Questions and Answers: caps on international calls and SMS within the EU

To what extent calling and sending SMS from one EU country to another one will cost less thanks to the new EU telecoms rules?

As of 15 May 2019, phone calls via landline and mobile phone or SMS made from one EU country to another are capped at 19 cents per minute (+VAT) and 6 cents per SMS (+VAT). This price does not include VAT, which varies depending on the EU Member States of the calling operator (European Member States' rates of VAT range between 17% and 27%). See VAT rates in all EU countries.

Example: Maria lives in Italy and her daughter works in Belgium. She normally calls her daughter for about two hours a month. The call from fixed landline and using a domestic Italian plan would cost $\{0.89\ \text{per minute}$, which means, Maria would spend around $\{105\ \text{every month}$ on calling her daughter. With the new rules, she would pay a maximum of $\{0.23\ \text{(including VAT)}$ per minute, so a maximum of $\{27\ \text{for the same duration of calls}$. This is four times less than before, at a total savings of $\{78\ \text{per month}\}$.

What is the difference between international calls and roaming?

Roaming is when you are using your mobile phone while travelling in another country. Since 15 June 2017, EU citizens can roam at domestic prices when travelling in the EU. People can use their mobiles abroad in the EU at no extra cost. This roam like at home principle is valid for any calls, SMS as well as data use: the tariffs that apply remain the same as when the person is home. Beyond a fair use of roaming services at domestic price, roaming surcharges may be applied to prevent abusive usage of roaming services. More information on the exact conditions is available here.

International calls and SMS (so-called intra-EU communications) means calling a phone number of another EU country with domestic mobile or fixed phone while consumers are at home. Note that as soon as they are abroad, their calls are roaming calls, subject to the EU roaming rules, which means charged as a domestic phone call, even if they call a phone number of another Member State.

Example: Marcin lives in Poland and has a mobile phone with a Polish operator. When he travels to Belgium he is roaming: thanks to the *roam like* at home principle, the tariff of all his calls back to Poland or to any other Member State is the same as if he was in Poland calling a Polish number. While Marcin is at home calling a phone number of another EU country, he will have to pay maximum 19 cents per minute (+VAT).

In which countries do the new rules apply?

In all 28 EU countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden and the United Kingdom.

For calls and SMS originating in Norway, Iceland and Liechtenstein the rules will be applicable as soon as it is incorporated in the European Economic Area agreement.

Is the rule applicable for everybody?

The maximum price is capped only for personal usage, i.e. for private customers. Business customers are excluded from this price regulation, given that several providers have special offers particularly attractive for business customers.

Are there any limits to usage of minutes or SMS with the lower prices?

No, there are no limits.

Example: From Italy, Maria will be able to call her daughter in Belgium as many times as she likes, while paying a maximum 19 cents per minute (+VAT).

Will EU citizens get notified on 15 May of the new prices? If so, how?

Yes. Operators offering their services in the EU are obliged to notify the new tariff prices. The operators will choose how they contact their customers (e.g. by SMS or email).

Are the price caps automatically applicable or do citizens have to do something to benefit from the lower prices?

Operators must offer price caps for international calls and SMS by default. Consumers should therefore automatically benefit from the new tariff once it enters into force, without any further action on their part.

What will happen in the case of bundle services? How will the new price caps affect these offers?

If consumers have a bundle that includes a fixed volume of international calls and/or SMS in the EU for a set price, then the price cap is not applicable.

However, if consumers consider that their bundle no longer offers the best value for money following the entry into force of this price cap, they can always switch to a per-minute tariff for intra-EU calls and SMS.

Example: Mario has a subscription that includes 50 minutes of calls in any EU country, as well as unlimited domestic calls and unlimited domestic data, for €30. There are months when he does not spend the entire 50 minutes, but overall, he has calculated that the subscription is more beneficial for him because it includes other services that he uses a lot. For that reason, he can continue with the same tariff as before. No price cap applies in this

Are there any exceptions to these caps?

Under exceptional circumstances, the <u>National Regulatory Authorities for</u> <u>electronic communications</u> may grant an operator a derogation from the price regulation. The derogation is exceptional and concerns operators that are specialised in international calls, or have a very low profit margin on domestic prices.

The national regulator in charge of telecoms should have a list of providers, which may be granted the exception.

What benefits does the overall EU telecoms reform bring to Europeans?

The price caps for calls within EU are part of the <u>EU-wide overhaul of</u> <u>telecoms rules</u> to strengthen coordination of electronic communications and enhance the role of the Body of European Regulators for Electronic Communications (BEREC).

The new telecoms rules:

- Enhance the deployment of 5G networks by ensuring the availability of 5G radio spectrum by end of 2020 in the EU and providing operators with predictability for at least 20 years in terms of spectrum licensing; including on the basis of better coordination of planned radio spectrum assignments.

- Facilitate the roll-out of new, very high capacity fixed networks:

- with clear rules for co-investments and promoting risk sharing;
- by promoting sustainable competition, especially regarding wiring, ducts and cables inside buildings:
- by creating specific regulatory regime for wholesale-only operators (operators which sell their services only on the wholesale market and have no retail offers).
- Benefit and protect consumers, irrespective of whether end-users communicate through traditional (calls, sms) or web-based services (Skype, WhatsApp, etc.) by:
 - ensuring that all citizens have access to affordable communications services, including universally available internet access, for services such as e-government, online banking or video calls;
 - ensuring that international calls within the EU will not cost more than 19 cents per minute, while making sure that the new rules would not distort competition, innovation and investment;
 - giving equivalent access to communications for end-users with disabilities;
 - promoting better tariff transparency and comparison of contractual offers;
 - guaranteeing better security against hacking, malware, etc.;
 - better protecting consumers subscribing to bundled service packages;

- making it easier to change service provider and keep the same phone number, including rules for compensations if the process goes wrong or takes too long;
- increasing protection of citizens in emergency situations, including retrieving more accurate caller location in emergency situations, broadening emergency communications to text messaging and video calls, and establishing a system to transmit public warnings on mobile phones.

For More Information

Press release

<u>BEREC Regulation</u>

Antitrust: Commission fines AB InBev £200 million for restricting crossborder sales of beer

The European Commission has fined AB InBev €200 409 000 for breaching EU antitrust rules. AB InBev, the world's biggest beer company, has abused its dominant position on the Belgian beer market by hindering cheaper imports of its Jupiler beer from the Netherlands into Belgium.

Margrethe **Vestager**, Commissioner in charge of competition policy, said: "Consumers in Belgium have been paying more for their favourite beer because of AB InBev's deliberate strategy to restrict cross border sales between the Netherlands and Belgium. Attempts by dominant companies to carve up the Single Market to maintain high prices are illegal. Therefore we have fined AB InBev €200 million for breaching our antitrust rules."

Anheuser-Busch InBev NV/SA (AB InBev) is the world's biggest beer brewer. Its most popular beer brand in Belgium is **Jupiler**, which represents approximately 40% of the total Belgian beer market in terms of sales volume. AB InBev also sells Jupiler beer in other EU Member States, including the Netherlands and France. In the Netherlands, AB InBev sells Jupiler to retailers and wholesalers at lower prices than in Belgium due to increased competition.

In <u>June 2016</u>, the Commission opened an antitrust investigation to assess whether AB InBev abused its dominant position on the Belgian beer market by hindering imports of its beer from neighbouring countries, in breach of EU antitrust rules. In <u>November 2017</u>, the Commission issued a Statement of Objections.

Today's decision concludes that **AB InBev is dominant on the Belgian beer market**. This is based on its constantly high market share, its ability to

increase prices independently from other beer manufacturers, the existence of barriers to significant entry and expansion, and the limited countervailing buyer power of retailers given the essential nature of some beer brands sold by AB InBev.

Market dominance is, as such, not illegal under EU antitrust rules. However, dominant companies have a special responsibility not to abuse their market power by restricting competition, either in the market where they are dominant or in separate markets.

AB InBev abused its dominant market position in Belgium by pursuing a deliberate strategy to restrict the possibility for supermarkets and wholesalers to buy Jupiler beer at lower prices in the Netherlands and to import it into Belgium. The overall objective of this strategy was to maintain higher prices in Belgium by limiting imports of less expensive Jupiler beer products from the Netherlands. AB InBev used four different ways to achieve this:

- 1) AB InBev changed the packaging of some of its Jupiler beer products supplied to retailers and wholesalers in the Netherlands to make these products harder to sell in Belgium, notably by removing the French version of mandatory information from the label, as well as changing the design and size of beer cans.
- 2) AB InBev limited the volumes of Jupiler beer supplied to a wholesaler in the Netherlands, to restrict imports of these products into Belgium.
- 3) A number of AB InBev's products are very important for retailers in Belgium as customers expect to find them on their shelves. AB InBev refused to sell these products to one retailer unless the retailer agreed to limit its imports of less expensive Jupiler beer from the Netherlands to Belgium.
- 4) AB InBev made customer promotions for beer offered to a retailer in the Netherlands conditional upon the retailer not offering the same promotions to its customers in Belgium.

On this basis, the Commission concluded that AB InBev abused its dominant position from 9 February 2009 until 31 October 2016 in breach of EU antitrust rules. It deprived European consumers of one of the core benefits of the European Single Market, namely the possibility to have more choice and get a better deal when shopping.

As a result, the Commission decided to impose a fine on AB InBev.



Cooperation with AB InBev

AB InBev has cooperated with the Commission beyond its legal obligation to do so, in particular by expressly acknowledging the facts and the infringement of EU competition rules and by proposing a remedy.

More specifically, the **remedy will ensure that AB InBev provides mandatory food information in both French and Dutch** on the packaging of its products. The remedy will specifically ensure that the packaging of all existing and new products in Belgium, France and the Netherlands will include mandatory food information in both Dutch and French for the next five years. The Commission decision has made this remedy legally binding on AB InBev.

Therefore, the Commission granted AB InBev a 15% fine reduction in return for this cooperation. Further information on this type of cooperation can be found on the <u>Competition</u> website.

Fines

The fines were set on the basis of the <u>Commission's 2006 Guidelines on fines</u> (see <u>press</u> release and <u>MEMO</u>). In setting the level of the fine, the Commission took into account several factors, including the value of AB InBev's sales of Jupiler beer in Belgium and the Netherlands, the gravity of the infringement and its duration, as well as the fact that AB InBev cooperated with the Commission during the investigation.

The fine imposed by the Commission on AB InBev amounts to €200 409 000. The infringement of EU competition rules lasted from 9 February 2009 until 31 October 2016.

Fines imposed on companies found in breach of EU antitrust rules are paid into the general EU budget. However, the money is not earmarked for particular expenses, instead Member States' contributions to the EU budget for the following year are reduced accordingly. The fines therefore help to finance the EU by reducing taxpayers' contributions.

Background

Through market monitoring the Commission identified ex-officio restrictions for the imports of consumer goods into Belgium from neighbouring Member States. On 30 June 2016, the Commission opened an antitrust procedure to assess whether AB InBev was abusing its dominant position in the Belgian wholesale beer market to illegally restrict imports of cheaper beer into Belgium. On 30 November 2017, the Commission adopted a Statement of Objections alleging that AB InBev engaged in restrictive practices constituting an abuse of dominance under EU antitrust rules.

<u>Article 102</u> of the Treaty on the Functioning of the European Union (TFEU) prohibits the abuse of a dominant position, which may affect trade and prevent or restrict competition.

Today's decision finds that the four abovementioned practices used by AB InBev infringed Article 102 of the Treaty because AB InBev holds a dominant position in Belgium. Such practices restricting imports within the Single Market may also constitute an infringement of Article 101 of the Treaty if they are the result of an agreement or concerted practice between independent companies, whether a supplier is dominant or not.

More information on today's decision will be available on the Commission's Competition website in the public case register under the case number AT.40134 once any confidentiality issues have been resolved.

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 that has become final 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 <u>Antitrust Damages Directive</u>, which Member States had to implement in their legal systems by 27 December 2016, makes it <u>easier for victims of anticompetitive practices to obtain damages</u>. 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.

ESMA issues two positive opinions on national product intervention measures

The European Securities and Markets Authority (ESMA) has today issued two positive opinions on proposed product intervention measures taken by Finanzmarktaufsicht (FMA) of Austria. ESMA's opinion finds that the proposed measures are justified and proportionate and that it is necessary for NCAs of other Member States to take product intervention measures that are at least as stringent as ESMA's measures.

ESMA's has issued following opinions on proposed national product intervention measures:

Background

NCAs may take product intervention measures in accordance with Article 42 of Regulation (EU) No 600/2014. At least one month before a measure is intended to take effect, an NCA must notify all other NCAs and ESMA of the details of its proposed measure and the related evidence, unless there is an exceptional case where it is necessary to take urgent action.

In accordance with Article 43 of Regulation (EU) No 600/2014, ESMA performs a facilitation and coordination role in relation to such product intervention measures taken by NCAs. After receiving notification from an NCA of its proposed measure, ESMA must adopt an opinion on whether the proposed measure is justified and proportionate. If ESMA considers that the taking of a measure by other NCAs is necessary, it must state this in its opinion.

The opinions that ESMA previously issued on proposed national product intervention measures are published on its <u>website</u>.

New ACP-EU Partnership: Chief negotiators conclude successful series of regional consultations, culminating with African leaders' meeting

Today, in Eswatini, Chief negotiators Neven **Mimica** and Robert Dussey met with African Ministers to discuss the African pillar of the future partnership

between the EU and 79 countries in Africa, the Caribbean and the Pacific (ACP).

As with other regional consultations held in the Pacific and the Caribbean regions, the objective was to discuss specific needs and priorities of the region, while exploring how to best address them in the future ACP-EU agreement. It is expected that today's discussion will fuel and enrich the tailor-made Africa pillar to be created within the future ACP-EU agreement, also known as the "post-Cotonou" agreement.

In Mbabane, Eswatini, the EU's Chief Negotiator, Commissioner for International Cooperation and Development Neven Mimica, said: "Today's meeting has given us a strong basis and political direction on how to reinforce EU-Africa relations under our future agreement. We believe that further driving economic growth to improve people's lives and reduce poverty should be at the heart of our work. Other priorities include promoting democratic principles, while protecting our citizens and our environment."

Professor Robert **Dussey**, the ACP's Chief Negotiator and Chair of the Ministerial Central Negotiating Group, who is also the Minister for Foreign Affairs, Cooperation and Africa integration of Togo, said: "The just completed consultation for the Africa region adds to the outcome of consultations for the Caribbean and the Pacific, which have helped us understand better the priorities of the ACP regions. This is critically important in the context of current negotiations for a new ACP-EU Partnership Agreement. We remain focused on working with our EU partners to address the priorities of the three regions."

The Minister of Foreign Affairs and International Cooperation of Eswatini, Thuli **Dladla** added: "The Kingdom of Eswatini is honoured and proud as lead negotiator for the Africa Protocol and host to the just-concluded consultations to have facilitated the expression of Africa's strategic priorities which has set the stage for real engagement to reach a mutually beneficial agreement with the European Union."

Background

The Cotonou Agreement currently governing EU-ACP relations is due to expire in 2020. Negotiations on a new ACP-EU Partnership were launched in New York on 28 September 2018 in the margins of the United Nations General Assembly.

The two first series of talks mainly focused on the common foundation at EU-ACP level. This contains the values and principles that bring the EU and ACP countries together. It also indicates the strategic priority areas that the two sides intend to prospectively work on together. The envisaged structure of the future agreement includes a common foundation and specific, action-oriented regional pillars, to focus on each region's needs. To that end, the first round of consultations on the regional pillars is now concluded. Through the future partnership, EU and ACP countries will seek closer political cooperation on the world stage. Together, they represent more than half of all UN member countries and unite over 1.5 billion people.

For more information

Q&A on the future EU-ACP partnership

EU Negotiation directives

ACP Negotiation directives

<u>Press release - New ACP-EU partnership: EU discusses future EU-Caribbean</u> relations

<u>Press release - New ACP-EU Partnership: EU and ACP Leaders intensify the regional talks in Samoa</u>

Main topics and media events 6 - 19 May 2019

Overview of the main subjects to be discussed at meetings of the Council of the EU over the next two weeks.

Informal meeting of heads of state or government, Sibiu, 9 May 2019

EU leaders will discuss the EU's next strategic agenda for the period 2019-2024. They will exchange views on the challenges and priorities for the EU for the years to come.

Eastern Partnership Foreign Ministers meeting, 13 May 2019

EU foreign ministers will meet with their counter-parts from the Eastern Partnership (EaP) countries (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine) for their annual meeting in this format. The meeting will be followed by a working lunch, marking the 10th anniversary of the Eastern Partnership.

Foreign Affairs Council, 13 May 2019

The Council will review current affairs. It will discuss recent developments in Libya. Foreign ministers will then have an exchange of views on the Sahel, in view of their joint session the next day with foreign and defence ministers of the G5 Sahel countries (Burkina Faso, Chad, Mali, Mauritania and Niger). The joint session will also include EU defence ministers.

Agriculture and Fisheries Council, 14 May 2019

The Council will have exchanges of views on the 2020 CAP reform package, the Commission's communication "A clean planet for all", and trade-related agricultural issues.

Foreign Affairs Council (Defence), 14 May 2019

The Council will start with a joint session of defence ministers with foreign ministers on the Sahel, together with foreign and defence ministers of the G5 Sahel countries (Burkina Faso, Chad, Mali, Mauritania and Niger). Defence ministers will then discussed PESCO, and exchange views on EU-NATO cooperation with Deputy Secretary-General Rose Gottemoeller.

Foreign Affairs Council (Development), 16 May 2019

The Council will discuss the 2030 agenda and climate change, youth and development, as well as how to step up the EU engagement in the Sahel. Development ministers will also discuss the future of the financial architecture for sustainable development and neighbourhood.

Economic and Financial Affairs Council, 17 May 2019

The Council will discuss international issues, including digital taxation in the international context, outcome and preparations of international meetings and the setup of the coalition of finance ministers for climate actions. Ministers will also try to reach a political agreement on a set of new excise duty rules applicable in the EU regime and discuss the way forward on the reform support programme proposal.