



ΕΒΡΟΠΕΪΣΚΙ ΠΑΡΛΑΜΕΝΤ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΟΠΕΟ ΕΥΡΟΠΣΚΥ ΠΑΡΛΑΜΕΝΤ ΕΥΡΟΡΑ-ΠΑΡΛΑΜΕΝΤΕΤ
ΕΥΡΟΠΆΙΣΗΕΣ ΠΑΡΛΑΜΕΝΤ ΕΥΡΟΟΡΑ ΠΑΡΛΑΜΕΝΤ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΟΒΟΥΛΙΟ ΕΥΡΟΠΕΑΝ ΠΑΡΛΙΑΜΕΝΤ
ΠΑΡΛΕΜΕΝΤ ΕΥΡΟΠΕΕΝ ΠΑΡΛΑΙΜΙΝΤ ΝΑ ΗΕΟΡΡΑ ΕΥΡΟΠΣΚΙ ΠΑΡΛΑΜΕΝΤ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΟΠΕΟ
ΕΙΡΟΡΑΣ ΠΑΡΛΑΜΕΝΤΣ ΕΥΡΟΡΟΣ ΠΑΡΛΑΜΕΝΤΑΣ ΕΥΡÓΡΑΙ ΠΑΡΛΑΜΕΝΤ ΙΛ-ΠΑΡΛΑΜΕΝΤ ΕΥΡΟΠΕΥ
ΕΥΡΟΠΕΕΣ ΠΑΡΛΕΜΕΝΤ ΠΑΡΛΑΜΕΝΤ ΕΥΡΟΠΕΪΣΚΙ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΟΠΕΥ ΠΑΡΛΑΜΕΝΤΥΛ ΕΥΡΟΠΕΑΝ
ΕΥΡÓΠΣΚΥ ΠΑΡΛΑΜΕΝΤ ΕΥΡΟΠΣΚΙ ΠΑΡΛΑΜΕΝΤ ΕΥΡΟΟΡΑΝ ΠΑΡΛΑΜΕΝΤΤΙ ΕΥΡΟΡΑΠΑΡΛΑΜΕΝΤΕΤ

The President

Mr Jean-Claude Juncker
President-elect of the European Commission

315402 03.10.2014

Brussels, 3 October 2014

Dear President-elect, dear Jean-Claude,

I am writing to you following the Hearing of the Commissioner-designate for Economic and Financial Affairs, Taxation and Customs, Mr Pierre Moscovici.

At its evaluation meeting, the committee competent for these hearings came to the conclusion that in this case they require further information in order to complete their evaluation. The Chair of the Committee on Economic and Monetary Affairs has asked me to send the following annex.

I would be very grateful if Commissioner-designate Pierre Moscovici could answer the questions directed at him until Tuesday, 7 October 2014, 13.00 o'clock. This would allow for the committee to continue its assessment early next week.

Yours sincerely,

Martin Schulz

ANNEX

Questions to Commissioner-designate for Economic and Financial Affairs, Taxation and Customs, Mr Pierre Moscovici

1. The working relationship between you and the Vice-Presidents is still not fully clear. Could you bring more clarification, including on who is representing the Commission in the different fora? How will you bridge ideological differences between you and the Vice-Presidents?
2. In relation with the SGP could you give precise indications on the necessary conditions under which flexibility may be applied, and to which extent flexibility may be allowed? How do you interpret the concept of “exceptional circumstances” and “severe economic downturn”? Could you please give concrete examples of these concepts?
3. What action should apply to Member States whose budget deficit is constantly above 3% of GDP and which have already been granted an extension of the deadline to bringing down the deficit to Maastricht levels? Under which circumstances would you argue for granting more time or for applying sanctions? What action will you apply to a Member State whose public debt is constantly above 60% of GDP and increasing? Under what circumstances would you not recommend to apply sanctions?
4. You stated that you will revise the Six-pack and simplify it. Can you explain which rules in the Six-pack, EDP and MIP, in your view need simplification and outline more specifically the changes you intend to propose to the law? Could you put such a legislative initiative to the college or would you need approval or a positive recommendation by the Vice-President in charge of the Euro and Social Dialogue? As most of the procedures are based on Article 126 TFEU, which is quite prescriptive as far as the formal proceedings are concerned, do you think there is sufficient scope for simplification? Do you expect the procedure will still be simpler once both co-legislators will have worked on it? Based on the experience of the 6- and 2-Packs, which gestated over the best part of the past mandate, how long do you expect it will take this time between a proposal and the actual entry into force of the newly revised legislation? At the rhythm the economic governance is being overhauled, will there ever be one version that is correctly applied and enforced?
5. The scoreboard was created as an instrument to rapidly identify macroeconomic imbalances inside a country, in order to trigger where necessary an in-depth analysis. This was meant to avoid countries slipping into a situation where they might default on their debt. Could the inclusion of additional indicators result in the reduction of the effectiveness of the scoreboard as an instrument to identify countries that are at risk of severe economic imbalances? Isn't the very comprehensive list of social indicators already included elsewhere properly fulfilling its task? One controversial area within the six-pack, was the macroeconomic scoreboard and the associated procedure for developing the indicators. Can you elaborate on which of the 11 indicators on the scoreboard you intend to keep and which you intend to change?
6. You mentioned the poor track record of the implementation of country specific recommendations in Member States. How do you think your concrete professional experience can help in changing this trend? What concrete measures will you undertake to increase the implementation rate of CSRs by Member States? Please can you give three examples of Country Specific Recommendations that you consider applicable to a country which needed to shift the tax burden away from labour in order to broaden the tax base. What is your view on the possibility to negotiate an interinstitutional agreement for enhancing the EU Semester

process and in particular for the adoption the Annual Growth Survey? What are the legislative and non-legislative reforms you foresee for the EU Semester framework?

7. The two-pack regulation related to Member States experiencing or threatened with serious difficulties with respect to their financial stability foresees that Member States should involve the social partners and civil society organisations in the preparation, implementation, monitoring and evaluation of financial assistance programmes, in accordance with national rules and practice. Current implementation of such provision is particularly poor if any according to these organisations. What do you intend to do for improving the compliance with such obligation?
8. Several Member States came close to a default on their public debt and could only be saved thanks to the solidarity of the other members of the euro area, including through the newly created ESM. Do you think other countries might get into trouble, and what is the probability this might happen? Would you agree that the '*mieux vaut prévenir que guérir*' principle should apply to countries with an already high debt? The European Parliament pointed out in its report on the troika that the ECJ opened the door for integrating the ESM into the community acquis in the 'Pringle' case related to the ESM consistency with the Treaties. Do you commit to look forward for proposing the college of Commissioners to prepare a legal proposal with that purpose?
9. The countries that were saved from a default were all of relatively small size, yet the ESM needed to be a very large instrument, which also proved to be very difficult to set up. Do you think that the EU has the financial capacity and the political will to build up the financial firepower to save large countries from a default? Looking at past experience of the Troika in the case of Greece, what actions would you repeat in the same way, and what would you do differently in cases of countries that are subject to a stabilisation programme? Could you elaborate on what you meant by a European fiscal capacity, as well as on the notion of risk sharing? Which concrete measures will you propose in order to improve the transparency and democratic accountability of European economic policy, the Eurogroup and the troika in particular?
10. You stated your strong support for the FTT. What does this mean in concrete action? Could you explain what concrete step you will undertake for the CCCTB to be implemented? Do you think that the inclusion of taxation in the European Semester will amount to an attempt to harmonise taxation? Would this be in line with the spirit of the Treaty, which foresees unanimity in Council when it comes to taxation issues?
11. Your portfolio as commissioner would include tax policy and you speak of the need to revisit the Common Consolidated Corporate Tax Base proposal. In that process, will you work to ensure that a sufficiently large minimum tax rate is agreed upon, such that corporations operating in Europe pay an increasing contribution to public budgets again?
12. Do you still believe that a devaluation of the Euro is necessary for the success of the Eurozone as a whole? Can and will the Commission act in case of a deflationary scenario? What concrete measures could the Commission envisage?
13. Can you confirm when you will put forward a proposal to establish a single external representation of the euro area based on article 138 TFEU? Could you be more specific on the scope of the proposal and list the international bodies which you foresee the euro area should have a single representation?

14. In your written answers to questions from the ECON committee, you talk about the need of continued consolidation of public deficits in some member states, “by curbing unproductive public spending and rendering revenue systems more efficient”. Can you specify what you mean by “unproductive spending”? In particular, can you exclude the possibility of further cuts to social security and social benefit systems in Europe?
15. Your portfolio as commissioner would include tax policy and you speak of the need to revisit the Common Consolidated Corporate Tax Base proposal. In that process, will you work to ensure that a sufficiently large minimum tax rate is agreed upon, such that corporations operating in Europe pay an increasing contribution to public budgets again?
16. In the investigations opened by the EU Commission against Ireland and Luxemburg for potentially illegal subsidies to Apple and Fiat Investment and Trade, respectively, will you make sure that the practice of offering corporate tax rebates is condemned and punitive fines are levied on the offending member states?
17. The two-pack regulation related to Member States experiencing or threatened with serious difficulties with respect to their financial stability foresees that Member States should involve the social partners and civil society organisations in the preparation, implementation, monitoring and evaluation of financial assistance programmes, in accordance with national rules and practice. Current implementation of such provision is particularly poor if any according to these organisations. What do you intend to do for improving the compliance with such obligation?
18. The current level of average unemployment in the Eurozone is 12.8% is this acceptable and, if not, what is an acceptable level for you to say the EU economic policies are working?
19. If the level of unemployment rises what is the level that you would suggest indicates that your department has not implemented policies that are working?

In addition to the further information requested by the ECON Committee, the IMCO Committee has put forward additional questions to those put forward at the hearing on 2 October 2014:

- Despite the restrictive ECJ Judgment of April 2014 regarding data retention (Joined Cases C-293/12 and C-594/12, 8 April 2014), DG TAXUD and OLAF plan the establishment of a large database, with inter alia the aim to tackle tax fraud and to thus ensure correct tax revenue. The database would contain bulk data for customs purposes which would also include personal data as well as data on economic operators. In light of the ECJ judgment: what is your view in terms of legality and proportionality of the bulk storage and processing of such huge amounts of data? In your view, how can be ensured that these vast amounts of sensitive data cannot be accessed by third countries and other unauthorized persons/institutions?
- The Commission is currently developing Delegated and Implementing Acts for the recently adopted Union Customs Code. How will the Commissioner ensure that the Delegated and Implementing Acts provide for further trade facilitation and is the Commissioner prepared to conduct an impact assessment if some of the elements proposed in the Implementing or Delegated Acts have major consequences on legitimate trade? Taking into account the vast amount of provisions related to the delegated and implementing acts to be adopted for the

Union Customs Code, which concrete measures will the Commissioner take to ensure proper participation of and information to the Parliament? This legislation will be supplemented by the proposed Directive on customs infringements and sanctions which is currently blocked in the Council. Do you commit to defend the text proposed by the Commission in order to tackle different enforcements of Customs legislation within the European Union which have a negative impact on the level playing field between economic operators?

- What specific measures does the Commissioner-designate foresee to improve the interaction between Member State customs and market surveillance authorities in view of the need to better ensure that counterfeit and/or dangerous products do not find their way onto the EU market?