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from: General Secretariat of the Council
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Subject: Summary record of the meeting of the European Parliament **Committee on Economic and Monetary Affairs (ECON)**, held in Brussels on 27 and 28 May 2013

The meeting was chaired by Mr Zalba Bidegain (EPP, ES) and Ms Bowles (ALDE, UK).

1. Adoption of agenda

The agenda was adopted.

2. Approval of minutes of meeting of 7 and 8 May 2013

The minutes were approved.

3. Chair's announcements

Mr Zalba Bidegain (EPP, ES) announced that the committee had decided on 23 May to table two oral questions: one to the Council on the lack of progress in the Council on financial services files and one to the Commission on the delay on the submission of several proposals. He added that the questions would be accompanied by one or two resolutions planned for the June plenary. He informed the committee that the first trilogue on the statistical framework regulation took place on 6 May. Moreover, he explained that both the Council and the European Parliament had listed the main differences of view including the appointment of the heads of Eurostat and of National Statistical Institutes; fines, Eurostat's inspection rights and the notion of commitment on confidence. He also mentioned that the Commission had received a mandate to prepare compromise amendments on most outstanding issues and that the second trilogue would take place on 3 June 2013.

4. Implementing enhanced cooperation in the area of financial transaction tax

ECON/7/11981 2013/0045(CNS)
Rapporteur: Ms Anni Podimata (S&D)
Consideration of amendments

In her initial address, Ms Podimata (S&D, EL) informed the committee that 150 amendments had been tabled, mostly on calls for exemptions (pension funds, sovereign funds, market makers, repo markets and intra-transaction groups), issuance and residence principles, the review of bank levies and the treatment of non-financial institutions. She objected to the exemption of pension funds and sovereign funds, and supported the use of FTT revenue as an EU own resource.

In the debate that followed, Mr Besset (Greens/EFA, FR) and Ms Matias (GUE/NGL, PT) supported the report on behalf of their groups. However, Mr Strejček (ECR, CZ) rejected the text in its current form, and all EPP and ALDE members including Mr Karas (EPP, AT), Mr Gauzès (EPP, FR), Ms Lulling (EPP, LU), Mr Tremosa I Balcells (ALDE, ES), Mr Klinz (ALDE, DE) and Mr Schmidt (ALDE, SE) expressed strong reservations on the validity of parts of the text.

For the political groups, Mr Karas noted that the text did not fulfil the initial objective of the FTT: to distribute the FTT proceedings between Member States and the EU, and to reduce GNI contributions. He feared that the FTT could distort competition and underlined the opposition of the Dutch government to the inclusion of pension funds.

Mr Tremosa i Balcells agreed with the exemption of pension funds, questioned the inclusion of secondary markets in the FTT's scope (sovereign bonds), favoured more powers for the European Parliament (EP) on delegated acts, supported enhanced democratic legitimacy and opposed the primacy of the residence principle.

Mr Besset thought that the financial sector had been under-taxed; that part of the FTT revenue should be allocated to the EU budget; that all or part of the amount should be added to the national contributions of Member States in order to devote new funding to European investment and that the FTT's scope had to be as wide as possible. Mr Strejček underlined the FTT's negative effect on extraterritorial cohesion and opposed using the FTT proceedings as a EU own resource.

Ms Matias thought the scope of the FTT should be wider and objected to too many exemptions. In her opinion the FTT should be used as an EU own resource.

Individual contributions broadly reflected the statements made by the representatives of the individual groups. Mr Gauzès did not contest the FTT, but called for more efficiency and pragmatism in order to prevent negative economic outcomes. He opposed punitive action and was convinced that Member States would oppose having FTT revenues used as an EU own resource. Ms Lulling explained that she would vote against the text if pension and investment funds were not excluded from the scope. Mr Klinz stressed the current divisions within the participating 11 Member States and proposed a step-by-step approach, while Mr Schmidt believed non-participating countries should be involved in negotiations on account of extra territorial effects. He added that he would vote against the text in its current form. Ms Ferreira and Mr Giegold noted that too many exemptions would water down the FTT.

The Commission representative viewed the FTT as a financial tax in financial markets on financial institutions. He believed that too many exemptions would generate less revenue, and necessitate additional efforts to fight tax evasion. He questioned calls to exempt market making and propriety trading in view of cascading effects and voiced concerns regarding extra territoriality issues. In addition, he challenged suggestions to exclude pension funds because of the cumulative effects of privileges and considered the rapporteur's approach on reduced rates and on repo agreements interesting.

Vote in ECON: 17 June 2013. Vote in plenary: July 2013.

5. Exchange of views with Mr. Michel Barnier, Commissioner for the Internal Market and Services

ECON/7/00024

In his initial address, Commissioner Barnier delivered the speech in Annex I in which he examined the Commission's ability to pursue and complete the banking union and to move progressively from reparative and preventive to pro-active regulation so as to boost growth, channel savings for long term investments and consequently re-centre the EU economy on productive instead of financial capital. He also underlined the need to tackle inefficiencies in the financial system and to identify systemic risks that had not been addressed by current legislation. Moreover, he announced that the Pension Funds Directive would be revised this autumn.

In the exchange of views that followed, MEPs focused their interventions on the role of the Single Resolution Authority (SRA), the creation of a financial backstop and future prospects regarding the deposit guarantee dossier (Ms Thyssen -EPP, BE-); the need to modify the treaties in order to set up the banking union's second pillar (Mr Zalba Bidegain -EPP, ES-); the treatment of deposits, the respect of savers and confidence in the European banking sector (Ms Ferreira -S&D, PT, Mr Feio -EPP, PT- and Mr Simons -S&D, DE-); the cumulative effect of the measures adopted so far (Mr Klinz -ALDE, DE-); expectations regarding the Markets in Financial Instruments Directive (MiFID) and the Market abuse dossier, the nature of transatlantic negotiations and in particular progress regarding the European Market Infrastructure Regulation (EMIR) and the Dodd-Frank Act as well as the implementation of G20 commitments and in particular on third country recognition in Asia (Ms Swinburne, -ECR, UK- and Mr Langen, -EPP, DE-); banking rules (Mr Balz, -EPP, DE-); Money Market Funds (MFFs) and the European Systemic Risk Board (ESRB) recommendations to ban Constant Net Asset Value (CNAV) as well as the Commission proposal on crisis resolution for large cross-border insurances (Mr Giegold -Greens/EFA, DE-); and the Commissioner's opinion on the Financial Transaction Tax (FTT), (Ms Podimata, -S&D, EL-).

In response, Mr Barnier advocated a democratically accountable SRA with decision making powers and a common resolution fund working in parallel with the European Central Bank (ECB) and open to the non euro zone. He underlined the importance of legal certainty and rejected the need for treaty change to set up the SRA, adding that this could be envisaged later on to improve and consolidate the banking union. He stressed that deposits under EUR 100.00 were guaranteed in the EU and backed the concepts of savers' preference, creditor's hierarchy and loss absorption.

Mr Barnier pointed out that the solution for the Cypriot crisis could not be viewed as a model/template for the EU and defended a clear pre-emptive system. He explained that each Commission proposal underwent an impact assessment which included a transatlantic dimension and was calibrated accordingly so as to ensure reciprocity and a level playing field internationally. He added that, in case of discrimination, the EU needed to find equivalent measures. He noted that transparency and access as regards MiFID remained on the table, and he referred to the good progress on the Market Abuse dossier which was expected to be resolved soon. He stressed the importance of derivatives which represented EUR 600.00 billion worldwide and mentioned the Commission's involvement in negotiations on Over-the-Counter derivatives with international regulators. He noted that the next meeting would take place in Hong Kong in the near future. Moreover, he confirmed that the Commission was working on proposals to cover risks associated with insurance fund instruments, pension funds and considered the Commission's proposal on the FTT politically fair.

6. Election of Vice-Chair

ECON/7/12813

Ms Marlene Mizzi (S&D, MT) was elected Vice-chair by acclamation. She replaced Mr Edward Scicluna (S&D, MT) who was recently appointed Finance Minister of Malta.

***** *Voting time* *****

7. Regional policy as a part of wider State support schemes

ECON/7/12653

Rapporteur: Ms Sharon Bowles (ALDE)

Adoption of draft opinion

The draft opinion was approved, with 38 votes in favour, 1 against and 3 abstentions.

***** *End of vote* *****

8. Exchange of views with Mr. Joaquín Almunia, Commissioner for Competition.

ECON/7/00334

In his introductory statement, Commissioner Almunia read the speech set out in [Annex II](#) in which he presented the Annual Competition Report for 2012.

Mr Almunia also reiterated the need to enhance the enforcement of EU competition law to unleash the potential of the Single Market, improve the business environment and boost growth.

In the debate that followed, speakers focused their interventions on banking crisis resolution legislation and the use of state aid (Ms Ferreira, -S&D, PT-), on the importance of credit flows for economic growth and the negative impact of credit fragmentation (Mr Tremosa I Balcells, -ALDE, ES-), on the modernization of state aid policy and appropriate public support for the environmental and ecological transformation of the economy (Mr Besset, -Greens/EFA, FR-), on the manipulation of energy prices and possible damage claims (Mr Strejček, -ECR, CZ-), on developments regarding Google and the competitiveness of small European dairy farmer producers (Mr Klute -GUE/NGL, DE-), on the creation of an authority to deal with bank recovery and resolution as well as state aid and financial market fragmentation (Mr Ferber, -EPP, DE- and Mr Sánchez Presedo -S&D, ES-), on state aid reform and modernization (Ms Pietikäinen, -EPP, FI-), on guidelines for European Airports and the state of play regarding broadband in rural areas (Mr Langen, -EPP, DE-), on the retroactivity of private enforcement legislation (Ms McCarthy, -S&D, UK-), and on the creation legislation on sanctions in the cartel and antitrust system (Mr Zalba Bidegain, -EPP, ES-).

In response, Mr Almunia explained that state aid resulted from a bank's inability to carry out its resolution. He viewed the use of national resolution funds and deposit guarantee schemes as state aid as opposed to the use of a European resolution fund. He announced the preparation of new guidelines to enable, under certain conditions, the use of public resources without these being perceived as state aid. He acknowledged the need to implement swiftly the banking union and to restore credit flows and added that solid banks should be the ones providing credit instead of banks under assistance. He also stated he considered that the degree of concentration of the Spanish

banking market was reasonable. He pointed out that only the completion of the banking union and the creation of a single resolution authority would provide the required framework to deal with present problems and stressed that a banking resolution mechanism should ensure a level playing field and not lead to financial market distortion. Moreover, he thought that the banking resolution mechanism was only partially linked to state aid.

He recognised the importance of renewable energies in the context of European competitiveness and reassured the committee that the EU would continue to support renewable energies and energy efficiency. He welcomed national public support programmes with a European dimension to avert fragmentation and foster the completion of the European energy market and pointed out the need for opening a formal investigation if inspections confirmed the allegations of price manipulation. Mr Almunia also explained that following the investigation initiated by the Commission in 2010 against Google on possible anti-trust infringements in the search engine market, Google had submitted proposals earlier in 2013 to address the Commission's concerns. He noted that the proposals had been communicated to the complainants and were being subjected to market tests which were expected to be concluded by the end of June 2013. He pointed out that once the analysis of the proposals had been carried out, the Commission would almost certainly ask Google to improve them.

He was convinced that competition policy should also be enforced in the agricultural sector taking into account its specific characteristics and referred to the Commission's initiatives in the milk sector explaining that they were designed to strike the right balance between the sector's specificities and competition rules. He stressed the responsibility of Member States for their enforcement. Moreover, he said he could not accept market principles without competition policy enforcement.

He mentioned that the new revised procedural regulation on state aid proposed a simplified way to deal with complaints, accelerate decisions, renounce *ex ante* notifications, broaden the scope of use of the general block exemption regulation, reinforce the Commission's action on *ex post* control, and enable the use of new market information tools to obtain and gather information under certain conditions.

He expected guidelines on airports and airlines to be concluded by the end of 2013 which would enable the Commission to deal with approximately 60 pending state aid cases regarding subsidies for certain airlines to fly to certain regional airports.

He informed the committee that the Commission had adopted the new broadband guidelines in December 2012, which included considerations on the use of public money for the development of broadband. He explained that he needed the Council's support to broaden the possibilities of block exempting investments in broadband infrastructure which could then be integrated in the general block exemption regulation expected to be adopted by the end of the year. Furthermore, he informed the Committee that he had just written a letter to the German regional authorities on unbundling.

More generally, he did not think that private enforcement legislation could be retroactive and he did not consider it necessary to have a regulation on fines regarding antitrust systems and cartels. He preferred instead the application of a procedural economy principle through Commission guidelines.

9. Public Hearing on the fight against tax evasion - FATCA as a first step towards international automatic exchange of information

ECON/7/12704

The public hearing took place with the participation of representatives of the US department of the Treasury (Mr Robert Stack), of the OECDE, of the Commission (Mr Philip Kermode), of Eurodad (Mr Mike Lewis) and of the European Banking Federation, (Ms Marie Rosvall) and was followed by an exchange of views with committee members.

10. Key information documents for investment products

ECON/7/10045 2012/0169(COD)
Rapporteur: Ms Pervenche Berès (S&D)
Consideration of amendments (continued)

In her initial address, Ms Berès (S&D, FR) informed the committee that half of the compromises had already been agreed. She shared the calls to widen the scope of the Commission proposal to ensure comparability across the entire spectrum of products and was convinced that this could be done through delegated acts. She underlined the agreement among shadow rapporteurs to exclude obligatory pension schemes and to include voluntary pension schemes and noted that no agreement had been reached yet on having the proposed Commission liability regime in line with the Undertakings for Collective investment in Transferable Securities (UCITS) regime.

In the subsequent exchange of views, Mr Pietikäinen (EPP, FI) suggested having different liability for manufacturers and retailers. She thought that the manufacturer should be liable for the KID and the retailer for the attached annex. She noted that her group was not willing to enlarge the scope of the proposal and that it did not agree on any limits and restrictions on the content of the packaged retail product.

Mr Balz (EPP, DE) noted some products should remain outside the scope of the regulation, such as savings and shares and warned against excessive red tape and restricting access to share markets. In his opinion, normal users should not be overregulated and should be able to take decisions without KIDs. He feared that there was an attempt to introduce product regulation via product information. Furthermore he favoured clarity as regards liability and therefore opposed double or mixed liability suggesting instead a single point of contact for the consumer and using existing UCITS regulation. He was also convinced that the KID should be concise and favoured quality over quantity.

Mr Giegold (Greens/EFA, DE) rejected calls for removing references to ethical investment policies from the KID and argued for simple and easily readable risk indicators.

Ms Berès reiterated that the aim of the proposal was to restore trust in the market, to provide clear information for consumers and to enable comparison. Moreover, she noted that the aim of the guide was to be proportional to the needs of small investors. She thought that limiting the KID to complex products could hinder simple products. In her opinion, a level playing field was necessary to ensure adequate information and comparability.

Vote in ECON: 17 June 2013. Vote in plenary: September 2013.

11. Insurance mediation (recast)

ECON/7/10012 2012/0175(COD)
Rapporteur: Mr Werner Langen (EPP)
Consideration of amendments (continued)

In his opening remarks, Mr Langen (EPP, DE) favoured minimum information requirements for insurance mediation. He suggested having insurance intermediaries liable for the products but not for the information. In his opinion, consumer protection should be left under the Markets in

Financial Instruments Directive (MiFID), product information under the Key Information Document (KID) proposal and the liability of insurance mediators and brokers under the recast of the Insurance Mediation Directive (IMD).

In the subsequent exchange of views Mr Giegold (Greens/EFA, DE) advocated legislative consistency and proposed moving towards a European code of financial services' law. Mr Klinz (ALDE, SE) favoured the widest scope of application possible in order to strengthen consumer protection. He agreed that rules concerning distribution of insurance products should be dealt within IMD. Moreover, he noted that, in general, both specific conduct rules and sales standards on insurance mediation should be identical to those in MiFID in order to handle overlaps between IMD and MiFID. Nevertheless, he pointed out that intermediaries should be able to sell non complex products on an execution only basis without an appropriate test as in MiFID. He proposed, too, full disclosure on commissions on investment products and mandatory disclosure regarding the fees of all intermediaries in advance of the sale, and added that the specific nature of non-life insurance products in comparison with investment products should be taken into consideration.

Consequently, he suggested a three year transition period for non-life insurance products in order for intermediaries to adapt their business models upon which the consumer would be able to receive the necessary information upon request.

12. Date of next meeting

The next meeting will be held in Strasbourg on 10 June 2013.

Speech by Mr Barnier, Commissioner for the Internal Market and Services

Mesdames et Messieurs les députés,

Ce dialogue structuré intervient à un moment clé de votre mandat.

A un an de la fin de la législature, c'est l'occasion d'esquisser un premier bilan de notre action commune face à la crise financière. C'est aussi et surtout le moment de définir les priorités pour l'année restante, qui doit être une année utile, voire décisive.

Oui, beaucoup a été fait. Je remercie tous ceux parmi vous qui, par leur travail intense, ont rendu possible, depuis trois ans, l'adoption de textes aussi nombreux que novateurs.

Et oui, cependant, beaucoup reste à faire.

Les attentes à notre égard sont d'ailleurs grandes, comme j'ai encore pu le constater lors du Conseil ECOFIN informel de Dublin, en présence de Sharon BOWLES ou comme le montre les dernières avancées du G20.

Nous serons en particulier jugés sur notre capacité à mener à bien trois chantiers :

- l'Union bancaire, qui nécessite la mise en place rapide d'un système commun de résolution;
- le parachèvement de notre travail de régulation "réparatrice"; et
- notre capacité à engager une régulation "proactive" pour assurer la reprise de la croissance et le financement de l'économie, notamment sur longue période.

Permettez-moi de revenir sur ces trois chantiers.

I – La nécessité de mettre en place rapidement l'union bancaire

Grâce à un travail considérable, l'Union bancaire, que certains jugeaient trop ambitieuse voire utopique l'année dernière, est sur le point de devenir réalité.

Cette Union bancaire reposera sur deux piliers : la supervision et le couple résolution bancaire et garantie des dépôts.

S'agissant de la supervision, je salue très chaleureusement l'accord obtenu sur les deux textes du paquet SSM [Rapporteurs Sven GIEGOLD et Marianne THYSSEN] et je vous remercie pour votre contribution constructive aux discussions dans les trilogues.

Les dernières modifications apportées par le Conseil au texte du règlement SSM n'altèrent nullement la substance de l'accord politique du 19 mars dernier. Je crois que le Parlement pourra les accepter.

Je comprends les raisons qui vous conduisent à attendre pour le vote final en plénière.

Je veux croire que les conditions seront remplies en temps utile pour que vous puissiez voter au plus tard à la séance plénière de juillet.

Parallèlement, nous devons aussi avancer sur la résolution bancaire – la crise chypriote nous confirme que cette préoccupation n'est pas théorique.

Je salue les efforts importants déployés par Gunnar HÖKMARK et les shadow rapporteurs, qui ont conduit la semaine dernière à une adoption du rapport sur notre Directive de juin dernier.

Il me semble clair que les trilogues devront se concentrer sur quelques sujets clés, à savoir le financement de la résolution, la gestion des crises transfrontalières (rapport home/host) et les questions liées au bail-in, notamment la hiérarchie entre les créanciers et la date d'application.

Enfin, comme vous le savez, nous présenterons dans quelques jours notre proposition de mécanisme unique pour la résolution des banques dans la zone euro (SRM), doté d'un fond commun de résolution préfinancé par les banques et d'une autorité de résolution, qui sera chargée d'appliquer les règles de la Directive résolution aux banques de la zone euro.

Avec le SSM, la création de cette autorité nous permettra enfin de casser le lien entre les difficultés des banques et la dette des Etats. Le nouveau système doit être opérationnel à partir de 2015.

II – Deuxième chantier : mener à bien notre travail de régulation réparatrice

Nous avons fait ces derniers mois des progrès importants, avec l'adoption du cadre réglementant les dérivés de gré à gré (EMIR) [Rapporteur Werner LANGEN] et du paquet CRD IV [Rapporteur Othmar KARAS]. Ces deux textes essentiels doivent maintenant être mis en œuvre.

Parallèlement, nous devons mener à bien les discussions sur trois dossiers particulièrement importants :

- MiFID [Rapporteur Markus FERBER], sur lequel nous voulons débiter le trilogue au plus vite, afin d'aboutir à un accord d'ici la fin de l'année. C'est une priorité d'autant plus forte que des règles similaires sont déjà en vigueur aux Etats-Unis. L'absence d'un *level playing field* dans ce domaine est un inconvénient pour toutes les entreprises actives des deux côtés de l'Atlantique.
- Deuxième dossier : les abus de marché [Rapporteur Arlene McCARTHY] : je me réjouis du soutien du Parlement pour un règlement ambitieux qui renforcera notre cadre législatif.
- Enfin, nous devons reprendre le plus rapidement possible les trilogues sur Omnibus II [Rapporteur Burkhard BALZ], une fois qu'EIOPA aura terminé ses études supplémentaires sur les produits d'assurance avec des garanties de long terme.

En mentionnant ces trois dossiers, mon propos n'est pas de sous-estimer l'importance des autres dossiers sur la table.

Nous devons également avancer sur UCITS V [Rapporteur Sven GIEGOLD], Intermédiation en assurance [Rapporteur Werner LANGEN], PRIIPS [Rapporteur Pervenche BÉRÈS] et CSD [Rapporteur Kay SWINBURNE].

Enfin, comme vous le savez, la Commission vient de présenter une Directive pour donner accès à tous les Européens à un compte de paiement de base [Rapport KLUTE en 2011], assurer la transparence et la comparabilité des frais bancaires et simplifier les changements de compte bancaire.

Mesdames et Messieurs,

Je suis conscient du nombre de dossiers ouverts. Est-ce une raison pour arrêter de faire des propositions? Je ne le crois pas.

Nous devons répondre aux nouveaux dysfonctionnements du système financier, par exemple en encadrant les indices de référence.

Nous devons aussi être attentifs aux conséquences de nos propres régulations, qui ne doivent pas avoir pour effet d'abonder le système bancaire parallèle.

Sur ces deux sujets, ainsi que sur la révision de la Directive sur les services de paiement, des propositions vous seront soumises d'ici peu.

Par ailleurs, nous devons identifier et traiter les risques systémiques qui ne seraient pas pris en compte par nos mesures de régulation. C'est l'objet de la proposition sur la réforme structurelle des banques que nous présenterons après l'été, à la suite du rapport Liikanen. Nous venons de lancer une consultation publique sur ce sujet. Dans ce contexte, nous suivons également avec attention les travaux du rapport d'initiative d'Arlene McCARTHY.

Enfin, nous préparons pour cet automne une révision de la Directive sur les fonds de pension pour mieux protéger les affiliés et améliorer le fonctionnement du marché unique. Cette révision touchera uniquement les aspects gouvernance, transparence et reporting de la directive actuelle. Les exigences prudentielles n'en feront pas partie à ce stade car EIOPA doit continuer ses études techniques pour assurer un bon calibrage des exigences quantitatives pour les fonds de pension. Il s'agit d'une question très complexe et nous ne voulons pas fragiliser les fonds de pension dans leur capacité des investisseurs de long terme dans l'économie réelle.

Mesdames et Messieurs,

III – Pour finir, un dernier mot sur la nécessité de passer progressivement d'une régulation « réparatrice » à une régulation « proactive ».

La mise en œuvre de l'agenda du G20 et la construction de l'Union bancaire sont des étapes essentielles mais pas suffisantes.

Nous avons la chance historique de pouvoir recentrer notre économie sur le capital productif plutôt que sur le capital financier.

Mais nous ne saisissons cette chance que si nous parvenons à canaliser l'épargne vers le financement de projets d'investissement à long terme.

C'est l'objectif du Livre vert que la Commission a publié le 25 mars dernier et qui soulève des questions fondamentales comme :

- le calibrage adéquat du cadre de réglementation prudentielle, des normes comptables, et des régimes fiscaux ;
- la fin du court-termisme ;
- l'approfondissement des marchés des obligations de sociétés, d'actions et de titrisations et
- l'accès plus important des PME au financement bancaire et non-bancaire.

La consultation que nous avons engagée doit nous permettre de déterminer les réponses les plus appropriées pour relever le défi du financement de long terme. Je compte sur le Parlement pour contribuer pleinement à ce débat avec un rapport d'initiative.

Enfin, suite aux conclusions du Conseil Européen de la semaine passée, nous devons réfléchir comment nous pouvons, dans le cadre législatif du reporting, étendre les obligations de transparence concernant les impôts payés, déjà introduites pour les banques dans la CRD4, aux grandes entreprises et groupes d'entreprises.

Speech by Mr Almunia, Commissioner for Competition

Madame Chair,
Honourable Members,
Ladies and Gentlemen:

I thank the ECON committee and its Chair for this opportunity to present the Annual Competition Report for 2012.

Last year, competition enforcement continued to operate in a very difficult environment. Almost six years have passed since the crisis started and Europe tries to tackle the deep economic, social and political consequences of it.

Against this background, the robust enforcement of EU competition law is more urgent than ever – and I hope our record for 2012 demonstrate our commitment across our instruments: mergers, antitrust and State aid.

Our enforcement action, together with the regulatory work carried out by the Commission, delivered choice and lower prices to consumers when they were most needed.

Our action also strengthened the Single Market, as shown by the string of cases in sectors that are the lifeblood of a modern economy: financial services and the network industries such as gas, electricity and telecoms. I will say a few words on these later.

Finally, last year we also showed our determination to adapt our policies to changing economic conditions.

To help Member States make the most of scarce public funds, in May we launched our State aid modernisation strategy, on which I will give you a brief update. We are also about to present formally our legislative initiative on private enforcement.

In 2012, the continued application of State aid rules for banks in distress was our main contribution for a fairer and more transparent financial sector.

Indeed, only the completion of the Banking Union -including a Single Resolution Authority- will provide the framework we need to put behind us the origin of our present troubles.

In the meantime, you together with the Council are close to the final adoption of the new legislation on bank recovery and resolution.

This is an important step forward, but to ensure the transition towards the new steady state we are reviewing our special State aid rules to accompany the regulatory process and keep them consistent with the new regulatory framework that will emerge.

Regarding our action in 2012, we took 19 decisions under these special State aid rules. In all, since their introduction, we have taken 62 decisions – both restructuring and liquidation cases – and we have 28 more cases pending as we speak.

Among the decisions we took last year, let me recall those concerning the restructuring of the whole banking sector in Spain. These decisions were special because they were taken in the context of a Memorandum of Understanding agreed by the Eurogroup in July.

Other relevant decisions involved the German Landesbanken NordLB and BayernLB, the Latvian mortgage bank, and Dexia.

We have also used our other instruments in financial cases.

On the merger-review front, the main decision was the prohibition of the merger between Deutsche Börse and NYSE Euronext.

In antitrust, we continued our work with credit-card companies and their multilateral interchange fees – or MIFs.

This is a developing domain. Last month we opened formal investigations regarding MasterCard and two weeks ago VISA Europe offered to cut its MIFs for credit cards and make cross-border competition easier.

Finally, last year the Commission continued its work on two antitrust investigations opened in 2011 in the Credit Default Swaps market and on the cases related to the Libor, Euribor and Tibor benchmark rates involving a number of banks and brokers.

To move away into the energy markets, this month we have carried out surprise inspections at the premises of several companies active in the crude oil, refined oil products, and biofuels sectors.

In these investigations – as in the Libor and Euribor cases – our goal is to make sure that the companies have not colluded to manipulate their prices through a reporting system.

Another important case involves Gazprom, against which we opened formal antitrust proceedings last year.

Again, our action in energy markets goes hand-in-hand with the regulatory action of other Commission departments and EU institutions. The creation of a genuine Single Market for energy for 2014 has been reaffirmed by the European Council last week.

We have been accompanying the development of Single-Market legislation in telecom markets, too.

Last year we had a case involving Telefónica and Portugal Telecom and approved with conditions the acquisition by Hutchison 3G Austria of its competitor Orange.

And last December the Commission approved the Broadband Guidelines, the first of the new generation.

The re-launch of Europe's economy will depend to a great extent on efficient, competitive and innovative markets in the digital industries. Therefore, let me stress two decisions we took in 2012 and a case that is still pending.

- In our decisions on e-books, we accepted the commitments of Apple and four leading publishers.
- In the music industry – increasingly part of the digital economy – we agreed to the merger between Universal and EMI after we received significant concessions.
- Finally, we have the on-going antitrust case involving Google.

This is a quick overview of the main aspects of our enforcement action in 2012.

As to our policy developments, in May the Commission launched the State aid modernisation strategy.

The reform process is in full swing. The next steps will include the new guidelines for Regional aid, the Enabling and Procedural Regulations – on which your committee has adopted a report last week – the Research, Development and Innovation guidelines, the Risk Capital Guidelines, the Energy and Environmental Guidelines and the General Block Exemption Regulation.

The bulk of our modernisation reform package will be in place before the end of your term in mid-2014.

There are two other policy developments I would like to mention: our antitrust damages initiative and the review of our merger-control procedures.

I'm happy to report that I will submit the antitrust damages proposal to the College in the coming weeks.

As indicated in your Committee's report on the ACR for 2011, I will present it for adoption under the ordinary legislative procedure – which is a first in the competition domain. I will of course be pleased to present to you the main features of our proposal immediately after the Commission has endorsed it.

I hope that with the support of the Parliament, and in particular of this Committee, we can adopt the proposal swiftly.

When we do, we will have reached two objectives that I know we share; enabling victims of competition-law infringements to obtain compensation more effectively and optimising the relation between the public and private enforcement of EU competition rules.

In the merger domain, this year we will introduce procedural changes to make our review of unproblematic cases even more business friendly than it is at present.

A larger proportion of transactions will be treated under a simplified process. This will reduce the amount of information to be provided by companies in non-problematic cases; it will speed up the process; and will allow us to focus on the most problematic mergers.

In parallel, we are considering whether EU merger control should be extended to the acquisition of non-controlling minority shareholdings because we have seen in our practice that they too can lead to competitive harm and currently we do not have the means to tackle this problem.

But this would require amending the EU Merger Regulation. A public consultation will be launched in the coming months on this possible improvement.

Another aspect we will consider for this potential reform is the referral system which concerns the allocation of merger cases between the Commission and the Member States.

Let me say one word on our cooperation with other agencies before I close.

In 2012, the Commission continued to work together with the national competition authorities in the Member States – within the European Competition Network – to foster convergence and ensure a coherent application of EU antitrust rules.

As to non-EU agencies, I have to report that cooperation is increasing. The latest example is the agreement I signed with the Swiss Competition Commission, which is to be approved by the European and Swiss parliaments.

For the first time, the Commission will be able to share evidence gathered in its investigations with a third-country Competition Authority without a specific waiver from the companies concerned.

This will be an important step forward in our fight against international cartels and other anti-competitive practices.

Honourable members,

There is a lot to do to take the EU out of the crisis and lead it towards a sustainable recovery. We need to fix the financial system so that credit starts to flow to the real economy again; we need to continue reducing debt levels – public and private – through a better distribution of sacrifices; and we need to support research, education and training.

In parallel, we must complete the banking-union project, and persist in our efforts to make goods, services and labour markets more integrated and more efficient.

Competition policy is an essential component in this policy mix, because it can unleash the potential of the Single Market; improve the business environment; and boost growth.

I know that we share these views and goals. I am looking forward to pursuing them together with the European Parliament through our structured dialogue and in particular with the competition working group.

Thank you.
