



Council of the
European Union

Brussels, 20 April 2017
(OR. en)

8070/17
ADD 1

PV/CONS 17
AGRI 190
PECHE 144

DRAFT MINUTES

Subject: **3529th** meeting of the Council of the European Union
(Agriculture and Fisheries), held in Luxembourg on 3 April 2017

PUBLIC DELIBERATION ITEMS¹

Page

LEGISLATIVE DELIBERATIONS

"A" ITEMS (7643/17 PTS A 24)

1. Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement [First reading]..... 3
2. Regulation of the European Parliament and of the Council laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas [First reading] 4
3. Draft amending budget No 1 to the general budget for 2017 accompanying the proposal to mobilise the European Union Solidarity Fund to provide assistance to the United Kingdom, Cyprus and Portugal 5

"B" ITEMS (7641/17 OJ CONS 17 AGRI 159 PECHE 122)

4. Proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and amending Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (EU) 1301/2013, (EU) No 1303/2013, EU No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014,(EU) No 283/2014, (EU) No 652/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council (Omnibus proposal) [First reading] 6

*

* *

¹ Deliberations on Union legislative acts (Article 16(8) of the Treaty on European Union), other deliberations open to the public and public debates (Article 8 of the Council's Rules of Procedure).

LEGISLATIVE DELIBERATIONS

(Public deliberation in accordance with Article (16)(8) of the Treaty on European Union)

"A" ITEMS

1. Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement [First reading]

= Adoption of the legislative act
PE-CONS 2/17 DRS 2 CODEC 31
+ REV 1 (cs)

The Council approved the European Parliament's position at first reading and the proposed act has been adopted, pursuant to Article 294(4) of the Treaty on the Functioning of the European Union. (Legal basis: Article 50 and Article 114 TFEU).

Statement by the Polish, German, Danish and Luxembourg delegations

"The Polish, German, Danish and Luxembourg delegations take note of the conclusion of the agreement in the first reading between the European Parliament and the Council on a *Proposal for a Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement* and commend successive Council presidencies for their efforts aimed at achieving a balanced compromise on the proposal.

In line with the positions presented during the work on the proposal, the Polish, German, Danish and Luxembourg delegations interpret the provision of Article 3f paragraph 1 point a) of a *Proposal for a Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement* on the content of the policy of shareholder engagement as allowing institutional investors and assets managers to formulate the engagement policy in a way that they may choose the matters on which they monitor the investee companies and that they are not obliged to address in the engagement policy specifically each of the matters referred to in Article 3f paragraph 1 point a) of the proposal.

In the opinion of our delegations, the agreed text of the third sentence of recital 11 of the abovementioned proposal, which states: "*The policy on shareholder engagement should describe how institutional investors and asset managers integrate shareholder engagement in their investment strategy and which different engagement activities they choose to carry out and how they do it.*", confirms the correctness of this interpretation."

Statement by the Luxembourg delegation

"Luxembourg fully supports the objective of the Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement to encourage the long-term engagement of the shareholders and to enhance transparency of institutional investors and asset managers. At the same time, as stated in the recitals, the Directive should be without prejudice to the provisions laid down in sectoral EU legislation regulating specific types of listed companies or specific types of entities, such as credit institutions, investment firms, asset managers, insurance companies and pension funds."

Consequently, it is the understanding of Luxembourg that with regard to articles 3g and 3h of the Directive where assets of an institutional investor are not managed on an individual basis but pooled together with assets of other investors and managed via a collective investment undertaking, the sectoral legislation applicable to collective asset management should prevail over the Directive to the extent that the requirements provided by the Directive contradict the requirements laid down in sectoral EU legislation. For example, the Directive should be without prejudice to the provisions governing the diversification of the portfolio of collective investment undertakings and the prohibition to acquire any shares carrying voting rights which would enable collective asset managers to exercise significant influence over the management of an issuing body."

2. Regulation of the European Parliament and of the Council laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas [First reading]

= Adoption of the legislative act

PE-CONS 60/16 WTO 366 COMER 134 RELEX 1073 UD 274 CODEC 1896

The Council approved the European Parliament's position at first reading and the proposed act has been adopted, pursuant to Article 294(4) of the Treaty on the Functioning of the European Union. (Legal basis: Article 207 TFEU).

Statement by the Council

"The Council agrees, on an exceptional basis, to delegate to the Commission the power to adopt delegated acts to amend the thresholds of Annex I as set out in Article 1(4) and (5), so as to ensure a timely adoption of the thresholds and to meet the objectives of this Regulation. Such agreement is without prejudice to future legislative proposals in the area of trade, as well as in the area of external relations as a whole."

Statement 1 by the Commission

"The Commission will consider making additional legislative proposals targeted at EU companies with products containing tin, tantalum, and tungsten and gold in their supply chain should it conclude that the aggregate efforts of the EU market on the responsible global supply chain of minerals are insufficient to leverage responsible supply behaviour in producer countries, or should it assess that the buy-in of downstream operators that have in place supply chain due diligence systems in line with the OECD guidance is insufficient."

Statement 2 by the Commission

"In the exercise of its empowerment to adopt delegated acts pursuant to Article 1(5), the Commission will take due account of the objectives of this Regulation, notably as set out in recitals (1), (7), (10) and (17).

In doing so, the Commission will, in particular, consider the specific risks associated with the operation of upstream gold supply chains in conflict affected and high-risk areas and taking into account the position of Union micro and small enterprises importing gold in the EU."

Statement 3 by the Commission

"In response to the request of the European Parliament for specific guidelines, the Commission is willing to develop performance indicators specific to the responsible sourcing of conflict minerals. By means of such guidelines, relevant companies with more than 500 employees that are required to disclose non-financial information in conformity with Directive 2014/95/EU would be encouraged to disclose specific information in relation to products containing tin, tantalum, tungsten or gold."

Statement by Belgium

"Recalling that metals, as defined in this Regulation, can be extracted from other raw materials than from ores and minerals, as specified in Annex I, part A, Belgium considers that economic operators extracting metals from other raw materials and adhering to the due diligence requirements of this Regulation as specified in article 8 of the Regulation shall be recognized as responsible smelters if the due diligence system that they apply is recognized by the Commission in application of article 9, and that they shall be treated equally to other economic operators pursuing the same economic purpose."

3. Draft amending budget No 1 to the general budget for 2017 accompanying the proposal to mobilise the European Union Solidarity Fund to provide assistance to the United Kingdom, Cyprus and Portugal

7001/17 FIN 172 PE-L 10

approved by Coreper, Part 2, on 29.03.2017

The Council adopted its position on the draft amending budget No 1/2017 as set out in

7001/17.

"B" ITEMS

4. Proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and amending Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (EU) 1301/2013, (EU) No 1303/2013, EU No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, (EU) No 652/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council (Omnibus proposal) [First reading]

Interinstitutional file: 2016/0282 (COD)

= State of play and exchange of views

7707/17 AGRI 164 AGRILEG 65 AGRIFIN 32 AGRISTR 29 AGRIORG 33
CODEC 490

The Council took note of the state of play of discussions on the Omnibus proposal and held an exchange of views on the key outstanding issues so as to provide political guidance to the SCA with a view to enabling it to reach agreement on 10 April. The Commission made the statements set out below.

Statement by the Commission on regional crises

"The Commission confirms that Regulation (EU) 1308/2013 establishing a common organisation of the markets in agricultural products already contains, in Articles 219 and 221, the necessary legal base allowing it, subject to the availability of budgetary resources, to address market disturbances and other specific problems, including at regional level, with the possibility of granting direct financial assistance to farmers². Moreover, the Commission's proposal to add a sector-specific income stabilisation tool to Regulation (EU) No 1305/2013 on support for rural development will allow Member States to include in their rural development programmes the possibility of compensating farmers in a specific sector in the case of a significant drop in their income."

Statement by the Commission on payment reductions

"Article 11 of Regulation (EU) No 1307/2013³ allows Member States to review their decision on a reduction of payments on an annual basis, including the possibility of introducing capping for the first time. When doing so, Member States should respect their other legal obligations under Union law. In particular, they should ensure that the amounts available for rural development as a result of the application of Article 11 are not reduced and that the legitimate expectations of the farmers are duly taken into account, which implies that a review decision should be taken sufficiently in advance before the start of the claim year to which it is supposed to apply for the first time."

² Examples: Regulation (EC) No 1263/2014 (Baltics) and Regulation (EC) No 1370/2014 (Finland)

³ OJ L 347 of 20.12.2013, p. 680