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DRAFT MINUTES
COUNCIL OF THE EUROPEAN UNION
(Competitiveness (Internal Market, Industry, Research and Space))
28 and 29 November 2019

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MEETING ON THURSDAY 28 NOVEMBER 2019

1. Adoption of the agenda

The Council adopted the agenda set out in 14323/19.

2. Approval of "A" items

Non-legislative list

14337/19

The Council adopted the "A" items listed in 14337/19, including COR and REV documents presented for adoption. Statements related to these items are set out in the Addendum.

INTERNAL MARKET AND INDUSTRY

Legislative deliberations

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

3. Directive on representative actions



14210/19 + ADD 1
7877/18 + ADD 1

General approach

The Council agreed a general approach on the basis of 14210/19 with AT, DE and UK abstaining. The CY, CZ, LU, LV and SK delegations issued a statement, contained in 14210/19 ADD 1.

4. Directive amending Directive 2013/34/EU as regards disclosure of income tax information



14038/19 + COR 1
+ ADD 1
7949/16

General approach ⁽¹⁾

The Council could not agree on a general approach on the basis of doc. 14038/19 + COR 1. 12 delegations (MT, AT, CY, SE, LV, CZ, HU, EE, IE, LU, SI, HR) opposed the choice of the legal basis and 2 delegations (DE, UK) abstained. The other delegations supported the compromise text. A joint statement by CY, CZ, EE, HU, IE, LV, LU, MT, SI and SE is annexed to these Council minutes.

Non-legislative activities

5. **External dimension of European competitiveness** [2] 14055/1/19 REV 1
Policy debate

The Council held a policy debate on the basis of the Presidency note set out in 14055/1/19 REV 1.

Any other business

6. a) **Implementation of the new Consumer Protection Cooperation (CPC) Regulation** [2] 14141/19
Information from the Commission

The Council took note of the information provided by the Commission.

- b) **Better regulation in supporting sustainable growth: Work done under the Finnish Presidency** [2] 13924/19
Information from the Presidency

The Council took note of the information provided by the Finnish Presidency.

- c) **Enhancing the digitalisation of the EU tourism sector: Work done under the Finnish Presidency** [2] 14243/19
Information from the Presidency

The Council took note of the information provided by the Presidency.

- d) **Outcome of the "Friends of Industry Ministerial meeting 2019" (Vienna, 4 October 2019)** [2] 14246/19
Information from the Austrian delegation

The Council took note of the information provided by the AT delegation.

- e) **Competition in the European Defence Fund** [2] 14418/19
Information from the Danish delegation

The Council took note of the information provided by the DK delegation.

- f) **Report of the SME Envoy Network** [2] 14460/19
Presentation by the Commission

The Council listened to the presentation by the Commission.

- g) **Strategic value chains: Report of the Strategic Forum on Important Projects of Common European Interest** [2] 14461/19
Information from the Commission

The Council took note of the information provided by the Commission.

- h) Work programme of the incoming Presidency
Information from the Croatian delegation

MEETING ON FRIDAY 29 NOVEMBER 2019

SPACE

Non-legislative activities

7. **Conclusions on "Space solutions for a sustainable Arctic"** [2] 13996/19
Adoption

The Council adopted conclusions as set out in 14603/19.

8. **Fostering a sustainable space economy** [2] 14208/19
Policy debate

The Council held a policy debate on the basis of questions as set out in 14208/19.

RESEARCH

9. Euratom programme complementing Horizon Europe
Partial general approach [C] 14301/19
9871/18 + ADD 1

Legislative deliberations

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

10. **Horizon Europe package: Regulation on Framework Programme for Research and Innovation 2021-2027** [1][C] 14298/1/19 REV 1
9865/18 + ADD 1
a) **Recitals**
b) **Annex IV (synergies)**
Partial general approach

The Council adopted a partial general approach as set out in 14643/19.

Non-legislative activities

11. **Conclusions on the updated EU bioeconomy strategy** [2] 14187/19
Adoption

The Council adopted conclusions as set out in 14594/19.

Legislative deliberations

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

12. **Regulation on European Institute of Innovation and Technology (EIT)** [1][C] 14325/19 + ADD 1
+ ADD 2 + COR 1
11228/19 + ADD 1
Partial general approach

The Council adopted a partial general approach as set out in 14658/1/19 REV 1. Statements by the AT delegation, by the HU delegation and a joint statement by the BG, HU, LT, PL and RO delegations, supported by the IT delegation, are annexed to these Council minutes.

13. **Decision on Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT)** [1][C] 14326/19
11227/19 + ADD 1
Progress report

The Council took note of the progress report as set out in 14326/19.

Any other business

Space and Research

14. Work programme of the incoming Presidency
Information from the Croatian delegation

-
- 1 First reading
 - C Item based on a Commission proposal
 - 2¹ Public debate proposed by the Presidency (Article 8(2) of the Council's Rules of Procedure)
-

Statements to the legislative "B" items set out in 14323/19

Ad "B" item 3: **Proposal for a Directive of the European Parliament and of the Council on representative actions for the protection of the collective interests of consumers, and repealing Directive 2009/22/EC**

General approach

STATEMENT BY CYPRUS, CZECHIA, LATVIA, LUXEMBOURG, SLOVAK REPUBLIC

"In order to protect consumers against illegal or unfair practices by traders, it is important to provide them with effective redress procedures in each Member State. We therefore welcome the objectives of the Commission proposal and the compromise text of the Finnish Presidency. It should provide consumers an affordable alternative to mostly expensive individual legal proceedings available today. The adoption of the compromise text will also allow unblocking the negotiations in the Council after one and a half years and opening the trilogues with the European Parliament in view of a final deal.

However, we regret that the compromise text has been weakened significantly compared to the initial Commission proposal with regard to the level of harmonisation, legal certainty and ease of access for consumers. In that respect, the text does not provide additional clarity with respect to the cross-border functioning of collective redress, especially since the Member States would always be able to apply their own admissibility criteria and procedures on top of the provisions of the Directive. Even though the compromise text provides for detailed and strict eligibility criteria, there is a lack of mutual recognition of qualified entities between the Member States, which creates legal uncertainty for all parties involved.

Since it is crucial to further promote consumer confidence in the Single Market, offline and online, we hope that these issues can be addressed, and that the text can be improved accordingly, in the upcoming trilogues with the European Parliament. The buy-in of European consumers and businesses to cross-border collective procedures will depend on their efficiency and reliability."

Ad "B" item 4: Directive amending Directive 2013/34/EU as regards disclosure of income tax information

General approach

JOINT STATEMENT BY CYPRUS, THE CZECH REPUBLIC, ESTONIA, HUNGARY, IRELAND, LATVIA, LUXEMBOURG, MALTA, SLOVENIA AND SWEDEN

"Cyprus, the Czech Republic, Estonia, Hungary, Ireland, Latvia, Luxembourg, Malta, Slovenia and Sweden fully share the analysis of the Council legal service of 11 November 2016, reference 2016/0107 (COD), FISC 194, stating that the proposal for a Directive amending Directive 2013/34/EU as regards disclosure of income tax information must be based on Article 115 TFEU since both the aim and the content of the proposal relate to "fiscal provisions", rejecting thereby the appropriateness of the legal basis of the initial proposal, i.e. Article 50(1) TFEU, and are of the view that accordingly, the proposal must be approved in ECOFIN Council, taking due account of the relevant procedural rules.

Cyprus, the Czech Republic, Estonia, Hungary, Ireland, Latvia, Luxembourg, Malta, Slovenia and Sweden thus consider that the COMPET Council is not the appropriate Council configuration for adopting a general approach on this proposal."

Ad "B" item 12: Regulation on European Institute of Innovation and Technology (EIT)

Partial general approach

STATEMENT BY AUSTRIA

"Austria welcomes the agreement on the Regulation of the European Parliament and of the Council on the European Institute of Innovation and Technology (EIT). However, also with a view to the ongoing negotiations on the Strategic Innovation Agenda (SIA) for the EIT, Austria wishes to underline its interpretation of two important aspects of this Regulation:

Article 6 (b) states that the EIT shall ensure openness to, and raise awareness among, potential new partner organisations, and encourage their participation in the EIT's activities across the Union, including through the Regional Innovation Scheme (RIS). For Austria it is important to underline that "across the Union" in this context means that all regions with a low participation in EIT activities will be treated equally with regard to support from the RIS.

Article 4a (5) of the Decision on establishing the specific programme implementing Horizon Europe (in the version of the PGA reached on 15 April 2019) states that the strategic planning process shall be complemented by a strategic coordinating process for European Partnerships; and according to Article 8 of the Regulation establishing Horizon Europe (in the version of the common understanding reached on 27 March 2019), EIT KICs are European Partnerships. This means that the strategic coordinating process has to include the EIT KICs. Austria therefore interprets Article 4(2) of the EIT Regulation in such a way that the reference to the strategic planning process also includes the strategic coordinating process for European Partnerships, and that therefore the SIA for the EIT will have to take the strategic coordinating process into account."

STATEMENT BY HUNGARY ON THE INDEPENDENCE OF THE EUROPEAN INSTITUTE FOR INNOVATION AND TECHNOLOGY (EIT)

"Hungary welcomes the outcome of the negotiations concerning the regulation on the European Institute for Innovation and Technology (EIT), which is an important step to ensure the effective functioning of the EIT.

The EIT's governance model is based on a strong, independent and high-level Governing Board. We strongly support that the EIT and its Governing Board shall be accountable to the Commission, Member States and European Parliament as well.

The draft regulation provides for granting supervisory role and *de facto* veto right to the European Commission which, according to Hungary, undermines the EIT's independence. There is no reason for the proposed changes concerning the EIT's governing structure, Hungary therefore disagrees with it, because such restrictions seriously harm the EIT's independence.

Hungary underlines that all future measures should be in line with the principled-based provision on the EIT's operational independence, and shall carry out its activities independently of national authorities and external pressures."

JOINT STATEMENT BY BULGARIA, HUNGARY, LITHUANIA, POLAND AND ROMANIA, SUPPORTED BY ITALY

"We welcome the proposal on the European Institute of Innovation and Technology (EIT) that will contribute to Horizon Europe goals via the integration of the knowledge triangle.

We acknowledge the progress achieved during the negotiations on the EIT legislative package and especially the attempts to increase the openness and transparency of the EIT.

Nevertheless, we are concerned about the widened scope of the definition of the Regional Innovation Scheme (RIS). The current proposal refers to the eligibility of countries, however does not give any indication as to their innovation performance. Furthermore, the envisaged budget for the RIS scheme, comprising 10-12% of the total EIT KIC's budget also prevents the extension of the scope of the RIS.

We stress, that the focus **on regions in the countries that are modest and moderate innovators is a precondition to effectiveness of the RIS**. The innovation capacity of regions beyond these countries should be fostered through other measures that could be developed in the EIT Strategic Innovation Agenda (SIA).

Considering that the legal acts of the EIT legislative package are intrinsically interlinked, we reserve the right to come back to the negotiations on the regulation in case the development of the SIA does not reflect the direction presented in the progress report.

We invite the Presidency, European Commission, Member States and European Parliament to address this issue".
