



EUROPEAN PARLIAMENT

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*Committee on the Internal Market and Consumer Protection
Committee on Economic and Monetary Affairs*

8.1.2010

NOTICE TO MEMBERS

(IMCO/15/2009)

Subject: Hearing with Michel BARNIER, Commissioner-designate for the Internal Market and Services

Please find enclosed the written answers sent by Michel BARNIER.

The Secretariat

ANSWERS TO THE EUROPEAN PARLIAMENT QUESTIONNAIRE**TO THE COMMISSIONER-DESIGNATE****Michel Barnier****(Internal Market and Services)****General competence, European commitment and personal independence**

- 1. What aspects of your personal qualifications and experience are particularly relevant for becoming Commissioner and promoting the European general interest, particularly in the area you would be responsible for? What motivates you? What guarantees of independence are you able to give the European Parliament, and how would you make sure that any past, current or future activities you carry out could not cast doubt on the performance of your duties within the Commission?**

My European commitment dates back to the beginning of my political career and has constituted the foundation of all the official posts I have held for more than 15 years. Accordingly, after holding the post of Environment Minister I was appointed Minister for European Affairs in 1995, including responsibility for the negotiation of the Treaty of Amsterdam. I subsequently held the post of President of the European Affairs delegation in the French Senate before joining Romano Prodi's Commission as Commissioner for Regional Policy from 1999 to 2004. My nomination for José Manuel Barroso's Commission is therefore for my second term of office as a European Commissioner.

I have pursued my European commitment in Brussels, as Commissioner, but also during an enriching experience as President of the Agriculture and Fisheries Council during the French EU Presidency in the second half of 2008 and for the last six months as a Member of the European Parliament. Serving the European interest in these three institutions has been a great opportunity for me and a real source of pride.

It has been my objective from the beginning of my political career to bring Europe closer to the people; for this reason I launched the 'Dialogue for Europe' in 1995 which involved visiting a different French Department each week to engage in dialogue and explain the European project in the field. This objective also underpinned my fervent support for the 'yes' campaign on the draft Constitution for the European Union in 2005, in my capacity as Foreign Affairs Minister. Finally, it was also for this reason that I was pleased to lead the campaign for the last European elections in France in June 2009.

I have remained steadfast in my European convictions over all these years. If I am confirmed

in the post as Commissioner for the Internal Market and Financial Services, I will continue to commit myself to bringing Europe closer to its citizens in all aspects of my daily work and particularly by visiting all Member States regularly to engage in dialogue with elected representatives, economic and trade-union leaders and the general public. For over ten years now I have not been a local or national representative in France. I held elected office for 27 years, but I consider that I should be totally committed to Europe.

Like all the other Commissioners, and as I did previously when I became Commissioner for Regional Policy, I undertake to adhere strictly to the provisions of Article 17 of the Treaty on European Union, Article 245 of the Treaty on the Functioning of the European Union and the Code of Conduct for Commissioners. Today, the experience I have gained from holding office in the three European institutions and in particular from working with the Parliament and the Council will be of great value in working for the integration of the internal market and financial services. I will draw on all my previous experience to develop a genuine dialogue with the Parliament and the Council with the objective of promoting the general European interest.

My involvement in the preparation of some of the recent European Treaties (including Amsterdam, Nice, and the Convention) has instilled in me a profound respect for these commitments and I undertake, both personally and on behalf of all my teams, to further the European interest and not to take any action which may cast the slightest doubt over my commitment to the service of Europe. Both when travelling and in meetings, I will place great emphasis, as I always have done, on equal treatment of all Member States.

Management of the portfolio and cooperation with the European Parliament and its committees

2. How would you assess your role as a Member of the College of Commissioners? In what respect would you consider yourself responsible and accountable to the Parliament for your actions and for those of your departments?

An operational Europe is one where proposals are presented by the Commission – in its role as initiator – with co-decision in the Parliament and the Council. Each of the institutions, strengthened by the Treaty of Lisbon, has its place and a decisive role to play.

Developments relating to the internal market and financial services will play a decisive role in stimulating growth. Both in my capacity as Commissioner for the Internal Market and Services and as a member of the College, I intend to continue to reaffirm this 'political' role of the European Commission. This will involve consultation work, travelling to meet European citizens and launching projects and initiatives in the areas under my remit, but also participating actively in the work of the College.

The portfolio covers numerous aspects relating to enterprises, consumers and European citizens. Such issues are by definition cross-cutting and will require coordination with the actions of many of my fellow Commissioners.

This European political commitment must be reflected at all levels, particularly in the relationships developed in a spirit of mutual confidence with the two decision-making

institutions; the Parliament and the Council. My objective is always to fulfil all my political responsibilities, as I always have done in my previous posts, and to inform and closely involve the Parliament in my work and considerations.

Having stood for election myself on 7 June, I am particularly aware of the importance of the role played by each Member of the European Parliament in the European democratic debate.

If I am confirmed in the post of Commissioner, I would like to develop a new framework for discussion with MEPs, a framework which I hope will be responsible, characterised by mutual confidence and respect for the roles of the institutions established by the Treaties.

In conjunction with my remit as Commissioner for the Internal Market and Financial Services, I consider the European Parliament to be an important partner in the efforts to promote a better understanding of these matters on the part of the general public. In the words of Jacques Delors, 'you don't fall in love with the internal market', yet these concerns are at the heart of all of our lives as Europeans; entrepreneurs, consumers, passengers, etc.. The internal market has been the driving force behind European integration for 50 years and it is my firm belief that, in our efforts to re-engage with our citizens, their elected representatives, the Members of the European Parliament, play a pivotal role in understanding their concerns and placing this immense market at their service. I assure you of my support and cooperation to this end.

3. What specific commitments are you prepared to make in terms of enhanced transparency, increased cooperation and effective follow-up to Parliament's positions and requests for legislative initiatives, also in the light of the entry into force of the Treaty of Lisbon? In relation to planned initiatives or ongoing procedures, are you ready to provide Parliament with information and documents on an equal footing with the Council?

The entry into force of the Lisbon Treaty and the extension of co-decision (ordinary legislative procedure) now signal real progress in the transparency of Community decision-making. This is one way of increasing the involvement of the general public in the workings of the institutions, an objective I have long supported. This new framework for discussion between Commission, Parliament and Council will have to be shaped together in order to ensure full traceability of Community decisions; it is my resolute intention to participate in this exercise, in particular in cooperation with the Parliamentary committees remitted to work on areas under my portfolio. To this end, I declare my willingness to accept Parliament's invitations to committee meetings, as well as my availability for direct communication with interested members.

Developing dialogue and cooperation of this kind will serve to improve transparency and mutual confidence. An advisor dedicated to cooperation work of this nature will be appointed to my cabinet and I assure you of their full availability. I naturally undertake to respect all the provisions of the Framework Agreement which governs relations between our two institutions.

Moreover, given that the European Parliament and the Council are co-legislators, it is perfectly natural and desirable to treat them equally as regards documentation relating to

legislative procedures.

Policy-related questions

4. What are the three main priorities you intend to pursue as part of your proposed portfolio, taking into account, where relevant, the financial, economic and social crisis and concerns related to sustainable development?

1. Reinforcing the single market: the single market is the engine of European growth. Defending the single market means verifying the application of the Community acquis by the Member States and guaranteeing equal rules for all without distortion or discrimination. No effort will be spared, especially in developing support tools for citizens and enterprises. The economic, social and financial crisis demonstrated the need for an in-depth review of the single market in order to identify new sources of growth and employment and to strengthen the position of the European Union on the world stage. In practical terms this will involve drawing on the findings of market-operation studies to identify areas in which the internal market is not delivering its full potential and presenting new initiatives to stimulate growth in the interest of citizens and SMEs. It will be important in this context to pay greater attention to the social dimension of the measures planned.

2. Moving out of the crisis and ensuring the stability of a financial system where savers are protected: I am in favour of a dynamic European financial sector which is regulated in an intelligent manner and monitored efficiently. This is essential if we want to restore the confidence of savers and investors, a key element for the recovery of our economy. The conditions of efficient regulation will also have to be defined without creating excessive constraints. I have identified five objectives for equipping our financial system with a more solid and more equitable foundation: (i) a financial sector at the service of sustainable growth, (ii) a more equitable sector, with consumers, savers and SMEs protected appropriately, (iii) a more disciplined sector, with better supervision of financial institutions and greater coordination at European level, (iv) preparation of mechanisms which will enable us to deal with crises, (v) lastly, playing a leading role in identifying common solutions at world level. Active participation of the Union in the work of the G20 and other international institutions and the development of our relations with our main partners will be essential in this respect.

3. Developing a knowledge-based economy: I intend to adapt our intellectual property rights strategy to meet new challenges. The European intellectual property system must be modernised and reinforced in order to promote the knowledge-based economy. I am in favour of an exhaustive and consistent framework for copyright law which will enable us to meet new challenges such as digitisation. Negotiations on the Community patent and the unified patent litigation system must be concluded. To enable European enterprises to realise their full potential for innovation and creation, a modern intellectual property framework is required which will stimulate investment and technological progress and facilitate access to knowledge and its dissemination.

5. What are the specific legislative and non-legislative initiatives you intend to put forward, and according to what timetable? What specific commitments can you make regarding in particular the committees' priorities and requests attached hereto which would fall within your portfolio? How would you personally ensure

the good quality of legislative proposals?

In the area of financial services, reinforced cooperation is the only way of guaranteeing efficient supervision of an integrated European market, including in times of crisis. It is my intention to complete the reform of supervision in Europe with the Parliament and the Council. I would like to ensure that the new system, and in particular the three new authorities, are implemented under optimum conditions and I will prepare the scheduled evaluation of the system in due course. I intend to submit a proposal to the Commission relating to the creation of a legal framework for **crisis management and resolution**. This framework will serve to reinforce and harmonise the supervision of financial groups in terms of equity and liquidity and the financial stability of each Member State and of the Union as a whole. My departments will also examine the implementation of European deposit guarantee funds and resolution funds. One of the lessons to be drawn from the financial crisis is the need to improve the quality and increase the level of equity held by banks in future. I am planning a fourth revision of the Capital Requirements Directive (CRD4) in order to incorporate the G20 agenda and the work of the Basel Committee into the Community agenda. The implementation of a modern supervisory framework in the insurance sector is an essential objective and will result in the adoption of application measures under the Solvency II Directive. European pensioners must be able to rely on robust and efficient systems. I would like to see a reform of the IORP Directive (relating to the activities and supervision of institutions for occupational retirement provision) as part of the revision process.

Much remains to be done in the area of financial markets and their infrastructure. I would like the 'market abuse' and MiFID directives to be re-examined. I will propose a coherent legislative framework to the Commission for over-the-counter derivatives (OTC), as well as for post-trade activities and infrastructure, including a legislative proposal on indirectly held securities. With regard to the Single Euro Payments Area (SEPA), I intend to propose a legislative initiative for adoption by the College with the objective of setting one or more deadlines for migration to SEPA products for direct debits and credit transfers, as well as an initiative to improve governance. In the area of retail financial services, I believe that in the face of the current fragmentation of the credit market, particularly the property market, we must present responsible initiatives with regard to lending and borrowing. More specifically with regard to retail financial products, I would like to put forward a coherent legislative framework to ensure that savers are better informed and better advised. I intend to address the issue of sanctions.

As regards enterprise governance, I will present a report on governance in financial establishments which will contain proposals for remedying the weaknesses revealed by the crisis. I also intend to present a report on the implementation of the recommendation on remuneration policies in the financial services sector as soon as possible, as well as other initiatives intended to eradicate abusive remuneration practices. I will adopt the same approach in relation to the implementation of the Recommendation on the remuneration of directors, followed, if necessary, by appropriate proposals. With reference to listed companies, a report on the application of the 'Transparency' Directive will be published very shortly, possibly followed by amendment proposals.

In the area of financial information, one of my priorities will be the adoption by all of our partners, including the United States, of high-quality global accounting standards, in line with

the recommendations of the G20. I would also like to improve the governance of the IASB significantly. As regards SMEs, I would like to put forward an ambitious proposal for the modernisation of accounting regulations. Lastly, with regard to the statutory audit of accounts, my priorities will be to enhance international cooperation in order to enable mutual recognition of supervisory systems in respect of directors, and potential adoption of the international accounting standards (ISA). With regard to company law, and in response to the requests of the European Parliament, I will propose that the Commission conduct a more in-depth analysis of the cross-border transfer of registered offices. I will also present a report on the modus operandi of the Statute for a European company.

The services sector is the economic driving force of the European Union. Achieving a single market for services is therefore a priority. The mutual evaluation process provided for under the 'Services' Directive, which will take place over the course of 2010, should provide an overview of the situation in the Member States and help to identify potential requirements in terms of additional actions. The Communication on the supervision of the distribution services and retail sector will also enable an analysis of the situation to be carried out.

The Services Directive is also a good example of the effort invested by the Commission in improving the implementation of directives. Cooperation between the Parliament and the Commission in the area of transposition is of increasing importance in a Union of 27. I propose continuing and reinforcing this cooperation for the benefit of European citizens and enterprises. Furthermore, the Directive on the recognition of professional qualifications will undergo a full assessment. I will continue to defend the Community acquis and use the powers invested in the Commission to remove the obstacles which continue to exist in the Member States. At the same time, the smooth functioning of the internal market will also be dependent on working in partnership with the Member States and developing SOLVIT and the SMAS (Single Market Assistance Services) single portal.

I would like to place particular emphasis on the development of cross-border online services and consumer protection, both in terms of access to these services and their use, in order to improve customer confidence.

In the area of intellectual property rights, I would like to see the development of a consistent legal framework. I will ensure the finalisation of the legislative work on the Community patent and the patent litigation system. I am also planning to modernise the legal framework for trademarks. I intend to reinforce the legal framework relating to the respect of intellectual property rights, which will be further supported by the Counterfeiting and Piracy Observatory.

The regulations governing public procurement should stimulate the competitiveness of industry and enable public authorities to secure optimum value for money in their procurement activities. We must adapt our approach and use public procurement to stimulate demand for innovative products and services which are environmentally friendly or promote social inclusion. In this respect, I intend to respond to Parliament's requests for clarification in the form of an interpretative communication. I believe that it is essential to examine whether the regulations themselves can be improved in order to further facilitate access to public procurement markets, for SMEs in particular. An evaluation of the directives is envisaged to this end, preparing the ground for potential modernisation at a later stage. I will continue with the finalisation of the impact analysis in progress and other preparatory work with a view to

developing a legislative initiative in the area of **concessions**. With regard to the 'better lawmaking' objective, I will ensure, over the course of my mandate, that all legislative proposals are accompanied by impact analyses including the social impact of the provisions proposed. In terms of the simplification and reduction of administrative costs, I intend to continue the work in progress and begin the revision of the 4th and 7th company law directives in particular.