

ESAs weigh benefits and risks of Big Data

The report concludes that Big Data brings many benefits for the financial industry and consumers, such as more tailored products and services, improved fraud analytics, or enhanced efficiency of organisational internal procedures. On the other hand, financial services consumers should be made particularly aware of some of the risks posed by Big Data. The risks identified by the ESAs include the potential for errors in Big Data tools, which may lead to incorrect decisions being taken by financial service providers. Additionally, the increasing level of segmentation of customers, enabled by Big Data, may potentially influence the access and availability of certain financial services or products.

Weighing both the benefits and the risks associated with this innovation, the ESAs have concluded that any legislative intervention at this point would be premature, considering that the existing legislation should mitigate many of the risks identified. The ESAs will continue to monitor any developments in this area in the coming years and invite financial firms to develop and implement good practices on the use of Big Data.

The objectives of the report was to

1. map the Big Data phenomenon and assess its potential benefits and risks;
2. raise awareness among consumers of their rights set in existing financial legislation and in other relevant areas; and
3. raise awareness of financial institutions of their obligations set in existing financial legislation and encourage the adaptation of good practices on Big Data.

The report results from a consultation conducted between December 2016 and March 2017.

Factsheet on Big Data

The ESAs have created a [factsheet on Big Data](#), aiming at informing consumers of financial services about the impact of Big Data. The factsheet provides consumers with the information about the potential benefits and risks of the use of Big Data techniques and aims to raise awareness of the measures consumers can take if they experience issues related to the use of Big Data.

Remarks by Commissioner Avramopoulos

on the reform of the EU visa policy, progress made on migration and the Facility for Refugees in Turkey

Dear all,

Today is another important step forward in Europe's mobility, migration and security policies, both internal and external.

First of all, today we present the first part of a comprehensive reform of the EU's common visa policy.

We have in recent times faced increasing security risks and evolving migratory challenges. We must adapt our visa policy to this new reality and make it stronger, more efficient and more secure.

With the reforms we propose, it will be easier and faster for legitimate travellers to obtain a visa. Every year, millions of travellers visit the EU. In 2016 alone, more than 15 million Schengen visas were issued to travellers coming for short stays. With the reform, legitimate travellers will be able to submit their visa application up to 6 months before their planned trip. They will receive an answer within 10 days. We also create a new special scheme at the external land or sea border, where travellers will be able to apply for a very short visa of less than 7 days, under strict conditions. In addition, trusted, legitimate travellers who have used their previous visas lawfully will be issued multiple entry visas and no longer have to go through a new visa procedure every time they want to travel to the EU.

But while the majority of travellers to the EU are genuine and bona fide travellers, we know that some are not – and we need to detect them immediately and prevent their entry. This is why we will soon revise the Visa Information System to allow for swifter and more effective background checks on visa applicants and visa holders. Border guards and visa officers should have all the information they need to detect someone suspected of organised crime or if someone is using fraudulent documents. This will enhance security for all in Europe, citizens and travellers alike.

If we want to truly beef up our visa system, we need the appropriate resources to do so. This is why we propose to increase the visa fee by 20 EUR. This small increase means EU visas are still cheaper than in the US, China or elsewhere but it will mean Member States can maintain enough consular staff worldwide to better serve applicants and upgrade their IT equipment and software to ensure stronger security screenings.

With these changes, we will keep Europe's doors open for bona fide travellers, but close them for those who pose security risks.

But our visa policy is not a stand-alone policy. It is deeply intertwined

with our overall migration and mobility policies.

With today's reform, we will make sure our common visa policy contributes to improving the cooperation with non-EU countries when it comes to the return of irregular migrants. We will introduce stricter conditions for processing visas when a partner country does not cooperate sufficiently on the readmission of irregular migrants.

But I want to make clear that this new approach will not have an impact on travellers' basic right to apply for and be granted visas.

A future-proof EU visa-policy is fundamental for an open and secure EU. We understood that the reform proposal from 2014 was not fit for purpose. We heard the concerns, and we have come back with a new and better proposal. I hope this means that the European Parliament and the Council will now work towards a swift adoption of today's proposal.

Now, coming back to the bigger picture. Today we also see the positive results on the European Agenda on Migration more generally.

There has been a clear and consistent decrease in irregular arrivals. Our work continues on all fronts, inside and outside the EU: to save lives, tackle root causes, protect Europe's external borders, and further strengthen cooperation with international partners.

Over 34,000 persons – more than 96% of all eligible applicants – have been relocated with almost all Member States contributing.

Our efforts to open legal pathways are bearing fruits: Member States have already pledged to resettle already 40,000 people under the new resettlement programme.

The EU Trust Fund for Africa continues to play a critical role in providing protection to migrants and refugees. The External Investment Plan and the European Fund for Sustainable Development are expected to unlock around €9.6 billion of public and private investments.

At the same time, the EU continues to provide substantial financial support to Greece and Italy, EU countries at the forefront of the migration crisis.

As I have said, we also need to send a clear message that irregular migrants will be returned to their countries of origin. We are reducing irregular migration by working together with partner countries, including Bangladesh, Pakistan, Tunisia, China and Morocco. Tomorrow for example I am travelling to Niger to step up our successful cooperation, and continue our support.

We need to continue working with partner countries to better manage and reduce the flows coming from Africa, to ensure cooperation on readmission, and to improve the conditions of migrants stranded in Libya.

I am pleased to report that the €3 billion Facility for Refugees in Turkey was fully contracted by the end of 2017 – meaning the EU lived up to its promise in full. Now, the Union and its Member States need to fund the second

tranche of €3 billion of the Facility for Refugees in Turkey. So far, this Fund has given 500 000 children access to education and is supporting 1.2 million refugees with monthly cash transfers. The Commission's objective is to ensure that the valuable work of the Facility can continue.

For the Commission, it also makes sense that we follow the same division as before, with the EU budget mobilising €1 billion and Member States delivering the other €2 billion. This would allow us to keep the same governance structure of the Facility, and would not mean taking away funding from other migration priorities.

More than this, I would like to stress that our cooperation with Turkey is key to address common challenges. The rapprochement of Turkey and Europe is a long-term engagement that has started some years ago between our citizens.

It's a matter of common political will and in this context unnecessary escalations can and should be avoided.

In fact, ending these tensions would send a strong signal that both Turkey and Europe are committed to this relationship. I therefore hope for a swift return of the two Greek soldiers, right now in detention in Turkey.

Finally, we have reached the point where further progress on these vital issues also depends on a successful reform of our common asylum system. Our ambitious but essential goal is to ensure that the Leaders can reach an agreement in June this year.

Thank you.

[Remarks by President Donald Tusk after his meeting with Prime Minister of Finland Juha Sipilä](#)

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Let me first of all thank Prime Minister Sipilä for the very good and productive talks today. Juha, it's great to be back here in Helsinki. As you know it is always a pleasure for me, not only for the effective time, but it

is also a personal pleasure. And thank you for your cooperation.

Finland's engagement in Europe is truly respected by everyone. Today, I would like to especially underline your engagement in security and defence. You actively participate in PESCO, the newly-established EU defence cooperation. And the Helsinki Centre of Excellence for Countering Hybrid Threats strengthens both European and transatlantic capabilities in this important field. I greatly appreciate your commitment to European security.

Today we discussed the preparations for the European Council next week, also in view of President Trump's recent announcements.

His proposal to impose tariffs on European steel and aluminium is a bad sign for transatlantic relations. Let me be clear: instead of risking a trade war, which he seems eager to wage, we should be aiming for greater cooperation. When the President says he is unhappy about too many barriers and tariffs between the EU and the US, I can understand him. We are not happy either. That is the reason why, a few years ago, we started trade negotiations with the US. We should go back to these talks now. Make trade, not war, Mr President.

In this context, Mr Trump has also said that real friends will be excluded from the proposed measures. I would like to stress today that the free world has survived the most difficult decades only thanks to the fact that Europeans and Americans have been real friends. So let us cherish this friendship, not challenge it.

How important this message is, is demonstrated by the recent events in the UK. Irrespective of Brexit and the tough negotiations, I would like to express my full solidarity with Prime Minister Theresa May in the face of the brutal attack, which was inspired, most likely, by Moscow. I am ready to put this issue on the agenda of next week's EU summit. And thank you for your support in this context.

Here in Finland, at the heart of Europe's fight against hybrid threats, there is no need to explain the significance of close cooperation between Europeans and Americans. At a time when someone on the outside spreads fake news, meddles in our elections, and attacks people on our soil with the use of a nerve agent, the response must not be transatlantic bickering, but transatlantic unity. For real friends, this should be obvious.

Let me conclude by mentioning Finland's Presidency of the Council in the autumn of next year. It will be a critical period for the EU, and we will be relying on your steady leadership. Yours will be the first full Presidency following the UK's exit from the EU. It will also be the Presidency to oversee the institutional transition, with a new European Parliament, European Commission and a new President of the European Council. Everything you have achieved over the past years suggests that it will be a brilliant Presidency. I have no doubt about it. It will for sure not be an easy task, but here we count on the famous Finnish *sisu*. Thank you. *Kiitos!*

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Declaration by the High Representative on behalf of the EU on the alignment of certain countries with the Council Decision of 26 February 2018 concerning restrictive measures against ISIL (Da'esh) and Al-Qaeda

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On 26 February 2018, the Council adopted Decision (CFSP) 2018/283^[1]. The Council Decision adds one person to the EU sanctions list of persons, groups, undertakings and entities associated with ISIL (Da'esh) and Al-Qaeda.

The Candidate Countries the former Yugoslav Republic of Macedonia*, Montenegro*, Serbia* and Albania*, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, and the EFTA countries Iceland and Liechtenstein, members of the European Economic Area, as well as the Republic of Moldova, Armenia and Georgia, align themselves with this Council Decision.

They will ensure that their national policies conform to these Council Decisions.

The European Union takes note of this commitment and welcomes it.

[1] Published on 26.2.2018 in the Official Journal of the European Union no. L 54, p.6.

* The former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.

[Remarks by Valdis Dombrovskis at the press conference on Reducing Risk in the Banking Union: Commission presents measures to accelerate the reduction of non-performing loans in the banking sector](#)

Good afternoon. Today the Commission is putting on the table of co-legislators yet another set of proposals to reduce risks in the Banking sector. This time, we are targeting non-performing loans.

With today's package, we have delivered more risk-reduction measures than the Council originally planned in their 2016 roadmap to complete the Banking Union.

The measures we are presenting today would improve conditions for Member States and banks to tackle non-performing loans, or NPLs. The goal is simple: to speed up the ongoing reduction of NPLs in Europe's banks, and prevent them from building up again in the future.

This would free up capacity on banks' balance sheets, and allow them to expand lending to businesses and households. So it is a contribution to creating growth and jobs. But it would also help rid our banking sector of a potential source of vulnerability. This is why it is part and parcel of our broader efforts to reduce risks in our banking sector and complete the Banking Union.

We welcome the steady reduction in the average level of non-performing loans. It has come down from 6.7% at the end of 2014, to 4.4% by the third quarter of last year. But despite this progress, NPLs are still well above pre-crisis levels, and they are unevenly distributed across EU countries. With Europe's economy regaining its strength, now is the time for determined steps to reduce legacy risks and make our banking sector stronger.

Our package combines four policy actions, which I will now outline in more detail:

First, prudential backstops. Prevention is the best cure, so our first proposal seeks to ensure that banks have enough funds to cover losses from future non-performing loans. This would be done by amending the Capital

Requirements Regulation. Our proposal introduces minimum coverage levels for newly originated loans that become non-performing. These requirements would create incentives for banks to work out NPLs at an early stage, and avoid excessive accumulations.

But we also need to improve conditions for banks to deal with those loans that still fall through the cracks and become non-performing. So today we are putting forward a directive to do exactly that, by acting along two avenues:

The first avenue – which would only apply to business loans – is speeding up the ability of banks and other creditors to recover the collateral pledged as part of a loan. For this, we are proposing a new mechanism for an accelerated out-of-court procedure.

In other words, a procedure for creditors to recover the collateral from a loan without having to go to court. This would provide more speed and legal certainty to creditors, subject to appropriate safeguards for debtors.

This procedure would only be accessible if both lender and borrower have agreed on it in the loan contract. Why would they do so? Because the new procedures would enable banks to lend at lower cost, especially in Member States where insolvency is currently slow. We estimate a reduction of funding costs of about 10-18 basis points on average, and up to 40% more for SMEs.

The second avenue is to further develop secondary markets for NPLs, to facilitate their sale and transfer to specialised market participants. This is especially useful if stocks of non-performing loans have become so high that banks cannot work them out on their own, as is the case in some Member States.

In such countries, our proposed measures could help increase NPL sales by up to 15% per year, thereby speeding up the reduction of NPL ratios. Our directive would harmonise requirements for credit servicing, and allow those servicers that meet them to operate across the EU based on a single authorisation. And it would come with legal safeguards and transparency rules to ensure that the transfer of a loan does not affect the legitimate rights and interests of the borrower.

The fourth and final action is the publication of a blueprint for setting up Asset Management Companies, in full compliance with current EU State aid and bank resolution rules. This will be helpful in the potential case where NPLs have become a significant problem for a Member State, and it wishes to address this systematically.

With today's package, we are taking an additional step towards lowering risks in our banking sector. So we hope that it can form the basis for a balanced deal on completing the Banking Union ahead of June's Leader's meeting.

The end result would be a banking sector that is strong and stable, with the capacity to withstand future shocks, wherever they may come from. This is a key ingredient in future economic prosperity, and a resilient Economic and Monetary Union.

Thank you.