

# Press release – Laura Kövesi confirmed as European Chief Prosecutor



The decision by the [Conference of Presidents](#) (EP President David Sassoli and political group leaders) follows [an agreement in September between Parliament and Council negotiators](#) on the new European Chief Prosecutor. Parliament's negotiating team backed Ms Kövesi throughout the negotiations.

Following her confirmation today, Ms Kövesi will start her seven-year mandate. The Council endorsed the deal earlier this week.

## **Background**

The EPP0, which is expected to be operational at the end of 2020, will be an independent office in charge of investigating, prosecuting and bringing to justice crimes against the EU budget, such as fraud, corruption or cross-border VAT fraud above 10 million euros. The list of crimes could be extended in the future to include, for example, [terrorism](#).

So far, 22 member states have joined the EPP0. The five countries that currently do not participate – Sweden, Hungary, Poland, Ireland and Denmark – could join at any time.

The EPP0 central office will be based in Luxembourg, along with the Chief Prosecutor and a College of Prosecutors from all participating countries. They will head the day-to-day criminal investigations carried out by the delegated prosecutors in all participating member states.

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# Joint statement and main messages following the Tripartite Social Summit

Following today's Tripartite Social Summit, focussing on "Progressing on the social and economic dimensions for a competitive, fair and sustainable Europe: The role of social partners and social dialogue", President of the European Commission Jean-Claude Juncker, Prime Minister of Finland Antti Rinne, President of BusinessEurope Pierre Gattaz and General-Secretary of the European Trade Union Confederation Luca Visentini, issued the following statement:

The **President of the European Commission**, Jean-Claude Juncker stressed: *"Europe is better off than five years ago. More than 14 million jobs have been created and a record number of 241 million people is in employment in our Union. With more than 24 legal initiatives adopted to support it, the European Pillar of Social Rights has become a reality and is making a difference in Europeans' lives, from better work-life balance to more fairness in the labour market. In a fast-changing world, it is more important than ever to keep asserting the social dimension of the European Union. Because Europe will be social or it will not be Europe."*

From the side of the **rotating presidency**, **Finland's Prime Minister**, Antti Rinne, underlined: *"We need to make the EU the world's most competitive, socially fair, low carbon economy. In order to achieve sustainable growth we must invest in skills, education and promote social justice and equality. We must understand that there can be no economic sustainability without social and ecological sustainability."*

The **General Secretary of the European Trade Union Confederation (ETUC)**, **Luca Visentini**, said: *"Europe needs radical change in its economic policy, to make growth more sustainable both socially and environmentally. Public and private investment, like employment rates and wage developments, are still far behind the pre-crisis levels, and need a strong impetus through a reformed EU economic governance, a sound industrial policy and strengthened social dialogue and collective bargaining in all EU member states. Europe must manage in a fair and inclusive manner the challenges of climate change, digitalisation, automation and globalisation. A socially just transition will require public investment to create quality jobs in clean industry, the right to life-long learning for all workers, and for governments and employers to work with unions to anticipate and manage change."*

**BusinessEurope's President**, **Pierre Gattaz**, representing employers (BusinessEurope, CEEP, SMEunited) stated: *"A thriving economy is essential for Europe to further develop and converge. An ambitious industrial strategy, together with a supportive SME strategy, have a key role to play to strengthen our industrial base in Europe and generate economic growth and jobs over the long-term. We need to take into account the supportive role of efficient and effective public services. Ensuring the sustainability of our social model requires to maintain the competitiveness of our European Union."*

*Economic sustainability is the foundation for productive investment needed for social development and environmental protection. What we want to spend, we first need to earn. Employers are ready to work on effective solutions, with trade unions in their role as social partners, as well as in tripartite cooperation with the European Commission and national governments."*

## **Background**

The Tripartite Social Summit takes place twice a year, ahead of the spring and autumn European Councils. It is an opportunity for a constructive exchange of views between leaders of European employee and employer organisations, the European Commission, the European Council, the EU Heads of State or Government and Employment and Social Affairs Ministers from the countries holding the current and upcoming Council of the EU Presidencies.

The main topic of the Tripartite Social Summit was " Progressing on the social and economic dimensions for a competitive, fair and sustainable Europe: The role of social partners and social dialogue". The discussions were structured around three sub-themes:

- Just Transition to a climate-neutral economy
- Investing in skills and improving access to adult training
- Designing an industrial policy fit for the future

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## **Main messages from the Tripartite Social Summit, Wednesday 16 October 2019 in Brussels**

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- Just Transition to a climate-neutral economy
- Investing in skills and improving access to adult training
- Designing an industrial policy fit for the future

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Union. Because Europe will be social or it will not be Europe.”

From the side of the **rotating presidency, Finland’s Prime Minister, Antti Rinne**, underlined: “We need to make the EU the world’s most competitive, socially fair, low carbon economy. In order to achieve sustainable growth we must invest in skills, education and promote social justice and equality. We must understand that there can be no economic sustainability without social and ecological sustainability”

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The views cited in this text are those of the individual / organisation concerned and do not collectively constitute the point of view of the Council or the European Council.

[Visit the meeting page](#)

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# ESAs consult on changes to the key information document for PRIIPs

The European Supervisory Authorities (ESAs) have today issued a [Consultation Paper](#) on amendments to existing rules underpinning the Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs).

The aims of the review are to:

- Address issues that have been identified by stakeholders and supervisors since the implementation of the KID in 2018;
- Make specific changes to allow the rules to be applied to investment funds that are expected to have to prepare a KID from 1 January 2022 onwards.

The consultation paper proposes changes relating to the following topic areas:

- Illustrations of what the retail investor might receive in return from their investment (performance scenarios);
- Information on what the costs of the investment are;
- Specific issues for different types of investment funds;
- Specific issues for PRIIPs offering a range of options for investment (so-called “Multi-Option Products”).

As part of this review, the European Commission, in cooperation with the ESAs, is undertaking a consumer testing exercise to assess the effectiveness of different presentations of performance scenarios. The results are expected in the first quarter of 2020.

When deciding on their final proposals, the ESAs will take into account the feedback from respondents to this consultation, as well as the results of the consumer testing exercise.

The deadline for submission of feedback is **13 January 2020**.

The Consultation Paper and template for comments can be accessed via the following [webpage](#).

## **Background**

**The KID for PRIIPs** is a mandatory, three-page A4 information document to be provided to consumers before purchasing a PRIIP. PRIIPs include, for example,

investment funds, structured products and unit-linked and with-profits life insurance contracts.

**The PRIIPs Regulation** (No 1286/2014) defines the **main rules and principles** for KIDs. It is supplemented by a Delegated Regulation (2017/653) specifying the presentation and contents of the KID, which is based on Regulatory Technical Standards that the ESAs were mandated to develop.

**This Consultation Paper** follows a previous **ESA consultation on the PRIIPs KID in November 2018 (CP 2018 60)**. The November 2018 consultation paper proposed more targeted amendments to the PRIIPs Delegated Regulation. Taking into account the feedback to that consultation, in February 2019, the ESAs decided to defer their review and work on more substantive revisions during 2019.

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## [Statement by Commissioner Vestager on Commission decision to impose interim measures on Broadcom in TV and modem chipset markets](#)

\* Check against delivery\*

Today, the Commission has adopted a decision imposing interim measures on Broadcom. Broadcom is the world's largest designer, developer and provider of chips for fixed video and broadband devices.

Interim measures aim at preventing irreparable harm to competition. They need to strike a balance between protecting the rights of defence on the one hand and speed and effectiveness in antitrust enforcement on the other. They allow the Commission to order a company to stop conduct that we consider at first sight to be illegal. At the same time, the companies involved have the right to be heard before the measures are taken and can appeal them before the European Courts.

At this stage, we consider that Broadcom is restricting competition by engaging in exclusive or quasi-exclusive dealings with key customers. Broadcom's behaviour would cause serious and irreparable harm to competition. So today we have ordered Broadcom to stop its conduct, while our in-depth investigation on the merits of the case continues.

### ***What is today's decision about?***

Most of us probably have a TV set-top box and an internet modem at home. The

“brain” inside a set-top box or modem is the so-called “systems-on-a-chip”. That chip ensures that we can access the Internet or watch the news or the movies we like on TV.

Broadcom is the world leader in the supply of such chipsets. It accounts for roughly half of the sales of the entire industry.

In the second half of 2018, we received market information suggesting that Broadcom may be imposing exclusivity and quasi-exclusivity restrictions on its customers in relation to some of its chipsets.

Our preliminary investigation since then has shown that Broadcom seems to be dominant in three different markets: the markets of systems-on-a-chip for (i) TV set-top boxes, (ii) fibre modems and (iii) xDSL modems.

Market dominance is in itself not a problem. We value companies for becoming successful due to their skill and innovation. But dominant companies they do have a special responsibility not to impair competition in the internal market. As an example, they cannot require or induce customers to purchase exclusively or almost exclusively from them. This is not competition on the merits. And it ultimately leads to a reduction of choice and innovation to the detriment of consumers.

*(i) Prima facie infringement of EU competition rules*

The first condition to order interim measures is that the Commission finds an infringement of the competition rules, at first sight.

During our investigation, we analysed several agreements between Broadcom and its customers. We found that six of these agreements feature provisions to buy only or predominantly from Broadcom. We consider it likely that these agreements would negatively impact competition in two ways:

(i) first, they strengthen Broadcom’s position in the “dominated” markets. As an example, this is done through exclusive purchasing obligations and exclusivity rebates. These effectively prevent competitors from challenging Broadcom’s position in these markets; and

(ii) second, they allow Broadcom to leverage its dominance into the market for cable modem chipsets in which Broadcom may not yet be dominant. This is done by granting commercial advantages to those customers in the dominated markets, which also buy exclusively cable modem chipsets. Broadcom’s conduct makes it very difficult for the only other supplier of these products to compete.

We have carried out an analysis of the likely effects of Broadcom’s conduct. We conclude that these agreements are likely to shut out competitors from the market. Our analysis was based on a number of elements, including 1) the size and importance of the customers, 2) the conditions and duration of the agreements and 3) a substantial amount of internal documents submitted by Broadcom’s customers and competitors.

On this basis, we have reached the conclusion that, at first sight – or, in

legal lingo, “*prima facie*”— Broadcom is currently infringing competition rules by abusing its dominant positions in the system-on-a-chip markets for TV set-top boxes, fibre modems and xDSL modems.

*(ii) Urgency*

The second condition for the Commission to order interim measures is the need for an urgent intervention due to the risk of serious and irreparable harm to competition if the infringement continues.

We consider this condition to be met. The evidence we have gathered shows that Broadcom’s behaviour is likely to have severe negative effects on its competitors before we could reach a final decision.

We know that telecom and cable providers will launch a large number of tenders in the coming years. We believe that if Broadcom’s contractual arrangements stay in place, Broadcom’s competitors would not be able to compete on equal terms in these tenders. This could fatally affect their viability. Their revenues will fall, and so will their ability and incentive to invest in innovation. Their products will therefore gradually lose attractiveness in the eyes of customers. They will progressively be marginalised and may ultimately be forced to leave the market.

If that happens, European consumers would face the consequences of higher prices, reduced choice and less innovation.

**Conclusion**

In today’s decision, we have therefore ordered Broadcom to cease to apply the exclusivity and leveraging provisions contained in its six agreements with manufacturers of TV set-top boxes and modems. Broadcom must also refrain from including the same provisions in any future agreements with these manufacturers. And refrain from implementing other practices that would have an equivalent effect.

Broadcom must comply with these measures within 30 days.

These measures will remain in place for up to three years. They are appropriate and proportionate to address our concerns regarding the proper functioning of competition on the relevant chipset markets. They do not prevent Broadcom from continuing to supply its chipsets to its customers, but they will ensure that Broadcom’s competitors are able to compete on the merits while we complete our investigation.

Our investigation started in October 2018. So it has taken us one year to adopt today’s decision. During that time, we have carried out a thorough investigation by sending Broadcom and third parties several requests for information. In June this year, we issued a Statement of Objections, to which Broadcom replied extensively in writing. Broadcom also had the opportunity to be heard at an oral hearing. Moreover, Broadcom has the right to challenge today’s decision before the European Courts, where it can also ask for a suspension of the interim measures. And of course, in parallel, Broadcom has the right to fully defend itself on the merits of the case as the



Commission's in-depth investigation unfolds.

Proving our cases to the necessary legal standard cannot be compromised. And respect for rights of defence is absolute.

So interim measures are one way to tackle the challenge of enforcing our competition rules in a fast and effective manner. And this is why they are so important. Especially in fast-moving markets. Whenever necessary, I am therefore committed to making the best possible use of this important tool.