

1/2 MARCH BI-WEEKLY UPDATE (14/03/2023)

1. Ongoing calls for feedback and calls for evidence by the EU Commission

The EU Commission's call for feedback on, corporate insolvency and the Listing Act have been prolonged.

[Insolvency laws: increasing convergence of national laws to encourage cross-border investment - deadline for feedback is 17th of March 2023.](#) Although EFB will not comment on this initiative, we invite you to explore whether your members may be interested in it.

[Listing Act – making public capital markets more attractive for EU companies and facilitating access to capital for SMEs – deadline for feedback is 28th of March 2023.](#)

[Late payments – update of EU rules - deadline for evidence is 17th of March 2023.](#)

2. Working Party on Competitiveness and Growth (Internal Market)

On the 17th of March there will be a Working Party meeting, in the Council, on Competitiveness and Growth.

Within this meeting there will be a discussion on proposed regulation for the Single Market Emergency Instrument (SMEI).

More information can be found in the meeting [agenda](#).

Since it is a council level meeting, 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.

3. Important Commission Announcements for this week

- This week Tuesday the Commission is set to propose a Net-Zero Industry Act. This is supposed to identify goals for net-zero industrial capacity and provide a regulatory framework suited for its quick deployment.
- On the same day, they will announce a European critical raw materials act to ensure the industries undergoing the green transition have sufficient access to vital materials for key technologies.

- Thursday this week, the EU's long-term competitiveness will be discussed. This will include: improving conditions for growth and creating more jobs in Europe while also implementing the green transition. The College discussion will contribute to the development of the European Commission's long-term competitiveness strategy ahead of the meeting of the European Council on 23–24 March.

4. EMPL European Parliamentary Committee meeting – Year of Skills 2023

Between the 22nd and 23rd of March the EMPL Committee will meet to discuss a plethora of topics among those are the following items:

- European Year of Skills 2023
- Establishing a Single Market emergency instrument and repealing Council Regulation No (EC) 2679/9

More information can be found in the meeting [agenda](#).

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5. 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](#).

6. 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](#)

7. New EU measures update on Anti-money laundering

On the 28th 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 22nd 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](#).

8. Corporate Sustainability Due Diligence (CSDDD)

On the 30th 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.