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The President

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

Brussels, 2 October 2014

Dear President-elect, dear Jean-Claude,

I am writing to you following the Hearings of three Commissioner-designate, the Commissioner-designate for Justice, Consumers and Gender Equality, Ms Vera Jourová, the Commissioner designate for Financial Stability, Financial Services and Capital Markets Union, Mr Jonathan Hill and the Commissioner designate for Education, Culture, Youth and Citizenship, Mr Tibor Navracsecs.

At their evaluation meetings, the committees competent for these hearings came to the conclusion that in these three cases they require further information in order to complete their evaluation. The Chairs of these committees have asked me to send the following three annexes to you.

I would be very grateful if the Commissioners in question could answer the questions directed at them until Sunday, 5 October 2014, 21.00 o'clock. This would allow for the committees to continue their assessment early next week.

Yours sincerely,

**Martin Schulz**

## **ANNEX I:**

### **Commissioner-designate for Justice, Consumers and Gender Equality, Ms. Vera Jourová**

As far as the Committee on Legal Affairs is concerned:

In view of Ms Jourová's replies to the questions asked in the hearing, the Committee on Legal Affairs would be grateful if the Commissioner-designate could clarify the following points:

#### On better law-making:

1. On the matter of the implementation of EU law in the Member States, what precise measures does the Commissioner-designate envisage?
2. With regard to REFIT and the associated Smart Regulation programmes, what specific initiatives does the Commissioner-designate intend to take to ensure better law-making?

#### On civil justice measures:

3. Following on the answer given by the Commissioner-designate on the recognition of public documents, could she clarify when and in what form a proposal on the recognition of the content of civil status documents will be made? Would such a proposal include the recognition of registered partnerships in its scope?
4. On another aspect of civil law, could the Commissioner-designate state under what precise conditions she would be prepared to present a legislative proposal on collective redress? If such a proposal were to be made, would the scope cover only consumers or also other claimants?

#### On company law:

5. The committee would like to ask the Commissioner-designate to clarify her position on the cross-border transfer of company seats. Will such a proposal be forthcoming?
6. Concerning the proposal for a Single-Member Company, could the Commissioner-designate state whether she sees any increased danger of letter-box companies, social dumping, fake self-employment or money laundering?
7. On the matter of minimum standards for stakeholder and employee involvement, does the Commissioner-designate see a need for the greater involvement of stakeholders who are not shareholders, and if so, how will this be reflected in legislative proposals?
8. On the 'women on boards' proposal, could the Commissioner-designate be more specific on how she intends to make progress, and what her position is on exceptions and sanctions?
9. On the codification of company law, could the Commissioner-designate confirm that she intends to take an initiative to merge the existing company law directives into a single instrument? Would that be a priority action or a long-term goal? What specific benefit would that bring for companies?

#### On contract law:

10. Following on from the answer given by the Commissioner-designate on the proposal for a Common European Sales Law, could she confirm that she believes that the limitation of the

scope to online contracts could pave the way for this proposal to be welcomed by the Council? What concrete steps does she envisage in order to boost the procedure in the Council and remove the deadlock?

On international regulatory issues:

11. Could the Commissioner-designate clarify what she stated about arbitration clauses in international investment treaties?
12. In the context of international regulatory convergence, how does the Commissioner-designate intend to approach simplifying compliance with requirements placed on companies when often they are operating across many different borders, not just those within the EU? Do we need further work with international partners in the area of corporate reporting to achieve these aims?

As far as Committee on Civil Liberties, Justice and Home Affairs is concerned:

Taking into account Ms Jourová's replies, the LIBE committee would be grateful if she could clarify the following points:

Data Protection and Safe Harbour

13. On 12 March 2014 the Parliament adopted its first reading setting out a high level of protection of personal data. However, the Council has not yet been able to reach a general approach. In the written answer you have indicated that the adoption of the data protection package within 6 months is one of your priorities. What will you do to ensure that the data protection package is compatible with a uniform, high and robust level of protection, thus not undermining the level currently afforded by Union law nor the trust of EU citizens?
14. The European Parliament has repeatedly called on the Commission to suspend the Safe Harbour adequacy decision (most recently in its resolution of 12 March 2014 on electronic mass surveillance). At the hearing you indicated that the Safe Harbour raises serious concerns and that in the absence of an adequate level of protection required by Union law, other instruments should be used for transatlantic data transfers. You also indicated that you intend to conduct an evaluation of Safe Harbour before taking a decision.
15. As various studies and analyses have shown that the Safe Harbour does not meet Union law requirements and as the Commission has highlighted 13 types of deficiencies, could you provide detailed reasons why an additional evaluation would still be needed? Could you clarify whether you are ready or not to repeal the Safe Harbour and consider alternative options which are better in line with EU law? In case of alternative options, what would they be?

European Arrest Warrant (EAW)

16. In its resolution of 27 February 2014 on the European Arrest Warrant (adopted with a very large majority) the European Parliament called on the Commission to submit, within a year, on the basis of Article 82 of the TFEU, legislative proposals in order to address several shortcomings in the functioning of the EAW as a mutual recognition instrument. The resolution refers not only to the lack of a proportionality test and a fundamental rights exception but also addresses other shortcomings in the EAW mechanism. In your replies you seemed to exclude any legislative initiatives in this field (in line with written responses

received from the Commission services in July): do you confirm this position? Could you give detailed reasons?

#### European Public Prosecutor's Office (EPPO)

17. The Commission's proposal on the European Public Prosecutor Office sought to be cost-efficient for the EU budget, using part of OLAF resources for setting up the headquarters of the EPPO and relying on the administrative support of Eurojust. In its resolution adopted in March 2014, the European Parliament clearly asked for an updated financial statement taking account of potential amendments by the legislator. Considering the current budgetary and staff reductions in the Union Institutions and agencies, could you clarify how will you ensure the effectiveness of this newly set-up European body while entailing very limited costs?

#### Freedom of movement

18. Freedom of movement and of residence in the territory of the European Union is one of the fundamental rights of EU citizens, as recognized in Article 45 of the Charter of Fundamental Rights and in Article 21 TFEU. Moreover, in its resolution of 27 February 2014 on the situation of fundamental rights in the European Union, the European Parliament noted that "the recent labelling of free movement as migration to benefit from social security systems is not based on facts" (paragraph 86). During the hearing, you indicated that the Commission is evaluating cases of abuse of freedom of movement and of States' social security systems, and that it would come forward with a proposal to solve this problem, including, if necessary, through a legislative initiative. Could you clarify your statement and indicate which possible actions you consider necessary and compatible with the right to free movement?

#### Anti-discrimination policy

19. In its resolution of 4 February 2014, the European Parliament called on the Commission, the Member States and relevant agencies to work jointly on a comprehensive multiannual policy to protect the fundamental rights of LGBTI people (e.g. a roadmap). Could you clarify what kind of action you are going to take to ensure the effective protection of the rights of LGBTI people?
20. What kind of action should be taken at Commission level to ensure the full respect of the rights of people belonging to minorities, including Roma and those of people with disabilities? As the rights of people with disabilities are fundamental rights, could you explain the reasons for moving the Unit dealing with "Rights of Persons with Disabilities" from DG Justice to DG Employment, Social Affairs and Inclusion?

#### Fight against transnational fighters

21. You have indicated that in order to fight against terrorism "foreign fighters" from EU origin could be prosecuted on the basis of national criminal law legislative provisions. Could you clarify whether you consider that in such a situation no action is required at EU level?

#### Effective leadership and decision-making process

22. In the fields of data protection, the rule of law and fundamental rights your responsibilities are to be shared with other Commissioners as well as with Vice-Presidents. You have indicated that you would work with them in a cooperative and constructive manner. Could you be more

specific on how this procedure would work as regards each of the above-mentioned policy areas?

23. Could you explain more precisely how - in a policy area like data protection where not less than 4 Commissioners would be involved – such a structure could be of practical added value? Compared to your predecessor's role, is it possible that this complex structure will result in a lack of leadership which could negatively affect the negotiations on the data protection package as well as prove detrimental to the interests of the EU in its relations with third-countries?

As far as Committee on the Internal Market and Consumer Protection is concerned:

The Committee considered that Ms Jourová displayed the aptitude and professional experience that are appropriate for a Commissioner.

They welcomed her commitment to promote a European consumer rights framework.

In her response to questions, Ms Jourová displayed some general knowledge of the activities that would be entrusted to her. However, Members felt that she was reluctant to make precise commitments, ahead of her confirmation as full Commissioner. Members considered that she was very cautious and would have expected her to provide more concrete responses and to clearly express her personal views on the discussed subjects. Notably, she did not express herself on the underlying legal approach which will be followed for future consumer protection legislation. As a consequence, the IMCO Committee invites the Commissioner-designate to clearly indicate in written form:

24. How she intends to ensure consumer protection in legislative proposals and the approach she believes should be taken with regard to the principle of harmonisation;
25. How she intends to ensure compatibility between the Consumer Rights Directive and CESL, without weakening consumer protection.

As far as the Committee on Women's Rights and Gender Equality is concerned:

Maternity leave:

26. The European Parliament adopted its position on the proposal already in 2010. Will you maintain the so-called "Maternity leave directive" on the Commission work programme? As Mrs Thyssen clearly stated in her hearing she is ready for negotiations on the existing text; can you specify the modalities of collaboration between your respective services? How will you proceed concretely to encourage the Council to enter the negotiations and what is your envisaged timeframe? Can you explain the concrete and immediate steps you will take to unblock the situation in Council, and can you clarify your timeframe?

Violence against women:

27. Violence against women: during the hearing, you said that you would organise debates in 2015 to evaluate a new comprehensive strategy on VAW including intensive monitoring of existing legislation (e.g. Victim's Package) and extensive dialogues with all key stakeholders concerned. Moreover, recently the European Parliament adopted the Parvanova report. Also in March 2014, the Fundamental Rights Agency published an extensive study on the subject (<http://fra.europa.eu/en/publication/2014/vaw-survey-main-results>) providing an extensive set of data and recommendations which could be a good starting point. Also, the Directive on Trafficking in Human Beings is now implemented in the Member States. Given the fact that

trafficking affects to a large extent women and girls, how do you plan to monitor its implementation and what would be the next steps as regards the action to combat trafficking?

EU strategy for equality post-2015

28. In your written answer to the FEMM committee question on the evaluation of the failures and successes of the current Strategy for equality between women and men (2010-2015), you state that you "strongly believe that we need a clear approach on equality and (you) will make it a priority to explore further options for a renewed strategy". Apart from the "unfinished business", what are the "further options" you want to explore concretely? Which strategic framework do you intend to put into place and what are your concrete proposals/guidelines for the new EU strategy? What would be your timeline? You referred to an Action Plan with legislative and non-legislative measures, could you provide more details on the specific measures envisaged? Do you identify specific EU measures to reduce poverty among women and legally regulate these issues?

Istanbul Convention:

29. In the hearing you said that you would like Member States and the Union to sign and ratify the Convention; how will you encourage Member States to do so? Do you commit yourself to propose a text for the EU ratification of the Convention?

Gender mainstreaming:

30. What concrete measures (e.g. strategy, plan of action) are you intending to take in order to ensure that gender mainstreaming is properly implemented within all the policies by the European Commission and the College of Commissioners? Moreover, you said that you would propose a text to ensure a better representation of women in the College, is it a personal commitment?

Women on boards:

31. How do you intend to deliver on the "Women on boards" proposal as a first step for more board diversity? What steps will you take to ensure the early adoption of the proposal? Do you support Parliament's position with regard to the exception for companies where the members of the underrepresented sex represent less than ten per cent of the workforce? Do you support the extended list of sanctions such as the exclusion from public calls for tenders?

Complex portfolio:

32. The hearing has revealed the broadness and complexity of the portfolio. How do you concretely plan to organise your work in the four wide-ranging fields of our parliamentary committees within your services and what will you do to guarantee that all policy areas receive your equal attention?

## ANNEX II:

### **Questions to Commissioner-designate for Financial Stability, Financial Services and Capital Markets Union, Mr. Jonathan Hill**

#### Committee on Economic and Monetary Affairs Committee

1. What is your vision of a well-regulated and integrated Capital Markets Union? How do you define the concept, what are its features and what are in your opinion the three most important elements to achieve a Capital Markets Union?
2. What are the main barriers to creating a Capital Markets Union? What specifically needs to be done for these barriers to be removed? Which ones will you be giving priority and why?
3. If securitisation is to be revived, please outline your view of how it can be made safe and how it will lead to growth and jobs.
4. What legislation can be adapted or introduced to support the further development and diversification of capital markets? How would this lead to SME's gaining better access to long term funding via capital markets?
5. What recommendations would you suggest with regards to digital currencies like bitcoin?
6. What is your opinion on high frequency trading in general and its compatibility with the need to stimulate long term financing?
7. The Chair of the European Banking Authority indicated that certain banks might not pass the on-going stress tests. Should this happen, what action would you take?
8. Could you provide details on how you see the distribution of responsibilities between yourself and Commissioners-designate Moscovici and Katainen in respect of issues in ECON's field of competence, as well as the distribution of responsibilities between yourself, Commissioners-designate Moscovici and Dombrovskis, particularly with regard to the external representation of matters concerning the euro area?
9. Taking into account the previous commitments of the Commission, are you in favour of a Single EU Deposit Guarantee Scheme? Will you make a legislative proposal to that effect, and if so when?
10. Can you make a clear commitment that when legislating for the EU28 you will guarantee the integrity of the single market and neither propose nor support to introduce double majority voting applicable to euro area and non-euro area Member States such as in EBA?
11. How do you intend to deal with discrepancies between EU and other important jurisdictions, notably USA? Which approach do you intend to take on third-country equivalence decisions? How do you plan to involve the European Parliament in third-country related matters?
12. Will you keep the European Parliament fully informed about the work being done in international bodies such as the FSB, Basel Committee, the IASB, and guarantee that unnecessary and unadapted rules for the EU financial sector are being avoided?
13. What do you think of the proposals on Eurobonds made by the Commission in the Green Paper on the feasibility of introducing Stability Bonds?
14. What do you think about payment regulation and the fact that payments in the Member States to suppliers should be done within 60 or 90 days at most?

15. You agreed that the problem of “too-big-to-fail” banks is important and persists. Can you outline how you intend to address it through legislation currently on the table and, potentially, new initiatives? Can you outline what a healthy European banking system looks like?
16. The IMF is warning about an uncontrolled rise of shadow banking activities. You stated a need to be vigilant of the risks such activities entail but also to distinguish economically useful activities of this kind from others. Can you outline how you propose to detect these activities, assess their utility and ensure the application of the principle of “same risks, same rules”? In this regard, what is your opinion about the key provisions regarding the Commission legislative proposal on Money Market Funds?
17. You made several references in your written and oral answers to ECON about the possibility that we “may have got it wrong” in certain aspects of financial markets regulation and their interactions to the detriment of the real economy. Can you provide some examples of areas where this could be the case? Can you outline how you propose to detect such cases?
18. You mentioned in your written responses that one of the key features of this parliamentary term will be the renegotiation of the relationship between the UK and EU. As a senior member of the UK government, you will be fully aware of any contentious areas in the financial services portfolio. Could you outline what they are and what strategy you would suggest to deal with potential conflicts between UK and EU objectives?
19. You committed yourself to the principle of proportionality. Can you outline measures and proposals you want to put forward in order to ensure that small and low complexity financial actors will not be pushed out of the market because of regulatory burden?
20. Could you provide the committee with a complete list of the financial services clients you personally, or the companies in which you held directorships or shares, worked for?
21. Do you agree that financing of the three European Supervisory Authorities wholly by the sectors they supervise, as indicated in the mission letter by President-elect Juncker, is simply taxation through the back door?
22. Could you provide us with a specific figure/estimate on the size of the implicit funding subsidy for Too Big to Fail Banks by taxpayers in the EU and how you envisage removing that subsidy by means of banking regulation?
23. In relation to the Commission proposal on Benchmarks, there is significant pressure to extend or increase the number of definitions of benchmarks. Do you take the view that it is appropriate to have different supervisory rules for different benchmarks, depending on their importance, which could give rise to regulatory arbitrage, or do you think it is better to have a simple supervisory rule that applies to all benchmarks?

## **ANNEX III:**

### **Questions to Commissioner-designate for Education, Culture, Youth and Citizenship, Mr. Tibor Navracsics**

#### Committee on Culture and Education

1. In the Europe for Citizens programme, citizens have the opportunity to be involved in transnational exchanges and cooperation activities, contributing to developing a sense of belonging to common European ideals and encouraging the process of European integration. European values such as freedom, democracy and the preservation of peace are promoted. For the stated reasons, the Europe for Citizen Programme is one of the most important European programmes. However, the budget for this programme has again been reduced by 24%. What priority will you give this programme and how will you, in concrete terms, counteract the decreases in the budget?
2. You have positively mentioned the Bologna process. Does the process facilitate the achievement of target of higher quality and global competitiveness of European universities? Can you explain and evaluate how the current stage of the Bologna process helps to achieve a permeable European Higher Education Area, especially with regard to students' and workers' mobility? Do you think that the Bologna process fulfils its targets or would you have any suggestions for possible improvement in order to better meet its goals?
3. During the hearing you highlighted the fact that you personally were the moderator/negotiator between the European Council and Hungarian Government to settle the disputes on the Hungarian Media Law which was under heavy criticism for its non-compliance with the European values. You said that the Media Law was modified in such a way that it now completely corresponds to the values of the EU.

Could you please explain in detail how the Hungarian Media Law does not jeopardize fundamental rights and press freedom, but instead, does correspond completely to the European values by:

- requiring registration of all media, including online media such as forums and blogs,
  - obliging all media to engage in balanced coverage of national and European events,
  - making the Media Authority subject to political control through the appointment process,
  - introducing in July 2014 a new Tax Law that, according to the EU Commission, directly affect one of the few media channels in Hungary considered neutral since it does not promote a pro-government line (RTL)?
4. The importance of education in terms of socialisation and setting a worldview of young Europeans is obvious. Regretfully, Hungary is well-known for its highly controversial policies in the field of education. Most important examples of these include over-centralisation of primary education, control over content of textbooks, enhanced role of the church in school education. Furthermore, Hungary financial support of higher education studies is now dependent on student's obligation to work in Hungary for a rather long time. You stated that this grant system is not a great solution but is the only solution to keep young Hungarians in Hungary. It is beyond reasonable doubts that this policy in higher education undermines freedom of movement - one of the basic principles of the Union.

During the hearing you also said: "If there were anti-European trends in Hungarian education system, I would fight against it". By stating this you are denying the very existence of any

problems in Hungarian education policy. As a commissioner-designate you promised to serve the EU values at your best.

Could you please comment on this contradiction in your statements mentioned above?

5. With regard to the Hungarian media reform and the judiciary system reform, are you ready to officially and publicly state that, in their original draft (that you inspired); they were not in line with the Charter of Fundamental Rights of the EU? Therefore, are you ready to officially and publicly condemn them and take official distance from the stances of your party FIDESZ, the Hungarian government and your Prime Minister Viktor Orbán?
6. What are the concrete aspects concerning the educational infrastructure that you will present to the future Vice-President Mr Katainen? How do you intend to achieve an increase in the investments for education and culture, given the current recession, the draconian austerity policies that are in place in several countries and the tight budgetary constraints that have to be followed?