defends the democratic values and principles that we hold so dear."* The event can be re-watched [here](#). This afternoon, the Commissioner will hold a working lunch with Minister Koprivnikar and meet with BTC Company as well as with this year's winner of EU Code Week in Slovenia, Alja Isaković. The Commissioner will highlight the importance of women in tech and encouraging more girls and women to study ICT and work in digital jobs across all sectors. (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

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