

# ESMA recommends improvements in financial information enforcement

The peer review was carried out on the basis of a questionnaire to all NCAs, as well as on-site visits to seven jurisdictions: Germany, Italy, Malta, Norway, Portugal, Romania, and the UK.

The report identifies that further improvements are needed in relation to:

- how issuers are selected to examine their financial information;
- the depth of inquiries into financial statements going beyond correcting disclosure; and
- the financial and human resources allocated by NCAs to the enforcement of financial information.

In particular, five of the jurisdictions – Malta, Portugal, Romania, Sweden and UK – do not fully comply with Guideline 5, which requires that NCAs use selection models in which all issuers are eligible to be selected for scrutiny.

Steven Maijoor, ESMA Chair, said:

“The peer review’s findings show that in some jurisdictions there is a risk that insufficient resources are allocated to enforcement, and that some issuers are not eligible to be selected for scrutiny. Additionally, in some jurisdictions there is a tendency to focus on disclosure issues instead of in-depth inquiries into valuation issues. ESMA will work with the national competent authorities to implement the recommendations of the peer review, in order to promote more convergent supervisory practices throughout Europe.”

## **Recommendations**

The Report makes a number of recommendations where NCAs and/or ESMA should consider further action:

- Enforcement of financial information should not be an ancillary function. NCAs should ensure that sufficiently skilled and dedicated staff are available for this purpose;
- A list of common risk factors should be created, to be used by all NCAs in the selection of issuers for examination;
- All NCAs should use a common approach for the selection model, providing for the use of rotation and random selection in addition to selection based on identified risks;
- NCAs should ensure that the selection models allow the coverage of the whole population of issuers in a Member State within at least 10-15

years;

- The default type of examination should be unlimited in scope. This examination should cover all relevant areas of the accounting framework, i.e. recognition, measurement, presentation and disclosures, and all relevant documents published by an issuer, e.g. the management report, consolidated and separate financial statements; and
- NCAs are encouraged to ask issuers questions even where there is no suspicion of misstatement.

### **Next steps**

ESMA will now consider these recommendations and work with the NCAs in the corporate reporting area to see if they can be addressed by amendments to the Guidelines or by other work in this area.

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# **[Commission acts to help regions build resilient economies in the era of globalisation](#)**

Globalisation has brought enormous benefits to the less-developed economies of the world and many opportunities for Europeans; but while the benefits are widely spread, the costs are often borne unevenly as the Commission's [reflection paper on harnessing globalisation](#) highlighted.

To take up the challenge of economic modernisation, Europe needs to empower its regions and help them create value. This means embracing innovation, digitisation, decarbonisation and developing people's skills.

Today, the Commission is proposing a new set of actions to further help Europe's regions invest in their niche areas of competitive strength ("[smart specialisation](#)") and generate the innovation, resilience and growth needed.

Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness said: *"To reap the benefits of globalisation we need to create enabling environments, where the advances from trade and technology can materialise. Locally-led and locally-owned investment and innovation strategies are key to take up this challenge and empower our regions."*

Commissioner for Regional Policy Corina **Crețu** said: *"We have entered the 'glocal' era, as President **Juncker** said, whereby the impact of global challenges is felt first at the local level. Our economies are undergoing deep changes; we can't reverse that process. But we can help our regions equip themselves with the right tools for robust and lasting growth – this is what smart specialisation is about."*

Introduced in 2014 in all regional policy programmes, the smart specialisation approach has proven to deliver. The Commission intends to build on this positive experience with two pilot projects:

- **Tailored support for the specific challenges of regions facing industrial transition:** on their request, certain regions can work in partnership with teams of Commission experts to boost their innovation capacity, remove investment barriers, equip citizens with the right skills and prepare for industrial and societal change, on the basis of their smart specialisation strategies.
- **Interregional innovation partnerships supported by EU funds:** inspired by the success of the [Vanguard initiative](#), the aim of this pilot project is to identify and scale up 'bankable' interregional projects that can create European value chains in priority sectors such as big data, bioeconomy, resource efficiency, connected mobility or advanced manufacturing.

In parallel, the Commission will step up its efforts to help Member States **address remaining bottlenecks to growth and establish business-friendly environments**. Particular attention will be given to the quality and openness of public research, cooperation between businesses and universities and the alignment of local skills-bases with market demands, with the help of Commission support facilities.

**The Commission will also look at ways of facilitating further synergies and combinations** between the different innovation, growth and competitiveness EU programmes and instruments that currently exist.

## Next steps

The calls for interest for the industrial transition regions pilot action

will be launched in the autumn this year. The interregional partnerships will be set up during 2017 and run throughout 2018.

The experience acquired so far with current Cohesion policy programmes, together with the actions and policy solutions put forward in this [communication](#), will provide useful input in preparing the next budget framework, in the context of the [ongoing reflection on the future of EU finances](#).

The Commission will consider stronger linkages between existing EU instruments with the common objective of responding to new industrial challenges. Smart specialisation could be scaled-up, to make it a comprehensive tool to help all regions take advantage of the changes brought by globalisation.

## **Background**

Introduced as a [prerequisite](#) to ensure effective Cohesion Policy spending in research and innovation, smart specialisation has required all regions to design investment strategies based on their own competitive assets – from agrifood specialties and tourism to nanotechnologies and aerospace.

Under these strategies, local businesses are receiving financial support to develop innovative products and expand beyond local markets. These strategies have also resulted in better links between science and business as well as improved coordination at all levels of local governance.

## **For more information**

[Communication – Strengthening Innovation in Europe’s regions](#)

[MEMO – Challenges ahead: boosting innovation-led growth in EU regions](#)

[Factsheet – Smart specialisation pilot actions](#)

[Factsheet – what is smart specialisation?](#)

[Country fiches – Smart specialisation in your country](#)

Follow [Vice-President Katainen](#) and [Commissioner Crețu](#) on Twitter

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# **[Daily News 18 / 07 / 2017](#)**

## **À l’ère de la mondialisation, la Commission agit pour aider les régions à bâtir des économies robustes**

Pour favoriser la croissance et l’innovation et aider les régions européennes à tirer leur épingle du jeu dans une économie mondialisée, la Commission

présente aujourd'hui une série d'actions destinées à les aider encore davantage à investir dans les domaines où elles occupent une position concurrentielle (stratégies dite de «[spécialisation intelligente](#)»). Deux [projets pilotes](#) vont ainsi aider les régions à passer à la vitesse supérieure en matière d'innovation. Le premier est spécifique aux régions en transition industrielle qui, à leur demande, pourront bénéficier d'un soutien personnalisé par des experts de la Commission. Ces partenariats leur permettront de développer leur capacité d'innovation, les compétences de leurs citoyens et d'attirer davantage d'investissements. Le second projet concerne les régions souhaitant s'associer pour créer des projets à haute valeur ajoutée. Des experts de la Commission les aideront à développer des partenariats interrégionaux, sur le modèle de [l'Initiative Vanguard](#). Vous trouverez davantage d'information dans ce [communiqué de presse](#) et [ce mémo](#) et vous pouvez revoir la conférence de presse du Vice-Président de la Commission Jyrki **Katainen**, chargé de l'emploi, de la croissance, de l'investissement et de la compétitivité, et de la Commissaire à la politique régionale Corina **Crețu** sur [EbS](#). (Pour plus d'informations: Lucía Caudet – Tel.: + 32 229 56182; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)

### **Trade negotiations: Commission publishes reports following negotiating rounds with Mexico and Mercosur**

The Commission publishes today – as part of its commitment to a more transparent trade policy – reports summarising the progress made during the latest negotiating rounds for the [EU-Mexico](#) and [EU-Mercosur](#) trade agreements. The reports offer a summary of the progress made in all areas of the negotiations, namely: 1) Trade in goods (including Market Access, and General Rules); 2) Non-Tariff Measures; 3) Rules of Origin; 4) Trade in Services; 5) Procurement; 6) Intellectual Property (including Geographical Indications); 7) Sustainable Development, 8) Other issues (Institutions and Regulatory Cooperation). Both negotiations are progressing at a good pace with full engagement from both partners. The latest round of talks with Mexico took place from 26 and 30 June 2017 in Mexico City and the next one is planned in Brussels for 25 to 29 September, with intersessional meetings between 24 and 27 July. The latest round with Mercosur was held between 3 and 7 July 2017 in Brussels and the next one is planned in Brasilia for 2 to 6 October, with intersessional meetings between 4 and 8 September in Brussels. The recent Commission proposals made in the course of the negotiations can also be accessed through the dedicated [transparency page](#). More information on the [EU-Mexico](#) and [EU-Mercosur](#) talks is available on the website of DG Trade. (For more information: Daniel Rosario – Tel.: + 32 229 56185; Kinga Malinowska – Tel.: +32 229 51383)

### **Sustainable Finance: Commission hosts major event to promote sustainable investment**

The Commission is today hosting a major event to explore how best to use finance to promote sustainable investments and facilitate the transition to a

low-carbon economy within the context of the Capital Markets Union. This is part of the European Union's efforts to turn climate change, environmental and sustainable policy goals into tangible results. The EU is taking the lead in this area and needs to develop an overarching strategy to better align capital flows with a pathway to sustainable development and growth. That is why the European Commission established at the end of 2016 the High-Level Expert Group on Sustainable Finance as part of its commitment to the Paris Climate Agreement and its work on Capital Markets Union. After six months of intensive work, the Expert Group summarised its first results and policy options in an [interim report](#). Today's public hearing will give a wide range of participants the occasion to share their views on barriers to and possible solutions to ensure an increased uptake of sustainable finance. Vice-President Valdis **Dombrovskis**, responsible for Financial Stability, Financial Services and Capital Markets Union, opened the event in Brussels and Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, will give a keynote speech. The public hearing will be accompanied by the launch of a questionnaire by the High Level Expert Group. The programme of the conference is available [here](#). The event is web streamed [here](#), the questionnaire is available [here](#). (For more information: Vanessa Mock – Tel.: +32 2 295 61 94; Letizia Lupini – Tel.: +32 229 51958)

### **Mergers: Commission approves acquisition of Momondo by Priceline**

The European Commission approved unconditionally, under the EU Merger Regulation, the acquisition of Momondo Group by Priceline Group, both active in the online travel sector. Priceline operates online travel agents and travel comparison metasearch sites, under several brand names including booking.com, priceline.com, agoda.com, KAYAK, Rentalcars.com and Opentable. Momondo Group is primarily active in the operation of metasearch sites, under the brands Cheapflights and Momondo. The Commission assessed the impact of the proposed transaction on markets for the operation of metasearch sites in the European Economic Area (EEA) and examined a number of vertical relationships arising from the merging companies' activities. The Commission found that the companies' metasearch activities are largely geographically complementary in the EEA, while the merged entity will be competing with several other global metasearch operators. Therefore, the Commission concluded that the transaction would raise no competition concerns in the European Economic Area. A full press release is available online in [EN](#), [DE](#) and [FR](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

### **State aid: Commission finds Belgian support to three airlines incompatible with EU rules; aid already recovered**

The European Commission has concluded that public support granted by Belgium to three airlines flying from Brussels Airport (Zaventem) gave them an unfair advantage over other airlines, in breach of EU state aid rules. These airlines are Brussels Airlines, TUI Airlines Belgium and Thomas Cook Airlines

Belgium, which received €16.8 million, €2.1 million and €77 000, respectively. The distortion of competition has already been removed because Belgium in March 2017 recovered the aid from each airline (with interest), before the Commission concluded its in-depth investigation. The scheme in question was introduced by Belgium in January 2014 and foresaw around €19 million of public funding per year to the operator of Brussels Airport, which was then required to fully pass it on to certain airlines. In particular, it was used to reduce one of the airport charges (the so-called security charge) paid by airlines that had carried more than 400 000 passengers from Brussels Airport in 2012. Only Brussels Airlines, TUI Airlines Belgium and Thomas Cook Airlines Belgium met that condition. An initial payment was made to the three airlines in September 2014 but payments were suspended after the Commission opened its investigation [in October 2014](#). This investigation confirmed that the scheme amounted to a selective advantage to the three airlines over their competitors. Belgian authorities have actively cooperated with the Commission in this case and in March 2017 abolished the scheme and the three airlines have already reimbursed the money received with interest. More information on today's decision will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [SA.38105](#) once confidentiality issues have been resolved. The [State Aid Weekly e-News](#) lists new publications of state aid decisions on the internet and in the EU Official Journal. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)*

### **State aid: Commission approves public service compensation to Inverness airport in the UK**

The European Commission has found public service compensation granted to Highlands and Islands Airports Limited (HIAL) for the operation of Inverness airport to be in line with EU state aid rules. The public funding will contribute to the area's economic and social development, without unduly distorting competition in the Single Market. In particular, the Commission has concluded that the compensation allows for the provision of a genuine service of general economic interest, as the airport not only provides air access to the Highlands of Scotland, but is also an access point for some of Scotland's most remote islands, in particular the Shetland Islands, the Orkney Islands and the Western Isles. The compensation is granted for five years to HIAL, a company wholly owned by the Scottish Government. This Commission decision will apply until the UK ceases to be a member of the EU. The non-confidential version of the current decision will be published under the case number SA.45692 in the [State Aid Register](#) on the Commission's [competition website](#) once any confidentiality issues have been resolved. The [State Aid Weekly e-News](#) lists new publications of state aid decisions on the internet and in the EU Official Journal. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)*

**Eurostat: Plus de 8 millions de spécialistes des TIC employés dans l'UE en 2016 – Un personnel largement masculin et hautement qualifié**



En 2016, 8,2 millions de personnes étaient employées dans l'Union européenne (UE) comme spécialistes des technologies de l'information et de la communication (TIC), ce qui représente 3,7% de l'emploi total. Au cours des dernières années, tant le nombre de spécialistes des TIC que leur part dans l'emploi total n'ont cessé d'augmenter afin de répondre aux besoins d'un monde de plus en plus numérique. Cette profession est largement composée d'hommes et de personnes ayant un niveau d'éducation élevé. En effet, sur 10 spécialistes des TIC employés dans l'UE, plus de 8 sont des hommes (83,3%) et plus de 6 sont diplômés de l'enseignement supérieur ou plus (61,8%). Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Christian Wigand – Tel.: +32 229 62253; Nathalie Vandystadt – Tel.: +32 229 67083; Sara Soumillion – Tel.: + 32 229 67094; Inga Höglund – Tel.: +32 229 50698)

## **ANNOUNCEMENTS**

### **Commissioner Moscovici in Lisbon for meetings with Portuguese authorities**

Commissioner for Economic and Financial Affairs, Taxation and Customs Pierre **Moscovici** is in Lisbon today for meetings with the Portuguese authorities on the economic and budgetary situation and policy priorities. The visit is also an occasion to discuss the follow-up to the Commission's [Reflection Paper on the Deepening of the Economic and Monetary Union](#). The Commissioner is meeting with the Prime Minister, Antonio Costa and the Governor of the Bank of Portugal, Carlos Costa. Elisa Ferreira, member of the Board of Directors, will also take part in the meeting at the Bank of Portugal. (For more information: Vanessa Mock – Tel.: +32 229 56194; Patrick McCullough – Tel.: +32 229 87183)

### **La Commissaire Thyssen participe à la réunion informelle des Ministres d'Emploi et des Affaires Sociales sur l'équilibre vie privée – vie professionnelle**

Demain et jeudi, les 19 et 20 juillet, la Commissaire en charge de l'emploi, des affaires sociales, des compétences et de la mobilité des travailleurs, Marianne **Thyssen**, participera à la réunion informelle des Ministres d'Emploi, des Affaires sociales, des Familles et de l'Egalité des genres, ayant lieu à Tallinn, Estonie. Durant cette première réunion informelle du Conseil sous la Présidence estonienne, les Ministres se concentreront sur différents aspects liés à l'équilibre vie privée – vie professionnelle, y inclus le besoin d'un meilleur équilibre entre la vie privée et la vie professionnelle sur le marché d'emploi et l'état des lieux des mesures existantes au niveau national. La réunion sera également une opportunité pour la Commissaire de présenter la [proposition de la Commission pour améliorer l'équilibre vie privée – vie professionnelle pour les travailleurs et soignants](#), déposée le 26 avril dernier dans le cadre du [Socle européen des droits sociaux](#). Demain à 17h30, une conférence de presse est prévue avec la Commissaire **Thyssen**, la Ministre estonienne de la Protection sociale, Kaia Iva, ainsi que le Ministre estonien de l'Emploi et de la Santé, Jevgeni Ossinovski. Vous pouvez suivre

la conférence de presse en direct sur [EbS](#). (Pour plus d'informations: Christian Wigand – Tel.: +32 229 62253; Sara Soumillion – Tel.: + 32 229 67094)

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

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## **À l'ère de la mondialisation, la Commission agit pour aider les régions à bâtir des économies résilientes**

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