



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 5 October 2007**

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**NOTE**

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from: General Secretariat of the Council  
to: Delegations  
Subject : Summary of the meeting of the **Committee on Legal Affairs (JURI)**  
Brussels, 3-4 October 2007

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*Mr GARGANI (EPP-ED, IT) chaired the meeting.*

**I. Examination of reports as leading committee**

**a) 23rd annual report from the Commission on monitoring the application of Community law (2005)**

COM (2006) 416 - 12029/06 - 2006/2271(INI)

*Rapporteur: Ms FRASSONI (Verts/ALE, IT)*

- Consideration of a draft report (PE 394.229)

The following members took the floor: Ms FRASSONI (Verts/ALE, IT),  
Mr MEDINA ORTEGA (PSE, ES), Mr DOORN (EPP-ED, NL ), Ms WALLIS (ALDE, UK)  
and Ms PANAYOTOPOULOS-CASSIOTOU (PPE-DE, EL).

*Timetable:*

*Deadline for tabling amendments:* 24 October 2007

*Vote in committee:* 19/20 November 2007

**b) Green paper on improving the efficiency of the enforcement of judgments in the European Union: the attachment of bank accounts**

COM (2006) 618 - 14583/06 - 2007/2026 (INI)

*Rapporteur: Mr LECHNER (PPE-DE, DE)*

- Consideration of amendments

The following members took the floor: Mr LECHNER (PPE-DE, DE) and Ms BOWLES (ALDE, UK).

*Timetable:*

*Vote in committee:* 4 October 2007

**c) The mandate of Members of the European Parliament and the relevant link between national law and Community law (amendment of the 1976 Act)**

JURI/6/53356

*Rapporteur: Mr SPERONI (UEN, IT)*

- Exchange of views

*Discussion on this item was postponed.*

## **II. Examination of reports as opinion-giving committee**

### **a) Development of the framework governing the activities of interest representatives (lobbyists) in the EU institutions**

COM(2007) 127 - 2007/2115(INI)

*Drafter: Ms WALLIS (ALDE, UK)*

The following members took the floor: Ms WALLIS (ALDE, UK), Mr DOORN (EPP-ED, NL ) and Mr GARGANI (EPP-ED, IT).

*Timetable:*

*Deadline for tabling amendments: 24 October 2007*

*Consideration of amendments: 19 November 2007*

*Vote in committee: 20 November 2007*

### **b) Tax Treatment of Losses in Cross-Border Situations**

COM(2006) 824 - 17067/06 - 2007/2144(INI)

*Drafter: Mr GARGANI (PPE-DE, IT)*

- Exchange of views

The following member took the floor: Mr GARGANI (PPE-DE, IT).

*Timetable:*

*Consideration of an opinion: November 2007*

*Vote in committee: 19 November 2007*

### **c) Proposal for a Council framework decision on the European supervision order in pre-trial procedures between Member States of the European Union**

COM(2006) 468 - 12367/06 - 2006/0158(CNS)

*Drafter: Mr SAKALAS (PSE, LT)*

- Consideration of amendments

The following member took the floor: Mr SAKALAS (PSE, LT).

*Timetable:*

*Vote in committee:*

*4 November 2007*

**d) Proposal for a Council Regulation amending Regulation (EC) No 2201/2003 as regards jurisdiction and introducing rules concerning applicable law in matrimonial matters**

COM(2006) 399 - 11818/06 - 2006/0135(CNS)

*Drafter: Mr CASINI (PPE-DE, IT)*

- Exchange of views on a working document

The following members took the floor: Mr CASINI (PPE-DE, IT), Mr DE GRANDES PASCUAL (PPE-DE, ES), Ms WALLIS (ALDE, UK), Mr WIELAND (PPE-DE, DE), Ms LÉVAI (PSE, HU), Ms GERINGER DE OEDENBERG (PSE, PL), Mr SAKALAS (PSE, LT) and Mr SPERONI (UEN, IT).

**III. Vote on reports as leading committee**

**a) Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1348/2000 of 29 May 2000 on the service in the Member States of judicial and extrajudicial documents in civil or commercial matters**

COM (2005) 305 - 11131/05 - 2005/0126(COD)

*Rapporteur: Mr GAUZÈS (PPE-DE, FR)*

A draft report (PE 3392.291) was adopted.

**b) Proposal for a Directive of the European Parliament and of the Council amending Directive 2006/43/EC on statutory audit of annual accounts and consolidated accounts, as regards the implementing powers conferred on the Commission**

COM(2006) 903 - 5220/07 - 2006/0285(COD)

*Rapporteur: Mr DOORN (PPE-DE, NL)*

A draft report (PE 390.576) was adopted, with amendments Nos. 3, 4 (with oral amd.), 5 (with oral amd.), 6 and 1.

- c) **Proposal for a Regulation of the European Parliament and the Council amending Regulation (EC) No 1606/2002 on the application of international accounting standards as regards the implementing powers conferred on the Commission**  
COM (2006) 918 - 5221/07 - 2006/0298 (COD)  
*Rapporteur: Mr MEDINA ORTEGA (PSE, ES)*

A draft report (PE 392.255) was adopted, with amendments Nos. 5, 1 and 8.

- d) **Proposal for a Council Decision authorising the Republic of Slovenia to ratify, in the interest of the European Community, the Protocol of 12 February 2004 amending the Paris Convention of 29 July 1960 on Third-Party Liability in the Field of Nuclear Energy**  
COM(2006) 793 - 16891/06 - 2006/0260(AVC)  
*Rapporteur: Mr GARGANI (PPE-DE, IT)*

A draft report (PE 392.160) was adopted.

- e) **Green paper on improving the efficiency of the enforcement of judgments in the European Union: the attachment of bank accounts**  
COM(2006) 618 - 14583/06 - 2007/2026(INI)  
*Rapporteur: Mr LECHNER (EPP-ED, DE)*

A draft report (PE 390.569) was adopted, with amendments Nos. 1, 2 (with oral amd.), ECON 1, 2 (2nd part), 3, amd. No. 2, ECON 7 (1st part), oral amd. No. 1, ECON 4 (2nd part), amd. No. 4 and ECON 8.

#### **IV. Vote on reports as opinion-giving committee**

- a) Proposal for a Council Regulation on jurisdiction, applicable law, recognition and enforcement of decisions and cooperation in matters relating to maintenance obligations**  
COM(2005) 649 - 5199/06 - 2005/0259(CNS)

*Drafter: Ms WALLIS (ALDE, UK)*

A draft opinion (PE 386.692) was adopted, with COMP 3, 4, amds. Nos. 42, 16, 17, 18, 19, 20, 21, 22, COMP 5, amds. Nos. 23, 45, 46, 47, 48, 49, 24, 50, 25, 26, 52, 27, 28, 56, 30, COMP 6, amds. Nos. 32, 60, COMP 7, amd. No. 34, COMP 8, amds. Nos. 36, 37, 1, 2, 3, COMP 1, amd. No. 5, COMP 2, amds. Nos. 7, 8, 9, 10, 11, 12, 13 and 14.

- b) Proposal for a Council framework decision on the European supervision order in pre-trial procedures between Member States of the European Union**  
COM(2006) 468 - 12367/06 - 2006/0158(CNS)

*Drafter: Mr SAKALAS (PSE, LT)*

A draft opinion (PE 392.137) was adopted, with amendments Nos. 14, 17, 3, 4, 5, 6, 18, 19, 7, 8, 9, 10, 11, 12 and 13.

- c) International Financial Reporting Standards (IFRS) and the governance of the IASB**  
2006/2248(INI)

*Drafter: Mr LEHNE (EPP-ED, DE)*

A draft opinion (PE 388.441) was adopted, with amendments Nos. 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13.

- d) Communication from the Commission to the European Parliament and Council:  
A Competitive Automotive Regulatory Framework for the 21st Century; Commission's position on the CARS 21 High Level Group Final Report; a contribution to the EU's Growth and Jobs Strategy**  
COM(2007) 022 - 5746/07 - 2007/2120(INI)

*Drafter: Mr TITLEY (PSE, UK)*

A draft opinion (PE 392.186) was adopted, with amendments Nos. 1, 2 and 3.

**V. Procedures on immunity**

**a) Request to defend the parliamentary immunity of Mr Renato Brunetta**

2007/2172(IMM)

*Rapporteur: Mr SAKALAS (PSE, LT)*

*The item was discussed in camera.*

**b) Request to defend the parliamentary immunity of Mr Witold Tomczak**

2007/2130(IMM)

*Rapporteur: Mr SAKALAS (PSE, LT)*

*The item was discussed in camera.*

**c) Consultation concerning the immunity of Mr Gian Paolo Gobbo**

2007/2014(IMM)

*Drafter: Ms WALLIS (ALDE, UK)*

*The item was discussed in camera.*

**d) Consultation concerning the parliamentary immunity of Mr Szájer**

*Rapporteur: Mr SPERONI (UEN, IT)*

*The item was discussed in camera.*

**e) Consultation concerning the parliamentary immunity of Mr Marek Siwiec**

*Drafter: Ms WALLIS (ALDE, UK)*

*The item was discussed in camera.*

**f) Defence of the parliamentary immunity of Mr Umberto Bossi**

*Drafter: Ms WALLIS (ALDE, UK)*

*The item was discussed in camera.*

## **VI. Exchange of views with Mr Charlie McCREEVY, Commissioner for the Internal Market and Services**

*The transcript of Commissioner McCreevy's speech is annexed to this note.*

The following members took the floor: Mr DOORN (EPP-ED), Ms KAUPPI (PPE-DE, FI), Ms LÉVAI (PSE, HU), Ms WALLIS (ALDE, UK), NL ), Mr MEDINA ORTEGA (PSE, ES) and Mr GARGANI (EPP-ED, IT).

## **VII. Date and place of next meeting**

*19-20 November 2007, Brussels*

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*For more information: Ms FEKETE (Tel. 7751)*



**Charlie McCreevy**

European Commissioner for Internal Market and Services

**Speech by Commissioner McCreevy at the  
European Parliament's Legal Affairs  
Committee**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

EP Legal Affairs Committee (JURI Ctee)

**Brussels, 3 October 2007**

Chairman, Honourable Members,

I am pleased to have the opportunity today to address you on the Commission's intentions in the area of company law. A dynamic and flexible company law framework is essential for the EU's objectives in the Growth and Jobs initiative. It is also essential to our efforts in the area of Better Regulation, where our priority is to cut red tape for business and get rid of outdated requirements which stifle entrepreneurs.

In 2006 the Commission launched a wide-ranging public consultation on the EU's priorities for company law. This consultation was placed firmly in the context of improving the competitive environment for EU companies, especially SMEs. It generated a wide response. There has subsequently been extensive debate. I have listened carefully to all voices in this debate. I have listened here in the European Parliament. I have listened in the numerous Conferences held on the subject and to all those representing the various interested parties who have visited me to make their case. The economic evidence has been weighed, the legal arguments have been thoroughly aired. The time has come to make decisions and set out clearly the Commission's intentions. This is what I intend to do today.

The Commission has put strengthening shareholders' rights at the heart of its work on company law. We have done so to enable companies to raise capital at the lowest possible cost and because shareholders have an important role to play in efficiently run companies. Last year the European Parliament adopted our proposal on improving access to information for cross-border shareholders in record time. But the issue which has been most fiercely debated is that of "shareholder democracy".

This is, of course, a highly sensitive issue. It touches on cultural traditions in Member States and goes to the core of the debate about how companies should be owned and controlled. It affects the balance between public and private ownership and how the market for corporate control works. Because of its importance, it was my conviction that the matter should be thoroughly debated before any decisions were taken.

I therefore brought the subject out into the open shortly after I took office. My deliberately provocative statements met with an interesting response. There has been an active and open discussion of the pros and cons of one share, one vote over the past two years. Some of the debate generated more heat than light. But in May this year the long-awaited study we commissioned was published. It was the first systematic study into the presence of control-enhancing mechanisms across EU listed companies. Its conclusions have been extensively discussed on several occasions over the past few months. The general conclusion is that it is a balanced piece of work which indeed sheds some useful light on this complex subject.

The study found that there is no economic evidence of a causal link between deviations from the so-called "proportionality principle" and the economic performance of companies.

I have weighed the findings of the study and all the other arguments which have been advanced. My conclusion is that there is no need for action at EU level on this issue.

Even in the light of the economic evidence, there have still been some calls from experts and investors for more transparency on the need for and use of the so-called "control enhancing mechanisms". I have no doubt that enhanced transparency and better dialogue between companies and their shareholders would be useful for the market. Shareholders should use their existing voting rights to push for this. But a further layer of EU action is not the right way to go. Existing EU legislation – the Takeover Bids directive, the 2006 amendments of the Accounting directives, the Transparency directive and the recently adopted Shareholders' Rights directive already contain ample provisions on transparency. Therefore, I do not intend to propose any action on one-share, one vote.

The issue of mobility of companies in the EU has also been a focus of our debates. I am very well aware from our previous discussions of the importance of the European Private Company to the Members of this Committee. You have, in particular, emphasised that it may bring benefits to small and medium companies. You consider that it might well increase the likelihood that private companies will operate across-border. I recognise that the regulatory framework needs to be adapted to allow SMEs to make the most of increasingly integrated European markets. They do not have armies of lawyers and they face bigger challenges in penetrating new markets.

Having listened to the arguments, I can see that a European Private Company could reduce compliance costs. It might well enhance the mobility and competitiveness of European SMEs. I have therefore instructed my services to give high priority to work on this issue. Therefore, I have decided to proceed with a legislative proposal for a European Private Company. This proposal should be ready by mid-2008 at the latest.

The Commission had also suggested that a further means of improving mobility might be a directive stipulating the conditions for transfer of registered office in the EU (the so-called "14<sup>th</sup> Company Law" directive).

As I informed the European Parliament, in reply to the oral question tabled by Mr Gargani, the results of the economic analysis of the possible added value of a directive were inconclusive. Companies already have legal means to effectuate cross-border transfer. Several companies have already transferred their registered office, using the possibilities offered by the European Company Statute. Soon the Cross-border Merger directive, which will enter into force in December, will give all limited liability companies, including SMEs, the option to transfer registered office. They could do so by setting up a subsidiary in the Member State to which they want to move and then merging the existing company into this subsidiary. To my mind it is only if this framework is found wanting, that further legislative action in the shape of a 14<sup>th</sup> Company Law directive would be justified. Therefore, I have decided not to proceed with the 14<sup>th</sup> Company Law Directive.

At the outset, I mentioned cutting red tape for business and simplifying the regulatory environment. The Commission set out its suggestions on how this might be done in July. I hope that over the next few months we can work towards a consensus on an overall approach which identifies priorities and a clear timetable for further work. I know that not everyone agrees with the Commission's idea of repealing some of the Company Law directives. But we must, for the sake of EU business, embark and deliver on a genuine simplification exercise. We need to get rid of outdated requirements and give business a legislative framework which is fit for the 21<sup>st</sup> century. The timetable is ambitious and there is a good deal of work ahead before the end of the mandate of this Parliament. Your support will be crucial if we are to deliver.

For the sake of completeness, I should also mention the European Foundation Statute for which there is, I know, support from within the European Parliament. Work on this is at an early stage and all options remain open. The Commission will shortly engage a contractor to work on a feasibility study, the results of which are expected in mid-2008. I will, of course, keep you informed as work proceeds.

To summarise:

On the issue of one-share, one vote, there will be no action

Yes for a European Private Company

No to a 14<sup>th</sup> Company Law Directive

and Yes to ongoing work on the question of a European Foundation Statute

Chairman, Honourable Members, to conclude.

In the area of company law, the Commission is making Better Regulation principles work. We have consulted widely, given time to reply, and listened. We have gathered the economic evidence and weighed the pros and cons. It is crucial that the European regulatory framework in this area responds to market needs. Where there is no proven need for EU intervention, I will not make proposals or add further layers of EU requirements. We will act where we may be able to create more opportunities for companies, more space for them to move and grow. We will work to reduce the existing burden for companies, especially SMEs. We will update the EU regulatory framework, to make it simpler, flexible and more dynamic. Your support and active engagement are essential if we are to deliver what EU business needs.

Thank you.

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