



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 6 March 2012

7367/12

**PE 96
INST 182**

NOTE

from:	General Secretariat
to:	Delegations
Subject:	Summary of the meeting of the Committee on Legal Affairs (JURI) of the European Parliament held in Brussels on 1 March 2012

The meeting was chaired by Mr Lehne (EPP, DE).

**1. Election of Vice-Chairs
(ITEM 1)**

The Committee elected by acclamation:

- Ms Regner (S&D, AT) as 1st Vice-Chairman in replacement of Mr Berlinguer (S&D, IT);
- Ms Castex (S&D, FR) as 3rd Vice - Chairman in replacement of Ms Regner.

**2. Amendment of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts
(ITEM 5)**

JURI/7/08047, 2011/0389 (COD) Responsible: JURI

Opinions: ECON, ITRE, IMCO

and

**Specific requirements regarding statutory auditing of public-interest entities
(ITEM 6)**

JURI /7/08135, 2011/0359(COD)

Responsible: JURI

Opinions: ECON, ITRE, IMCO

Mr Karim (ECR, UK), rapporteur, highlighted in particular the opening of audit firms' ownership to third parties, the European passport, the independence of audit firms to avoid competition imbalances and the 6 years' rotation system. Mr Karim also informed the Committee that an impact analysis on legislation will be carried out. Mr Massip (S&D, ES) criticized the role of lobbies in the case of joint audit, which he asked to be examined further. Mr Berlinguer insisted on the need for reform to reinforce the Single Market. According to Mr Bodu (EPP, RO), audit firms should not evaluate the measures a company should take in order to avoid risks and proposed (1) to fix a double ceiling when it comes to fees paid for auditing and (2) a prohibition on recommending a specific audit firm to a client. Ms Thein (ALDE, DE), stated that small-and medium-sized audit firms did not cause the crisis and was not in favor of the European Passport because of the lack of common accounting rules and the different tax and living conditions among Member States. Ms Thein commented that European Passport should be leveled up and not down by this proposal. Finally, Mr Meszaros (EPP, SK) stressed that the proposal would make the flexibility and competitiveness of audit firms more difficult and would harm subsidiarity principle.

The Representative of the Commission observed that all remarks of the JURI Members had been taken into account and had been included in the proposal, with the exception of both the double ceiling for joint audit, due to doubts on feasibility, and of the mandatory rotation system, as such a system is already implemented in the board of Directors of top companies. Finally, the Commission representative stressed that there was a need to eliminate conflicts of interest arising from the double activity of some audit firms, namely the audit and non-audit services provided.

Mr Karim, rapporteur, noticed that political groups have very different opinions on that proposal. However, Mr Karim said that he would take into account the points raised on the subsidiarity principle and the existing good practices existing in the EU. He added that his report would also address the protection of EU citizens.

Calendar:

- draft report in July 2012,
- deadline for amendments on 19 September,
- consideration of the amendments in October 2012,
- vote in JURI in 27 November 2012
- vote in the Plenary in January 2013.

3. Law of Administrative Procedure of the European Union

(ITEM 7)

JURI/7/08737

Mr Berlinguer, rapporteur, explained that current European administrative law is not coherent and that European citizens need more legal security. In his view, a legislative initiative was needed to adopt general administrative procedures that would be binding for all the European institutions (pursuant to Article 298 of the Lisbon Treaty and Article 41 of the EU Charter of fundamental rights). Mr Berlinguer regretted that no proposal came from the Commission pursuant to Article 298 TFEU to simplify EU administrative procedures.

Ms Wikstrom, Mr Gargani (EPP, IT) and Ms Thein agreed with him. According to Ms Lichtenberger, European administrative law needs procedural certainty and predictability.

4. VOTING TIME

The following ITEMS were adopted by the Committee:

- Jurisdiction, applicable law, recognition and enforcement of decisions and authentic instruments in matters of succession and the creation of a European Certificate of Succession

(ITEM 8)

JURI/7/01362, 2009/0157(COD)

Responsible: JURI

Opinions: LIBE - Decision: no opinion

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- Permitted uses of orphan works

(ITEM 9)

JURI/7/06115, 2011/0136(COD) Responsible: JURI

Opinions: ITRE - Decision: no opinion

IMCO - Toine Manders (ALDE)

CULT - Sabine Verheyen (EPP)

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-A corporate governance framework for European companies

(ITEM 10)

JURI/7/06789, 2011/2181 (INI) Responsible: JURI

Opinions: ECON* - Ashley Fox (ECR)
EMPL - Ole Christensen (S&D)

ITRE - Lena Kolarska-Bobinska (PPE)

IMCO - Constance Le Grip (PPE)

FEMM - Decision : no opinion

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- Delegated acts (Rule 87a)

Commission Delegated Regulation (EU) No. .../... of 21.12.2011 amending Regulation (EC) No 1569/2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council (C(2011)9585)

(ITEM 11)

Responsible: ECON - Wolf Klinz (ALDE)

- Commission Delegated Regulation (EU) No. .../... of 21.12.2011 amending Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards elements related to prospectuses and advertisements (C(2011)9591)

(ITEM 12)

Responsible: ECON - Wolf Klinz (ALDE)

- The methods and procedure for making available the traditional and GNI-based own resources and the measures to meet cash requirements (recast)

(ITEM 13)

JURI /7/06474, 2011/0185(CNS)

Responsible BUDG - Jean -Luc Dehane (PPE)

Anne E. Jensen (ALDE)

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- Markets in financial instruments, and repeal of Directive 2004/39/EC (recast)

(ITEM 14)

JURI/7/07645, 2011/0298(COD)

Responsible: ECON - Markus Ferber (PPE)

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- Common system of taxation applicable to interest and royalty payments made between associated companies of different Member States (recast)

(ITEM 15)

JURI/7/07753, 2011/0314 (CNS)

Responsible: ECON

5. Common rules for the allocation of slots at European Union airports (recast)

(ITEM 16)

JURI/7/08025, 2011/0391(COD)

Responsible: TRAN - Giommara Uggias (ALDE)

The vote of this item has been postponed.

6. European Refugee Fund

(ITEM 31)

Mr Lehne, rapporteur, explained that Council did not agree that Article 80 TFEU be a legal basis along with Article 78 TFEU for the Decision on the European Refugee Fund. In the light of negotiations with Council, LIBE asked the JURI Committee to give its opinion on whether the deletion of Article 80 is appropriate.

Although Ms Geringer de Oedenberg proposed to postpone the vote, Mr Lehne, Mr Tavares and Ms Wikstrom opposed any postponement of the vote. The opinion to delete Article 80 TFEU as a legal basis was adopted by a majority vote.

7. Staff Regulations of Officials and Conditions of Employment of Other Servants of the EU

(ITEM 17)

JURI /7/08217, 2011/0455(COD) Responsible: JURI

Opinions: BUDG, CONT, AFCO, FEMM

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Ms Roth-Behrendt (S&D, DE), rapporteur, recalled that 18 amendments had been tabled. She expressed the opinion that the civil servant status does not have to be linked to the Multiannual Financial Framework. A specific budget line should be involved for the purpose of saving money. In this respect, the EP, as budgetary authority, should be involved. Ms Roth-Behrendt disagreed with the creation of a new AST grade and considered that financial restrictions should not be borne only by the lower-grade staff, which is composed mainly by women. According to her, institutions should have the right to decide by themselves the grade from which they start to recruit. Ms Roth-Behrendt was also opposed to the limitation of “AST in transition” to AST 7 and said that MEPs’ assistants should have the right to work until the age of 67. On salaries, she considered justification in terms of geographical balance and gender equality should be taken into account. On flexitime, Ms Roth-Behrendt said that all institutions should implement this system.

Ms Wikstrom, on behalf of the ALDE group, agreed with the opinion of the rapporteur and supported her amendments. Mr Gargani considered that the regulation should also apply to the 6 executive agencies of the Commission. Mr. Baldassarre (EPP, IT) disagreed with the amendment allowing to recruit « AST-SC » at a lower level and expressed reservations on this issue. He recalled that civil servants should be appropriately motivated and that promotion should be based on the skills and performances of the staff and not on their seniority. Ms Lichtenberger also said that lower grade officials should be protected and was opposed to the system of “revolving doors” (former EU officials who work for the private sector and then come back to the EU institutions without cutting off their links). Ms Lichtenberger, also stressed the need to achieve equal treatment for persons with disabilities and the need to change the rules, in order to overcome the gender imbalance in the lower-grade levels. On the solidarity levy, Ms Lichtenberger considered it should be progressive, so that the more one earns, the more he should contribute. Ms Thein, however, was in favour of the new AST group proposed by the Commission and considered that multilingualism was not necessary for this new category so that local staff could be employed.

The Representative of the Commission explained that the proposal intended to increase the salary at the beginning and at the end of the career. As a consequence, the salary at the beginning of the career would be increased by 38 %. The Commission said that the intention was to link the civil servant status with the Multiannual Financial Framework in order to reduce the workforce and save money. With respect to flexitime, the Commission stated that Heads of Unit and AD officials above the grade of AD 9 should be excluded from this system but noted that, in some cases, they could have a half day or maximum one day off per month.

Ms Roth-Behrendt, rapporteur, concluded by asking the Member States to have a consistent attitude. She explained that Member States cannot increase the salary of national civil servants and refuse to do so for EU officials. Ms Roth-Behrendt also considered that executive Agencies should be included in the Commission proposal.

Calendar:

- deadline for tabling amendments: 8 March 2012.

8. The discussion on the following items has been postponed:

- Voluntary and unpaid donation of tissues and cells

(ITEM 18)

JURI/7/06909, 2011/2193(INI)

Responsible ENVI - Marina Yannakoudakis (ECR)

Opinions: ITRE, IMCO, JURI

- Amendment of the Regulation (EC) No 1060/2009 on credit rating agencies

(ITEM 19)

JURI/7/07816, 2011/0361(COD)

Responsible: ECON - Leonardo Domenici (S&D)

Opinions: IMCO, JURI

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- Coordination of laws, regulations and administrative provisions relating to undertakings of collective investment in transferable securities (UCITS) and Directive 2011/61/EU on Alternative Investment Funds Managers in respect of the excessive reliance on credit ratings

(ITEM 20)

JURI/7/07819, 2011/0360(COD)

Responsible: ECON - Leonardo Domenici (S&D) PR - PE 480.851v01-00

Opinions: JURI

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- Consumer programme 2014-2020

(ITEM 21)

JURI/7/07739, 2011/0340(COD)

Responsible: IMCO - Robert Rochefort (ALDE)

Opinions: BUDG, JURI

The Chairman, Mr Lehne, noted there were no objections regarding the deadline for filing amendments for items 18 to 21.

9. Online dispute resolution for consumer disputes (Regulation on consumer ODR)

(ITEM 23)

JURI/7/08129, 2011/0374(COD)

Responsible: IMCO - Roza Grafín von Thun und Hohenstein (PPE)

Opinions: JURI

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Mr Berlinguer, rapporteur, recalled that the proposal aimed to create a single entity to which the consumer was entitled to file a claim that would be consequently handled by the competent national authority. He stated that this proposal emphasized on digital aspects and would stimulate the single market, and that in the current wording, the proposal was limited to cross-border transactions.

He also insisted on the fact that using online dispute resolution was not compulsory, and that consumers would always have the right to file a claim directly before a court. Finally, he pleaded in favor of giving more information to consumers in that respect.

Calendar:

- deadline for amendments: 29 March.

10. Alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR)

ITEM 24

JURI/7/08131, 2011/0373(COD)

Responsible: IMCO - Louis Grech (S&D)

Opinions: JURI

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Mr Busoi (ALDE, RO), rapporteur, underlined that the alternative dispute resolution was based on mediation and argued that such an alternative was cheaper than judicial proceedings. He suggested that the principles of legality and transparency be taken into account. Impartiality of alternative dispute resolution entities had also to be improved. Finally, he pleaded in favour of ADR procedures to have a suspensive effect on periods of limitation.

Calendar:

- deadline for tabling amendments: 26 March.

11. Online distribution of audiovisual works in the EU

ITEM 25

JURI/7/08156, 2011/2313(INI)

Responsible: CULT - Jean-Marie Cavada (PPE)

Opinions: ITRE, JURI

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Mr Borys (EPP, PL), rapporteur, reminded the Committee of the importance of the sector (3% of UE GNP). He insisted on the fair payment of authors and stated that pan-European licences needed to be optional because of the cultural and linguistic special features.

Ms Lichtenberger also insisted on the issue of pan-European licences, while Mr Busoi asked for more information on the European Copyright Code.

12. Decisions regarding the property consequences of registered partnerships

(ITEM 30)

JURI/7/05683

* 2011/0060(CNS) COM(2011)0127 - C7 - 0094/2011

DT - PE 475.883v01-00

Responsible: JURI

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(Portugal)

Ms Thein, rapporteur, reminded the Committee that an expert opinion from the Fundamental Rights Agency on the fundamental rights compliance of the COM's proposal had been requested.

13. Date and place of the next meeting

- 26 March (15:00 - 18:30) (Brussels)
- 27 March 2012 (9:00 - 12:30 & 15:00 - 18:30) (Brussels).