

## APRIL MONTHLY UPDATE

### 1. The EU's long-term competitiveness strategy

The European Commission recently released a proposal for the EU's Long Term competitiveness strategy.

They propose to work along the following **nine mutually reinforcing drivers**:

1. **A functioning Single Market** by **broadening and deepening it and fostering integration of services**;
2. **Access to private capital and investment** by deepening the Capital Markets Union and completing the Banking Union, as well as the development of EU tax and financial services regulatory frameworks supportive of businesses;
3. **Public investment and infrastructure** by reforming the European economic governance framework;
4. **Research and innovation** through tax incentives, public-private partnerships and large-scale projects to de-risk investments in innovation, especially in the key areas of clean technology, digital and biotechnology;
5. **Energy** through fast roll-out of renewables, the digitalisation of energy systems and energy storage facilities;
6. **Circularity** by fostering the transition towards a more circular economy in the EU;
7. **Digitalisation** through broad-based take-up of digital tools across the economy and more support for leadership in key digital technologies such as Artificial Intelligence, Quantum Computing, microelectronics, web 4.0, virtual reality and digital twins, and cybersecurity;
8. **Education and skills** by developing and recognising skills as the key to attractive, quality jobs, increasing the participation of women, the young and third country nationals in the labour market, and promoting vocational education and training;
9. **Trade and open strategic autonomy** by continuing to open markets for EU companies through deepening ties with allies and trading partners, preserving fair trade principles and addressing risks in a targeted way.

A set of **Key Performance Indicators** will **track progress towards the targets and ensure the necessary political focus and responsiveness.** **A growth enhancing regulatory framework will accompany these nine drivers.**

The full communication can be found [here](#).

## 2. The Single Market at 30

The Commission has called for a renewed focus and collective effort to:

- **Enforce existing Single Market rules**, supported by benchmarks to address the deficits related to the transposition and implementation of EU rules;
- **Remove Member State-level barriers**, in particular barriers to the cross-border provision of services, and in the industrial ecosystems with the greatest economic integration potential (retail, construction, tourism, business services and renewable energy sector).

**The Commission seeks to:**

- Continue cooperation with Member States as part of the **Single Market Enforcement Task Force (SMET)** and other fora for structured engagement with business stakeholders.
- Aims to simplify obligations for Member States to notify national rules and set up **national Single Market Offices** among different measures foreseen to reduce and prevent barriers in the Single Market.
- Continue to **foster the green and digital dimensions** of the Single Market as a source of innovation, growth and competitiveness.
- Continue to monitor the progress of the Single Market with tools like the Single Market and Competitiveness Scoreboard and Annual Single Market Report

## 3. New EU measures update on Anti-money laundering

On the 28<sup>th</sup> of March 2023, new EU measures relating to Anti-money laundering were introduced by MEPs from the Economic and Monetary Affairs and Civil Liberties, Justice and Home Affairs committees.

These committees adopted positions on three pieces of draft legislation on the financing provisions of EU Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) policy.

The aforementioned pieces of draft legislation include:

- An EU "Single Rulebook" - regulation provisions on conducting due diligence on customers, transparency of beneficial owners and the use of anonymous instruments, such as crypto-assets, and new entities, such as crowdfunding platforms. It also includes provisions on so-called "golden" passports and visas.
- The 6th Anti-Money Laundering - directive - containing national provisions on supervision and Financial Intelligence Units, as well as on access for competent authorities to necessary and reliable information, e.g. beneficial ownership registers and assets stored in free zones.
- The regulation establishing the European Anti-Money Laundering Authority (AMLA) with supervisory and investigative powers to ensure compliance with AML/CFT requirements.

## Beneficial ownership

- MEPs agreed that beneficial ownership means having 15% plus one share, or voting rights, or other direct or indirect ownership interest, or 5% plus one share in the extractive industry or a company exposed to a higher risk of money laundering or terrorist financing.

## Beneficial owners' registers and access to information

Following the Court of Justice ruling of the 22<sup>nd</sup> of November 2022, MEPs decided that persons with legitimate interest, such as:

- journalists,
- reporters,
- any other medias,
- civil society organisations,
- higher education institutions,

should be able to access the register, including the interconnected central registers.

- Their access right will be valid for at least two and a half years. Member states will automatically renew access but also revoke it or suspend if it is abused.
- The legitimate interest should apply without any discrimination based on nationality, country of residence or of establishment.

## Next steps:

In April there is due to be a plenary session after which the European Parliament will be ready to start negotiations on the AML/CFT package after a confirmation during a plenary session in April.

Further information can be found [here](#).

## 4. Corporate Sustainability Due Diligence (CSDDD)

On the 30<sup>th</sup> of March, the ECON European Commission of the European Committee of the Regions held a seminar on Reducing EU regulatory burdens on SMEs in which the CSDDD was discussed.

## Points of discussion:

- The rapporteur of the CSDDD, Lara Wolters noted that they wanted to follow the existing international standards on the CSDDD.
- The Council representative noted that the current council position almost fully deleted the directors' duties element of the proposal, bar a few exceptions.

## Some of the critiques that arose included:

- Increased administrative burden for SMEs and Micro companies.

- The CSDDD has a minimal harmonisation approach and provides general rules which member states can then apply as they see fit.
- This may cause 27 varied approaches and applications to the CSDDD. And if a company is doing businesses with more than one member state then they will have to take into account different CSDDD approaches.
- This may result in legal uncertainty.

## **Important Upcoming CSDDD dates:**

### **April 25, 2023:**

- JURI Committee vote foreseen

### **May 31, 2023:**

- Indicative plenary sitting date.

## **5. Ongoing calls for feedback and calls for evidence by the EU Commission**

The Net-Zero Industry Act is open for feedback until the **12<sup>th</sup> of June 2023**.

The European Critical Raw Material Act is open for feedback until the **12<sup>th</sup> of June 2023**.

## **6. Upcoming policy meetings**

### **20<sup>th</sup> of April - Working Party on Competitiveness and Growth**

At the upcoming working party on Competitiveness and Growth meeting taking place on the 20<sup>th</sup> of April, the following topics will be discussed:

- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Long-term competitiveness of the EU: looking beyond 2030
- The Net Zero Industrial Act and the Critical Raw Material Act (better regulation components)
- European Council Meeting - Conclusions (23 March 2023)
- Ex-post evaluations of legislation
- Update - Informal discussion on impact assessments in Council

For more information visit the meeting agenda [here](#).

### **21<sup>st</sup> of April - Working Party on Technical Harmonisation (SMEI – Omnibus)**

Within this meeting the following topic will be discussed:

- The Proposal for a Regulation amending Regulations (EU) 2016/424, (EU) 2016/425, (EU) 2016/426, (EU) 2019/1009 and (EU) No 305/2011 as regards emergency procedures for the conformity assessment, adoption of common specifications and market surveillance due to a Single Market emergency and have an exchange of views.

For more information visit the meeting agenda [here](#).

### **28<sup>th</sup> of April - Working Party on Competitiveness and Growth (High Level)**

Within this meeting, along with other topics, the following topics will be discussed:

- EU Trade Relations' Contribution to Competitiveness
- EU Patent policy as a lever for competitiveness

For more information visit the meeting agenda [here](#).

Since these meetings are taking place at council level, there is likely to be little to no visibility regarding the discussion, but we will follow the topic and inform you as soon as there is information available.

### **7. Corporate Sustainability Due Diligence Directive (CSDDD)**

- There is a vote in the JURI Committee foreseen on the CSDDD. This vote is due to take place on the 25<sup>th</sup> of April.
- EFB will continue to follow the CSDDD and inform you should there be any updates.