



## **European Commission Work Programme 2018. February 2018.**

Every year, the European Commission (EC) presents a work programme that establishes its key initiatives for the following year. The work programme allows it to inform citizens and institutional agents about the Commission's political priorities and how these will be converted into concrete actions.

In October 2017, the EC presented its work programme for 2018. This is the fourth programme presented under the mandate of its President, Jean-Claude Juncker. It includes concrete initiatives to complete the ten political priorities set at the start of his mandate in July 2014, and a series of future initiatives to give shape to the new European Union of 27 States (EU-27) for 2025.

The EC has already delivered over 80% of the key necessary proposals for undertaking such important projects as the Digital Single Market, the Energy Union, the Capital Markets Union, the Banking Union, the Security Union and a comprehensive European migration policy. The priority is now to turn these proposals into EU legislation and legislation into implementation.

2018 will be a decisive year in which the European Union (EU) has an opportunity to act and make a difference, delivering concrete results for its citizens that they can feel in their daily lives. In this regard, the EC has expressed its intention to work intensely over the coming months with the European Parliament and the Council to ensure that by the time citizens go to the polls for the next 2019 European elections, they will be able to judge the work of the European institutions through the tangible results that their policies have had on their daily lives.

Europe is visibly regaining its strength. The European economy has grown faster than that of the United States over the last two years, with current growth at over 2% for the EU as a whole and 2.2% for the euro area. Almost 8 million jobs have been created since 2014 thanks in part to the work performed by EU institutions, the contribution of the European Fund for Strategic Investments, the Youth Guarantee, the European Structural and Investment Funds and the monetary policy of the European Central Bank

EU leaders at the Rome summit in March declared their intention to make the European Union stronger, promoting even greater unity and solidarity amongst its members and respect for common rules. In September 2017, President Juncker presented his State of the Union Address, taking as a basis the debate initiated by the EC in its White Paper on the Future of Europe, published in March 2017. Finally, in December 2017, the Presidents of the European Parliament, the Council and the European Commission signed a Joint Declaration on the EU's legislative priorities, which established the major objectives and lines of action for 2018 and identified the legislative proposals to be given priority treatment.

### EC Work Programme 2018

The programme provides the basis for this common European effort and aims to make the most of the current momentum by establishing a twofold objective.

**Firstly, the programme aims to complete the EC's work on the ten priority political areas, establishing a limited number of targeted legislative actions** which will be tabled no later than May 2018 in order to allow the European Parliament and the Council time to complete its legislative work before the 2019 European elections.

**Secondly, the programme presents a number of ambitious initiatives and forward-looking measures aimed at the new EU-27 in 2025.** The EC also wants to deliver all these initiatives by the end of the current mandate.

Finally, the work programme also includes a number of proposals that follow on from Regulatory Fitness and Performance Programme (REFIT).

Specifically, the EC has identified **66 priority pending legislative proposals on which the European Parliament and the Council should reach an agreement in 2018.** In order to focus on these proposals, the EC also proposes the **withdrawal of 15 pending legislative proposals and the repeal of three pieces of legislation in force.**

#### Actions to complete the ten key political priorities set by the Juncker Commission

The initiatives included in the work programme 2018 to complete the ten political priorities that the Juncker Commission established at the start of his mandate are as follows:

##### *1. A new boost for jobs, growth and investment*

In this area, the work programme includes three main actions:

- a) Delivering a Circular Economy Action Plan, which includes, inter alia, a proposal for a Regulation on minimum quality requirements for reused water. It also includes drawing up a strategy on plastics use, reuse and recycling and a new monitoring framework for the circular economy (last quarter of 2017). It also establishes a REFIT revision of the Drinking Water Directive.
- b) Delivery of a multi-annual financial framework, by means of a comprehensive proposal for the future Multi-Annual Financial Framework beyond 2020, with proposals for the next generation of programmes and resources (second quarter of 2018).
- c) Reflection paper "Towards a Sustainable Europe by 2030", on the follow-up to the United Nations Sustainable Development Goal, including on the Paris Agreement on Climate Change (second quarter of 2018).

##### *2. A Connected Digital Single Market*

The objective in this area is to complete the Digital Single Market, with a **legislative proposal on fairness in platform-to-business relations** (first quarter of 2018). It also proposes other non-legislative initiatives, such as how to address online platform challenges as regards the spreading of fake information (first quarter of 2018) and a revision of the EC Guidelines on market analysis and an assessment of significant market power in the electronic communications sector (second quarter of 2018).

##### *3. A Resilient Energy Union with a Forward-Looking Climate Change Policy*

With the aim of completing the Energy Union, it includes a legislative proposal on common rules for gas pipelines entering the European internal gas **market** (fourth quarter of 2017). Another initiative that will be launched with a 2025 perspective is a Communication on the future of EU energy and climate policy, including the future of the Euratom Treaty (second quarter of 2018).

##### *4. A deeper and fairer Internal Market with a strengthened industrial base*

There are five lines of actions in this area, with the most important measures being the following:

a) Fair taxation in the digital economy: including a legislative proposal establishing rules at an **EU level allowing taxation of profits by multinationals through the digital economy** (first quarter of 2018).

b) Social fairness package: this includes several legislative proposals, such as the **establishment of a European Labour Authority, access to social protection for atypical self-employed workers and the creation of a European Social Security number** (second quarter of 2018).

c) EU food supply chain: this includes a **legislative proposal to improve the EU food supply chain** (first quarter of 2018).

d) Completing the Capital Markets Union: in this field, the programme proposes several legislative measures, such as the proposal for a **revised framework for investment firms** (the EC published a proposal in the fourth quarter of 2017), **an Action Plan on sustainable finance**, an **EU framework on crowd and peer-to-peer finance and the proposal of a European enabling framework for covered bonds** (these last three in the first quarter of 2018). It also includes non-legislative initiatives on financial technology (first quarter of 2018).

As part of the REFIT Programme, it proposes, during the first quarter, a **legislative initiative on reducing barriers to cross-border distribution of alternative investment funds and UCITS** and another for **more efficient Single Market law-making** (with a 2025 perspective). Specifically, the EC will work on a Communication on the possibility of further enhancing the use of qualified majority voting and of the ordinary legislative procedure in internal market matters.

#### 5. *A deeper and fairer Economic and Monetary Union*

a) Completing the Economic and Monetary Union: firstly, the programme includes legislative proposals for the **transformation of the European Stability Mechanism into a European Monetary Fund within EU law** and for the integration of the substance of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union into EU law (the EC published two corresponding initiatives in the last quarter of 2017).

Also for the last quarter, it includes other non-legislative initiatives such as the creation of a dedicated euro area budget line within the EU budget providing for four functions: (1) structural reform assistance, (2) a stabilisation function, (3) a backstop for the Banking Union, and (4) a convergence instrument to give pre-accession assistance to Member States on their way to euro membership.

b) Completing the Banking Union: In this area, it includes three legislative proposals for the **development of secondary markets for non-performing loans**, for **protection of secured creditors from business borrowers' default** and an **enabling framework for the development of EU sovereign bond-backed securities** (first quarter of 2018).

c) Creation of a permanent and accountable European Minister of Economy and Finance: at the end of 2017, the EC issued a Communication on the possible creation of a permanent European Minister of Economy and Finance who is democratically accountable.

#### 6. *Trade: a balanced and progressive trade policy to harness globalisation*

Delivering on the "Trade for All" Strategy: the programme includes finalising agreements with Japan, Singapore and Vietnam, pursuing negotiations with Mexico and MERCOSUR and advancing negotiations with Australia and New Zealand.

#### 7. *An Area of Justice and Fundamental Rights Based on Mutual Trust*

a) Completing the Security Union: the programme includes legislative proposals to allow **interoperability between EU information systems for security, border and migration management** (fourth quarter of 2017) and a **proposal to improve cross-border access of law enforcement authorities to electronic evidence** (second quarter of 2018).

Furthermore, in the context of the REFIT revision, it proposes, inter alia, various initiatives for the second quarter of 2018 aimed at **facilitating cross-border access to and use of financial data by law enforcement authorities**.

b) EU Civil Protection Mechanism: it includes a legislative proposal for a Decision of the European Parliament and of the Council for a fully-fledged European Union Civil Protection Mechanism with own operational capacities (fourth quarter of 2018).

c) Extension of the tasks of the new European Public Prosecutor's Office: with the perspective of the configuration of the new EU-27 in 2025, the programme includes issuance of a Communication on a possible extension of the tasks of the new European Public Prosecutor's Office to include the fight against terrorism.

d) Rule of Law: also with a 2025 perspective, the programme includes an initiative to strengthen the enforcement of the Rule of Law in the European Union (fourth quarter of 2018).

### 8. *Towards a New Policy on Migration*

The objective is to implement the European Agenda on Migration, to which end the programme includes a legislative revision of the common visa code (first quarter of 2018).

### 9. *Making Europe a Stronger Global Player*

a) Delivering on the Global Strategy: this includes, among other initiatives, an EU strategy on connecting Europe and Asia, establishing a renewed partnership with Latin America and the Caribbean and new frameworks for engagement with India, Iran and Iraq (first half of 2018).

b) A credible enlargement perspective: with a 2025 perspective, the EC will implement a **Strategy for the successful EU accession of Serbia and Montenegro** (first quarter of 2018), with a particular emphasis on the rule of law, fundamental rights, the fight against corruption and organised crime and on the overall stability of the region.

### 10. *A Union of Democratic Change*

In the second quarter of 2018, the Commission plans to issue a Communication on how to make the Union more united, stronger and more democratic in communication terms and, in the third quarter of 2018, a Communication on further enhancing subsidiarity, proportionality and better regulation in the daily operation of the European Union and another Communication on options for enhancing efficiency at the helm of the European Union. The EC will work on how the EU could make use of the so-called "*passerelle clauses*" in the current Treaties which allow it to move from unanimity to qualified majority voting in certain areas if all Heads of State or Government agree to do so or give back competences to Member States where it makes sense to do so.

#### Pending legislative proposals that the EC considers priorities

From among the **EC's 66 priority pending proposals**, below we highlight the most important for the purposes of the financial sector:

- *A New Boost for Jobs, Growth and Investment*: In particular, a proposal for a Regulation as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of

technical enhancements for that Fund and the European Investment Advisory Hub.

- *A Connected Digital Single Market*. In this area, the EC's priorities include the following legislative proposals:

- A Directive on certain aspects concerning contracts for the supply of digital content
- A Directive on certain aspects concerning contracts for the online and other distance sales of goods
- A Directive establishing the European Electronic Communications Code
- A Regulation on data protection in the electronic communications sector
- A Regulation amending the Regulation on the protection of individuals with regard to the processing of personal data by the Union institutions, bodies, offices and agencies
- A Regulation on the framework for the free flow of non-personal data in the EU.
- A Regulation on ENISA, the "EU Cybersecurity Agency" and on information and communication technology cybersecurity certification

- *A Resilient Energy Union with a Forward-Looking Climate Change Policy*. The EC's priorities include various initiatives relating to the "Clean Energy Package" and the "Climate package", in particular, the following legislative proposals:

- A Directive on energy efficiency
- A Directive on the promotion of the use of energy from renewable sources
- A Directive on the internal market in electricity
- A Regulation establishing a European Union Agency for the Cooperation of Energy Regulators and another Regulation on the Governance of the Energy Union

- *A Deeper and Fairer Internal Market with a Strengthened Industrial Base*. In this area, the EC highlights the following pending legislative proposals:

- A Directive on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures
- A Regulation on a pan-European personal pension product (PEPP)
- A Regulation amending EMIR as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories
- A Regulation amending Regulation (EU) No 1095/2010, establishing a European Supervisory Authority (European Securities and Markets Authority) and amending Regulation (EU) No 648/2012 as regards the procedures and authorities involved for the authorisation of CCPs and requirements for the recognition of third-country CCPs
- A Council Directive on a common corporate tax base
- A Directive on a common consolidated corporate tax base (CCCTB)
- A Council Regulation amending Regulation (EU) No 904/2010, on administrative cooperation and combating fraud in the field of value added tax
- A Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements

- *A Deeper and Fairer Economic and Monetary Union*. In this area, the EC sets priority pending legislative proposals which include the following:

- A Regulation amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements.

- A Regulation amending Regulation (EU) No 806/2014 as regards loss-absorbing and recapitalisation capacity for credit institutions and investment firms
- A Directive amending Directive 2014/59/EU on loss-absorbing and recapitalisation capacity of credit institutions and investment firms
- A Directive on the ranking of unsecured debt instruments in insolvency hierarchy
- A Directive amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures
- A Regulation on a framework for the recovery and resolution of central counterparties
- A Regulation amending Regulation No 806/2014 in order to establish a European Deposit Insurance Scheme

- *An Area of Justice and Fundamental Rights based on Mutual Trust*: with regard to money-laundering and terrorist financing, the EC believes it is a priority to process the proposal for a new Directive amending Directive (EU) 2015/849, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and a proposal for a Regulation on the mutual recognition of freezing and confiscation orders.

**Among the rules that the EC proposes to withdraw in the field of the financial sector**, we can highlight a Regulation of the European Parliament and of the Council on structural measures to improve the resilience of EU credit institutions, as no agreement is expected to be reached as the file has not progressed since 2015. In addition, the financial stability rationale of the proposal has in the meantime been addressed by other regulatory measures in the banking sector and most notably the entry into force of the Banking Union's supervisory and resolution arms.

Finally, it is important to highlight that the work programme also sets out as **a priority the support that the EC provides to Member States to ensure that EU rules are applied effectively and consistently**. The Commission will also **pay particular attention to independent administrative authorities or inspectorates being sufficiently and adequately equipped and having the necessary independence to perform their tasks** (including national financial supervisory authorities).

**Links of interest:**

[COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS. Commission Work Programme 2018](#)

[European Commission -President Jean-Claude Juncker. State of the Union Address 2017](#)

[Joint Declaration on the EU's legislative priorities for 2017. 13 December 2016. Delivering a Europe that protects, empowers and defends](#)

[European Commission White Paper on the Future of Europe 01 March 2017.](#)