

# Funding of European political parties: Council ready to launch talks with Parliament

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On 21 February 2018, EU ambassadors agreed the Council's position on revised rules for the funding of European political parties and foundations. This enables the Bulgarian presidency to begin negotiations with the European Parliament.

The changes target certain abusive practices, such as the creation of artificial entities to receive funds from the EU budget. The amended rules will ensure a fairer allocation of resources and allow for stronger enforcement in case of fraud.

"This is a timely proposal, which will help make sure that EU taxpayers' money is used for its intended purpose," said Monika Payanotova, Deputy Minister for the Bulgarian Presidency of the EU Council. "The Council wants to move quickly so that the new rules can be in place before the 2019 EP elections," she added.

## Main changes proposed

The Council supports revising the conditions for forming European political parties so that only national parties and no longer individuals can sponsor their creation. The aim is to make sure that such parties have a genuine European dimension, with true representation in at least a quarter of the member states.

The distribution key for the allocation of funds would also change. In its mandate the Council supports sharing 10% of the total budget equally between all European political parties, rather than 15% as is currently the case. This means that a larger share of the funds would be distributed to European political parties in proportion to the number of MEPs they have, reflecting the support they have received in the EP elections. The incentives for creating "mini-clubs" would decrease, while small parties would remain protected.

The Council's mandate also backs lowering the co-financing requirement for European political parties and foundations (from 15% to 10% and 5%,

respectively), recognising their difficulties in meeting the current threshold. The conditions for de-registration are set out in more detail, and natural persons involved in fraud would become liable to pay back misspent funds.

## Next steps

The negotiations with the European Parliament on the new rules are expected to begin shortly. The Council and the Parliament aim to have them in force before the end of June, when the call for applications for funding in 2019 is due to be published.

## Background

European political parties are foreseen in the Treaty on the European Union, which recognises their role in “forming European political awareness and expressing the will of citizens of the Union”.

The rules for their registration and funding are laid down in Regulation No 1141/2014, which covers also European political foundations affiliated with a European political party. The regulation established an Authority for European Political Parties and European Political Foundations, which decides on their registration and checks how they use their funding.

In 2018, 12 European political parties and 10 European political foundations receive funding from the EU budget.

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## [Daily News 21 / 02 / 2018](#)

### **College meeting: European Commission reinforces its senior management and President Juncker reorganises his close team – European Commission appoints new Secretary-General**

After over 32 years at the service of the European Commission, the current Secretary-General Alexander **Italianer**, has decided to retire from the European Commission. As a result, and on the proposal of President Jean-Claude **Juncker**, the College has decided to appoint Martin Selmayr, the current Head of Cabinet of the President, as the new Secretary-General of the Commission. This decision will take effect on 1 March. At the same time, President Juncker has decided that his current Deputy Head of Cabinet, Clara Martinez Alberola, will become his new Head of Cabinet – the first-ever female Head of Cabinet of a Commission President. President **Juncker**'s current Diplomatic Adviser, Richard Szostak, will become his new Deputy Head of Cabinet. President **Juncker** said: *“This morning, Alexander Italianer confirmed*

*to me his wish to retire as Secretary-General of the Commission as of 1 March. I want to express my deep gratitude to him for decades of loyal service to the European Commission and over the past three years to me as its President. I truly appreciated working with such an experienced and knowledgeable Secretary-General and I want to thank him for his skillful steer of our administration, as well as for having agreed to stay on for another month to ensure a smooth transition. I am also glad that he agreed to continue to advise me, after 1 April, as Special Adviser on strategic issues on the EU's agenda, in particular the Multiannual Financial Framework and Brexit Preparedness." A full [press release](#) is available online. (For more information: Margaritis Schinas – Tel.: +32 229 60524; Mina Andreeva – Tel.: +32 229 913825)*

### **College meeting: Five new Directors-General and five new Deputy Directors-General for the Juncker Commission**

Today the European Commission decided on a number of appointments concerning its top management level. Appointing the best people to the right positions will help the Juncker Commission deliver strongly in 2018/2019 and beyond. Today's senior management decisions concern key strategic areas of the Juncker Commission's work, ranging from climate action, research, education, youth and culture via social affairs and employment to the Commission's Secretariat-General and the President's Cabinet. Today's appointments will significantly boost the number of women in the position of Directors-General and Deputy Directors-General from just 11% in November 2014 to 36% now. This is the result of [President Juncker's commitment](#) to reach a target of 40% by 31 October 2019. Commissioner Günther H. **Oettinger** in charge of Budget and Human Resources said: *"By appointing the best people to the right positions, we are determined to use the current window of opportunity and deliver on our political agenda. We are building on the experience of our senior managers, making sure they continue to serve the interest of this institution. I will continue to place a strong emphasis on achieving President Juncker's target of at least 40% of women in the Commission's management."* A full [press release](#) is available online. (For more information: Margaritis Schinas – Tel.: +32 229 60524; Mina Andreeva – Tel.: +32 229 913825)

### **College meeting: Antitrust: Commission fines maritime car carriers and car parts suppliers a total of €546 million in three separate cartel settlements**

In three separate decisions, the European Commission has fined today four maritime car carriers €395 million, two suppliers of spark plugs €76 million, and two suppliers of braking systems €75 million, for taking part in cartels, in breach of EU antitrust rules. In particular, the European Commission found: i) that the Chilean maritime carrier CSAV, the Japanese carriers "K" Line, MOL and NYK, and the Norwegian/Swedish carrier WWL-EUKOR participated in a cartel concerning intercontinental maritime transport of vehicles; ii) that Bosch (Germany), Denso and NGK (both Japan) participated in a cartel concerning supplies of spark plugs to car manufacturers in the European Economic Area; and iii) that TRW (USA, now ZF TRW, Germany), Bosch (Germany)

and Continental (Germany) took part in a cartel concerning the supply of hydraulic braking systems and that Bosch and Continental also took part in a separate cartel concerning the supply of electronic braking systems. All companies acknowledged their involvement in the cartels and agreed to settle the cases. Commissioner Margrethe **Vestager**, in charge of competition policy said: *“The Commission has sanctioned several companies for colluding in the maritime transport of cars and the supply of car parts. The three separate decisions taken today show that we will not tolerate anticompetitive behaviour affecting European consumers and industries. By raising component prices or transport costs for cars, the cartels ultimately hurt European consumers and adversely impacted the competitiveness of the European automotive sector, which employs around 12 million people in the EU.”* The full press release is available online in [EN](#), [FR](#), [DE](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

### **EU Industry Day – 600 participants, one credo: “modernise our industry”**

After a first successful edition last year, [EU Industry Day](#) is coming back with an extended edition. On 22 and 23 February, 600 participants representing key industrial, finance, research and innovation players as well as high-level EU policymakers will gather in Brussels. They will take stock of the ambitious [strategic approach to industrial policy](#) presented by President **Juncker** last autumn and debate the future of European industry on the “Road to 2030”. President **Juncker** will deliver a video message, and the Commission will be prominently represented by Vice-Presidents Maroš **Šefčovič** and Jyrki **Katainen** as well as Commissioners Elżbieta **Bieńkowska** and Carlos **Moedas**. The High-Level Industrial Roundtable ‘Industry 2030’, chaired by Vice-President **Katainen**, will meet for the first time, as an important advisory instrument for the implementation of the Commission’s renewed industrial policy. EU leadership in the transition to clean and sustainable energy is a big priority to the Commission and this is demonstrated by the launch of the first edition of the Clean Energy Industrial Forum, centred around three industry-led initiatives: batteries, renewables and construction. Industrial actors will present 20 priority actions as part of the new European Battery Alliance. The Commission will launch a €10 million EIC Horizon Prize for the development of a reliable, safe, low-cost battery for e-vehicles, and sign a €52.6 million InnovFin loan for the start-up Northvolt to build a gigafactory for battery cells in Europe. The role of key enabling technologies, such as micro and nanoelectronics, to modernise European industry, boost innovation and solve societal challenges will also be discussed. The Commission’s High Level Strategy Group for Industrial Technologies chaired by Jürgen Rüttgers will present preliminary results on its work and propose to include artificial intelligence as well as security and connectivity as part of these key transformative technologies in the next framework programme for research and innovation. Four dedicated factsheets on the key pillars and announcements of the EU Industry Day are available: [batteries production](#), [renewable energies](#), [skills development](#) and the [construction sector](#). Speeches can be followed via [webstream](#) or [EbS](#) and will be published ([first day](#), [second day](#)) subsequently. Further information: [full agenda](#), [registration](#), and [press information](#). (For more information:

Lucía Caudet – Tel.: +32 229 56182; Victoria von Hammerstein – Tel.: +32 229 55040; Maud Noyon – Tel. +32 229-80379)

## **European Citizens' Initiative: Commission closes an infringement case against Italy**

The Commission decided today to close its infringement procedure against Italy regarding the national rules on the certification of online collection systems for European Citizens' Initiatives. The previous national rules obliged organisers of the European citizens' initiatives to obtain an ex ante evaluation of their online collection systems by an external body before requesting the certification of the systems to the competent national authority in Italy ("Agenzia per l'Italia Digitale"). Such national rules run against EU law (Regulation (EU) No 211/2011). Italy has adopted new national rules for the certification of the online collection systems in conformity with EU law and the infringement procedure is, therefore, closed. The new rules ensure that organisers of initiatives in Italy can obtain the certification of their online collection systems in a more simple way and within one month. According to EU law, the national authorities in the Member States are responsible to carry out the certification of online collection systems for European Citizens' Initiatives within one month and without the need for organisers to obtain an additional ex ante evaluation by an external body other than the designated authorities. (For more information: Mina Andreeva – Tel.: +32 229 91382; Uldis Šalajevs – Tel.: +32 229 67560)

## **La Commission européenne et l'UEFA consolident leur coopération**

Tibor **Navracsics**, Commissaire en charge de l'Education, de la Culture, de la Jeunesse et du Sport, et Aleksander Čeferin, Président de l'Union des associations européennes de football (UEFA), signent aujourd'hui un [nouvel accord](#), engageant les deux parties à renforcer leur coopération entamée en 2014. Les priorités communes incluent, entre autres, l'intégrité du sport, la bonne gouvernance et l'égalité des genres ainsi que la plupart des défis auxquels le sport est confronté aujourd'hui, notamment la violence, le trucage de matchs, une fiscalité équitable, le dopage et le racisme. Le premier vice-président, Frans **Timmermans**, a déclaré: "Je suis heureux que la Commission européenne et l'UEFA continuent de travailler ensemble pour promouvoir nos valeurs communes grâce à ce sport qui compte tant pour de nombreux Européens. Le football, grâce à son impact considérable, peut être un allié important dans la lutte contre le racisme et la discrimination et pour la promotion de la solidarité, de la durabilité et de l'égalité sur le terrain et dans notre vie quotidienne." Le Commissaire **Navracsics** a, pour sa part, déclaré: "Le football est bien plus qu'un jeu, une passion ou un divertissement. Le sport en général – et le football en particulier – occupe une place centrale dans la vie de nombreux Européens et le nouvel accord de coopération avec l'UEFA nous aidera à continuer à traiter de questions clés telles que la bonne gouvernance, la durabilité et l'égalité des genres, au profit du football européen mais aussi nos sociétés en général." Un communiqué de presse complet est disponible [en ligne](#). (Pour plus d'informations: Nathalie Vandystadt – Tél.: +32 229 67083, Joseph Waldstein – Tél.: +32 229 56184)

## **Mergers: Commission clears acquisition of joint control over Flexera by TA Associates and OTTP**

The European Commission has approved, under the EU Merger Regulation, the acquisition of joint control over Flexera Holdings LP of the US by TA Associates L.P. of the US and Ontarios Teachers' Pension Plan Board ("OTPP") of Canada. Flexera provides software products and services. TA Associates is active in private equity investments through various funds in selected industries. OTTP is active in the administration of pension benefits and investment of pension plan assets on behalf of active and retired teachers in the Canadian province of Ontario. The Commission concluded that the proposed acquisition would raise no competition concerns because Flexera has negligible actual and foreseen activities within the European Economic Area. 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.8798](#). *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)*

## **ANNOUNCEMENTS**

### **10 years of the Covenant of Mayors: Local and regional leadership for clean energy and climate action**

The EU Covenant of Mayors is the world's largest movement for local climate action and energy transition, bringing together more than 9,200 local and regional authorities across the Europe, determined to take action to help meeting the EU climate and energy objectives. On 22 February the Covenant will celebrate its 10<sup>th</sup> anniversary in a [ceremony](#) at the European Parliament in Brussels. Covenant members will be joined by Commission Vice-President for the Energy Union Maroš **Šefčovič** and Commissioners Miguel **Arias Cañete** (Climate Action, Energy) and Carlos **Moedas** (Research, Science and Innovation). This will be an opportunity to reflect on the success of this movement over the past 10 years and to look ahead to the future. It is expected that mayors and cities will pledge their 2030 objectives for greenhouse gas emissions reductions and present solutions to climate change adaptation. They will showcase ways to create jobs, foster investment while improving the health and the quality of life of citizens. The event will also highlight the central role of the cities in meeting the objectives agreed in the Paris Agreement on climate change. At the ceremony, Commissioner **Moedas** will open the 2018 [European Capital of Innovation](#) contest (also known as iCapital) – a €1 million prize to reward the cities and mayors who have built the most dynamic innovation ecosystems, for the benefit of European citizens and businesses. On 21 February, the [Covenant of Mayors Investment Forum](#) and Energy Efficiency Finance Market Place will also take place in Brussels. This will be an opportunity to address the key success factors for financing [clean urban transport](#), building renovation and [energy efficiency at the operational level](#). Participants will share their experience of the development of bankable investment pipelines that could be replicated elsewhere. Stands will also showcase successful projects and [resources available to support project](#)

[promoters](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Lucía Caudet – Tel. +32 229 56182)

### **Commissioner Avramopoulos in New York for meetings at the United Nations**

Commissioner for Migration, Home Affairs and Citizenship Dimitris **Avramopoulos** will be in New York on Thursday 22 February for meetings at the United Nations to discuss issues related to migration, security and border management. He will meet with Antonio Guterres, Secretary-General of the United Nations, Miroslav Lajčák, President of the United Nations General Assembly for the 72<sup>nd</sup> session, Louise Arbour, United Nations Special Representative for International Migration and Vladimir Voronkov, Under-Secretary-General of the United Nations Counter-Terrorism Office. (For more information: Natasha Bertaud – Tel.: +32 229 67456; Tove Ernst – Tel.: +32 229 86764; Markus Lammert – Tel.: +32 299 80423)

### **Commissioner Crețu in Rome, discusses Cohesion policy implementation in the country and the future EU budget**

Tomorrow, Commissioner for Regional policy Corina **Crețu** will be in Rome, where she will meet Claudio De Vincenti, Minister for the Territorial Cohesion and the Mezzogiorno and deliver a speech at the launch event of the book 'Come Fratelli', on the integration of Romanians in the Italian society. The Commissioner said, ahead of her visit: "*Cohesion policy programmes in Italy must be implemented swiftly, so the country does not lose any EU money and so the benefits of EU investments are quickly felt by citizens. Of course my visit also focuses very much on the future of the policy, especially ahead of the Leaders' summit on Friday. The Commission set out a number of options and scenarios and now is the time for choices.*" (For more information: Johannes Bahrke – Tel.: +32 229 58615; Maria Tsoni – Tel.: +32 229 90526)

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

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## **European Commission and UEFA consolidate cooperation**

In the presence of First Vice-President Frans **Timmermans**, Tibor **Navracsics**, Commissioner responsible for Education, Culture, Youth and Sport, and Aleksander Čeferin, President of UEFA, are signing a [new agreement](#), committing both parties to continue working together on common priorities such as the integrity of sport, good governance, respect for human rights and dignity, non-discrimination, solidarity and gender equality. The cooperation mainly takes the form of joint campaigns and exchanges at expert level – for example to tackle racism and discrimination, and to promote social inclusion

of disadvantaged groups through sport. Specific fields of cooperation cover most of the challenges sport faces today, including violence, match-fixing, fair taxation, doping and racism. This second agreement builds on the previous one which ran from 2014 to 2017.

First Vice-President Frans **Timmermans** said: *"I am pleased that the European Commission and UEFA will continue to work together to promote our common values through this sport which means so much to so many Europeans. Football players, men and women, are role models for children and adults across Europe. This great power can be an important ally in the fight against racism and discrimination, and for the promotion of solidarity, sustainability and equality on the pitch and in our daily lives. Football is also a cross-border business, with cross-border threats to its security and integrity which can be tackled in partnership with the European Commission. Together, we are a great team."*

Commissioner for Education, Youth, Culture and Sport, Tibor **Navracsics**, said: *"Football is so much more than a game, a passion or entertainment. Sport in general and football in particular have the power to bring people together, promote social inclusion and the values of solidarity and mutual respect. Football has a central place in the lives of many Europeans, and the new cooperation agreement with UEFA will help us to keep addressing issues such as good governance, sustainability and gender equality for the benefit of European football, but also our societies at large."*

The agreement signed today also specifically highlights the importance of cooperation on [UEFA EURO 2020](#), the European football championships in 2020, which will be the first to be held all over Europe, involving 12 different cities. It will be an opportunity to portray a positive image of Europe and its common values, whilst at the same time celebrating its cultural diversity. The Commission and UEFA agree on the importance of making the EURO 2020 a socially responsible and sustainable event leaving a positive legacy, while at the same time addressing challenges such as ensuring smooth travel across borders, safety and security.

## **Background**

The European Commission and UEFA signed their first cooperation agreement in October 2014 with the aim of strengthening the positive image of sport, especially football, and to realise its full potential in all areas of economic and social life.

UEFA is a contributor to the European Commission's [European Week of Sport](#). UEFA also supports the European Commission's [pledge for good governance](#) in sport, and has recently introduced reforms in this area.

## **For more information**

[Arrangement for Cooperation](#)

European Commission: [Sport](#)



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## [Antitrust: Commission fines maritime car carriers and car parts suppliers a total of €546 million in three separate cartel settlements](#)

All companies acknowledged their involvement in the cartels and agreed to settle the cases.

Commissioner Margrethe **Vestager**, in charge of competition policy said: *“The Commission has sanctioned several companies for colluding in the maritime transport of cars and the supply of car parts. The three separate decisions taken today show that we will not tolerate anticompetitive behaviour affecting European consumers and industries. By raising component prices or transport costs for cars, the cartels ultimately hurt European consumers and adversely impacted the competitiveness of the European automotive sector, which employs around 12 million people in the EU.”*

### **Maritime car carriers**

The European Commission found that the Chilean maritime carrier **CSAV**, the Japanese carriers **“K” Line**, **MOL** and **NYK**, and the Norwegian/Swedish carrier **WWL-EUKOR** participated in a cartel concerning intercontinental maritime transport of vehicles, and imposed a total fine of €395 million.

For almost 6 years, from October 2006 to September 2012, the five carriers formed a cartel in the market for deep sea transport of new cars, trucks and other large vehicles such as combine harvesters and tractors, on various routes between Europe and other continents.

The Commission’s investigation revealed that, to coordinate anticompetitive behaviour, the carriers’ sales managers met at each other’s offices, in bars, restaurants or other social gatherings and were in contact over the phone on a regular basis. In particular, they coordinated prices, allocated customers and exchanged commercially sensitive information about elements of the price, such as charges and surcharges added to prices to offset currency or oil prices fluctuations.

The carriers agreed to maintain the status quo in the market and to respect each other’s traditional business on certain routes or with certain customers, by quoting artificially high prices or not quoting at all in tenders issued by vehicle manufacturers.

The cartel affected both European car importers and final customers, as imported vehicles were sold within the European Economic Area (EEA), and European vehicle manufacturers, as their vehicles were exported outside the

EEA. In 2016, some 3.4 million motor vehicles were imported from non-EU countries, while the EU exported more than 6.3 million vehicles to non-EU countries in 2016. Almost half of these vehicles were transported by the carriers that have been fined today.

The Commission's investigation started with an immunity application submitted by MOL. During its investigation, the Commission cooperated with several competition authorities around the world, including in Australia, Canada, Japan and the US.

### *Fines*

The fines were calculated on the basis of the Commission's [2006 Guidelines on fines](#) (see also [MEMO](#)).

In determining the fines, the Commission took into account the sales value on the intercontinental routes to and from the EEA achieved by the cartel participants for the transport services, the serious nature of the infringement, its geographic scope and its duration. The Commission also applied a 20% fine reduction for CSAV, to take into account its lesser involvement in the infringement.

Under the Commission's [2006 Leniency Notice](#):

- MOL received full immunity for revealing the existence of the cartel, thereby avoiding a fine of ca. €203 million.
- CSAV, "K" Line, NYK and WWL-EUKOR benefited from reductions of their fines for their cooperation with the Commission. The reductions reflect the timing of their cooperation and the extent to which the evidence they provided helped the Commission to prove the existence of the cartel.

In addition, under the Commission's [2008 Settlement Notice](#), the Commission applied a reduction of 10% to the fines imposed on the companies in view of their acknowledgment of the participation in the cartel and of their liability in this respect.

The breakdown of the fines imposed on each company is as follows:

Company	Reduction under Leniency Notice	Reduction under Settlement Notice	Fine (€)
MOL	100%	10%	0
NYK	20%	10%	141 820 000
"K" LINE	50%	10%	39 100 000
WWL-EUKOR	20%	10%	207 335 000
CSAV	25%	10%	7 033 000

### **Spark plugs**

In a second decision, the Commission has found that **Bosch** (Germany), **Denso** and **NGK** (both Japan) participated in a cartel concerning supplies of spark plugs to car manufacturers in the EEA and imposed a total fine of €76 million.

Spark plugs are automotive electric devices built in petrol engines of cars, delivering high voltage electric sparks to the combustion chamber. Bosch, Denso and NGK's customers are car manufacturers with production facilities in the EEA.

The cartel lasted from 2000 until 2011 and aimed at avoiding competition by respecting each other's traditional customers and maintaining the existing status quo in the spark plugs industry in the EEA.

The three companies exchanged commercially sensitive information and in some instances agreed on the prices to be quoted to certain customers, the share of supplies to specific customers and the respect of historical supply rights. This coordination took place through bilateral contacts between Bosch and NGK, and between Denso and NGK.

The Commission's investigation started with an immunity application submitted by Denso.

### *Fines*

The fines were calculated on the basis of the Commission's [2006 Guidelines on fines](#) (see also [MEMO](#)).

In determining the fines, the Commission took into account the companies' sales generated in the EEA from the supply of spark plugs to car manufacturers with production facilities in the EEA. The Commission also considered the serious nature of the infringement, its geographic scope and its duration. The Commission also applied a 10% fine reduction for Bosch and Denso, to take into account their lesser involvement in the infringement.

Under the Commission's 2006 Leniency Notice:

- Denso received full immunity for revealing the existence of the cartel, thereby avoiding a fine of ca. €1 million.
- Bosch and NGK benefited from reductions of their fines for their cooperation with the investigation. The reductions reflect the timing of their cooperation and the extent to which the evidence they provided helped the Commission to prove the existence of the cartel.

In addition, under the Commission's 2008 Settlement Notice, the Commission applied a reduction of 10% to the fines imposed in view of the parties' acknowledgment of their participation in the cartel and of their liability in this respect.

The breakdown of the fines imposed on each company is as follows:

<b>Company</b>	<b>Reduction under Leniency Notice</b>	<b>Reduction under Settlement Notice</b>	<b>Fine (€)</b>
Denso	100%	10%	0
Bosch	28%	10%	45 834 000
NGK	42%	10%	30 265 000

## Braking systems

In a third decision, the European Commission found two cartels relating to braking systems. The first concerned the supply of hydraulic braking systems (HBS) and involved **TRW** (USA, now ZF TRW, Germany), **Bosch** (Germany) and **Continental** (Germany). The second cartel concerned the supply of electronic braking systems (EBS) and involved **Bosch** and **Continental**. The Commission imposed a total fine of €75 million.

In both cartels, the three car part suppliers aimed at coordinating their market behaviour by exchanging sensitive information, including on pricing elements. The coordination took place at bilateral meetings and through phone conversations or email exchanges.

The first cartel lasted from February 2007 to March 2011 and related to discussions of general sales conditions of hydraulic braking systems for two customers, Daimler and BMW. The second cartel lasted from September 2010 to July 2011 and related to one specific tender for electronic braking systems for Volkswagen.

The Commission's investigation in this case started with an immunity application by TRW.

### *Fines*

The fines were calculated on the basis of the Commission's [2006 Guidelines on fines](#) (see also [MEMO](#)).

In setting the level of fines, the Commission took into account, in particular, the sales value in the EEA achieved by the cartel participants for the products in question, the serious nature of the infringement, its geographic scope and its duration.

Under the Commission's [2006 Leniency Notice](#):

- TRW received full immunity for revealing the HBS cartel, thereby avoiding a fine of ca. €54 million.
- Continental received immunity for revealing the EBS cartel, thereby avoiding a fine of ca. €22 million for this cartel.
- Bosch and Continental (for the cartel for which it did not receive immunity) benefited from reductions of their fines for their cooperation with the Commission investigation. The reductions reflect the timing of their cooperation and the extent to which the evidence they provided helped the Commission to prove the existence of the cartels in which they were involved.

In addition, under the Commission's [2008 Settlement Notice](#), the Commission applied a reduction of 10% to the fines imposed on the companies in view of their acknowledgment of the participation in the cartel and of the liability in this respect.

The breakdown of the fines imposed on each company is as follows:

Company		Reduction under Leniency Notice		Reduction under Settlement Notice	Fine (€)
1	TRW	Daimler	BMW	10%	0
	Bosch	100%	100%	10%	12 072 000
	Continental	35%	35%	10%	44 006 000
		20%	100%		
2	Continental	VW		10%	0
	Bosch	100%		10%	19 348 000
		30%			

## Background

Article 101 of the Treaty on the Functioning of the European Union (TFEU) and Article 53 of the EEA Agreement prohibit cartels and other restrictive business practices.

Today's decisions concerning **spark plugs** and **braking systems** are part of a series of major investigations into cartels in the automotive parts sector. The Commission has already fined suppliers of automotive [bearings](#), [wire harnesses in cars](#), flexible foam used (inter alia) in [car seats](#), [parking heaters in cars and trucks](#), [alternators and starters](#), [air conditioning and engine cooling systems](#), [lighting systems](#), and [occupant safety systems](#).

More information on these cases will be available under the case number AT.40009 (maritime car carriers), AT.40113 (spark plugs) and AT.39920 (braking systems) in the [public case register](#) on the Commission's [competition website](#), once confidentiality issues have been dealt with. For more information on the Commission's action against cartels, see its [cartels website](#).

## The settlement procedure

Today's decisions are the 26<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup> settlement decisions since the introduction of the settlement procedure for cartels in June 2008 (see [press release](#) and [MEMO](#)). Under a settlement, undertakings that have participated to a cartel acknowledge their participation in the infringement and their liability for it. The settlement procedure is based on the [Antitrust Regulation 1/2003](#) and allows the Commission to apply a simplified procedure and thereby reduce the length of the investigation. This is good for consumers and for taxpayers as it reduces costs; good for antitrust enforcement as it frees up resources to tackle other suspected cases; and good for the companies themselves that benefit from quicker decisions and a 10% reduction in fines.

## Action for damages

Any person or company affected by anti-competitive behaviour as described in this case may bring the matter before the courts of the Member States and seek damages. The case law of the Court and Council Regulation 1/2003 both

confirm that in cases before national courts, a Commission decision constitutes binding proof that the behaviour took place and was illegal. Even though the Commission has fined the cartel participants concerned, damages may be awarded without being reduced on account of the Commission fine.

The [Antitrust Damages Directive](#), which Member States had to transpose into their legal systems by 27 December 2016, makes it [easier for victims of anti-competitive practices to obtain damages](#). More information on antitrust damages actions, including a practical guide on how to quantify antitrust harm, is available [here](#).

### Whistleblower tool

The Commission has set up by a tool to make it easier for individuals to alert it about anti-competitive behaviour while maintaining their anonymity. The new tool protects whistleblowers' anonymity through a specifically-designed encrypted messaging system that allows two way communications. The tool is accessible via this [link](#).

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## [The Economic Cost of IPR Infringement in the Tyres and Batteries Sectors](#)

February 21, 2018 [About the EUIPO](#)

The Economic Cost of IPR Infringement in the Tyres and Batteries Sectors

The latest report in [the quantification of infringement study series](#), released today by the EUIPO, through the European Observatory on Infringements of Intellectual Property Rights, shows that EUR 2.4 billion is lost each year through counterfeiting in the tyre and battery sectors in the EU.

The findings of this study show that:

- EUR 2.2 billion – corresponding to 7.5 % of all sales in tyres for cars, trucks and two-wheeled vehicles – is lost each year due to counterfeiting across the EU.
- The presence of counterfeit batteries in the EU market costs legitimate industry EUR 180 million each year, which is equivalent to 1.8 % of the sector's sales.
- These lost sales translate into the loss of approximately 8 400 jobs across the sector, as legitimate manufacturers employ fewer people than they would have done in the absence of counterfeiting.

- In terms of lost taxes, the total loss of government revenue as a result of counterfeit tyres and batteries amounts to EUR 340 million.

The full study in English and the Executive Summaries in 23 languages can be found [here](#)