

## [Press release – COVID-19: Budget MEPs call for quick progress on post-2020 contingency plan](#)



While work on establishing the next Multiannual Financial Framework (MFF) 2021-2027 must go on, and take into account the fallout from the current health crisis in the long term, it is all the more urgent for the Commission to propose a contingency plan that will enter into force on 1st January 2021, considering the delays for a timely MFF agreement to be expected due to the COVID-19-crisis, the Chair and Coordinators of the Committee on Budgets underlined. Parliament has asked for such a contingency plan [since October 2019](#).

The contingency plan should also be able to address the immediate consequences of the Corona emergency, in line with the positive steps being taken in the 2020 budget in terms of reorientation and reinforcements of existing instruments.

As for the MFF, the MEPs have recently, in their [26 March press release](#), called for an update of the current proposal from May 2018. They welcomed the positive and prompt follow-up by Commission President Ursula von der Leyen with her [announcement](#), on Saturday, that *“the Commission will propose changes in the MFF proposal that will allow to address the fallout of the coronavirus crisis. This will include a stimulus package that will ensure that cohesion within the Union is maintained through solidarity and responsibility.”*

“We also urge the Commission to think “out of the box” by putting forward a revised MFF proposal that is appropriately updated compared to the original proposal of May 2018, with an adequate revision of its proposal on the reform of the own resources system if necessary to get a bigger fiscal room for manoeuvre. It should consider the potential of all programmes to provide an

additional contribution to economic recovery, solidarity, public health and crisis management, while providing more flexibility. It should also reflect the political commitments of the new Commission such as Green Deal, digitalisation and a geopolitical Commission. As stated last week, pre-existing challenges do not go away and might become even more critical due to the Corona crisis,” the MEPs said.

“We recall that the Union budget is indeed part of the solution to overcome the public health, economic and social shocks, in complementarity with other instruments and initiatives at both national and European levels,” the MEPs concluded.

### **Background information**

Members of the Committee on Budgets have asked repeatedly for a contingency plan for next year’s budget in order to provide a safety net to protect the beneficiaries of Union programmes by ensuring continuity of funding and implementation, should an agreement on the 2021-2027 MFF not be reached in time to enter into force on 1 January 2021.

As the current long-term EU budget is running out on 31 December 2020, the EU needs a new budgetary planning horizon for the next seven years. The EU Commission has thus presented plans for the next multiannual financial framework for 2021-2027 in [May 2018](#). The European Parliament has adopted its position in [November 2018](#), and re-confirmed it in [October 2019](#). The Council has not been able to agree on a position yet. The Parliament must approve the MFF before it can come into force.

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## **[Article – 10 things the EU is doing to fight the coronavirus](#)**



### **1. Slowing the spread of the virus**

To help limit the transmission of the virus in Europe and beyond, the EU has closed its external borders to non-essential travel, while ensuring essential goods keep moving across the EU through the introduction of green lanes. Additional resources are foreseen for the European Centre for Disease Prevention and Control, which provides rapid risk assessments and epidemiological updates on the outbreak.

### **2. Providing medical equipment**

EU-countries have speedy access to the first ever [RescEU stockpile of medical equipment](#), such as ventilators and protective masks, under the Civil Protection Mechanism. In addition, the EU has set up a huge international tender allowing member states to make joint purchases of equipment and drugs.

### **3. Promoting research**

The EU's Horizon 2020 research programme is [funding 18 research projects](#) and 140 teams across Europe to help find a vaccine quickly against Covid-19. The aim is to improve diagnostics, preparedness, clinical management and treatment.

### **4. Assuring the EU's recovery**

To help the EU recover from the economic and social impact of the pandemic, the European Commission will come up with a fresh proposal for the EU's long-term budget for 2021-2027, which will include a stimulus package. The

European Parliament has the final word on the proposal.

## **5. Repatriating EU citizens**

More than 10,000 Europeans stranded around the world by the outbreak have been returned home thanks to the [EU Civil Protection mechanism](#).

## **6. Boosting European solidarity**

The European Parliament has backed new rules allowing member states to request financial assistance from the EU Solidarity Fund to cover health emergencies. With the [newly broadened scope of the fund](#), up to €800 million will be made available for member states this year to fight the coronavirus pandemic.

## **7. Supporting the economy**

The European Central Bank is providing €750 billion to relieve government debt during the crisis, as well as €120 billion in quantitative easing and €20 billion in debt purchases. In addition, MEPs voted to make [€37 billion from existing EU structural funds available](#) to EU countries to tackle the coronavirus crisis and support healthcare, businesses and workers.

## **8. Protecting jobs**

To ensure employees can keep their job when companies run out of work due to the coronavirus crisis, the Commission has proposed the concept of state-supported short time work (SURE).

## **9. Safeguarding the internet**

With millions of people forced to stay at home, the EU has asked Netflix, Facebook and YouTube to reduce streaming quality to avoid overloading the web. This allows everyone to use the internet, be it for work or for leisure.

## **10. Protecting the environment and airlines**

Parliament has supported the Commission's proposal to [temporarily stop empty "ghost flights"](#). By waiving the rule that obliges airlines to operate their planned take-off and landing slots to keep them the following season, the EU is ending unnecessary emissions and helping airlines adjust to lower demand.

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**[Press release – European Parliament to hold extraordinary plenary on 16 and](#)**

## 17 April



Parliament's President and political group leaders (Conference of Presidents) held a remote meeting on Thursday morning and agreed to convene an extraordinary plenary session on Thursday 16 and Friday 17 April in Brussels.

On the agenda will be a debate with Council and Commission and a vote on a resolution on EU coordinated action to combat the COVID-19 pandemic and its consequences. The EP is also ready to vote on any legislative or budgetary proposals prepared in time by the European Commission to further address the current situation.

The Conference of Presidents updated the EP's calendar of activities to introduce additional dates for remote meetings for EP governing bodies, committees and political groups. You can find it [here](#).

Group leaders also raised concerns about the emergency measures recently adopted in Hungary. A majority of the groups asked President Sassoli to relay their concerns in a letter to the Commission, asking them to evaluate the situation and consider activating the Article 7 procedure of the Treaty on European Union (TEU). This procedure would allow the EU to ensure that European core values are not at risk.

### **Remote voting system and health measures**

The current precautionary measures adopted by the European Parliament to contain the spread of COVID-19 do not affect work on legislative priorities. Core activities are reduced, but maintained to ensure the institution's legislative, budgetary, scrutiny functions are maintained.

Parliament has agreed to introduce an alternative remote voting system. Based on public health grounds, it will enable votes to take place, with adequate safeguards to ensure that Members' votes are individual, personal and free.

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## [Press release – Fact-checking Day: Fighting the virus of disinformation on Covid-19](#)



Today 2 April, on International Fact-checking Day, Parliament is contributing to raising awareness of the dangers of disinformation, not only for citizens' health, but also for democracy.

Whereas many battle day and night to save lives from the coronavirus, health organisations and fact-checkers have uncovered another dark side of the pandemic – organisations and individuals exploiting the crisis for political or commercial manipulation, instead of supporting those saving lives.

EU institutions have repeatedly warned of the risks linked to disinformation attempts and scams. To support factual and reliable information, a joint [EU page](#) has been set up about Europe's response to the virus. It also busts the

most common myths related to the Covid-19 outbreak.

According to a [report](#) by the EEAS anti-disinformation taskforce [EUvsDisinfo](#), some false claims come from actors close to the US “alt” right, to China and to Russia. In these cases, the aim is political, to undermine the European Union or to create political shifts.

Parliament’s Vice-President Othmar Karas (EPP, AT) insisted that “False claims are easy to check. Proof of EU solidarity is easy to find. The EU has very limited formal powers in health matters, but EU countries and the EU as a whole are looking at ways to help the victims of the crisis. At this very moment for example, German nurses and doctors are taking care of COVID-19 patients flown in from Italy or France. Czechia sent 10.000 protective suits to both Italy and Spain. Austria and France sent millions of masks to Italy.”

“Last week, Members of the European Parliament almost unanimously adopted urgency measures to free up money to help EU countries finance healthcare, medical assistance or prevent further spread of the disease. In the other EU institutions, people are also working tirelessly to find effective and quick ways to support the victims of this crisis, be it those who are ill, healthcare workers or people who have lost their jobs or income due to the crisis”, he concluded.

Vice-President Katarina Barley (S&D, DE) highlighted that “In times like these, lives depend on all of us listening to health authorities, and spreading lies or questioning the truth becomes even more dangerous. It is important that the institutions continue to closely cooperate with online platforms, encouraging them to promote authoritative sources, demote content that is found to be false or misleading, and take down illegal content or content that could cause physical harm.

Parliament is launching a campaign to support the EU response to the crisis and to show our citizens that this continent is filled with Europeans fighting side by side against Covid-19.”

She also called on everyone to pay specific attention to online disinformation attempts: “Today, on International Fact-checking Day, we would like to remind people of the importance of fact-checking and we are sharing fact-checking tips in all languages. Just as we respect social distancing and wash our hands, we have the duty to stop the spread of fake advice and manipulative stories”.

Vice-President Karas added: “In a crisis like this, fact-checking is not about being the wise guy finding pleasure in correcting people who make mistakes; rather, it is our civic duty to protect European citizens and the democratic society we have created.

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# ESMA publishes 2019 report on enforcement of corporate disclosure

## **Convergence work on financial and non-financial disclosure**

In 2019 European enforcers examined around 950 financial statements drawn up under IFRS, covering approximately 17% of issuers listed on EU regulated markets. This led to enforcement actions against 299 issuers in order to address material departures from IFRS, representing an action rate of 33%. Throughout the year, ESMA's efforts to increase supervisory convergence focused on harmonising the enforcement of the application of the new accounting standards IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*, in line with the announcement in the 2018 European common enforcement priorities.

Steven Maijoor, Chair of ESMA, said:

"A harmonised European approach to the application of IFRS is key to ensuring that investors receive high quality and relevant financial information. In 2019, ESMA and European enforcers focused on the new accounting standards to ensure a convergent application and this effort will continue in 2020.

"Investors are also increasingly demanding reliable and relevant disclosure on ESG factors. Examinations of non-financial statements during 2019 show that further efforts are needed from European issuers. Together with national enforcers, ESMA will continue its focus on this area to ensure that investors are provided with high-quality ESG information.

"To support this work ESMA is ready to assist the European Commission, as part of its review of the Non-Financial Reporting Directive, to ensure that appropriate standards for non-financial reporting are established."

In light of the increased importance of companies' ESG disclosures, European enforcers increased their enforcement activities on non-financial information in 2019, leading to examinations of 937 non-financial statements or 35% of the total estimated number of issuers required to publish a non-financial statement – a significant rise compared to the 819 examinations undertaken in 2018. These examinations brought about 95 enforcement actions, constituting an action rate of 10%.

In addition to the reviews of financial and non-financial statements, European enforcers examined 712 management reports during 2019 to assess whether the presentation and disclosure of alternative performance measures (APMs) were in compliance with ESMA's Guidelines on APMs, covering 13% of IFRS issuers listed on EU regulated markets. These examinations led to enforcement actions against 109 issuers, representing an action rate of 15%.

## **Next steps**

In 2020, ESMA and European enforcers will focus on issues related to the



application of IFRS 16 *Leases*, IAS 12 *Income Taxes* as well as IFRS 9 *Financial Instruments* for credit institutions and IFRS 15 *Revenue from Contracts with Customers*. On non-financial statements, the key areas of focus will be certain general aspects, such as the double materiality lens, and more specific topics, for example environmental and climate-change disclosures and disclosure of key performance indicators (KPIs). ESMA will also undertake other activities to promote supervisory convergence, such as leading discussions among enforcers regarding implementation of the ESEF Regulation.

Finally, ESMA will continue to contribute to the development of high quality accounting standards, including by reviewing accounting practices related to IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interest in Other Entities* to provide input to the IASB's post-implementation review of these standards.