

**FOLLOW-UP PROVIDED BY THE COMMISSION TO THE OPINIONS
OF THE**

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

PLENARY SESSION OF JANUARY 2018

N°	Title	References
DG ECFIN		
1.	<p>Euro area economic policy 2018</p> <p>Recommendation for a Council Recommendation on the economic policy of the euro area</p> <p>Rapporteur: Javier DOZ ORRIT (GRII-ES)</p>	<p>COM(2017) 770 final</p> <p>EESC-2017-05444-00-00-AC-TRA</p> <p>ECO/444</p>
DG GROW		
2.	<p>The annual Union work programme for European standardisation for 2018 (communication)</p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The annual Union work programme for European standardisation for 2018</p> <p>Rapporteur: Juan MENDOZA CASTRO (GRII-ES)</p>	<p>COM(2017) 453 final</p> <p>EESC-2017-04398-00-00-AC-TRA</p> <p>INT/830</p>
3.	<p>Promoting SMEs in Europe with a special focus on a horizontal legislative SME approach and respect of the SBA's "think small first"</p> <p>Rapporteur: Milena ANGELOVA (GRI-BG) Co-rapporteur: Panagiotis GKOFAS (GRIII-EL)</p>	<p>EESC-2017-04540-00-00-AC-TRA</p> <p>INT/832</p> <p>Exploratory opinion requested by the Bulgarian presidency</p>
4.	<p>Adopting a comprehensive approach to industrial policy in the EU – improving business environment and support for the competitiveness of the European industry</p> <p>Rapporteur: Gonçalo LOBO XAVIER (GRI-PT) Co-rapporteur: Dirk BERGRATH (GRII-DE)</p>	<p>EESC-2017-04732-00-00-AC-TRA</p> <p>INT/833</p> <p>Exploratory opinion requested by the Bulgarian Presidency</p>

DG MOVE		
5.	<p>Aviation: open and connected Europe</p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Aviation: open and connected Europe</p> <p>Proposal for a Regulation of the European Parliament and of the Council on safeguarding competition in air transport, repealing Regulation (EC) No 868/2004</p> <p>Rapporteur: Jacek KRAWCZYK (GRI-PL)</p>	<p>COM(2017) 286 final</p> <p>COM(2017) 289 final - 2017/0116 COD</p> <p>EESC-2017-03714-00-00-AC-TRA</p> <p>TEN/641</p>
6.	<p>Driving and rest time periods, working time and posting of workers</p> <p>Proposal for a Directive of the European Parliament and of the Council amending Directive 2006/22/EC as regards enforcement requirements and laying down specific rules with respect to Directive 96/71/EC and Directive 2014/67/EU for posting drivers in the road transport sector</p> <p>Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 561/2006 as regards on minimum requirements on maximum daily and weekly driving times, minimum breaks and daily and weekly rest periods and Regulation (EU) 165/2014 as regards positioning by means of tachographs</p> <p>Rapporteur: Tanja BUZEK (GR1I-DE)</p>	<p>COM(2017) 278 final – 2017/0121 COD</p> <p>COM(2017) 277 final – 2017/0121 COD 2017/0122 COD</p> <p>EESC-2017-02852-00-00-AC-TRA</p> <p>TEN/637</p>
7.	<p>Access to the international road haulage market and the occupation of road transport operator (revision)</p> <p>Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1071/2009 and Regulation (EC) No 1072/2009 with a view to adapting them to developments in the sector</p> <p>Rapporteur: Stefan BACK (GRI-SE) Rapporteur: Pasi MOISIO (GR1I-1I)</p>	<p>COM(2017) 281 final – 2017/0123 COD</p> <p>EESC-2017-02846-00-00-AC-TRA</p> <p>TEN/636</p>

8.	<p>Rail passengers' rights and obligations</p> <p>Proposal for a Regulation of the European Parliament and of the Council on rail passengers' rights and obligations (recast)</p> <p>Rapporteur: Jan SIMONS (GRI-NL)</p>	<p>COM(2017) 548 final – 2017/0237 COD</p> <p>EESC-2017-04887-00-00- AC-TRA</p> <p>TEN/648</p>
DG TAXUD		
9.	<p>Disincentives to tax avoidance or evasion</p> <p>Proposal for 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</p> <p>Rapporteur: Victor ALISTAR (GRIII-RO) Co-rapporteur: Petru Sorin DANDEA (GRII-RO)</p>	<p>COM(2017) 335 final – 2017/0138 CNS</p> <p>EESC-2017-03232-00-00- AC-TRA</p> <p>ECO/436</p>
DG HOME		
10.	<p>Combating fraud and counterfeiting of non-cash means of payment</p> <p>Proposal for a Directive of the European Parliament and of the Council on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA</p> <p>Rapporteur: Victor ALISTAR (GRIII-RO)</p>	<p>COM(2017) 489 final – 2017/0226 COD</p> <p>EESC-2017-04514-00-00- AC-TRA</p> <p>INT/831</p>

<p>N°1 Recommendation for a Council Recommendation on the economic policy of the euro area COM(2017) 770 final EESC 2017/5444 – ECO/444 531st Plenary Session - January 2018 Rapporteur: Mr Javier DOZ ORRIT (GRIL-ES) DG ECFIN - Commissioner MOSCOVICI</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.6. After carefully weighing up the relative opportunities and risks arising from the above factors, the European Economic and Social Committee disagrees with the European Commission's proposal for an overall broadly neutral fiscal stance and instead proposes a positive fiscal stance of around 0.5% of Gross Domestic Product. The likelihood of a slowdown in growth between 2017 and 2019, which the Commission forecasts, the change announced in the European Central Bank's monetary policy, the persistence of a clear investment deficit and world trade and geopolitical risks would also require that the baton be passed from monetary policy to fiscal policy.</p>	<p>The Commission explained the rationale behind the recommended overall fiscal stance in the Staff Working Document supporting the Euro Area Recommendation¹. In light of the current economic recovery characterised by some atypical features, the debt legacy from the crisis and the expected recalibration of asset purchases by the European Central Bank, a broadly neutral fiscal stance seems appropriate. On the one side, there seems to be scope for supporting demand without triggering inflationary pressure. On the other side, positive developments suggest that this could be the right moment to consolidate public finances and build buffers. In view of these considerations, the most appropriate stance appears to be a broadly neutral one. The European Fiscal Board also shared this view in its first annual report.</p>
<p>1.7. A fiscal stimulus focusing on public investment would deliver stronger demand in the short-term but also expand growth</p>	<p>The Commission agrees with the importance of boosting investment. It is one of the key priorities of the 2018</p>

¹ SWD(2016) 391 final.

<p>potential in the long-term, thus addressing the question of public debt sustainability. Such public investment should focus not just on infrastructure but also on education and skills policies ("social investment"), thus helping to implement some of the principles of the recently proclaimed European Pillar of Social Rights.</p>	<p>Annual Growth Survey, alongside structural reforms and responsible fiscal policies. Member States should prioritise investments that can increase potential growth. Investments in high quality education and training, investment aimed at boosting labour productivity growth together with active labour market policies are crucial for integrating people in the labour market. Public investment should be mobilised in areas where social returns strongly exceed private returns.</p> <p>The recommendation for the euro area highlights the importance of public investment in education and healthcare, which contributes to economic and social convergence.</p> <p>The European Structural and Investment Funds will support the implementation of the European Pillar of Social Rights. In particular, the European Social Fund, as well as other key initiatives for social cohesion such as the Youth Employment Initiative, the European Globalisation Fund and the Fund for European Aid to the Most Deprived, will play a key role in the follow-up to the Pillar.</p>
<p>1.8. The European Economic and Social Committee recommends that in applying the fiscal rules, the Commission should exclude public expenditure on investment from the scope of application of the Stability and Growth Pact.</p>	<p>Public investment can play an important role in supporting demand and growth. Recognising the importance of investments for growth and jobs, investment already receives special treatment under the Stability and Growth Pact through the provisions on 'relevant factors' and 'investment clause', as well as under the 'expenditure benchmark'. However, a golden rule is not desirable as it risks</p>

	<p>undermining the sustainability of government debt. The sustainability of public finances can be safeguarded only if the pace of total government expenditure, including investment expenditure, does not exceed the pace of total government revenues. Furthermore, it could also lead to creative accounting.</p>
<p>1.10. The European Economic and Social Committee commends the Commission for calling on Member States to combat tax avoidance, among other things by continuing to work towards the establishment of a Common Consolidated Corporate Tax Base. It also considers it a priority that, for economic, political and ethical reasons, the European Institutions and the Member States implement effective measures – those already agreed upon and new ones – against tax fraud, money laundering and the illicit activities of tax havens.</p>	<p>The Commission welcomes the support of the Committee for its proposals for a Common Consolidated Corporate Tax Base and agrees on the need for its urgent adoption. The establishment of the Common Consolidated Corporate Tax Base will contribute significantly to curbing tax avoidance while also providing companies in the European Union with a single, growth-friendly and fair corporate tax system.</p>
<p>1.11. The European Economic and Social Committee supports the necessary steps for deepening the Economic and Monetary Union, including full and speedy completion of both the Banking Union – European Deposit Insurance Scheme, common backstop for the Single Resolution Fund and the strengthening of the European supervisory framework for avoiding the accumulation of risks – and the Capital Markets Union. Both should not only contribute to better and more diversified financing of the economy, but at the same time should make the financial and economic system safer, more stable and more resilient to shocks through more cross-border private risk-sharing and</p>	<p>The Commission welcomes the Committee's support for the next steps to be taken for deepening the Economic and Monetary Union and completing the Banking Union. The completion of the Banking Union requires political agreement on a number of key files, work on which should proceed in parallel. This means reaching political agreement on the risk reduction measures, the European Deposit Guarantee Scheme and the common backstop to the Single Resolution Fund.</p> <p>With respect to the European Deposit Insurance Scheme, the Commission set out its ideas for the way forward in its October 2017 Communication on</p>

<p>financial integration.</p>	<p>completing the Banking Union, and urged the European Parliament and the Council to reach an agreement in the course of 2018. Concerning the backstop, as part of the 6 December 2017 Economic and Monetary Union deepening package, the Commission adopted its proposal for the integration of the European Stability Mechanism into the Union framework as the European Monetary Fund, with a backstop function.</p>
<p>1.12. In line with its previous opinion ECO/435, the European Economic and Social Committee reiterates its view that the euro is the currency of the whole of the European Union and emphasises the need to:</p> <ul style="list-style-type: none"> - create a fiscal union; - strengthen Member States' responsibility for and ownership of obligations vis-à-vis the Economic and Monetary Union; - introduce structural reforms within the European Semester platform; - further strengthen economic coordination and governance, and create a European Monetary Fund; - improve the system of financial intermediation, leading to the reinforcement of real long-term investment by optimising the role of the European Investment Bank, the European Investment Fund and the European Fund for Strategic Investments 2.0 (EFSI 2.0); - make the Economic and Monetary Union more resilient so that it can exert greater influence in the world. 	<p>The Commission welcomes the reiterated support of the Committee to these important goals. It is in this spirit that the Commission put forward a package of proposals in December 2017 for making the Economic and Monetary Union stronger, fairer and more resilient. The initiatives tabled have the ultimate aim of providing jobs, growth, social fairness, economic convergence and financial stability.</p> <p>The European Fund for Strategic Investments is a great example of what can be done to help scarce public resources achieve more: over the last year the average size of the projects financed by the European Investment Bank has diminished, the number of new clients increased and the level of risk has peaked. The European Investment Bank Group is enabling more and more firms and public entities to invest and, ultimately, improving the system of financial intermediation.</p>
<p>3.5. In addition to the changes in monetary policy and the projected slowdown</p>	<p>As mentioned above, other important factors concur in determining a broadly</p>

<p>in growth after 2018, there are other reasons for proposing a moderately positive fiscal stance in the euro area, which the European Economic and Social Committee would set at 0.5% of Gross Domestic Product: its persistent investment deficit, which does not occur in other economic regions of the world; a rate of unemployment that is too high – 9.1% in 2017; and the persistence of geopolitical risk and risks in world trade due to the emergence of protectionist policies, particularly on the part of the United States. It is therefore necessary for the policy mix to use all the instruments that favour sustainable growth.</p>	<p>neutral fiscal stance as appropriate for the euro area.</p> <p>If, on the one side, there seem to be good reasons for supporting demand, as stressed in this opinion, on the other hand, the positive cyclical phase suggests that this is the right time to consolidate public finances and build buffers. The most appropriate stance appears to be a broadly neutral one.</p>
<p>3.6. The European Economic and Social Committee thinks that a somewhat more expansionary fiscal stance for the euro area as a whole than that currently proposed by the European Commission would be beneficial for recovery and compatible in the longer term with public debt sustainability. Applying the Golden Rule for Investment (including social investment) in implementing the fiscal rules would help in this respect and create a favourable context for more inclusive growth and upwards convergence. It would be equally helpful to boost socially responsible investment and investment geared towards attaining the United Nation's Sustainable Development Goals.</p>	<p>The fiscal stances for Member States and at aggregate level for the euro area have to balance the objectives of ensuring the long-term sustainability of national public finances and the short-term macroeconomic stabilisation.</p> <p>A Golden Rule for Investment risks undermining the sustainability of public finances. The treatment of investments in the Stability and Growth Pact strikes an adequate balance between the importance of targeted, productive investment for growth and jobs and the necessity for national authorities to ensure that their public investments are adequately financed.</p> <p>The Commission agrees with the importance of boosting socially responsible investment and investment geared to attaining the United Nation's Sustainable Development Goals. This is in line with the Social Investment Package adopted by the Commission in 2013 and with the European Pillar of Social Rights. Social investment is necessary for sustainable growth and</p>

	<p>better resilience of economies. Social investments will benefit the entire society through higher productivity, higher employment, better health and social inclusion and more inclusive growth.</p>
<p>3.11. The European Economic and Social Committee believes that priority in structural reforms should go to those reforms that enhance productivity growth but also strengthen job security and the social protection system within the framework of appropriate business conditions. No euro area country can compete in the modern world on the basis of low wages and casual employment. The emphasis should be on reforms that combine negotiated flexibility with security so as to enhance, and create incentives for enhancing, skills and innovation. Labour market reforms should promote greater stability in employment, which will help improve both the supply and the demand side of the euro area economy, even in the short term. They should also help to boost collective bargaining, based on the independence of the social partners, and social dialogue.</p>	<p>The recommendation for the euro area sees a case for further supporting demand, investment and wage growth without incurring the risk of triggering inflationary pressures, while fostering internal and external rebalancing and economic and social convergence and increasing potential growth.</p> <p>The Commission agrees with the emphasis on reforms that combine negotiated flexibility with security. The recommendation calls for reforms that promote quality job creation, equal opportunities and access to the labour market, fair working conditions, and support social protection and inclusion. This includes, for instance: reliable labour contracts, which provide flexibility and security for employees and employers; quality, efficient and inclusive life-long education and training systems; effective active labour market policies that foster labour market participation; sustainable and adequate social protection systems; smooth labour mobility across jobs, sectors and locations; and effective social dialogue and wage bargaining. Reforms that strengthen the quality of the workforce drive employment-rich growth and a higher return to working.</p>
<p>3.14. In line with the above, the European Economic and Social Committee stresses once more that tackling the issue of non-</p>	<p>The Commission notes the concerns expressed by the Committee with respect to Non-Performing Loans. On 18</p>

performing bank loans is of paramount importance for complementing policies that aim to relaunch growth. Steps should be taken promptly to address the problem, while at the same time taking into account consumer protection considerations

January 2018, the Commission presented its first progress report on the reduction of Non-Performing Loans, showing that volumes have steadily declined. The Commission adopted a package of measures on 14 March 2018², following the Council Action Plan of 2017, with a view to further reducing Non-Performance Loan levels. The package consists of two legislative proposals aimed to create a Union-wide legal framework to encourage the resolution of Non-Performance Loans and a staff working document providing non-binding technical guidance (a so-called “blueprint”) for how national asset management companies can be set up. Together, these proposals will:

- enhance the prudential tools needed to effectively address Non-Performance Loans so as to ensure that banks have sufficient loan loss coverage for newly originated loans if these become non-performing exposures;
- encourage the development of secondary markets for Non-Performance Loans;
- facilitate debt recovery by enhancing the protection of secured creditors in an extrajudicial proceeding, in a manner complementary to the proposal on preventive restructuring procedures, second chance for entrepreneurs, and the efficiency of insolvency frameworks put forward in November 2016³; and provide guidance to Member States – that so wish – for the restructuring of their banks by establishing national asset management

² https://ec.europa.eu/info/publications/180314-non-performing-loans-progress-report_en

³ COM(2016) 723 final.

	<p>companies or other measures dealing with Non-Performance Loans.</p> <p>The Commission stresses that it duly and thoroughly considers the potential impact of its proposals on consumers. Whenever consumers could potentially be affected, the Commission provides the necessary safeguards that consumers' rights and interests are protected.</p> <p>Overall, measures taken at European Union and national level have started to bear fruit and the share of non-performing loans has been reduced by one third since 2014.</p>
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<p>N°2 The Annual Union Work Programme for European standardisation for 2018 COM(2017) 453 final EESC 2017/4398 - INT/830 531st Plenary Session – January 2018 Rapporteur: Mr Juan MENDOZA CASTRO (GRIL-ES) DG GROW –Commissioner BIENKOWSKA</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1. The European Economic and Social Committee welcomes the 2018 standardisation programme, in particular social and environmental actions, but recommends that in future versions a summary of compliance with previous programmes be included.</p>	<p>This year, in January 2018, the Commission published the report⁴ on the implementation of European Union standardisation policy and the contribution of European standards to European Union policies. The report is predominantly backward looking and served as an input to the interinstitutional dialogue which took place on 7 June 2018. The annual Union Work Programme for European standardisation refers to future actions, laying down the Commission’s intentions to use standardisation in support of new or existing legislation and policies.</p>
<p>1.2. The European Economic and Social Committee recommends that all actions in the field of Information and Communication Technology be included in a single document.</p>	<p>The Rolling Plan for Information and Communication Technology Standardisation adopted annually by the Commission provides a unique bridge between European Union policies and standardisation activities in the field of Information and Communication Technology. The Rolling Plan focuses on those actions that can be needed to support European</p>

⁴ COM(2018) 26 final.

	<p>Union policies and are identified in collaboration with the Multi-Stakeholder Platform on Information and Communication Technology Standardisation⁵, the group of experts set up to advise the Commission in these matters.</p>
<p>1.3. European Economic and Social Committee urges the Commission to keep a close watch to avoid the possible abuse of patent rules and closed standards.</p>	<p>The Commission published a Communication⁶ setting out the Union approach to Standard Essential Patents in November 2017. In particular, it calls on Standards Developing Organisations to work towards more transparency on Standard Essential Patents exposure, identifies general principles for FRAND (Fair, Reasonable and Non Discriminatory) licensing terms and clarifies enforcement rules. The Commission will closely monitor the Standard Essential Patents licensing markets with a particular focus on Internet of Things technologies and will assess the need for further measures to ensure a balanced framework for the licensing of Standard Essential Patents.</p>
<p>1.4. The European Economic and Social Committee highlights the role of the Commission in the European Standardisation System, which is essential for the development of the internal market, and places the European Union as a world leader in this field.</p>	<p>The Commission welcomes the Committee's opinion on this essential point.</p>
<p>1.5. The European Economic and Social Committee calls on the Commission to maintain adequate budgetary resources and</p>	<p>The Commission will assess the resources needed in its proposal.</p>

⁵ https://ec.europa.eu/growth/industry/policy/ict-standardisation_en

⁶ COM(2017) 712 final.

<p>the necessary staffing to meet the objectives of Regulation (EU) No 1025/2012⁷.</p>	
<p>1.6. The European Economic and Social Committee insists that a detailed follow-up be carried out on the efforts made by the main standardisation players. The European Economic and Social Committee could, as a priority, create an ad hoc forum on the inclusiveness of the European Standardisation System.</p>	<p>In January 2018, the Commission published the report on the implementation of European Union standardisation policy and the contribution of European standards to European Union policies. An interinstitutional dialogue, with the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions on European standardisation for a smart, innovative and sustainable industry took place on 7 June 2018. The European Economic and Social Committee was represented by Mr Bernd DITTMANN, Vice-President of the Single Market, Production and Consumption Bureau.</p>
<p>1.7. The European Economic and Social Committee considers in general the 27 actions planned for 2018 to be appropriate but highlights the following aspects:</p> <ul style="list-style-type: none"> - the Digital Single Market: the Committee raises concerns because world-wide "de facto" standards are often driven by non-European Union industry giants, with negative consequences; - new standards on ethanol: the Committee strongly recommends considering environmental protection; - the Committee welcomes especially the various actions aimed at significantly 	<p>Regarding the Digital Single Market, the Commission is aware of the issue mentioned by the Committee. The Commission supports Information and Communication Technology standards setting frameworks based on World Trade Organization principles (transparency, openness, impartiality and consensus, effectiveness and relevance, coherence, development, and dimension). In addition, the Commission advocates that Intellectual Property Rights policies of Standards Development Organisations should incentivise the development and inclusion of top technologies in</p>

⁷ Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation, amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/23/EC and 2009/105/EC of the European Parliament and of the Council and repealing Council Decision 87/95/EEC and Decision No 1673/2006/EC of the European Parliament and of the Council Text with EEA relevance, OJ L 316, 14.11.2012.

<p>improving environmental and human health;</p> <ul style="list-style-type: none"> - standards on medical devices: the Committee suggests that cost-effectiveness should also be considered; - harmonisation of criteria on emissions in the transport sector: the Committee highlights the limited progress made since the first steps in 1995. 	<p>standards, by preserving a fair and adequate return for these contributions, and ensure wide dissemination of standards based on fair access conditions, as stated in the recently adopted Communication on Standards Essential Patents⁸. This facilitates the development of the interoperability standards needed for completion of the Digital Single Market.</p> <p>Concerning new standards on ethanol, environmental interests in standardisation are formally represented by the European Environmental Citizens' Organisation for Standardisation (ECOS)⁹, the organisation receiving European Union funding in accordance with the provisions of Regulation (EU) No 1025/2012. The European Environmental Citizens' Organisation for Standardisation (ECOS) has the right to issue formal opinions in the CEN/Cenelec standardisation process.</p> <p>The economic impact of the modifications proposed in the medical devices sector by Regulation (EU) 2017/745¹⁰ was examined with the impact assessment¹¹.</p> <p>The Paris Agreement on enhancing the implementation of the United Nations Framework Convention on Climate Change was ratified on 4 November 2016. The Commission is pursuing the</p>
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⁸ COM(2017) 172 final.

⁹ <http://ecostandard.org/>

¹⁰ Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on medical devices, amending Directive 2001/83/EC, Regulation (EC) No 178/2002 and Regulation (EC) No 1223/2009 and repealing Council Directives 90/385/EEC and 93/42/EEC (Text with EEA relevance), OJ L 117, 5.5.2017.

¹¹ COM(2012) 273 final.

	<p>implementation of its strategy for Low-Emission Mobility¹². The proposal for a Regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change¹³ is currently under discussion.</p>
<p>1.8. The European Economic and Social Committee supports the Commission on international cooperation but would like to draw the Commission's attention to the fact that a growing number of standards are now elaborated at international level without coordinated European input.</p>	<p>The Commission would like to stress that the transposition of international standards to European standards follows the rules and procedures of the European Standardisation Organisations. In addition, the Commission is working with its partners in the Joint Initiative on Standardisation to promote the European regulatory model supported by voluntary standards and its close link to international standardisation in third countries.</p> <p>Regarding Information and Communication Technology standards, the Commission is making efforts to increase the European presence in international Information and Communication Technology standardisation¹⁴.</p>
<p>1.9. The European Economic and Social Committee recommends that the European Standards Organisations should simplify the</p>	<p>The Commission is working, together with its partners in the Joint Initiative on Standardisation, on a pilot project</p>

¹² COM(2016) 501 final.

¹³ COM(2016) 482 final.

¹⁴ See also COM(2016) 176 final.

<p>procedures for Annex III organisations to access the standards drafting process and as such "lower the barrier" for effective participation.</p>	<p>(action 15) aiming to improve the representation of the interests of small and medium-sized enterprises in Europe in international standardisation processes.</p>
<p>1.10. The European Economic and Social Committee welcomes the different Joint Initiative on Standardisation actions but also proposes to consider the indirect effects of the standard-setting activities on issues such as dislocation of jobs, inclusiveness of society, education and training, etc.</p>	<p>The Commission, responding to the invitation of the Competitiveness Council of 2 March 2015, analyses the impact of standardisation on the economy taking into account the interests of all the parties. It plans to launch a study on that note during 2018, on the basis of the results of the ongoing feasibility study.</p>

<p>N°3 Promoting SMEs in Europe with a special focus on a horizontal legislative SME approach and respect of the Small Business Act’s ‘think small first’ (exploratory opinion) EESC 2017/4540 - INT/832 531st Plenary Session – January 2018 Rapporteur: Ms Milena ANGELOVA (GRI-BG) Corapporteur: Mr Panagiotis GFOKAS (GRIII-EL) DG GROW –Commissioner BIENKOWSKA</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p>N°4 Adopting a comprehensive approach to industrial policy in the European Union – improving business environment and support for the competitiveness of the European industry (exploratory opinion) EESC 2017/4732 - INT/833 531st Plenary Session – January 2018 Rapporteur: Mr Gonçalo LOBO XAVIER (GRI-PT) Corapporteur: Mr Dirk BERGRATH (GRII-DE) DG GROW –Commissioner BIENKOWSKA</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>The follow-up given by the Commission to this opinion will be included in a subsequent report.</p>	

<p>N°5 Aviation: Open and Connected Europe COM(2017) 286 final and COM(2017) 289 final EESC 2017/3714 –TEN/641 531st Plenary Session - January 2018 Rapporteur: Mr Jacek KRAWCZYK (GRI-PL) DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2. The European Economic and Social Committee supports the implementation of the Aviation Strategy.</p>	<p>The Commission welcomes European Economic and Social Committee's support for the strategy.</p>
<p>1.3. European Economic and Social Committee supports the proposed Regulation on Safeguarding Competition.</p>	<p>The Commission welcomes the Committee's support for the Regulation.</p>
<p>4.1.4. Guidelines on Ownership and Control do not give enough consideration to market changes and the disruptive and structural challenges that European aviation will be facing in the short and medium term. The European Economic and Social Committee recommends that an impact assessment be drafted based on a number of scenarios to pave the way for an informed consideration of the question of ownership and control</p>	<p>The Commission is currently carrying out an evaluation of the Air Services Regulation (EC) No 1008/2008¹⁵, including an evaluation of the ownership and control related provisions. If the evaluation concludes that it is necessary, it will be followed by an Impact Assessment.</p>
<p>1.5. The European Economic and Social Committee endorses the proposed interpretative guidelines on the Public Service Obligations, while noting that long-term market development - involving a growing need for greater connectivity of Member States at the periphery of the</p>	<p>The Commission is currently carrying out an evaluation of the Air Services Regulation (EC) No 1008/2008, which will include an evaluation of the Public Service Obligations related provisions. If the evaluation concludes that it is necessary, it will be followed by an</p>

¹⁵ Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast) (Text with EEA relevance), OJ L 293, 31.10.2008.

<p>European Union or with small domestic markets - will require further in-depth economic and societal analysis of how to better provide sustainable connections between their main airports and key destinations in the European Union to better address passengers' demands.</p>	<p>Impact Assessment.</p>
<p>1.6. The European Economic and Social Committee believes that Regulation (EC) No 1008/2008 is in need of comprehensive revision.</p>	<p>The Commission is currently carrying out an evaluation of the Air Services Regulation (EC) No 1008/2008. If the evaluation concludes that a revision may be necessary, it will be followed by an Impact Assessment.</p>
<p>1.7. The European Economic and Social Committee supports the Toolbox for successful social dialogue in the European Air Traffic Management System proposed by the trade unions.</p>	<p>Although the Commission also considers social dialogue as the most effective approach to preventing disruption due to strikes, in its Communication the Commission also encourages all aviation stakeholders to take into consideration additional practical measures that could be implemented to achieve the same end.</p>

<p>N°6 Driving and rest time periods, working time and posting of workers COM(2017) 277 final, COM(2017) 278 final EESC 2017/2852 - TEN/637 531st Plenary Session – January 2018 Rapporteur: Ms Tanja BUZEK (GR11-DE) DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.4. The European Economic and Social Committee is of the opinion that the proposed changes to legislation on driving times and rest periods and on the posting of drivers fail to effectively address the identified problems in road transport in several aspects, including not making the rules simpler, clearer and more enforceable. The European Economic and Social Committee is of the opinion that the shortcomings of the proposals are due to insufficient problem analyses and considers that the proposals on social legislation fall short of meeting the Commission's own policy objectives while legal uncertainty prevails. The European Economic and Social Committee takes note that the initiative has generated different points of views among Member States, social partners and operators themselves.</p>	<p>The Commission has carried out an extensive ex-post evaluation, including comprehensive stakeholders' consultations, both public and targeted, to identify the main challenges faced by the road transport sector in the application of the existing social legislation. In addition, the impact assessment, which also built on intensive consultation of stakeholders, confirmed that social problems identified in the ex-post evaluation are intrinsically linked with market competition problems, and that the most effective way is to address these issues together. Therefore, the Commission proposed a package of measures, whose effectiveness should be assessed jointly. The enforceability of the proposed measures served as a cross-cutting criterion.</p>
<p>1.6. With regard to the extension of the reference period for the distribution of rest periods from two to four weeks, the European Economic and Social Committee takes note of the Commission's efforts to address industry and transport operators' demands for greater flexibility in road transport operations, but points out that this could have an impact on the fine balance</p>	<p>The proposed measure to provide a limited increase in flexibility in the distribution of rest periods over time should be assessed in combination with the also newly proposed requirement to return home on a regular basis, as well as with the proposed clarification regarding the ban on taking regular and reduced weekly rest in the cabin of the</p>

<p>between fair competition, driver health and safety and road safety as well as on a common harmonised interpretation of the rules while making their enforcement and control more difficult.</p>	<p>vehicle. The proposed compensation for reduced weekly rest that shall be attached to a regular weekly rest should also be seen as part of the same context. This increased flexibility in distributing regular and reduced weekly rest periods will not only improve the efficiency of the organisation of transport operations but will also facilitate drivers to return to their homes. This will enable them to compensate for reduced weekly rest periods after a maximum of three consecutive weeks on the road.</p>
<p>1.7. The European Economic and Social Committee asks the legislator to also consider allowing compensation for a reduced weekly rest period in connection with daily rest periods, as provided for in the current regulation. With respect to breaks, the European Economic and Social Committee suggests considering an impact assessment on the possibility of leaving a more flexible distribution of the 45 minutes break over six hours to the discretion of the driver. This impact assessment should focus on the driver's ability to use the break to rest and refresh in-between nine hours, respectively ten hours, of driving.</p>	<p>The Commission's proposal to attach the compensation period to a regular weekly rest has two objectives: to allow drivers to take a longer accumulated rest at his home after a long international journey and to facilitate effective controls on the compensation for reduced weekly rest. Controlling compensation attached to any rest period of nine hours has previously been identified as a major problem faced by enforcers. This was also identified as one of the main root causes of long periods away from home spent by drivers.</p> <p>The Commission's impact assessment identified that a more flexible distribution of breaks of 45 minutes over 4.5 hours driving time would lead to some efficiency gains in carrying out certain specific transport operations. However, no significant benefits were found in terms of health and safety of drivers, which is one of the main objectives of the legislation. Therefore, the Commission does not see any sufficient reasons for analysing the</p>

	impacts of a flexible distribution of the 45 minutes break over an even longer period of six hours as suggested by the Committee.
1.8. The European Economic and Social Committee regrets the fact that, particularly when it comes to bus and coach passenger transport, the proposed changes come without any thorough assessment of passenger, driver or road safety. The European Economic and Social Committee would therefore welcome a European Union-wide general study on driver fatigue and regrets that the Commission has not offered solutions on how to address this problem.	The Commission's impact assessment analysed measures to extend the derogation for postponing weekly rest also to domestic bus and coach occasional passenger operations. The results of this analysis were negative, showing an increase by 20% and 30% of fatigue index (fatigue level of drivers) and by 4-5% of risk index (level of risks to road safety).
1.10. The European Economic and Social Committee endorses the Commission's statement that efficient enforcement of the rules is essential and highlights the importance of close cooperation between Member States and the efficient exchange of information. Therefore, the European Economic and Social Committee is of the opinion that it is necessary to ensure better enforcement of existing rest time rules before considering creating more flexible ones without a satisfactory evidence base.	The Commission proposals under Mobility Package I contain several measures to improve the enforcement of the social and market rules. These include: structured administrative cooperation between Member States in implementing and enforcing the rules, a harmonised risk rating system, extending controls to also cover compliance checks on working time rules, further development of the European Register of Road Transport Undertakings system, improved use of existing digital tachographs and improved features to be included in future smart tachographs (e.g. recording country codes after border crossing). All this is intended to contribute to more efficient, effective and uniform cross-border enforcement of the rules in force.
1.11. Furthermore, the European Economic and Social Committee calls for the Commission to make progress towards	The Commission proposal contains measures on the further harmonisation of national risk rating systems and

<p>smart enforcement, and to provide all possible support for the full introduction and use of risk-rating systems; it also calls for the Commission and Member States to give enforcement authorities real-time access to national electronic registers, making maximum use of the European Register of Road Transport Undertakings to this end.</p> <p>1.12. The European Economic and Social Committee recommends that the Commission adopt clear enforcement measures to eliminate the risk of manipulation of digital tachographs by a) bringing forward the deadline for the introduction of the "smart" tachograph on all commercial vehicles engaged in cabotage and international transport; and b) deploying all necessary innovative technological means to ensure that manual entries of tachograph data are accurate by, for example, connecting a weight sensor to the tachograph as a more effective means of checking, loading and unloading activities, which are actually part of drivers' working time.</p>	<p>giving real-time access to control officers to risk rating systems. It also proposes a new rule compelling the systematic recording of border crossings by way of the smart tachograph, which should support better monitoring of cabotage and posting rules.</p> <p>In addition, the Commission Implementing Regulation (EU) 2016/480¹⁶ grants control officers access to the European Register of Road Transport Undertakings' to check Community Licence, which is the most relevant source of information for roadside controls.</p> <p>As to the progress made towards the introduction of the smart tachograph, the Commission launched a study at the end of 2017 to analyse costs and benefits of early deployment of smart tachographs (via retrofit) and smart control tools (remote early detection equipment for control authorities). Relevant factors include, among others, the number of vehicles to be retrofitted, the capacity of manufacturers to produce and of accredited workshops to install smart tachographs. A final report is published on the Commission website¹⁷</p>
<p>1.13. The European Economic and Social Committee also advises the Commission and Member States to address the problem of secured parking areas, including the current limited availability of spaces with</p>	<p>The Commission agrees that more safe and secure parking areas are needed. Member States are required to build safe and secure parking around every 100 kilometres on the Trans-European</p>

¹⁶ Commission Implementing Regulation (EU) 2016/480 of 1 April 2016 establishing common rules concerning the interconnection of national electronic registers on road transport undertakings and repealing Regulation (EU) No 1213/2010 (Text with EEA relevance), OJ L 87, 2.4.2016.

¹⁷ https://ec.europa.eu/transport/modes/road/studies/road_en

<p>appropriate facilities for drivers, without which the mobility package risks making an obligation to rest outside the cabin a dead letter. The European Economic and Social Committee appeals to the Commission to provide a thorough verification of existing parking networks in the Member States, particularly in geographically peripheral roads and transport corridors, as well as to develop a road map for decommissioning white spots in that area, that will be crucial for efficient implementation of the mobility package.</p>	<p>Transport Network's core network (Regulation (EU) No 1315/2013)¹⁸. The Commission has also launched a study to identify possible actions by authorities and development companies for safe and secure parking. The result of the study will be available by the end of 2018.</p>
<p>1.16. The European Economic and Social Committee recognises the highly mobile nature of road transport, but is of the opinion that, as it currently stands, the Commission proposal on the posting of workers in international road transport will not altogether adequately address the problems. Clear and simple rules are needed both for transport operators and drivers. With regard to pure transit operations, the European Economic and Social Committee calls on the legislator to clarify that the rules on posting do not apply. The European Economic and Social Committee also requests clarification on the application of rules on posting to transport operators established in a third (non-European Union) country.</p>	<p>The Commission proposal for posting of drivers in the context of international transport operations balances the need for social protection of drivers and the principle of freedom to provide cross-border services by operators. The proposal also aims to avoid excessive administrative burdens for operators. As shown in the impact assessment, the measures proposed by the Commission will lead to a reduction of administrative costs for operators by approximately 58%.</p> <p>It is clear from the existing horizontal Directive 96/71/EC¹⁹ on posting of workers that transit operations do not meet the criteria for a posting situation, as there is no provision of services (no loading/unloading, no embarking/disembarking passengers) on the territory of the host Member State.</p> <p>The issue of application of posting</p>

¹⁸ Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU Text with EEA relevance, OJ L 348, 20.12.2013.

¹⁹ Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services, OJ L 18.21.1.1997.

	rules to third country service providers is regulated in Article 1(4) of Directive 96/71/EC.
1.17. The European Economic and Social Committee fully agrees that, with regard to cabotage, the Posting of Workers Directive should continue to be applicable from day one. However, it questions whether the new, lighter administrative rules should apply to cabotage.	The terms proposed by the Commission would not alter the fact that all rules linked to the posting of workers apply to cabotage operations from the first day. However, it considers that the road transport sector should be subject to lighter administrative requirements than other sectors, because of the highly mobile nature of transport activities. Imposing heavy administrative requirements on transport operators related to posting obligations would render international transport activities unnecessarily difficult and costly.
1.18. The European Economic and Social Committee welcomes the adjustment of enforcement requirements to the specificities of the sector and considers that the administrative burden will be alleviated if a one-stop shop for notifications is introduced European Union-wide.	The Commission is open to discussing the possibilities of further facilitating transport operators' compliance with the administrative requirements on posting of drivers.
1.19. The European Economic and Social Committee recommends introducing European Union-wide enforcement measures that are simple, clear, non-discriminatory and effective, without imposing administrative burden, including: <ul style="list-style-type: none"> - moving from paper-based evidence towards smart digital technologies where enforcement is concerned; - bringing forward the mandatory introduction of the "smart" tachograph on all commercial vehicles concerned that are engaged in international transport, as the 	The Commission proposed that, in respect of the posting rules, all relevant documents that are to be made available by drivers at roadside inspections and by operators for ex-post controls may also be presented in their electronic form. In addition, real-time access by control officers to digital databases such as risk rating systems (Commission proposal on enforcement requirements ²⁰) and to the European Register of Road Transport Undertakings (to check the

²⁰ COM(2017) 278 final.

<p>only means of effectively determining the duration and temporary nature of drivers' activity on the territory of any given Member State;</p> <ul style="list-style-type: none"> - introducing a European electronic posting declaration for each individual posted driver and a European Union-wide one-stop shop notification system to which inspectorates will have real time access, as the only means of avoiding administrative burdens while ensuring that controls are effective. 	<p>Community License) (Commission Implementing Regulation 2016/480²¹) is intended to further improve the efficiency of controls without imposing unnecessary additional burdens on operators and drivers.</p> <p>Regarding smart tachographs please see the reply to points 1.11. and 1.12.</p>
<p>1.20. Furthermore, the European Economic and Social Committee recommends making maximum use of National Electronic Registers and the European Register of Road Transport Undertakings for road transport undertakings by 1) including in National Electronic Registers data about drivers employed by undertakings; 2) giving road enforcement authorities real-time access to the data recorded in National Electronic Registers and the European Register of Road Transport Undertakings, including to the electronic posting declaration; and 3) extending the period of time allowed to be checked on the driver card from 28 days to several months, so as to enable the control authorities to determine easily the periods of temporary work undertaken by drivers in various Member States.</p>	<p>The Commission proposes to further extend the European Register of Road Transport Undertakings by adding information on vehicles, number of employees, assets and liabilities and risk rating. It also suggests extending the list of infringements exchanged via the European Register of Road Transport Undertakings by adding infringements against the rules for the posting of workers, laws applicable to contractual obligations, and tax laws.</p> <p>The Commission has not found it necessary and proportionate to extend the period covered by tachograph data to be checked at roadside beyond the current 29 days. It considers that roadside inspections would in that case be too lengthy and burdensome and that such controls over long periods should be limited to checks at company premises, which are far more efficient and effective, as demonstrated by preparatory studies.</p>
<p>1.21. Finally, in order to ensure better cross-border enforcement of the European Union rules applicable to road transport, the</p>	<p>The Commission is not in favour of creating a new European Road Transport Agency. The Commission</p>

²¹ C(2016) 1723.

European Economic and Social Committee calls for the Commission to set up a European Road Transport Agency whose main competence would be improving the compliance culture in road transport and providing support for policy making in the sector at both European Union and national level. However pending that, the European Economic and Social Committee recommends that Member States should be active in existing European transport inspection services (Eurocontrole Route etc.), and invest in the training of national inspection authorities.

proposals under Mobility Package I contain several measures to improve the enforcement of the social and market rules in road transport. The possibility of creating a new agency for enforcement of road transport legislation or of using an existing agency for this purpose lies outside the scope of the Commission's proposals. Such an initiative would require a separate comprehensive impact assessment. In addition, it would be a long-term project having financial implications for the European Union budget, whilst the objective of Mobility Package I was to address the outstanding urgent enforcement issues by improving the existing control systems and tools.

<p>N°7 Access to the international road haulage market and the occupation of road transport operator (revision) COM(2017) 281 final EESC 2017/2846 - TEN/636 531st Plenary Session – January 2018 Rapporteur: Mr Stefan BACK (GRI-SE) and Mr Pasi MOISIO (GRIII-FI) DG MOVE - Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.4. The European Economic and Social Committee considers it important for Member States to make a harmonised assessment of how different types of infringements may lead to the loss of good repute.</p> <p>In relation to letterbox companies, the European Economic and Social Committee notes that the strength of enforcement will depend on the efficiency of national authorities, cross-border cooperation and uniform interpretation of establishment criteria.</p> <p>The European Economic and Social Committee would welcome real time access for control authorities to the national registers and the inclusion of information regarding drivers in those registers.</p>	<p>The Commission agrees that Member States should make a consistent assessment of the good repute of the hauliers established in their territory. That is why it has adopted a Regulation on the classification of serious infringements which may lead to the loss of good repute²².</p> <p>The Commission has made several proposals to fight against letterbox companies: stronger criteria on establishment, a detailed framework for structured and timely cooperation between Member States and further information on hauliers made available to national enforcement authorities through the European Register of Road Transport Undertakings. Member States should exploit this new framework to its full potential, by optimising the use of their scarce enforcement resources.</p>
<p>1.5. The European Economic and Social Committee considers that operators using</p>	<p>The Commission proposal aims at reaching a minimum level of</p>

²² Commission Regulation (EU) 2016/403 of 18 March 2016 supplementing Regulation (EC) No 1071/2009 of the European Parliament and of the Council with regard to the classification of serious infringements of the Union rules, which may lead to the loss of good repute by the road transport operator, and amending Annex III to Directive 2006/22/EC of the European Parliament and of the Council; OJ L 74, 19.3.2016.

<p>Light Commercial Vehicles should be fully covered by Regulations (EC) No 1071/2009²³ and 1072/2009²⁴, albeit possibly subject to a lighter regulatory regime than operators using heavy duty vehicles.</p>	<p>professionalization of the Light Commercial Vehicles sector, while avoiding excessive burdens on all operators using Light Commercial Vehicles, which include a large number of very small undertakings.</p>
<p>1.6. The European Economic and Social Committee suggests introducing provisions to determine when cabotage activity ceases to be temporary and an obligation of establishment arises.</p> <p>Additionally, it considers that the complete set of rules on the posting of workers rules should apply to cabotage operations.</p>	<p>The Commission is aware of the problem of systematic cabotage, which affects some Member States and may jeopardise the temporary nature of cabotage activity. It is open to discussing measures to tackle this issue.</p> <p>The terms proposed by the Commission would not alter the fact that all rules linked to the posting of workers apply to cabotage operations from the first day. However, it considers that the road transport sector should be subject to lighter administrative requirements than other sectors, because of the highly mobile nature of transport activities. Imposing heavy administrative requirements on transport operators related to posting obligations would render international transport activities more complicated and costly.</p>
<p>1.8. The European Economic and Social Committee regrets that Council Directive 92/106/EEC²⁵ on combined transport is not addressed at the same time as Regulations (EC) No 1071/2009 and No 1072/2009.</p>	<p>Although the two Commission proposals were adopted on different dates, they are now both being discussed in Council and Parliament in parallel. This provides good conditions for ensuring coherence between the</p>

²³ Regulation (EC) No 1071/2009 of the European Parliament and of the Council of 21 October 2009 establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator and repealing Council Directive 96/26/EC (Text with EEA relevance), OJ L 300, 14.11.2009.

²⁴ Regulation (EC) No 1072/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international road haulage market (Text with EEA relevance), OJ L 300, 14.11.2009.

²⁵ Council Directive 92/106/EEC of 7 December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States, OJ L 368, 17.12.1992.

<p>Additionally, it considers that cabotage in all forms, including as part of combined transport operations, should be subject to the same rules.</p>	<p>two emerging texts.</p> <p>As confirmed by the European Court of Justice²⁶, the road leg of an international combined transport operation cannot be treated as purely national carriage, even if it occurs within the territory of a single Member State. The regulatory regime applicable to combined transport operations, including their road segments is being discussed in the context of the Commission proposal for the revision of Council Directive 92/106/EEC²⁷.</p>
<p>1.9. The European Economic and Social Committee supports the creation of a European Road Transport Agency to improve cross-border enforcement.</p>	<p>The Commission is not in favour of creating a new European Road Transport Agency. The Commission proposals under Mobility Package I contain already several measures to improve enforcement of the internal market and social rules in the area of road transport. In addition, in March 2018 the Commission adopted a legislative proposal on establishment of a European Labour Authority²⁸. According to the terms of the proposal, the Authority would carry out the tasks inter alia of facilitating cooperation and exchange of information between national authorities with a view to effective enforcement of relevant Union law and of coordinating and supporting concerted and joint inspections. These activities would notably pertain to the social and market rules in the road transport sector (for details, please refer to draft recital 8).</p>
<p>3.3. The European Economic and Social</p>	<p>The Commission has proposed several</p>

²⁶ Case C-45/89 - Commission v Italy, par. 7-8.

²⁷ COM(2017) 648 final.

²⁸ COM(2018) 131 final.

<p>Committee regrets the fact that the proposal does not expressly address social dumping, as defined by the European Economic and Social Committee in previous opinions.</p>	<p>measures capable of improving, directly or indirectly, the working conditions in the road transport sector: measures to tackle letterbox companies, which are often associated with illegal employment practices, a clarification to the effect that the regular weekly rest cannot be taken in the cabin of the vehicle; clarification and simplification of the rules regarding posting of workers rules in the road transport sector; measures to strengthen enforcement of the social and internal market rules. The measures thus proposed are intended to promote adequate working conditions for drivers and help to prevent illegal labour practices.</p>
<p>5.2. The European Economic and Social Committee considers it essential to ensure that national authorities have access to staff with adequate competence to carry out effective cabotage checks and suggests setting up a network to exchange best practice.</p>	<p>The Commission proposed that Member States must organise a minimum number of checks of cabotage every year, including at least three concerted roadside checks with other Member States. These proposals are intended to build up a more systematic practice of cabotage control, which is largely missing at present. In parallel to the legislative proposals, the Commission promotes the common training of enforcement officers and the cross-border exchange of best practices, in cooperation with national enforcement bodies and specialised European Union organisations, such as Eurocontrol Route. It will continue to look for additional measures to promote better and more efficient national enforcement of road transport rules.</p>
<p>5.6. The European Economic and Social Committee regrets that the proposal</p>	<p>The Commission proposal clarifies several aspects of cabotage rules, such</p>

<p>regarding cabotage does not clarify the following points: whether all international cargo must be delivered before cabotage can start; how the seven-day cabotage period is to be calculated; whether tachograph data may be used to check compliance with cabotage provisions.</p> <p>The European Economic and Social Committee supports a substantial reduction in the time limit for retrofitting existing vehicles with the smart tachograph.</p>	<p>as the definition of cabotage operation. It is open to discussing further clarifications if and where they are deemed necessary.</p> <p>The Commission has commissioned a study to assess the legal and technical possibility of anticipating the deadline for retrofitting existing vehicles with the smart tachograph. On the basis of the results of this study, proposals may be tabled to this effect.</p>
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<p>N°8 Rail passengers' rights and obligations COM(2017) 548 final EESC 2017/4887 – TEN/648 531st Plenary Session - January 2018 Rapporteur: Mr Jan SIMONS (GRI-NL) DG MOVE – Commissioner BULC</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.1. The European Economic and Social Committee can endorse the Commission's proposals. In particular, it endorses the proposals to further clarify the current rules, provide better information to passengers, and, by removing national exemptions, promote the uniform application of passenger rights throughout the European Union. In addition, the introduction of a <i>force majeure</i> clause as such is warranted, in order to align rail with the other modes of transport</p>	<p>The Commission welcomes the general support of the European Economic and Social Committee.</p>
<p>1.2. A new provision (Article 22(4) about assistance in stations concerning persons with disabilities and persons with reduced mobility) may be problematic. The European Economic and Social Committee firmly advise therefore to add to Article 22(4): "with the exception of unstaffed stations, which are covered by paragraph 3".</p>	<p>There is no obligation of "staffing" imposed by this Article, the intention is only to ensure assistance during the hours when this is usually the case. The text should be further clarified in this respect in the legislative process.</p>
<p>4.3.1. It can sometimes be difficult for train staff to identify passengers with disabilities, and will be all the more so now that it is proposed to include mental and psychological disability in the definition of persons with reduced mobility. In the case of suspected fraud, this might lead to critical situations and operational</p>	<p>Passenger rights legislation entitles not only persons with disabilities to receive assistance, but also persons with reduced mobility (e.g. elderly people, people with temporary reductions in mobility) who are not in a position to "certify" their assistance needs. The Commission agrees that rail staff therefore need to be</p>

<p>difficulties. This issue should be given due attention in staff training (Article 26).</p>	<p>trained in order to better understand and respond to the needs of persons with different kinds of disabilities.</p>
<p>4.3.2. The remaining exemptions to national long-distance services should continue to be phased out gradually by 2024 in line with the existing Regulation's requirement. Ending the exemption earlier, in 2020, as proposed by the Commission, could be too early for certain Member States. In that case, an appropriate solution should be found on a case-by-case basis, to enable a smooth transition.</p>	<p>The exemptions for long distance domestic services under the current Regulation cannot be prolonged beyond 2024. By that time all Member States have to apply the Regulation in full on domestic long-distance services. The current revision advances this deadline by some years (depending on how quickly the revised Regulation is adopted). In light of the objective of enhancing passenger rights, the proposal does not provide for any additional transitional periods. If rolling stock would have to be modernised, e.g. to provide on-board information or to better provide assistance to passengers with reduced mobility, the European Fund for Strategic Investments could be an option to apply to for the financing of new fleets. The European Investment Advisory Hub can provide free assistance in this regard: http://www.eib.org/eiah/.</p> <p>Currently, 14 Member States (of 26) have granted exemptions for their long-distance domestic services to different degrees, i.e. in some cases limited to certain articles, in others for all non-mandatory articles (Bulgaria, Czech Republic, Croatia, Estonia, Greece, Hungary, Ireland, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia and the United Kingdom). The Commission has asked Member States for updated information on the exemptions in their jurisdiction (the next five year period ends by the end of 2019).</p>

<p>4.3.3. The minimum compensations (Article 17(1)) are subject to a minimum of 60 minutes delay. However, in current practice, shorter minimum delays have been known to apply. That possibility should be maintained by expressly mentioning this in the Article.</p>	<p>Article 7(2) allows railway undertakings to offer contract conditions more favourable to passengers than those provided for in the Regulation. This applies also to compensation given for shorter delays. The Commission accordingly considers that there is no need to repeat this in Article 17.</p>
<p>4.3.4. With regard to the travel information to be provided, it should be added that where the minimum delay for compensation will almost certainly be reached or exceeded, this must be communicated to the passenger and, where possible, the relevant application forms for compensation actually made available.</p>	<p>Article 16 on reimbursement and re-routing already provides for this type of situation by stipulating that "where it is reasonably to be expected, either at departure or in the event of a missed connection in the course of a journey with a through ticket that arrival at the final destination [...] will be subject to a delay of more than 60 minutes passengers shall immediately have the choice between [...] reimbursement, continuation or re-routing...". The kind of information on passengers' rights that the Committee refers to is contained in Article 30 on "information to passengers about their rights", which has also been strengthened by requiring information on where to complain to be provided together with the ticket.</p>
<p>4.3.5. Article 22 governs assistance at railway stations. Paragraph 3 sets out special arrangements for unstaffed stations. The proposed new paragraph 4 then fails to take due account of this. The European Economic and Social Committee recommends adding "with the exception of unstaffed stations, which are covered by paragraph 3" after the last word in paragraph 4 ("operate").</p>	<p>Please see the Commission's reply to 1.2.</p>

<p>N°9 Proposal for 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 COM(2017) 335 final EESC 2017/3232 - ECO/436 531st Plenary Session - January 2018 Rapporteur: Mr Victor ALISTAR (GR11-RO) Corapporteur: Mr Petru Sorin DANDEA (GR11-RO) DG TAXUD – Commissioner MOSCOVICI</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2. The European Economic and Social Committee endorses the Commission's proposal given that current legal provisions do not allow Member States to exchange information where tax avoidance and/or evasion schemes come to their attention.</p>	<p>The Commission welcomes the European Economic and Social Committee's broad support for the proposal²⁹. It also notes that current legal provisions in the area of administrative cooperation allow Member States to exchange information where tax avoidance and/or evasion schemes come to their attention, but leave certain room for discretion on whether to exchange or not. In order to remedy this, the proposal introduces the requirement for Member States to automatically exchange such information on a regular basis with all Member States.</p>
<p>1.3. The European Economic and Social Committee welcomes and supports the European Commission's decision to tackle the problem of intermediaries enabling aggressive tax planning. Making their activities transparent, through the reporting obligation proposed in the proposal for a Directive, will deter</p>	<p>The Commission agrees that the new reporting obligation will dissuade intermediaries from designing and marketing such arrangements.</p> <p>The Commission considers that providing tax administrations with timely information on the design and use of potentially aggressive tax</p>

²⁹ The proposal was adopted by the Council on 25 May 2018 <http://data.consilium.europa.eu/doc/document/ST-7160-2018-INIT/en/pdf>

<p>intermediaries from offering their clients aggressive tax planning schemes, and thus reduce the harmful erosion of Member States' tax bases.</p>	<p>planning arrangements would supply them with an additional tool to take appropriate measures against certain tax planning arrangements. Measures can either be taken early in the process before arrangements are implemented, e.g. by passing amendments to the existing law, or during the compliance check or audit of particular taxpayers later in the process.</p>
<p>1.4. In this context, the European Economic and Social Committee welcomes the Commission's decision to provide logistical and technical support to the Member States for the implementation of the secure central directory to be used to record the information subject to administrative cooperation. Given the complexity of some aggressive tax planning schemes, the European Economic and Social Committee recommends that the Commission also support the Member States when it comes to training the staff who will be responsible for recording and exchanging the information concerned.</p>	<p>As already done when amending the Directive on Administrative Cooperation³⁰ to cover cross-border tax rulings and advance pricing arrangements³¹, the Commission will ensure that Member States have the necessary mechanisms (centralised depository) in place to share this information with all other Member States. In a follow-up process, the Commission together with Member States will define the standard format for the exchange of this information as well as linguistic arrangements. Training of national officials and exchange of experience from Member States is assured through the use of the Fiscalis Programme³².</p>
<p>1.5. The proposal is very wide in its scope. It is important to ensure that the Directive will be an effective deterrent to aggressive tax planning. More precise requirements for qualification of reportable transactions are required in order to prevent over-reporting from</p>	<p>It is intended that the proposal has a very wide scope, covering all intermediaries including lawyers, accountants, tax and financial advisors, banks and consultants, that are involved in the design, marketing and implementation of cross-border</p>

³⁰ Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, OJ L 64, 11.3.2011.

³¹ Council Directive (EU) 2015/2376 of 8 December 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, OJ L 332, 18.12.2015.

³² European Union cooperation Programme enabling national tax administrations to create and exchange information and expertise.

<p>companies with time-consuming administration for both tax administrations and taxpayers.</p>	<p>arrangements. Based on the scope of the existing Directive on Administrative Cooperation, all types of direct taxes are covered.</p> <p>Intermediaries will have to report any cross-border arrangement that contains one or more of the 'hallmarks' listed in the proposal. The hallmarks reflect features that are commonly found in aggressive tax planning arrangements. They are as wide-ranging as possible to avoid any loopholes or omissions that could be exploited by aggressive tax planners. In selecting the hallmarks, the Commission took inspiration from the Organisation for Economic Cooperation and Development's mandatory disclosure provisions (BEPS Action 12), Member States' mandatory disclosure legislation and other studies and reports on aggressive tax planning schemes.</p> <p>At the same time, the objective is to limit the administrative burden for intermediaries, taxpayers and tax authorities to the necessary minimum without compromising on the timeliness and quality of the information to be exchanged.</p>
<p>1.6. The European Economic and Social Committee notes that the requirement to comply with the arm's length principle of the Organisation for Economic Cooperation and Development's transfer pricing guidelines is not an exact science and inevitably includes a subjective interpretation from taxpayers and tax authorities. The European Economic and Social Committee therefore calls for appropriate and constructive guidance from the</p>	<p>Transfer pricing concerns the prices charged between associated enterprises established in different countries for their inter-company transactions. In recent years, transfer pricing has become one of the concerns for tax authorities, as multi-national entities with the aim to reduce taxable profits in their jurisdiction may apply transfer prices to cross-border transactions that do not, or do not fully reflect an independent market price. This has led</p>

<p>Commission and Member States as to whether transactions fall within that hallmark or not.</p>	<p>to the rise of transfer pricing regulations and enforcement, making transfer pricing a major tax compliance issue.</p> <p>The Commission has already established some mechanisms with the aim to enhance the application of international rules on transfer pricing in the European Union such as the Joint Transfer Pricing Forum.</p>
<p>1.7. The European Economic and Social Committee notes that the taxpayer carries the ultimate responsibility to comply with the proposed Directive. To fulfil the requirement of proportionality, the administrative costs must be reduced to the furthest extent possible for all sizes of businesses.</p>	<p>The objective of the proposed Directive is to introduce a reporting obligation for intermediaries. Only in clearly defined situations and on an exceptional basis is the reporting obligation shifted to the taxpayer.</p> <p>Although the proposal does not set an explicit minimum threshold for disclosure, the hallmarks for reporting usually point to high-risk situations that involve elaborate arrangements. Small companies and individuals (unless particularly wealthy) would normally not have the resources to seek out sophisticated tax advice. Therefore, the assumption is that in cases where the reporting obligation is shifted to the taxpayer it would mostly affect big corporate taxpayers or very wealthy individuals.</p> <p>The reporting requirements are proposed with the aim to avoid creating undue burden for intermediaries or the industry. For example, for the reports to tax authorities, intermediaries can re-use summaries that they prepare for their clients on the tax planning arrangements.</p> <p>As regards tax authorities, Member States can use all the procedures and</p>

	processes already in place for the exchange of information.
1.8. The European Economic and Social Committee calls on the Commission to review the five-day deadline for reporting, so as to ensure that it is feasible for the entities that are subject to the reporting obligation and, at the same time, is consistent with the objective of an effective reporting policy. It would thus seem necessary and proportionate to extend this deadline.	The text of the Directive which was adopted by the Council on 25 May 2018 foresees a deadline of thirty days for reporting.
1.9. The proposal for a Directive leaves a number of issues unresolved, such as how it is to be applied to taxpayers in the digital economy, given the difficulty in determining their physical presence as taxable persons in individual Member State jurisdictions. Another issue relates to the clarity of the criteria laid down in the proposal for the purposes of ensuring a uniform approach across the national rules governing penalties for failure to report.	<p>The Commission considers that the proposal is not limited to certain sectors or industries and is therefore also applicable to taxpayers in the digital economy.</p> <p>The proposal requires Member States to implement effective and dissuasive penalties for those companies that do not comply with the transparency measures. It is fully in line with the wording proposed and agreed in previous amendments to the Directive.</p>
1.10. The European Economic and Social Committee would point out that the reporting mechanisms must not create instability in tax legislation as a result of frequent changes, and that account must be taken of the fact that direct taxation falls within the legislative competence of the Member States.	The Commission considers that the proposed Directive will not create uncertainty or instability as a result of frequent changes. Nevertheless, the text of the Directive which was adopted on 25 May 2018 requires the Member States and the Commission, every two years after 1 July 2020, to evaluate the relevance of Annex IV on hallmarks and the Commission to present a report to the Council which will be, where appropriate, accompanied by a legislative proposal.

<p>N°10 Proposal for a Directive of the European Parliament and of the Council on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA COM(2017) 489 final EESC 2017/4514 - INT/831 531st Plenary Session - January 2018 Rapporteur: Mr Victor ALISTAR (GR11-RO) DG HOME – Commissioner AVRAMOPOULOS</p>	
<p>Points of the European Economic and Social Committee opinion considered essential</p>	<p>European Commission position</p>
<p>1.2.1. In Article 11 on jurisdiction of investigation, it must be clarified whether the fundamental principle is the location of the person or of the computer or information system used in order to avoid a conflict of jurisdiction. The European Economic and Social Committee asks that a subpoint be added to Article 11 on settling conflicts of jurisdiction using one of the two methods suggested.</p> <p>4.1. In Article 11 on jurisdiction of investigation, it must be clarified whether the fundamental principle is the location of the person or of the computer or information system used in order to avoid a conflict of jurisdiction between the situation described in Article 11(2)(a), regarding physical presence, and the situation in Article 11(2)(b), if the person has committed the offence in the territory of a Member State but used a remote shell programme. This could mean that both Member States have jurisdiction. A subpoint should be added to Article 11 on settling conflicts of jurisdiction, either by identifying the competent body (such as Eurojust) or by referring the matter to a similar settlement mechanism (such as</p>	<p>Article 11 of the Proposal includes provisions for Member States to establish jurisdiction over the regulated offences.</p> <p>If rules do not establish jurisdiction for one Member State, national authorities will not be allowed to investigate and prosecute the crime. On the contrary, where the rules lead to several Member States asserting jurisdiction, coordination in the investigation and prosecution will be needed to avoid undesired results (for instance, that a faulty prosecution in one country prevents a more successful one in a different country by virtue of the principle <i>ne bis in idem</i>).</p> <p>For this reason, the Commission proposes to work with the co-legislators in order to clarify the scope of jurisdiction in the course of the legislative procedure, ensuring that, in addition to grounds to establish jurisdiction that are common to several other European Union criminal law instruments (the offence is committed in whole or in part in the territory of the Member State or the offender is a</p>

Framework Decision 2009/948/JHA³³).

national of the Member State), a Member State also has jurisdiction to investigate and prosecute offences when:

- the offence causes damage in its territory – Article 11.1(c);

- the offender commits the offence when physically present on its territory, whether or not the offence is committed using computers or an information system on its territory – Article 11.2(a), which replicates Article 12.2(a) of Directive 2013/40/EU of the European Parliament and of the Council of 12 August 2013 on attacks against information systems and replacing Council Framework Decision 2005/222/JHA³⁴;

- the offence is committed using computers or an information system on its territory, whether or not the offender commits the offence when physically present on its territory – Article 11.2(b).

As pointed out in the Committee's opinion, this may result in situations where authorities from different Member States will be competent for investigating and prosecuting the same offence. This is appropriate, since the crime affects all the Member States in question.

As indicated by the Committee in its opinion, this calls for coordination of prosecution, which needs to be carried out in accordance with the rules laid

³³ Council Framework Decision 2009/948/JHA of 30 November 2009 on prevention and settlement of conflicts of exercise of jurisdiction in criminal proceedings, OJ L 328, 15.12.2009.

³⁴ OJ L 218, 14.8.2013.

	<p>down in relevant Union horizontal instruments (Council Framework Decision 2009/948/JHA of 30 November 2009 on prevention and settlement of conflicts of exercise of jurisdiction in criminal proceedings, Eurojust and Europol).</p>
<p>1.2.2., 3.10. The proposal for a Directive does not fully consider a situation involving other non-European Union jurisdictions as well, or mechanisms for referring to other legal instruments for international judicial cooperation, and so a predictable and clear procedural framework must be established.</p>	<p>The Commission concurs with the Committee that fraud committed against Union citizens, but happening in third countries, constitutes a challenge.</p> <p>The core of the Commission proposal is the minimum harmonisation of substantial criminal law in the European Union. It is impossible to impose those rules on third countries through an instrument that, by definition, binds Member States uniquely.</p> <p>It is important to note, however, how widening the scope for Member States to exert jurisdiction, in line with Article 11 of the proposal, can have a positive effect in cooperation with third countries. This would allow Member States' competent authorities to investigate cases where the damage occurs in their territory or where the information system used to commit the fraud is located in their territory and –if investigations were successful– prosecute the suspects, independently from where they are located (within or outside the European Union). National authorities would then have to rely on existing horizontal judicial cooperation instruments to cooperate with third countries, if the offenders are located there.</p>

	<p>As the scope of the initiative is limited to a specific crime area (i.e. fraud and counterfeiting of non-cash means of payment), this initiative does not intend to replace or modify existing horizontal instruments for judicial or police cooperation with third countries.</p>
<p>1.2.3., 4.2. Article 16 on prevention should include specific measures, stipulated in the Member States' transposition legislation, regarding the requirement to provide information. This requirement would have to be met either by providers of electronic payment products or by national regulatory authorities, or by those responsible for financial education.</p>	<p>Article 16 of the Commission proposal requires Member States to establish or strengthen policies to prevent fraud and counterfeiting of non-cash means of payment, and measures to reduce the risk of becoming victims of such offences, by means of information and awareness-raising campaigns and research and education programmes.</p> <p>This should be done in cooperation with relevant stakeholders, where appropriate, and take into account the specific national circumstances and needs.</p> <p>With regard to the requirement to provide information, please see the response to point 1.5. below.</p>
<p>1.2.4., 4.4. In conjunction with Articles 12 and 13, provision must be made for the exchange of best practice with regard to detecting, investigating and dealing with cases of cybercrime involving electronic means of payment fraud.</p>	<p>The Commission shares the Committee's view on the importance of operational and strategic cooperation among law enforcement authorities to better tackle fraud and counterfeiting of non-cash means of payment and on the need – in that framework – for exchanging best practices.</p> <p>To that end, the Commission works closely with Europol's European Cybercrime Centre, as well as with national law enforcement authorities in the framework of the European Union Policy Cycle priority 'Cybercrime – Non-Cash Payment Fraud'. Moreover, the Commission supports projects to</p>

	enhance the capacity to detect and investigate cybercrime through the Internal Security Fund – Police.
<p>1.3. Although the area of regulation here is part of investigative and judicial cooperation in the area of cyberfraud, it is important to establish deterrents and mechanisms to inform the public about the modus operandi of offenders as well, through awareness-raising campaigns conducted by law enforcement authorities in the Member States.</p> <p>3.11. Although the area of regulation here is part of investigative and judicial cooperation in the area of cyberfraud, it is important to establish deterrents and mechanisms to inform the public about the modus operandi of offenders as well, through awareness-raising campaigns conducted by law enforcement authorities in the Member States. In this respect, the final provisions of the proposal should specify the instruments for international judicial cooperation in criminal matters that will be referred to in extraterritorial situations and the manner in which investigations will be conducted using these instruments. In terms of procedure, this is a useful regulatory tool that can clarify the situation.</p>	<p>Please see the Commission's reply to point 1.2.3. above.</p> <p>The Commission shares the view that law enforcement authorities can play an important role in raising awareness of private entities and among the general public. To that end, the Commission has been supporting projects (for instance: http://eucpn.org/document/project-proteus-supporting-victims-identity-theft-and-identity-fraud) through appropriate European Union funds.</p> <p>As regards relevant instruments for international cooperation, this initiative does not intend to replace or modify existing horizontal instruments for judicial or police cooperation with third countries, which will continue to apply. The Commission considers that Eurojust and Europol play a relevant role to enable national law enforcement and judicial authorities to make full use of available cooperation mechanisms.</p>
<p>1.4. In order to ensure efficient protection of individuals and to meet the objectives behind this initiative (namely, boosting confidence in electronic and digital payment instruments and increasing compliance and prevention), Article 15 must require national legislation to institute financial insurance against fraud, so that victims are compensated fully should the</p>	<p>The Commission would like to recall the rules established by the Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market³⁵, and in particular on Articles 73 and 74 of that Directive, determining the rules for liability for unauthorised payment transactions,</p>

³⁵ OJ L 337, 23.12.2015.

<p>holders of electronic payment instruments be harmed by cyberfraud. This compensation would be paid out to the payment product provider, as the civil plaintiff concerned, upon completion of the investigation.</p> <p>4.5. In order to ensure efficient protection of individuals and to meet the objectives behind this initiative (namely, boosting confidence in electronic payment instruments and increasing compliance and prevention), Article 15 must require national legislation to institute financial insurance against fraud, so that victims are compensated fully should the holders of electronic payment instruments be harmed by cyberfraud. This compensation would be paid out to the payment product provider, as the civil plaintiff concerned, upon completion of the investigation. Such safeguards must cover damage caused to traders represented by small and medium-sized enterprises in the event of failure to settle amounts up to a reasonable ceiling, determined at Member State level.</p>	<p>which ensure that individuals are protected and only exposed to a financial loss up to a maximum of EUR 50, resulting from the use of a lost or stolen payment instrument or from the misappropriation of a payment instrument.</p> <p>The Commission notes in addition that such provision would need to be based on a different legal basis (Article 114 TFEU), compared to the one on which the current proposal is based.</p>
<p>1.5., 4.6. In order to make the policy on combating the counterfeiting of electronic payment instruments both efficient and effective, a requirement to report incidents involving counterfeited electronic payment instruments must be built into the Directive, as it is in the case of policies on combating money laundering or the regulation on personal data protection.</p>	<p>The Impact Assessment accompanying the Commission proposal confirms under-reporting of incidents to law enforcement, which, due to constraints in public-private cooperation, hampers effective investigations and prosecutions.</p> <p>Mandatory reporting for crimes covered by the proposal could increase the chances of detecting, prosecuting and sanctioning perpetrators, since a much higher number of cases would be reported to law enforcement and more information would be available for investigations.</p>

	<p>However, the Commission has assessed that these benefits would likely be outweighed by the dramatic increase of the administrative and financial costs borne by law enforcement agencies to be able to deal with the increase in the volume of information (not all of which would be useful). The private sector would also incur significant administrative costs to put in place the mechanisms for systematic reporting.</p> <p>Therefore, the European Commission proposes measures to encourage reporting (Article 14 of the Commission proposal), which are considered to be a more proportionate measure that could generate more positive results in practice.</p>
<p>1.6. The European Economic and Social Committee points to the need to increase capacity to understand and prevent digital and electronic payment instrument fraud by setting up a system for gathering statistics that would bolster strategies aimed at preventing and remedying the effects of such fraud. Furthermore, there should be an ongoing impact assessment of the measures taken by the Member States to transpose the Directive, with quantitative reporting on an annual basis and a qualitative impact assessment every two or three years, so as to ascertain how effective the policy is and whether it needs to be adjusted.</p>	<p>The Commission shares the Committee's view on the importance of gathering relevant statistics for evaluating the effectiveness of law enforcement and judicial action, as well as the impact of the proposed legislation.</p> <p>Article 96 ('Incident reporting') of Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market already establishes an obligation for Member States to ensure that payment service providers provide, at least on an annual basis, statistical data on fraud relating to different means of payment to their competent authorities.</p> <p>Article 17 ('Monitoring and Statistics') of the current proposal would ensure that that data can be compared with statistical data measuring the reporting,</p>

	<p>investigative and judicial phases concerning the offences referred to in the proposal, therefore allowing for sound assessment and evaluation of the measures in place. This Article is based on the findings of the Impact Assessment (section 9 on monitoring and evaluation), where further information on monitoring and evaluation needs is available.</p>
<p>1.7. With a view to making the fight against cyberfraud and counterfeiting of payment instruments more effective in the medium term, Article 16 should be reinforced by clearly stipulating that Member States are required to build up expertise in this area, developing investigative experience and the exchange of experience, in order to enhance the broad spectrum skills of graduates (through optional studies) and the skills of experts and investigators (through specialised ongoing training).</p>	<p>The Commission agrees with the Committee on the importance of building the capacity of law enforcement authorities to effectively investigate non-cash payment fraud.</p> <p>The European Union Agency for Law Enforcement Training (CEPOL) already organises relevant training courses for law enforcement officers in the field.</p> <p>Moreover, the Commission funds the European Cybercrime Training and Education Group (ECTEG - https://www.ecteg.eu/) to develop relevant training materials.</p> <p>Dedicated capacity building actions are also included in the framework of the European Union Policy Cycle priority 'Cybercrime – Non-Cash Payment Fraud'.</p>
<p>1.8. Moreover, the Committee is of the opinion that cooperation on the ground is absolutely essential and should be encouraged. This concerns both national and cross-border cooperation for combating or preventing this type of crime. All stakeholders, in both the public and private sectors, should be involved here.</p>	<p>The Commission entirely agrees with the Committee on the importance of cooperation to effectively fight fraud.</p> <p>To that aim, Articles 12 ('Investigative Measures') and 13 ('Exchange of Information') set out the conditions for enhancing cooperation among law enforcement and judicial authorities.</p> <p>Article 14 ('Reporting of Crime')</p>

	<p>includes obligations to ensure that appropriate reporting channels are in place and that financial institutions and other relevant stakeholders are encouraged to report without undue delay suspected fraud, for the purpose of detecting, preventing, investigating or prosecuting offences covered by the proposal.</p> <p>The Commission remains committed to facilitating and supporting public-private cooperation mechanisms through the appropriate funding instruments.</p>
<p>1.9. There may be some confusion regarding the subject of this Directive, and so the European Economic and Social Committee would propose altering its title and replacing the phrase non-cash means of payment with electronic and digital means of payment.</p>	<p>While the Commission agrees that the core objective of the proposal is to enhance the fight against fraud committed against 'electronic' or 'digital' means of payment, the proposal does not intend to exclude 'corporeal' means of payment (such as plastic cards or cheques) from the scope of the instrument.</p>
<p>4.3. With regard to the requirement to establish a mechanism for the exchange of information regarding fraud investigations, laid down in Article 13 of the proposal of a Directive, a single contact point must be identified, similar to the one for combating money laundering or upholding food safety, so as to ensure a standardised approach across the European Union. This single contact point could be the ministry of justice or another body common to most European Union jurisdictions. The European Economic and Social Committee considers that while the phrase "appropriate [...] channels" goes some way towards meeting the need for efficiency, it fails to meet the need for a standardised approach.</p>	<p>The Commission agrees on the need to establish effective channels for speedily exchanging information. As noted in the Committee's opinion, this obligation is enshrined in Article 13 of the proposal ('Exchange of Information').</p> <p>In the framework of the European Union Policy Cycle priority 'Cybercrime – Non-Cash Payment Fraud', European Union law enforcement authorities work on the basis of standardised forms for exchanging information, which are not established by law and remain flexible to being adaptable to different cases.</p> <p>Moreover, Directive 2014/41/EU of the</p>

	European Parliament and of the Council of 3 April 2014 regarding the European Investigation Order in criminal matters ³⁶ already establishes standardised forms for judicial cooperation.
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³⁶ OJ L 130, 1.5.2014.