

Daily News 11 / 10 / 2017

Commission calls for the completion of all parts of the Banking Union by 2018

The Banking Union must be completed if it is to deliver its full potential in making the Economic and Monetary Union (EMU) more stable and resilient to shocks, while limiting the need for public risk sharing. This is beneficial for the entire Single Market. Building on the significant progress already achieved, the Commission is today publishing a [Communication](#) that sets out an ambitious yet realistic path to ensure agreement on all the outstanding elements of the Banking Union, based on existing commitments by the Council. Valdis **Dombrovskis**, Vice-President for Financial Stability, Financial Services and Capital Markets Union said: *“A complete Banking Union is essential for the future of the Economic and Monetary Union and for a financial system that supports jobs and growth. We want a banking sector that absorbs crises and shares risks via private channels, thus ensuring that taxpayers are not first in line to pay. Today we are presenting pragmatic ideas to move forward with risk sharing and risk reduction in parallel. We hope that these will be useful food for thought for EU co-legislators to reach consensus on the remaining measures by 2018.”* This comes ahead of the December Euro Summit, in an inclusive format, where completion of the Banking Union will be part of discussions on further deepening the EMU. Together with the Capital Markets Union (CMU), a complete Banking Union will promote a stable and integrated financial system in the EU. Full [press release](#), [MEMO](#) and [factsheet](#) are available online. (For more information: Vanessa Mock – Tel.: +32 229 56194; Letizia Lupini – Tel.: +32 229 51958)

European Union and United Kingdom engage with World Trade Organization members on certain issues arising from the UK's withdrawal from the EU

The European Union and the United Kingdom today sent a [joint letter](#) to all members of the World Trade Organization (WTO), setting out their intended approach to certain WTO issues arising from the UK's withdrawal from the EU. This letter is the result of a constructive dialogue that the EU has been engaging in with the UK over the past months, covering WTO issues such as trade in goods, services and government procurement. The dialogue, which is outlined in [European Council guidelines](#) and the [Council's negotiating directives](#), aims at ensuring that the UK honours its share of the international commitments it has contracted into in the WTO during its EU membership, and at organising an orderly withdrawal in this respect. Today's joint letter marks the start of a cooperative and transparent engagement by the EU and the UK with all members of the WTO. When the UK leaves the EU, it will have its own separate schedules of commitments. Among other things, these schedules indicate the maximum tariff rates that can be applied to each specific type of imported product and the quantities of each product that can be imported duty-free or with a duty discount, known as tariff-rate quotas (TRQs). It is therefore necessary to address both the EU's and the UK's commitments regarding these quotas. Today's joint letter states that both

sides intend to follow a common approach regarding existing EU TRQs and intend to apportion these quotas to reflect current trade flows in order to ensure that, after the UK's withdrawal from the EU, WTO members maintain exactly the same level of access as they enjoy now. The EU and UK will also follow a common approach regarding the ceilings on domestic subsidies for agriculture. This is without prejudice to the position the EU might take on other trade-related matters. (For more information: Margaritis Schinas: +32 229 60524; Mina Andreeva – Tel.: +32 229-91382, Daniel Ferrie – Tel.: +32 229 86500)

State aid: Commission approves Portuguese restructuring plan and support for sale of Novo Banco, completing 2014 resolution of Banco Espírito Santo

The European Commission has approved, under EU State aid rules, the Portuguese restructuring plan and support for sale of Novo Banco. The measures will allow the new private owner to launch its ambitious restructuring plan aimed at ensuring the long-term viability of the bank, while limiting distortions to competition. The sale of Novo Banco, concerned by today's decision, completes the 2014 resolution of Banco Espírito Santo (BES). In August 2014, Portugal decided to put BES into resolution under the Portuguese resolution framework and determined the strategy for its resolution. To enable an orderly resolution, Portugal designed a number of support measures, including State aid for the transfer of certain BES assets to a bridge bank – Novo Banco. In this context, the Commission [approved these support measures](#) under EU State aid rules, in particular the [Commission's 2013 Banking Communication](#). BES shareholders and subordinated debt holders contributed fully (almost €7 billion) to the costs of the resolution in line with burden-sharing requirements. Another aspect that enabled the Commission to approve the aid was Portugal's commitment to sell the bridge bank Novo Banco to limit distortions to competition. In its decision today, the Commission has confirmed under EU State aid rules: a) Portugal's sales process of the bridge bank was open and competitive; b) Portuguese plans to grant additional State aid to finalise the BES resolution and bridge bank sale are in line with EU State aid rules; and c) the entity resulting from the sale of the bridge bank is viable in the long-term. Commissioner Margrethe Vestager, in charge of competition policy said: *"Portugal has decided to sell Novo Banco to a new private owner, who will restructure the bank to return it to viability. We have approved Portugal's plans to grant State aid to Novo Banco under EU rules, based on the bank's far-reaching restructuring plan and measures taken to limit distortions to competition. Now it is important that the new owner successfully enacts the plan, so that that the bank can support the Portuguese economy."* A full press release is available online in [EN](#), [FR](#), [DE](#) and [PT](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)

Concentrations: la Commission autorise l'acquisition du contrôle conjoint de Jedlix par Eneco et Renault

La Commission européenne a autorisé, en vertu du règlement européen sur les concentrations, l'acquisition du contrôle conjoint de la société néerlandaise Jedlix B.V. par la société néerlandaise Eneco Smart Energy B.V et la société française Renault Venture Capital S.A.S. Jedlix fournit des services intelligents pour véhicules électriques. La société Eneco Smart Energy B.V. se spécialise dans le développement d'innovations dans le domaine de l'énergie. Elle appartient au groupe Eneco, producteur et fournisseur d'énergie aux Pays-Bas. Renault Venture Capital S.A.S. est une filiale d'investissement de Renault S.A.S., dont les activités sont principalement la production, la distribution, la vente et la maintenance de produits automobiles. La Commission a conclu que la concentration envisagée ne soulèverait pas de problème de concurrence, compte tenu du caractère négligeable des activités actuelles et futures de Jedlix dans l'espace économique européen. L'opération a été examinée dans le cadre de la procédure simplifiée du traitement de certaines opérations de concentration. De plus amples informations sont disponibles sur le [site internet concurrence](#) de la Commission, dans le [registre public](#) des affaires sous le numéro d'affaire [M.8628](#). (Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

La Commission dévoile les gagnants des RegioStars Awards 2017

Les noms des gagnants ont été révélés hier lors de la [10^e cérémonie des RegioStars Awards](#), organisée pendant [la Semaine Européenne des Régions et des Villes](#). Chaque année les RegioStars Awards récompensent les meilleurs projets de la politique de Cohésion. La Commissaire à la politique régionale Corina Crețu a déclaré: *“Les RegioStars sont de véritables ambassadeurs de la politique de Cohésion. Dans notre effort pour mieux communiquer ce que l'Europe fait pour ses citoyens et défendre une politique de Cohésion forte après 2020, ces projets sont de précieux atouts.”* Le gagnant de la catégorie “Spécialisation intelligente pour PME innovantes” est belge; il s'agit de [Bio Base NWE](#), un projet promouvant la bioéconomie. Dans la catégorie “Union de l'Energie et action pour le climat”, [les efforts de la ville finlandaise d'Ii](#) pour la qualité de l'air et l'efficacité énergétique ont été couronnés de succès. Un [projet accompagnant les femmes victimes de violence conjugale](#) vers une réintégration réussie dans le marché du travail à Murcia, en Espagne, a gagné dans la catégorie “Emancipation des femmes” et a aussi remporté le vote du public. Dans la catégorie “Education et formation”, c'est le croate [Ekobiz](#) qui est vainqueur; le projet soutient les jeunes agriculteurs dans le domaine du bio. Dans la catégorie “les villes dans la révolution digitale”, c'est le projet allemand [Smart Service Power](#), dans les services d'e-santé pour un vieillissement actif, qui remporte la récompense. (Pour plus d'informations: Johannes Bahrke – Tel.: +32 229 58615; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)

16 villes européennes sélectionnées dans le cadre des Actions Urbaines Innovantes

La Commission, en partenariat avec la région Hauts-de-France, vient d'annoncer les gagnants du second appel à projet [“Actions Urbaines](#)

[Innovantes](#)“, doté d’une enveloppe de 50 millions d’euros du [FEDER](#). L’appel, [lancé par la Commission en décembre 2016](#), visait à sélectionner les projets les plus innovants proposés par les villes dans trois catégories en lien avec les priorités de l’[Agenda Urbain de l’UE](#): l’intégration des migrants, la mobilité urbaine et l’économie circulaire. La Commissaire à la politique régionale Corina **Crețu** a commenté: *“Nos villes sont les moteurs de l’innovation et de la croissance en Europe, mais elles font face à bien des défis – sociaux, environnementaux et économiques. Les Actions Urbaines Innovantes font appel à l’ingéniosité de nos villes et leur permettent de partager leur expérience à travers l’Europe.”* 16 villes ont été sélectionnées pour bénéficier d’un soutien financier de l’UE. Dans la catégorie “économie circulaire”: Anvers (BE), Héraklion (EL), Kerkrade (NL), Lappeenranta (FI), Ljubljana (SI), Maribor (SI), Sevrans (FR), and Velez-Malaga (ES). Pour l’intégration des migrants: Athènes (EL), Coventry (UK) et Fuenlabrada (ES). Pour la mobilité urbaine: Albertslund (DK), Gand (BE), Lahti (FI), Szeged (HU) et Toulouse (FR). Elles ont maintenant trois ans pour mettre en place leurs projets. *(Pour plus d’informations: Johannes Bahrke – Tel.: +32 229 58615; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)*

European Commission decides to second OLAF Director-General to Italy’s Customs and Monopoly Agency

Following a request by the government of the Republic of Italy, the European Commission has today decided to second Mr Giovanni Kessler, Director-General of the European Union’s anti-fraud office (“OLAF”), to Italy’s Customs and Monopoly Agency. Mr Kessler is being seconded in the interest of the service under Article 38 of the EU Staff Regulations. To ensure business continuity, and in line with a Commission Decision of 13 July 2005, Mr Nicholas Ilett will be acting Director-General of OLAF as of 16 October and until the appointment of the new Director-General, which is expected to happen early 2018. Mr Ilett, a British national, has worked in OLAF since he joined the Commission in 2002. Since then, he has led several of OLAF’s Directorates and has also been an acting Director-General of OLAF in 2010. *(For more information: Alexander Winterstein – Tel.: +32 229 93265; Andreana Stankova – Tel.: +32 229 57857)*

Eurostat: Le prix des logements en hausse de 3,8% dans la zone euro

Le prix des logements, tel que mesuré par l’indice des prix des logements, a augmenté de 3,8% dans la zone euro et de 4,4% dans l’UE au deuxième 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 premier trimestre 2017, les prix des logements ont progressé de 1,5% dans la zone euro et de 1,8% dans l’UE au deuxième trimestre 2017. Un communiqué de presse est [disponible ici](#). *(Pour plus d’informations: Vanessa Mock – Tel.: +32 229 56194; Juliana Dahl – Tel.: +32 229 59914)*

Eurostat: Transport aérien de passagers dans l’UE – Nombre record de près d’1

milliard de passagers aériens transportés en 2016, 54,4 millions de plus qu'en 2015

En 2016, 972,7 millions de passagers ont voyagé par avion dans l'Union européenne (UE), soit une hausse de 5,9% par rapport à 2015 et de 29,1% par rapport à 2009. Sur cette période, le transport aérien de passagers n'a pas cessé de croître dans l'UE. Un communiqué de presse est [disponible ici](#). (Pour plus d'informations: Enrico Brivio – Tel.: +32 229 56172; Alexis Perier – Tel.: +32 229 69143)

ANNOUNCEMENTS

First Vice-President Timmermans participates in the action #GirlsTakeover

European Commission First Vice-President Frans **Timmermans** will symbolically hand over his job this afternoon to Ritah Nakaayi, a 23-year old lady from Uganda, as part of Plan International's [#GirlsTakeover](#) initiative. This is part of a global action which sees 1000 girls and young women step into positions of power in over 60 countries to mark the International Day of the Girl. First Vice-President **Timmermans** said: "I hope that today's action will help to empower the girls and young women participating, and to inspire many others. There should be no door and no position of power which is closed to women. Both within Europe and around the world, we are determined to make the Sustainable Development Goals a reality, including the goal of gender equality." Ms Nakaayi will spend the afternoon shadowing the First Vice-President in his work, and will 'takeover' a speech which he is due to deliver at the [Gender Equality Index Conference](#) this afternoon. First Vice-President **Timmermans** is one of several participants in the Takeover in Brussels during the European Week of Action for Girls, 9-13 October. Other high-profile individuals participating in the #GirlsTakeover globally include the Prime Minister of Finland, Prime Minister of Canada, President of El Salvador, the Secretary General of the OECD, the Deputy Prime Minister of Belgium, and the CEOs of Google Australia, Ikea Switzerland, and Accenture Netherlands. (For more information: Natasha Bertaud – Tel.: +32 229 67456; Tim McPhie – Tel.: +32 229 58602)

Vice-President Ansip in Buenos Aires for the World Telecommunication Development Conference

Today and tomorrow Vice-President for the Digital Single Market Andrus **Ansip** will participate in the [ITU World Telecommunication Development Conference 2017](#) in Buenos Aires, Argentina. The discussions will concentrate on digital transformation and economy, as well as digital accessibility, inclusion and skills. The Vice-President will speak today at the Ministerial Roundtable that is dedicated to ICT for the implementation of Sustainable Development Goals (ICT4SDG) – this will be the first time the EU presents the [Digital for Development](#) (D4D) approach and priorities in a UN forum. Vice-President **Ansip** will also meet with Argentina's Minister for Modernisation, Mr Andrés Ibarra. He will additionally have bilateral meetings with Senegal's Minister of Communication, Telecommunications, Post and Digital Economy, Mr Abdoulaye

Bibi Balde; Uganda's Minister of ICT and National Guidance, Mr Frank Tumwebaze and Ghana's Minister of Communications, Ms Ursula Owusu-Ekuful to discuss the preparations for the AU-EU Summit and EU-Africa Business Forum in Abidjan, Côte d'Ivoire later this year. The conference organised by International Telecommunications Union (ITU) celebrates this year the 25th anniversary of [ITU Telecommunication Development Sector](#) and aims at reviewing the work of the sector and to agree its future work programme and priorities. Live updates from the conference can be followed via [#ITUWDC](#), the Vice-President will be tweeting on [@Ansip_EU](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

Vice-President Šefčovič in Finland for second Energy Union Tour

From 12-13 October, Commission Vice-President for Energy Union **Maroš Šefčovič** will be travelling to Finland for the second Energy Union Tour. The Vice-President will meet Kimmo Tiilikainen, Minister for Housing, Energy and the Environment, and members of the EU Committee of the Finnish Parliament. He will also join a roundtable discussion on the Energy Union with representatives of the Finnish energy industry and visit a biorefinery run by the company UPM in the town of Lappeenranta. Here he will also take part in a [Citizens' Dialogue](#). During his visit, discussions will be focused on the Energy Union, the financial instruments it will make available to Finland to support development activities and energy innovation, and the country's national energy and climate plan. Ongoing improvements to energy interconnection infrastructure in the Nordic and Baltic regions will also be on the agenda. Ahead of his visit, Vice-President **Šefčovič** said: *"I am pleased to see that Finland has already made excellent progress towards its energy efficiency and renewables targets for 2020 and is demonstrating its potential to be a leader in clean energy innovation. In addition, I look forward to discussing the [Baltic Connector pipeline](#), which is scheduled to be operational by 2020 and is partly funded by the EU's [Connecting Europe Facility](#). It will end Finland's gas isolation and lead to a more competitive wholesale and retail gas, in addition to enhancing the region's security of supply."* Upcoming dates and more information on the 2017 Energy Union tour are available [here](#). More information on the Energy Union is available [here](#). (For more information: Anca Paduraru – Tel.: +32 229 91269; Nicole Bockstaller – Tel.: +32 229 52589)

Commissioners Oettinger, Avramopoulos, Jourová and King to attend the Justice and Home Affairs Council

Commissioners Günther H. **Oettinger**, Dimitris **Avramopoulos**, Věra **Jourová** and Julian **King** will attend the Justice and Home Affairs Council meeting in Luxembourg on 12 and 13 October. On Thursday, Justice Ministers are expected to formally agree to the setting up of the European Public Prosecutor's Office (EPPO), a priority for the Juncker Commission. They will also discuss new rules on the confiscation and freezing of criminal assets and on the better exchange of criminal records of non-EU nationals through the European

Criminal Records Information System (ECRIS). Ministers will additionally exchange views on the implementation of the General Data Protection Regulation. A press conference is scheduled to take place at around 14:30 and will be broadcast on [EbS](#). In the afternoon, a joint session of Justice and Home Affairs Ministers will be dedicated to criminal justice in cyberspace and the mid-term review of the JHA strategic guidelines. On Friday, Home Affairs Ministers will discuss the Commission proposals to preserve and strengthen Schengen, including the proposed amendment to update the rules for the reintroduction of temporary internal border controls and the introduction of stronger safeguards. Discussions will also take place on progress made on the reform of the Common European Asylum System. As regards the fight against terrorism, Ministers will also discuss cooperation with the intelligence community through the Counter-Terrorism Group. Over lunch, Ministers will discuss the latest developments in the area of migration, including the new resettlement scheme recommended by the Commission. A press conference will be [web streamed](#) in the afternoon. *(For more information: Natasha Bertaud – Tel.: +32 229 67456; Tove Ernst – Tel.: +32 2 298 67 64; Christian Wigand Tel.: +32 2 29 62253)*

Commissaire Avramopoulos à Luxembourg

Dimitris **Avramopoulos**, Commissaire européen en charge de la migration, des affaires intérieures et de la citoyenneté, sera à Luxembourg demain, où il rencontrera le Premier Ministre Xavier Bettel et le Ministre des affaires étrangères et européennes et Ministre de l'immigration et de l'asile Jean Asselborn, pour discuter des questions relatives aux défis actuels de la migration, des frontières et de la sécurité. Le Commissaire **Avramopoulos** visitera aussi la ville de Schengen. Le lendemain, il rencontrera en début d'après-midi le vice Premier Ministre, Ministre de la sécurité intérieure, Ministre de la défense et Ministre de l'économie, Etienne Schneider. *(Pour plus d'informations: Natasha Bertaud – Tel.: +32 229 67456; Tove Ernst – Tel.: +32 229 86764; Markus Lammert – Tel.: +32 229 80423)*

#BeActive Awards 2017 Cérémonie à Marseille

Le Commissaire Tibor **Navracsics**, chargé de l'éducation, de la culture, de la jeunesse et du sport, va inaugurer ce soir la [cérémonie #BeActive Awards](#) à Marseille, la capitale européenne du sport pour l'année 2017. La compétition du #BeActive Awards est un événement clé de la [Semaine annuelle européenne du sport](#). Il existe trois catégories: le prix de l'éducation, le prix du lieu de travail et le prix du héros local, afin de récompenser différentes disciplines. Avant la cérémonie, Commissaire **Navracsics** a déclaré: *"Je suis enchanté de participer à la cérémonie BeActive Award qui célèbre et présente des personnes et des initiatives venues de toute l'Europe, prêtes à promouvoir le sport et l'activité physique dans leurs communautés. La Semaine européenne du sport qui vient de se dérouler fut un grand succès avec 12 millions de citoyens participant à plus de 35 000 événements à travers l'Europe. Notre défi est désormais de faire en sorte que les Européens restent actifs et sains toute l'année. Le BeActive Award est une autre occasion de souligner le travail qui est réalisé dans cet objectif."* Vous

pouvez trouver plus d'informations sur ce que l'UE fait en matière de sport [ici](#). (Pour plus d'information: Nathalie Vandystadt – Tel.: +32 229 67083; Joseph Waldstein – Tel.: +32 229 56184; Julia-Henriette Bräuer – Tel.: +32 229 80707)

Le Premier Vice-Président Timmermans et la Commissaire Jourová participent au lancement de l'Index sur l'égalité des genres

La Commissaire Věra **Jourová** a participé ce matin à l'évènement de lancement de [l'Index sur l'égalité des genres](#) de l'Institut européen pour l'égalité entre les hommes et les femmes. Cet index analyse différents facteurs, comme le travail, l'argent, le pouvoir, la santé ou la violence contre les femmes, afin d'évaluer la situation en matière d'égalité hommes/femmes en Europe. L'index montre qu'en dépit du progrès réalisé au cours des dernières années, ce dernier progresse très lentement, puisque le score de tous les pays de l'Union européenne est maintenant de 66,2 sur 100, ce qui représente seulement une amélioration de quatre points en dix ans. La Commissaire **Jourová** a déclaré: *“L'Union européenne est une bonne adresse pour les femmes. Mais nous devons encore franchir de nombreux obstacles avant d'atteindre l'égalité entre hommes et femmes. Je m'inquiète des progrès lents que l'on observe ces dernières années. L'égalité entre hommes et femmes est un droit fondamental dans l'Union européenne. Et nos sociétés ne pourront prospérer que lorsque les hommes, les femmes, les jeunes garçons et jeunes filles peuvent pleinement profiter de leurs droits.”* La Commissaire **Jourová** participera vers 13h à une conférence de presse en présence de Virginija Langbakk, directrice de l'Institut européen pour l'égalité entre les hommes et les femmes, d'Åsa Regnér, Ministre des enfants, des personnes âgées et de l'égalité des genres de la Suède, et de Dimitrios Papadimoulis, Vice-Président du Parlement européen dans la salle de presse du Conseil (bâtiment Justus Lipsius). La conférence de presse sera aussi diffusée sur [EbS](#). Le Premier Vice-Président **Timmermans** conclura la conférence à 16h45, par un discours qui sera retransmis [ici](#). Le communiqué de presse sur l'Index sur l'égalité des genres est disponible [en ligne](#). (Pour plus d'informations: Christian Wigand – Tel.: +32 229 62253; Mélanie Voin – Tel.: +32 229 58659; Tim McPhie Tel.: +32 229 58602)

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

[State aid: Commission approves Portuguese restructuring plan and support for sale of Novo Banco,](#)

completing 2014 resolution of Banco Espírito Santo

Commissioner Margrethe **Vestager**, in charge of competition policy said: *“Portugal has decided to sell Novo Banco to a new private owner, who will restructure the bank to return it to viability. We have approved Portugal’s plans to grant State aid to Novo Banco under EU rules, based on the bank’s far-reaching restructuring plan and measures taken to limit distortions to competition. Now it is important that the new owner successfully enacts the plan, so that that the bank can support the Portuguese economy.”*

In August 2014, Portugal decided to put the bank Banco Espírito Santo (BES) into resolution under the Portuguese resolution framework and determined the strategy for its resolution. To enable an orderly resolution, Portugal designed a number of support measures, including State aid for the transfer of certain BES assets to a bridge bank – Novo Banco.

In this context, the Commission [approved these support measures](#) under EU State aid rules, in particular the [Commission’s 2013 Banking Communication](#). BES shareholders and subordinated debt holders contributed fully (almost €7 billion) to the costs of the resolution in line with burden-sharing requirements, limiting the amount of State capital needed by the bridge bank. Another aspect that enabled the Commission to approve the aid was Portugal’s commitment to sell the bridge bank Novo Banco to limit distortions to competition. This means that the sale of Novo Banco, concerned by today’s decision, completes the 2014 resolution of BES.

More specifically, in its decision today, the Commission has assessed three issues under EU State aid rules: a) the competitiveness of the sales process of the bridge bank; b) Portuguese plans to grant additional State aid to finalise the BES resolution and bridge bank sale; and c) the viability of the entity resulting from the sale of the bridge bank.

a) Competitiveness of sales process

Under the 2014 Decision, Portugal committed to carry out an open and competitive sales process for the bridge bank Novo Banco. The sales process itself and the choice of the best bid were entirely the responsibility of Portugal.

In March 2017, Portugal announced that it had signed a share purchase agreement with private equity fund Lone Star with contingent aid measures. The Commission has now verified that Portugal’s process for the sale of the bridge bank Novo Banco was indeed **open** and **competitive**, offering the same conditions to all bidders, and that Portugal had selected the best available bid, that of Lone Star.

b) Additional measures to finalise the resolution of BES and support the sale of its bridge bank Novo Banco

The private buyer, Lone Star, negotiated and agreed with Portugal on the conditions for the sale of the bridge bank Novo Banco. In particular:

- Lone Star would inject €1 billion in capital into Novo Banco and committed to implement an in-depth restructuring of the bank. In addition, Novo Banco plans to raise €400 million on the market by means of issuing Tier 2 capital instruments.
- In turn, the Portuguese Resolution Fund agreed that:
 - if and when the capital ratio falls below a threshold due to losses on a legacy asset portfolio, it would inject capital of up to €3.89 billion;
 - if the issuance of Tier 2 capital instruments cannot be completed successfully from private means, it will subscribe the remainder (the amount of which is offset against its commitment to inject capital).
- Finally, only to the extent that capital needs arise under severe adverse circumstances, which cannot be addressed by Lone Star or other market players, Portugal will provide limited, additional capital.

A decision to grant State aid lies entirely with the Member State concerned. The Commission's role is limited to assessing the compatibility with EU State aid rules of such planned support, notified by Portugal to the Commission.

The Commission's assessment showed that BES' shareholders and subordinated debt holders already contributed fully to the costs of the BES resolution as required by **burden-sharing** rules. Furthermore, Portugal and Lone Star submitted a far-reaching **restructuring plan** for Novo Banco, including several measures to **limit distortions of competition**, such as by divesting non-core business activities and other downsizing, as well as commitments to prevent distortive commercial behaviour by the bank. Finally, Novo Banco's senior management is subject to a **salary cap** (covers the total remuneration package and corresponds to 10 times the average salary of the bank's employees), as required under EU State aid rules.

On this basis, the Commission concluded that the Portuguese support measures are in line with EU State aid rules.

c) **Viability of the resulting entity**

EU State aid rules provide that the viability of the entity resulting from the sale of a bridge bank has to be assessed by the Commission.

Under its restructuring plan, Novo Banco will further advance its operational restructuring to focus on its core business activities and pursue strict efficiency targets. It will also improve its credit risk management to strengthen the bank's solvency and resilience. Taken together, the Commission concluded that the restructuring plan and the commitments **restore the viability of the bank** and enable the bank to overcome its legacy burden.

Background on applicable EU rules

Under EU law, if a bank enters into resolution, it is the responsibility of the competent resolution authority to determine the resolution strategy. It is for the Member State to decide whether or not to grant State aid, and in what form. The role of the Commission is to ensure that any measures proposed by the authorities are in line with EU law, including State aid rules.

It has been the Commission's consistent practice to apply the same set of rules to a bank in resolution from start to finish. The resolution of BES was designed and carried out by the Portuguese authorities under the national legal framework in place in August 2014, prior to the entry into force of the [Bank Resolution and Recovery Directive](#) (BRRD). Since the resolution, the creation of a bridge bank and its subsequent sale was part of the resolution strategy initiated in 2014, the sales process of the bridge bank is governed by Portugal's national resolution framework, while the Commission's assessment rests on EU law applicable at the time when BES was put in resolution, i.e. EU State aid rules (the [2013 Banking Communication](#)).

This was the only case and there are no other cases of banks that were put into resolution under the national resolution framework before the BRRD entered into force, in relation to which the resolution process is still ongoing. Today's decision addresses BES' legacy burden and aims to return some of its assets to viability. This is important in parallel to the ongoing work to complete the Banking Union and create a genuine level playing field in the European banking sector.

Background on the sale of Novo Banco

Under the Commission's [August 2014 decision](#), Novo Banco was set up as a bridge bank with a limited lifetime. Portugal carried out a first sales process but did not accept the binding offers it received.

At the request of Portugal, [in December 2015](#), the Commission approved a one-year prolongation of the deadline to sell Novo Banco, so as to allow sufficient additional time for Portugal to carry out a second sales process. The second sales process resulted in Portugal signing a share purchase agreement with private equity fund Lone Star in March 2017, which the Commission has today approved under EU State aid rules.

Separately, the Commission approved the acquisition of Novo Banco by Lone Star under the EU Merger Regulation [on 10 July 2017](#).

The non-confidential version of today's decision under EU State aid rules will be made available under the case number [SA.49275](#) in the [State Aid Register](#) on the [competition](#) website once any confidentiality issues have been resolved.

Eurojust and EEAS sign Letter of Understanding

10 October 2017

Today, Michèle Coninsx, President of Eurojust, and Pedro Serrano, Deputy Secretary-General for Common Security and Defence Policy (CSDP) and Crisis Response of the European External Action Service (EEAS), signed a Letter of Understanding at Eurojust's premises in The Hague.

✘ The Letter of Understanding will provide the framework for the regular exchange of non-operational strategic information and experience, particularly in the areas of counter-terrorism, cybercrime, illegal immigrant smuggling and trafficking in human beings.

Cooperation could take the form of secondments, visits, trainings, research on trends and challenges, and facilitating contacts with third States.

The signing was observed by a delegation of high-level advisors from EEAS and members of the Eurojust Presidency, Brussels and External Relations College Teams

Background:

The EEAS was established by Council Decision 201/427/EU as a functionally autonomous body of the European Union to support the High Representative of the European Union for Foreign Affairs and Security Policy in fulfilling the mandates outlined in Articles 18 and 27 of the Treaty on European Union, including the Common Foreign and Security Policy (CFSP) of the European Union and the CSDP.

Eurojust, the European Union's Judicial Cooperation Unit, was established by Council Decision of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime, as last amended by Council Decision 2009/426/JHA of 16 December 2008 on the strengthening of Eurojust, to stimulate and improve the coordination of investigations and prosecutions and the cooperation between the competent authorities in the Member States. In particular, Eurojust facilitates the execution of requests for international mutual legal assistance and extradition. Eurojust supports in any way possible the competent authorities of the Member States to render their investigations and prosecutions more effective when dealing with serious cross-border crime.

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[Eurojust and EEAS sign Letter of Understanding](#)

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