

LATVIAN MINISTER OF ECONOMICS PRESENT THE LATVIAN PRESIDENCY OF THE EU PRIORITIES FOR INTERNAL MARKET AND CONSUMER RIGHTS AT THE EP

On 21 January 2015, the Minister of Economics of Latvia, Dana Reizniece – Ozola, presented the priorities and programme of the Latvian Presidency in the areas of Internal market policy and consumer rights to the Committee of the Internal Market and Consumer Protection of the European Parliament. She stated their main goal is to **promote growth**, create jobs and **foster competitiveness of the European Union** to secure Europe's position in the global economy.

Latvian Presidency wants to see, **firstly, Competitive Europe, which supports SMEs** and fosters industrial development; secondly, Digital Europe by protecting consumers and spurring innovations, and thirdly, Engaged Europe to

reinforce the role of the EU globally.

Latvia is ready to work towards a Single Market that ensures effective regulatory framework, is founded on mutual trust, allows free movement of goods and services and exploits all digital opportunities for growth.

"We are planning to look at the Digital Single Market from two points of view: that of consumers, that should be able to safely buy a wide range of digital products and services and use them wherever they are, and **that of entrepreneurs that should be able to innovate and operate everywhere in the EU**. Digital by default should be a self-evident principle in building a Single Market regulatory framework," emphasized Dana Reizniece-Ozola.

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LATVIAN PRESIDENCY PRIORITIES IN ECONOMICS PRESENTED AT EP ECON COMMITTEE

On Wednesday, 21 January, Finance minister of Latvia Mr Janis Reirs had a meeting and exchanged opinions with Members of the Economic and Monetary Committee (ECON) of the European Parliament. The discussion in the meeting focused on the overall economic growth of the European Union (EU) and the necessary implementation of well thought-out economic, financial and fiscal policy, as well as the goal to put into practice the Investment Plan for Europe as soon as possible.

As the main directions that will characterize cooperation with ECON Committee Members during the Latvian Presidency the Minister mentioned **competitiveness, investment, economic governance, bank union, financial market regulation** and tax policy issues.

Speaking further about the economic growth the minister noted that Europe should

become more competitive to achieve growth. **He further explained that investment should be promoted, in particular, in new, competitive products and services.** "Only through the development of a competitive sector of industry and services Europe can promote creation of jobs and thus ensure social cohesion," said Mr. Reirs. He further explained that our common goal can be achieved with growth-facilitating investment measures, which are strongly rooted in effective structural reforms and a thought-out fiscal policy. Speaking about the banking union J. Reirs mentioned that already last year a number of important steps were made to provide banks with a better possibility to restore crediting and facilitate more active financing of growth. Latvia during its presidency will be obliged to ensure smooth functioning of the recently launched mechanisms of the banking union.

Regarding tax policy, Latvia's priority during its presidency will be development of the legislation restricting tax evasion or aggressive tax planning. In this field it **is planned to work on such issues as automatic exchange of tax information about cross-border tax rulings**, as well as to continue the work done by the Italian Presidency in order to develop a roadmap on base erosion and profit shifting in the EU. Latvia will also actively follow the work commenced in the field of harmful business taxation regimes, notably with regard to "patent box" regimes and negotiations with third countries.

Council indicated that the model as it resulted from the technical work so far would confront data subjects with such a complicated system that it would be incompatible with the right to an effective remedy.

EUROPEAN STATISTICS: COUNCIL AGREES RULES TO IMPROVE DATA FOR POLICYMAKERS

The Council approved on 27th January 2015 an agreement reached with the European Parliament on new rules aimed at ensuring the quality and reliability of EU statistics. The new rules, amending regulation 223/2009, are intended to help policymakers take decisions on the basis of better statistics.

Recent economic developments have shown the importance of credible statistics so that the public and financial markets can trust evidence-based policy decisions. Demand for reliable data increased further with enhanced economic policy coordination introduced at EU level since 2011. And equally important is the credibility of the institutions that produce statistics.

Professional independence

The draft regulation amends the legal framework for EU statistics, strengthening governance of the European statistical system (ESS). The ESS is a partnership between Eurostat, the EU's statistical authority, and national statistical institutes (NSIs) and other national authorities with responsibility for statistics. Its

mission is to provide reliable and comparable statistics at EU level. The professional independence of national statistical authorities is key. The professional independence of Eurostat is also reaffirmed.

Autonomy and accountability

The amending regulation requires that heads of NSIs have the sole responsibility for deciding on processes, statistical methods, standards and procedures, and on the content and timing of statistical releases and publications for all European statistics. Heads of NSIs must neither seek nor receive instructions from national governments or other bodies. Heads of NSIs should publish guidelines, where necessary, for ensuring quality statistics. They should be responsible for compliance with those guidelines within their NSIs, and should publish an annual report on their activities.

Commitments by the member states and the Commission

To ensure public trust in European statistics and progress in implementation of the ESS European statistics code of practice, member

states and the Commission are required to establish "commitments on confidence in statistics". Each commitment on confidence will be monitored by the Commission on the basis of annual reports by the member state.

The European statistics code of practice was adopted in 2005 and revised in 2011. It sets out 15 principles for the production and dissemination of statistics and the institutional environment in which EU and national statistical authorities operate. Indicators of good practice are set for each of the principles. The amending regulation also reinforces a legal framework on access to administrative records for the production of European statistics.

Negotiations with the Parliament were led by the presidency, on the basis of a position established by the Council in February 2014. Agreement was reached on 3 December 2014. The Council's approval of that outcome paves the way for adoption of the regulation at second reading.

MONEY LAUNDERING: COMPROMISE EP/COUNCIL TEXT ADOPTED BY EP ECON AND LIBE COMMITTEES WANTS TO PUT IN PLACE CENTRAL REGISTERS OF ULTIMATE OWNERS OF COMPANIES

The ultimate owners of companies will have to be listed in central registers in EU countries, open both to the authorities and to people with a "legitimate interest", such as journalists, under a Parliament/Council deal endorsed by the Economic and Monetary Affairs and Civil Liberties committees on 27/01/2015. The new anti-money laundering directive aims to help to fight money laundering, tax crimes and terrorist financing. New rules to make it easier to trace transfers of funds were also approved.

The fourth anti-money laundering directive (AMLD) will for the first time oblige EU member states to keep central registers of information on the ultimate "beneficial" owners of corporate and other legal entities, as well as trusts. (A "beneficial" owner actually owns or controls a company and its activities and ultimately authorises transactions, whether such ownership is exercised directly or by a proxy). **These central registers were not envisaged in the European Commission's initial proposal, but were included by MEPs in negotiations.**

Recital 11 and article 29 of the proposal state that it **will be up to the Member States to decide if these central registers are central database or business register or another central register**, leaving possibility for public /private partnerships on the register maintenance. However, the data processed in these registers will be used for money laundering fight and activities considered in the directive, as recital 31 makes it clear that further processing of personal data for commercial purposes is prohibited;

Article **29 -3** states that "*Member States shall ensure that the information on beneficial ownership is held in a central register in each Member State, for example a commercial register, companies register as referred to in article 3 of the Directive 2009/101/EC of the European Parliament and of the Council, or a public register. Member States shall notify to the Commission the characteristics of these national mechanisms. The information on beneficial ownership contained in this database may be collected in accordance with national systems.*"

Article **29-4** insists that the information held in the central register is "*adequate, accurate and current*". And article **29-5** says that information on beneficial ownership should be available to people with legitimate interest access and that "*[...] Access to the information on beneficial ownership shall be in accordance with data protection rules and may be subject to online registration and to the payment of a fee. The fees charged for obtaining the information shall not exceed the administrative costs thereof.*"

And **Art 39 a 2** clearly states that *“Personal data shall only be processed by obliged entities on the basis of this Directive for the purposes of the prevention of money laundering and terrorist financing as referred to in Article 1 and not further processed in a way incompatible with those purposes. The processing of personal data on the basis of this Directive for any other purposes such as commercial purposes, shall be prohibited.”*

The text also requires banks, auditors, lawyers, real estate agents and casinos, among others, to be more vigilant about suspicious transactions made by their clients.

"Legitimate interest" access

The central registers will be accessible to the authorities and their financial intelligence units (without any restriction), to "obliged entities" (such as banks conducting their "customer due diligence" duties), and also to the public (although public access may be subject to online registration of the person requesting it and to a fee to cover administrative costs). To access a register, a person will in any event have to demonstrate a "legitimate interest" in suspected money laundering, terrorist financing and in "predicate" offences that may help to finance them, such as corruption, tax crimes and fraud.

These persons (e.g. investigative journalists) could access information such as the beneficial owner's name, month and year of birth, nationality, country of residence and details of ownership. Any exemption to the access provided by member states will be possible only "on a case-by-case basis, in exceptional circumstances". Central register information on trusts will be accessible only to the authorities and "obliged entities".

Special measures for “politically-exposed” persons

The deal also clarifies the rules on "politically-exposed" persons", i.e. people at a higher than usual risk of corruption due to the political positions they hold, such as heads of state, members of government, supreme court judges, and members of parliaments, as well as their family members. Where there are high-risk business relationships with such persons, additional measures should be put in place, e.g. to establish the source of wealth and source of funds involved, says the text.

Tracing transfers of funds

MEPs also approved a deal on a draft "transfers of funds" regulation, which aims to improve the traceability of payers and payees and their assets.

The two deals still need to be endorsed by the full Parliament (March or April) and by the EU Council of Ministers. Member states will then have two years to transpose the anti-money laundering directive into their national laws.

FEBIS– Federation of Business Information Services

Benefiting from the opening of markets within Europe and overseas, world-wide business has experienced substantial growth. As business grows so does the demand for business information, in particular, intelligence for cross-border business activities.

In 1973, leading European credit information agencies joined forces to form the Federation of Business Information Services FEBIS (initially known as FECRO), with its registered office in Frankfurt. Today, FEBIS has developed into a sizable organization comprising more than 60 full Members from all over the world involved in providing Business Information and Debt Collection services of National and International importance.

Supported by a combined workforce of more than 20,000 staff, FEBIS Members generate over 180 million Business Information and Consumer reports annually for over 500,000 organizations, providing these clients with invaluable business support. Aggregate sales turnover of FEBIS Members is in excess of €2.5 Billion.

As the industry association, FEBIS strives to look after common interests of its members. While monitoring new legislation like data protection laws and insolvency laws, FEBIS also oversees and the application of public sources and information.