



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 15 March 2013

**Interinstitutional File:
2011/0418 (COD)**

**7403/13
ADD 1**

**CODEC 557
EF 40
ECOFIN 191
COMPET 144
SOC 168
IND 69
OC 143**

ADDENDUM TO THE "I/A" ITEM NOTE

from : General Secretariat of the Council

to : COREPER / COUNCIL

No. Cion prop.: 18491/11 EF 172 ECOFIN 882 COMPET 613 S OC 1107 IND 176 CODEC 2399

Subject: Proposal for a Regulation of the European Parliament and of the Council on European Social Entrepreneurship Funds (**first reading**)

- Adoption of the legislative act (**LA + S**)

= Statement

COMMON GUIDELINES

Consultation deadline: 20.3.2013

Statement by Poland

Poland welcomes the political agreement on the *Regulation of the European Parliament and of the Council on the European venture capital funds* and the *Regulation of the European Parliament and of the Council on the European social entrepreneurship funds* (“the Regulations”). We believe the Regulations will remove obstacles to cross – border fundraising and enhance the investor protection. In particular, we appreciate the harmonised standards on sanctions adopted to ensure proper enforcement of the provisions. However, we remain concerned with the change that has been made with regard to term “administrative sanctions”, amended as “administrative penalties” in both Regulations. We consider it against the original intention.

First, such a significant change has been made at the lawyer linguist meeting aimed at discussing **linguistic changes** that do not affect the substance of the text. Replacing “administrative sanctions” by “administrative penalties” alters the scope of the term at question which leads us to conclude that proposed change goes beyond the lawyer linguist working group’s competence and therefore was not legitimate.

Secondly, whilst the legislative acts take form of regulation which is binding entirely in all its elements and substitutes for national law, the relevant explanation provided at the lawyer linguist meeting should have been reflected in recitals to clarify that the term “administrative penalties” does not pre-judge certain type of sanctions.

Thirdly, the reference to “administrative penalties” in the Regulations will result in inconsistency across the EU legislative acts, a number of which refers to “administrative sanctions” (e.g. MiFID, MAD).
